



WP&M Real Estate Group, LLC.  
11433 Cronridge Drive  
Owings Mill, MD 21117  
443-796-7400

# Disclosure for Maryland Resale WPM-A01307

Council of Unit Owners of Annen Woods Condominium No. 2  
This certificate has been prepared on 10/23/19  
on behalf of Life Estate of Pearl K. Koenig owner(s) of  
2 Candlemaker Ct. - Unit 101 , Pikesville, MD 21208.  
Purchaser(s) is/are AUCTION - TBD.

The Maryland Condominium Act, **Section 11-135(a)**, refers to specific information and statements to be obtained from the council of unit owners and provided to the purchaser prior to the contract date of disposition. This Certificate for Condominium Resale is in response to those specific requirements.

This Certificate is valid for ninety days from the date of issuance per WPM Real Estate Management's policy.

Any unit owner, either as seller or purchaser, should review carefully this Certificate for Condominium Resale and all attached documents. Please consult with your real estate agent or attorney pertaining to any specific questions or concerns.

**SECTION 11-135(a)** of the Maryland Condominium Act requires that the purchaser be furnished with a copy of the declaration (other than the plats), the bylaws and the rules or regulations of the condominium:

**Please see attached documents.**

(i) A statement disclosing the effect of the proposed conveyance of any right of first refusal or other restraint on the free alienability of the unit other than any restraint created by the unit owner:

**The condominium instruments do not create any rights of first refusal or other restraints per se on free alienability of the condominium units. However, the covenants, conditions, and rules/regulations set forth in the Governing Documents do impose certain restrictions that are binding on all condominium owners and occupants. These should be reviewed and understood by all successors in title to condominium units.**

(ii) A statement setting forth the amount of the common expense assessment and any unpaid common expense or special assessment adopted by the council of unit owners that is due and payable from the selling unit owner:

**Current Balance for this unit: \$0.00**

**SECTION 11-135(a)** of the Maryland Condominium Act also requires that the purchaser be furnished with a certificate containing the following information:

Assessment: \$525.00 due Monthly on the first day of each month

Late Fee: \$15.00 will be applied to any payment received 15 days after the due date

Is there a special assessment for this condominium?

**None noted at this time.**

(iii) A statement of any other fees payable by the unit owners to the council of unit owners.

**None noted at this time**



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## Disclosure for Maryland Resale WPM-A01307

(iv) A statement of any capital expenditures approved by the council of unit owners planned at the time of the conveyance which are not reflected in the current operating budget disclosed under subparagraph (vi) of this item:

**None noted at this time**

(v) The most recent regularly prepared balance sheet and income expense statement, if any, of the condominium.

**Please see attached financial statements.**

(vi) The current operating budget of the condominium including the current reserve study report, a statement of the status and amount of any reserve or replacement fund, or a statement that there is no reserve fund.

**Budget attached. A copy of the reserve study report or a summary of the report can be found as an additional link/attachment titled, Reserve Summary, for this resale package. As of August 31, 2019 the Reserve Fund amount is \$367,160.28.**

(vii) A statement of any unsatisfied judgments or pending lawsuits to which the council of unit owners is a party, excluding assessment collection suits.

**To the best of WPM Real Estate Management's knowledge, as of the date of this certificate, there are no existing unsatisfied judgments against the Association, or pending lawsuits where the Association is named party to.**

(viii) A statement generally describing any insurance policies provided for the benefit of unit owners, a notice that copies of the policy are available for inspection, stating the location at which the copies are available, and a notice that the terms of the policy prevail over the description:

The council of unit owners maintains property and liability coverage for all common property. Unit owners should obtain individual coverage for their personal property and liability. Copies of the condominium's policies are available for inspection as follows:

Insurance Carrier:	Greater New York
Agency:	Schoenfeld Insurance
Phone:	410-602-2000
Fax:	410-602-1160

**Members should obtain their own insurance coverage on their units. All property casualty losses under the master insurance policy are subject to a deductible in the amount of \$5,000. In the event of a property casualty covered by the master insurance policy, the owner of the unit where the damage originated is responsible for the master insurance policy deductible.**

**The terms of the policies prevail over the above description.**

(ix) A statement as to whether the council of unit owners has actual knowledge of any violation of the health or building codes with respect to the unit, the limited common elements assigned to the unit, or any other portion of the condominium;

**None noted at this time.**



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## Disclosure for Maryland Resale **WPM-A01307**

(x) A description of any recreational or other facilities which are to be used by the unit owners or maintained by them or the council of unit owners, and a statement as to whether or not they are to be a part of the common elements:

**Gatehouse, Pool, Clubhouse and Tennis Courts as maintained by Annen Woods Maintenance Corporation.**

### **Part of Common Elements: Yes**

In addition to the information contained herein and attached hereto, to fulfill the requirements of the resale contract, you will need a statement by the unit owner(s) as to knowledge of the following:

- (i) That any alteration to the unit or to the limited common elements assigned to the unit violates any provision of the declaration, bylaws, or rules and regulations;
- (ii) Of any violation of the health or building codes with respect to the unit or the limited common elements assigned to the unit; and
- (iii) That the unit is subject to an extended lease under §11-137 of this title or under local law, and if so, a copy of the lease must be provided; and
- (iv) A written notice of the unit owner's responsibility for the council of unit owners' property deductible and the amount of the deductible.

This disclosure packet was prepared by WPM Real Estate Management on behalf of Council of Unit Owners of Annen Woods Condominium No. 2 on 10/23/19.

This Certificate is valid for ninety days from the date of issuance per WPM Real Estate Management's policy.

### **ADDITIONAL COMMENTS**

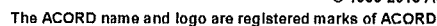
As an owner in Annen Woods Condominium No. 2 you are also a member of the Annen Woods Maintenance Corporation, documents included.

Prior to closing, a payoff statement request needs to be ordered by the Title Company. Please inform the Title Company, the request can be ordered through: [settlements@wpmlc.com](mailto:settlements@wpmlc.com). There is no charge for a payoff request. An administrative fee of \$75.00 is due at settlement and payable to the management company.

0107 Annen Woods Maintenance Corporation 2019 Association Budget								
	Account	2016	2017	2018	Remaining	Tot-2018	Tot-2018	2019
	Number	Actual	Actual	YTD	Projected	Projected	Budget	Approved
	Income							2%
1	41000 Assessments	532,500	515,634	298,453	213,181	511,634	511,634	519,778
2	41003 Assessment Reserve Contribut	46,410	46,410	29,406	21,004	50,410	50,410	50,410
4	42370 Facility Rental	2,050	1,600	1,688	1,206	2,894	2,000	2,000
5	42545 Security Income	1,410	1,448	466	333	799	600	600
8	44001 Interest On Checking	66	73	40	29	69	0	0
9	Total Income	582,436	565,165	330,053	235,752	565,805	564,644	572,788
	EXPENSES							
	Payroll							
10	50120 Maintenance Salaries	150,374	128,018	83,985	59,989	143,974	151,977	162,003
11	50240 Bonuses	2,791	2,369	0	2,757	2,757	2,757	2,998
12	50250 Temporary Staffing	1,962	11,494	1,281	915	2,196	5,576	5,576
14	50310 FICA Payroll Taxes	11,563	10,134	6,312	4,509	10,821	11,837	12,623
15	50330 FUTA	210	221	214	0	214	168	168
16	50370 SUTA	124	127	250	0	250	2,125	204
17	50400 Health Insurance	13,958	9,727	3,366	2,404	5,770	15,342	5,941
18	50460 Worker's Compensation	6,080	4,826	(175)	4,653	4,478	5,319	3,820
19	50520 Employee Training	73	0	0	0	0	500	500
21	50550 Payroll Service	2,884	2,847	1,700	1,218	2,918	2,423	1,878
22	50570 Uniforms	768	167	0	250	250	887	500
23	Total Payroll	190,827	169,930	96,933	76,695	173,628	198,911	186,211
	Utilities							
24	51500 Electric	13,916	10,957	6,874	4,910	11,784	7,000	12,000
25	51510 Electric Private Lighting	937	12,205	11,179	7,985	19,164	18,600	19,200
27	51540 Gas	1,595	1,841	2,149	1,535	3,684	3,000	3,600
29	51600 Water & Sewer	2,538	2,699	675	720	1,395	2,769	2,280
30	51660 Telephone	3,354	3,441	2,078	1,484	3,562	3,375	3,636
31	Total Utilities	22,340	31,143	22,955	16,634	39,589	34,744	40,716
	Repairs & Maintenance							
32	52000 General Repairs & Maint.	7,969	7,939	6,786	4,847	11,633	10,000	9,000
33	52370 Electrical Repairs	6,315	622	0	0	0	1,000	1,000
35	52620 Gate Repairs & Maint.	5,212	18,629	930	664	1,594	8,000	8,000
38	52760 Landscaping	17,265	23,248	12,331	2,500	14,831	8,000	8,000
39	52990 Plumbing Repairs	1,327	1,850	2,565	1,832	4,397	1,000	1,000
40	53170 Signs	1,066	312	0	0	0	1,000	500
41	55100 Maintenance Supplies	690	1,605	432	309	741	500	1,000
43	55160 Maintenance Supplies	6,892	7,374	8,686	2,000	10,686	4,700	8,749
44	55200 Recreation Facilities	143	3,054	36,717	26,226	62,943	1,000	1,000
45	Total Repairs & Maintenance	46,879	64,633	68,447	38,379	106,826	35,200	38,249
	Contracted							
46	57210 Exterminating	195	375	225	161	396	390	390
47	57220 Fertilization	980	800	800	571	1,371	3,000	0
48	57440 HVAC	1,128	1,162	1,726	1,138	2,864	1,200	1,233
49	57510 Lawn Contract	12,960	12,237	15,637	10,375	26,012	18,000	24,900
50	57690 Security Guards	75,183	77,818	41,233	35,343	76,576	78,000	78,676
51	57720 Snow Removal	23,383	16,188	17,095	5,000	22,095	26,000	23,000
52	57830 Trash Removal	26,794	26,710	16,068	11,549	27,617	26,500	27,720
53	Total Contracted	140,603	135,270	92,784	64,136	156,920	153,090	155,919



0107 Annen Woods Maintenance Corporation 2019 Association Budget								
Account		2016	2017	2018	Remaining	Tot-2018	Tot-2018	2019
Number		Actual	Actual	YTD	Projected	Projected	Budget	Approved
	<b>Recreation</b>							
54	59800 Pool - Contract	31,925	32,615	26,652	7,738	34,390	34,390	34,390
56	59830 Pool - Furniture	0	19,691	0	0	0	0	0
57	59840 Pool - General Maint.	690	5,800	1,722	1,230	2,952	400	400
58	59860 Pool - License / Permit	940	450	450	0	450	450	450
59	59895 Pool - Supplies	3,446	1,929	1,853	1,324	3,177	3,000	1,500
60	Total Recreation	37,001	60,485	30,677	10,292	40,969	38,240	36,740
	<b>Administrative</b>							
61	60063 Board Education	0	0	0	0	0	500	500
62	60070 Car & Phone Allowance	1,335	390	69	49	118	1,800	1,500
63	60210 Dues/Subscriptions	500	0	600	0	600	600	600
64	60380 Meeting Expense	0	85	85	125	210	0	150
65	60420 Office Supplies	3,177	2,724	1,889	1,349	3,238	2,500	2,000
66	60440 Postage	1,326	862	949	678	1,627	800	800
67	Total Administrative	6,337	4,081	3,592	2,201	5,793	6,200	5,550
	<b>Professionals</b>							
68	67000 Accounting	1,700	1,700	0	1,800	1,800	1,800	1,800
69	67300 Legal	662	1,149	150	150	300	1,000	1,000
70	67600 Management	33,485	34,490	20,723	14,802	35,525	35,525	36,591
71	Total Professionals	35,847	37,339	20,873	16,752	37,625	38,325	39,391
	<b>Insurance &amp; Taxes</b>							
72	68050 Insurance - Master Policy	4,446	6,248	0	5,700	5,700	5,700	5,048
73	68350 Common Area - Claim Submitted	0	0	0	0	0	1,000	1,000
74	68510 Property Taxes	2,824	2,997	3,263	0	3,263	2,824	3,557
75	68800 Income Taxes	0	(270)	0	0	0	0	0
76	Total Insurance & Taxes	7,270	8,975	3,263	5,700	8,963	9,524	9,603
	<b>Reserves</b>							
77	85000 Reserve Contribution	46,410	46,410	29,406	21,004	50,410	50,410	50,410
78	Total Reserves	46,410	46,410	29,406	21,004	50,410	50,410	50,410
79	<b>TOTAL EXPENSES</b>	<b>533,614</b>	<b>558,266</b>	<b>368,930</b>	<b>251,794</b>	<b>620,724</b>	<b>564,644</b>	<b>572,788</b>
80	<b>NET INCOME/(LOSS)</b>	<b>48,922</b>	<b>6,899</b>	<b>(38,877)</b>	<b>(16,041)</b>	<b>(64,918)</b>	<b>-</b>	<b>(0)</b>



**NOTEPAD**

INSURED'S NAME Annen Woods Maintenance

ANNEN-7  
OP ID: KHPAGE 2  
Date 09/21/2018

Fidelity Bond is included, as per the Maryland Condominium Act, Section 11-114, to include the Management Company as an Employee at Full Limit scheduled on the Fidelity Bond Policy.

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0107 Annen Woods Maintenance Corporation  
Balance Sheet (ASBS)  
08/31/2019

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c/o WPM Real Estate Management  
11433 Cronridge Drive  
Owings Mills MD 21117-2294

7/2/20  
4/10

ASSETS			
Cash			
10100.CAB	Operating Checking Comm Assoc Bank (CAB)	34,989.62	✓
10200.CB	Operating Congressional Bank	55,704.98	✓
10202.CAB	Cash - Debit Card	244.42	✓
12020.CB	Reserve Congressional Bank	155,729.06	✓
12020.REV	Reserve Revere Bank	66,851.43	✓
Total Cash			313,519.51
Other Assets			
16200	Property/Equipment	100,000.00	
Total Other Assets			100,000.00
TOTAL ASSETS			413,519.51 ✓
LIABILITIES & EQUITY			
Liabilities			
Total Liabilities			0.00
Reserves			
30000	Beginning Reserves	187,172.26	
30100	Reserve Contribution	33,608.64	✓
30200	Reserve - Interest Posted	1,801.59	
Total Reserves			222,580.49 ✓
Equity			
36000	Retained Earnings	184,906.20	
	Current Year Net Income/(Loss)	6,032.82	✓
Total Equity			190,939.02
TOTAL LIABILITIES AND EQUITY			413,519.51 ✓

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3:09 PM

0107 Annen Woods Maintenance Corporation  
Income/Expense Statement (ASPL)  
08/31/2019

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c/o WPM Real Estate Management  
11433 Cronridge Drive  
Owings Mills MD 21117-2294

Description	Actual	Current Month Budget	Variance	Actual	Year-to-Date Budget	Variance	Yearly Budget
<b>INCOME</b>							
41000 Assessments	43,315	43,315	0	346,519	346,520	(1)	519,778
41003 Assessment Reserve Contribution	4,201	4,201	0	33,607	33,608	(1)	50,410
42370 Facility Rental	0	167	(167)	1,350	1,336	14	2,000
42545 Security Income	140	50	90	613	400	213	600
44001 Interest On Checking	2	0	2	18	0	18	0
44005 Interest On Savings	82	0	82	631	0	631	0
<b>TOTAL INCOME</b>	<b>47,740</b>	<b>47,733</b>	<b>7</b>	<b>382,738</b>	<b>381,864</b>	<b>874</b>	<b>572,788</b>
<b>EXPENSES</b>							
<b>Payroll</b>							
50120 Maintenance Salaries	11,367	12,462	1,095	92,503	105,927	13,424	162,003
50240 Bonuses	0	0	0	0	0	0	2,998
50250 Temporary Staffing	0	465	465	4,977	3,720	(1,257)	5,576
50310 FICA Payroll Taxes	853	900	47	7,020	8,473	1,453	12,623
50330 FUTA	34	0	(34)	184	168	(16)	168
50370 SUTA	34	0	(34)	250	204	(46)	204
50400 Health Insurance	405	495	90	3,640	3,960	320	5,941
50460 Worker's Compensation	0	0	0	125	125	0	3,820
50520 Employee Training	0	42	42	0	336	336	500
50530 Employment Costs	655	0	(655)	1,347	0	(1,347)	0
50550 Payroll Service	198	157	(41)	1,543	1,256	(287)	1,878
50570 Uniforms	0	42	42	116	336	220	500
<b>Total Payroll</b>	<b>13,545</b>	<b>14,563</b>	<b>1,018</b>	<b>111,704</b>	<b>124,505</b>	<b>12,801</b>	<b>196,211</b>
<b>Utilities</b>							
51500 Electric	1,147	1,250	103	7,483	7,850	367	12,000
51510 Electric Private Lighting	1,588	1,600	12	11,524	12,800	1,276	19,200
51540 Gas	42	100	58	1,461	2,676	1,214	3,600
51600 Water & Sewer	1,009	330	(679)	4,158	1,210	(2,948)	2,280
51660 Telephone	97	303	206	2,613	2,424	(189)	3,636
<b>Total Utilities</b>	<b>3,884</b>	<b>3,583</b>	<b>(301)</b>	<b>27,239</b>	<b>26,959</b>	<b>(280)</b>	<b>40,716</b>
<b>Repairs &amp; Maintenance</b>							
52000 General Repairs & Maint.	0	750	750	4,401	6,000	1,599	9,000
52370 Electrical Repairs	0	83	83	0	664	664	1,000
52620 Gate Repairs & Maint.	220	667	447	(756)	5,336	6,092	8,000
52780 Landscaping	0	0	0	6,085	1,500	(4,585)	8,000
52990 Plumbing Repairs	0	83	83	1,443	664	(779)	1,000
53170 Signs	281	42	(239)	1,320	336	(984)	500
55100 Janitorial Supplies	82	83	1	102	664	562	1,000
55160 Maintenance Supplies	405	729	324	9,397	5,832	(3,565)	8,749
55200 Recreation Facilities	708	83	(625)	1,705	664	(1,041)	1,000
<b>Total Repairs &amp; Maintenance</b>	<b>1,686</b>	<b>2,520</b>	<b>824</b>	<b>23,698</b>	<b>21,660</b>	<b>(2,038)</b>	<b>38,249</b>
<b>Contracted</b>							
57210 Exterminating	30	33	3	255	264	9	390
57440 HVAC	2,337	0	(2,337)	4,421	1,233	(3,188)	1,233
57510 Lawn Contract	2,075	2,075	0	16,600	16,600	0	24,900
57690 Security Guards	6,411	6,556	145	49,841	52,448	2,607	78,676
57720 Snow Removal	0	0	0	17,770	17,250	(520)	23,000
57830 Trash Removal	2,152	2,310	158	18,000	18,480	480	27,720
<b>Total Contracted</b>	<b>13,005</b>	<b>10,974</b>	<b>(2,031)</b>	<b>106,887</b>	<b>106,275</b>	<b>(612)</b>	<b>165,919</b>
<b>Recreation</b>							
59800 Pool - Contract	9,191	7,737	(1,454)	40,708	34,390	(6,318)	34,390
59840 Pool - General Maint.	174	0	(174)	707	400	(307)	400
59860 Pool - License / Permit	0	0	0	600	450	(150)	450
59895 Pool - Supplies	49	300	251	2,574	1,200	(1,374)	1,500
<b>Total Recreation</b>	<b>9,414</b>	<b>8,037</b>	<b>(1,377)</b>	<b>44,588</b>	<b>36,440</b>	<b>(8,148)</b>	<b>36,740</b>

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0107 Annen Woods Maintenance Corporation  
Income/Expense Statement (ASPL)  
08/31/2019

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c/o WPM Real Estate Management  
11433 Cronridge Drive  
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Description		Current Month			Year-to-Date			Yearly
		Actual	Budget	Variance	Actual	Budget	Variance	Budget
<b>Administrative</b>								
60063	Board Education	0	0	0	0	0	0	500
60070	Car & Phone Allowance	0	125	125	123	1,000	877	1,500
60210	Dues/Subscriptions	0	0	0	0	600	600	600
60380	Meeting Expense	0	0	0	100	150	50	150
60420	Office Supplies	172	167	(5)	3,163	1,336	(1,827)	2,000
60440	Postage	13	67	54	125	536	411	800
Total Administrative		185	359	174	3,511	3,622	111	5,550
<b>Professionals</b>								
67000	Accounting	0	0	0	0	0	0	1,800
67300	Legal	248	83	(165)	248	664	417	1,000
67600	Management	3,049	3,049	0	24,394	24,392	(2)	36,591
Total Professionals		3,297	3,132	(165)	24,642	25,056	415	39,391
<b>Insurance &amp; Taxes</b>								
68050	Insurance - Master Policy	0	0	0	0	0	0	5,046
68350	Common Area - Claim Submitted	0	0	0	0	0	0	1,000
68510	Property Taxes	0	0	0	830	3,556	2,726	3,556
Total Insurance & Taxes		0	0	0	830	3,556	2,726	9,602
<b>Reserves</b>								
85000	Reserve Contribution	4,201	4,201	0	33,607	33,608	1	50,410
Total Reserves		4,201	4,201	0	33,607	33,608	1	50,410
<b>TOTAL EXPENSES</b>		<u>49,225</u>	<u>47,369</u>	<u>(1,856)</u>	<u>376,705</u>	<u>381,681</u>	<u>4,976</u>	<u>572,788</u>
<b>NET INCOME/(LOSS)</b>		<u>(1,486)</u>	<u>364</u>	<u>(1,850)</u>	<u>6,033</u>	<u>183</u>	<u>5,850</u>	<u>0</u>

# **Council of Unit Owners of Annen Woods Condominium No. 2**

Manager /Cover letters





Dear Prospective Homeowner:

We would like to take this opportunity to introduce ourselves. WPM Real Estate Management is the managing agent for your Association. As the managing agent, we have the responsibility of the day to day operations of the Association and the maintenance of its common elements.

One of our responsibilities to the homeowner or Association includes the collection of Association fees. If your fees are paid monthly or quarterly we have enclosed a temporary coupon for making your next payment. You will be sent a regular coupon book in a timely manner following the receipt of your settlement sheet. The coupon book will be mailed directly to you from our publishing agent, and all subsequent payments should be sent directly to the bank's lock box processing department address printed on the coupon.

**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. Also, please complete the following Emergency Contact form and return it to our office.**

Should you have any questions please do not hesitate to contact our office at 443-796-7400.

Sincerely,

The Staff at WPM Real Estate Management





# **Council of Unit Owners of Annen Woods Condominium No. 2**

Approved Resolutions



**Council of Unit Owners of Annen Woods Condominium No. 2**  
**Resolution**

**Authorizing Electronic Transmission of Information, Notices of Meetings  
and Electronic Submission of Votes or Proxies**

**WHEREAS**, Article V, Section 2 of the Bylaws of Council of Unit Owners of Annen Woods Condominium No. 2 (the "Bylaws") assigns to the Board of Directors all powers and duties necessary for the administration of the affairs of the Council of Unit Owners of Annen Woods Condominium No. 2 (the "Council") and provides that the Board of Directors may do all such acts and things, except those matters that the Board is prohibited from doing by law or the Council's governing documents; and

**WHEREAS**, the Council, in accordance with Section 11-139.1 of the Maryland Condominium Act (the "Act"), may provide notice of a meeting or deliver information to a Unit Owner by electronic transmission if the Board of Directors gives the Council the authority to provide notice of a meeting or deliver information by electronic transmission; and

**WHEREAS**, the Board of Directors, in accordance with Section 11-139.2 of the Act, may authorize Unit Owners to submit a vote or proxy by electronic transmission if the electronic transmission contains information that verifies that the vote or proxy is authorized by the Unit Owner or Unit Owner's proxy.

**NOW, THEREFORE, BE IT RESOLVED** that the Council's Board of Directors hereby adopts the following policies:

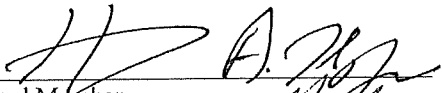
**Notice and Delivery By Electronic Transmission**


1. The Council is authorized to provide notice of meetings and deliver information to a Unit Owner by electronic transmission. This authorization is contingent upon:
  - A. The Unit Owner giving the Council prior written authorization to provide notice of a meeting or deliver information by electronic transmission; and
  - B. An officer or agent of the Council certifying in writing that the Council has provided notice of a meeting or delivered material or information as authorized by the Unit Owner.
2. Notice or delivery by electronic transmission shall be considered ineffective to a Unit Owner if:
  - A. The Council is unable to deliver two consecutive notices to that Unit Owner; and
  - B. The inability to deliver the electronic transmission becomes known to the person responsible for sending the electronic transmission.


Voting By Electronic Transmission

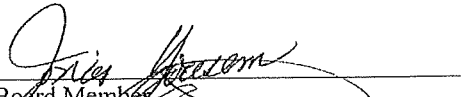
3. Unit Owners may submit a vote or proxy by electronic transmission. This authorization is contingent upon:
- A. The electronic transmission containing information that verifies that the vote or proxy is authorized by the Unit Owner or Unit Owner's proxy.
  - B. In any matter where the governing documents of the Council require voting by secret ballot, and the anonymity of voting by electronic transmission cannot be guaranteed, voting by electronic transmission shall be permitted if Unit Owners have the option of casting anonymous printed ballots.


The foregoing Resolution is hereby adopted on this 21<sup>st</sup> day of March, 2017, by the Board of Directors of Council of Unit Owners of Annen Woods Condominium No. 2


  
Board Member

  
Board Member

  
Board Member

  
Board Member

  
Board Member

  
Board Member

# **Council of Unit Owners of Annen Woods Condominium No. 2**

Balance Sheet and Income/Expense  
Statement



08/14/2019  
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0102 Annen Woods Condominium No. 2  
Balance Sheet (ASBS)  
07/31/2019

Page: 1

c/o WPM Real Estate Management  
11433 Cronridge Drive  
Owings Mills MD 21117-2294

RK  
JP

ASSETS			
Cash			
10100.CAB	Operating Checking Comm Assoc Bank (CAB)	55,054.22 ✓	
10202.CAB	Cash - Debit Card	257.84 ✓	
12020.CB	Reserve Congressional Bank	224,040.37 ✓	
12020.REV	Reserve Revere Bank	137,751.42 ✓	
Total Cash			417,103.85
TOTAL ASSETS			417,103.85 ✓
LIABILITIES & EQUITY			
Liabilities			
20010	Prepaid Owner Assessments	7,931.19 ✓	
Total Liabilities			7,931.19
Reserves			
30000	Beginning Reserves	324,869.89 ✓	
30100	Reserve Contribution	33,982.06 ✓	
30200	Reserve - Interest Posted	2,939.84 ✓	
Total Reserves			361,791.79 ✓
Equity			
36000	Retained Earnings	51,463.87 ✓	
	Current Year Net Income/(Loss)	(4,083.00) ✓	
Total Equity			47,380.87
TOTAL LIABILITIES AND EQUITY			417,103.85 ✓

08/14/2019  
3:39 PM

0102 Annen Woods Condominium No. 2  
Income/Expense Statement (ASPL)  
07/31/2019

Page: 1

c/o WPM Real Estate Management  
11433 Cronridge Drive  
Owings Mills MD 21117-2294

Description		Current Month			Year-to-Date			Yearly
		Actual	Budget	Variance	Actual	Budget	Variance	Budget
<b>INCOME</b>								
41000	Assessments	25,200	25,200	0	176,400	176,400	0	302,400
42210	Late Fees	0	0	0	(15)	0	(15)	0
42220	Return Check Fee	0	0	0	(20)	0	(20)	0
42550	Security Card/Access Device	0	0	0	27	0	27	0
44001	Interest On Checking	3	0	3	17	0	17	0
<b>TOTAL INCOME</b>		<b>25,203</b>	<b>25,200</b>	<b>3</b>	<b>176,409</b>	<b>176,400</b>	<b>9</b>	<b>302,400</b>
<b>EXPENSES</b>								
<b>Payroll</b>								
50000	Salaries/Payroll	3,719	3,598	(121)	26,340	26,985	645	46,774
50245	Overtime	110	54	(56)	704	378	(326)	650
50250	Temporary Staffing	148	58	(90)	666	406	(260)	700
50570	Uniforms	0	42	42	294	294	0	500
<b>Total Payroll</b>		<b>3,977</b>	<b>3,752</b>	<b>(225)</b>	<b>28,004</b>	<b>28,063</b>	<b>59</b>	<b>48,624</b>
<b>Utilities</b>								
51500	Electric	695	525	(170)	7,649	8,850	1,201	13,500
51510	Electric Private Lighting	434	427	(7)	2,598	2,989	391	5,126
51600	Water & Sewer	2,650	0	(2,650)	3,805	2,500	(1,305)	5,000
51660	Telephone	250	268	18	1,763	1,876	113	3,218
<b>Total Utilities</b>		<b>4,030</b>	<b>1,220</b>	<b>(2,810)</b>	<b>15,815</b>	<b>16,215</b>	<b>400</b>	<b>26,844</b>
<b>Repairs &amp; Maintenance</b>								
52000	General Repairs & Maint.	300	667	367	23,759	4,669	(19,090)	8,000
52280	Condensate Line Cleaning	0	0	0	0	0	0	1,500
52370	Electrical Repairs	0	58	58	(449)	406	855	700
52390	Elevator Repairs	0	83	83	90	581	491	1,000
52510	Fire Alarm-Repair	0	150	150	0	1,050	1,050	1,800
52730	HVAC	0	100	100	0	700	700	1,200
52780	Landscaping	0	0	0	1,114	1,150	36	5,000
52990	Plumbing Repairs	0	500	500	2,204	3,500	1,296	6,000
53100	Roof Repair	33	167	134	161	1,169	1,008	2,000
53250	Tree Removal/Replacement	1,050	1,000	(50)	1,050	1,000	(50)	5,000
55100	Janitorial Supplies	96	208	112	350	1,456	1,106	2,500
55160	Maintenance Supplies	79	50	(29)	613	350	(263)	600
<b>Total Repairs &amp; Maintenance</b>		<b>1,558</b>	<b>2,983</b>	<b>1,425</b>	<b>28,891</b>	<b>16,031</b>	<b>(12,860)</b>	<b>35,300</b>
<b>Contracted</b>								
57140	Dryer Vent Cleaning	0	2,055	2,055	1,965	3,975	2,010	3,975
57160	Elevator	1,370	1,368	(2)	4,110	4,104	(6)	5,472
57165	Elevator Inspection	0	0	0	1,050	1,350	300	1,751
57210	Exterminating	168	84	(84)	420	588	168	1,008
57290	Fire/Safety	0	0	0	0	610	610	1,480
57440	HVAC	529	0	(529)	1,539	1,010	(529)	1,010
57510	Lawn Contract	1,291	1,291	0	9,036	9,037	1	15,490
57530	Lobby Plant Maintenance	438	428	(10)	3,036	2,996	(40)	5,136
57720	Snow Removal	0	0	0	4,190	4,875	685	6,500
57740	Sprinkler- Inspection	0	0	0	720	720	0	1,440
57910	Watering	860	500	(360)	1,360	1,500	140	2,000
57920	Atrium Window Cleaning	0	0	0	150	150	0	954
<b>Total Contracted</b>		<b>4,656</b>	<b>5,726</b>	<b>1,070</b>	<b>27,576</b>	<b>30,915</b>	<b>3,339</b>	<b>46,216</b>
<b>Administrative</b>								
60100	Collection Expense	0	0	0	15	0	(15)	0
60370	Master Association Fees	3,688	3,689	1	25,817	25,823	6	44,262
60420	Office Supplies	187	125	(62)	666	875	209	1,500
60440	Postage	63	25	(38)	95	175	80	300
60605	Social Committee	0	0	0	0	900	900	900
<b>Total Administrative</b>		<b>3,938</b>	<b>3,839</b>	<b>(99)</b>	<b>26,594</b>	<b>27,773</b>	<b>1,179</b>	<b>46,962</b>

08/14/2019  
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0102 Annen Woods Condominium No. 2  
Income/Expense Statement (ASPL)  
07/31/2019

Page: 2

c/o WPM Real Estate Management  
11433 Cronridge Drive  
Owings Mills MD 21117-2294

Description		Current Month			Year-to-Date			Yearly
		Actual	Budget	Variance	Actual	Budget	Variance	Budget
<b>Professionals</b>								
67000	Accounting	0	0	0	0	0	0	1,850
67300	Legal	0	167	167	0	1,169	1,169	2,000
67600	Management	1,126	1,126	0	7,885	7,882	(3)	13,517
	<b>Total Professionals</b>	<b>1,126</b>	<b>1,293</b>	<b>167</b>	<b>7,885</b>	<b>9,051</b>	<b>1,166</b>	<b>17,367</b>
<b>Insurance &amp; Taxes</b>								
68050	Insurance - Master Policy	2,955	3,298	343	8,878	9,548	670	14,298
68350	Common Area - Claim Submitted	0	0	0	0	0	0	3,690
68800	Income Taxes	0	0	0	100	100	0	100
	<b>Total Insurance &amp; Taxes</b>	<b>2,955</b>	<b>3,298</b>	<b>343</b>	<b>8,978</b>	<b>9,648</b>	<b>670</b>	<b>18,088</b>
<b>Reserves</b>								
85000	Reserve Contribution	4,855	4,855	0	33,982	33,985	3	58,255
85025	MA - Replacement Reserve Fee	395	395	0	2,767	2,765	(2)	4,744
	<b>Total Reserves</b>	<b>5,250</b>	<b>5,250</b>	<b>0</b>	<b>36,749</b>	<b>36,750</b>	<b>1</b>	<b>62,999</b>
	<b>TOTAL EXPENSES</b>	<b>27,491</b>	<b>27,361</b>	<b>(130)</b>	<b>180,492</b>	<b>174,446</b>	<b>(6,046)</b>	<b>302,400</b>
	<b>NET INCOME/(LOSS)</b>	<b>(2,288)</b>	<b>(2,161)</b>	<b>(127)</b>	<b>(4,083)</b>	<b>1,954</b>	<b>(6,037)</b>	<b>0</b>

# **Council of Unit Owners of Annen Woods Condominium No. 2**

Budgets





**0102 Annen Woods Condominium No. 2**  
**Approved 2018 Budget**

	Account	2016	2017	Remaining	Tot-2017	Tot-2017	2018
	Number	Actual	YTD	Projected	Projected	Budget	Approved
	<b>Income</b>						
1	41000 Assessments	288,000	176,400	126,000	302,400	302,400	302,400
2	42990 Miscellaneous Income	238	16	0	16	0	0
3	<b>Total Income</b>	<b>288,238</b>	<b>176,416</b>	<b>126,000</b>	<b>302,416</b>	<b>302,400</b>	<b>302,400</b>
	<b>EXPENSES</b>						
	<b>Payroll</b>						
4	50000 Salaries/Payroll	43,199	24,441	17,458	41,899	45,218	46,025
5	50250 Temporary Staffing	107	126	90	216	907	907
6	50252 Temporary - Trash	53	134	96	230	500	0
7	50570 Uniforms	643	0	0	0	500	500
8	<b>Total Payroll</b>	<b>44,002</b>	<b>24,701</b>	<b>17,644</b>	<b>42,345</b>	<b>47,125</b>	<b>47,432</b>
	<b>Utilities</b>						
9	51500 Electric	14,728	9,652	6,500	16,152	9,272	16,500
10	51510 Electric Private Lighting	4,840	2,137	2,863	5,000	5,148	5,124
11	51600 Water & Sewer	4,370	2,296	2,824	5,120	5,750	5,750
12	51660 Telephone	2,559	1,877	1,341	3,218	2,000	3,218
13	<b>Total Utilities</b>	<b>26,497</b>	<b>15,962</b>	<b>13,528</b>	<b>29,490</b>	<b>22,170</b>	<b>30,592</b>
	<b>Repairs &amp; Maintenance</b>						
14	52000 General Repairs & Maint.	11,066	339	1,000	1,339	10,000	8,000
15	52370 Electrical Repairs	370	272	194	466	1,000	700
16	52390 Elevator Repairs	3,354	0	1,000	1,000	2,000	1,000
17	52510 Fire Alarm-Repair	1,726	1,653	221	1,874	1,500	1,800
18	52730 HVAC	1,584	1,603	0	1,603	2,000	1,200
19	52780 Landscaping	5,614	2,083	0	2,083	7,000	4,791
20	52990 Plumbing Repairs	8,058	3,742	2,673	6,415	10,000	8,000
21	53100 Roof Repair	0	3,100	0	3,100	2,000	2,000
22	53250 Tree Removal/Replacement	3,525	250	750	1,000	1,846	1,500
23	55100 Janitorial Supplies	533	334	239	573	1,000	600
24	55160 Maintenance Supplies	3,162	1,216	869	2,085	2,600	2,500
25	<b>Total Repairs &amp; Maintenance</b>	<b>38,992</b>	<b>14,592</b>	<b>6,945</b>	<b>21,537</b>	<b>40,946</b>	<b>32,091</b>
	<b>Contracted</b>						
26	57140 Dryer Vent Cleaning	3,840	2,110	1,920	4,030	3,840	3,840
27	57160 Elevator	4,925	3,828	2,734	6,562	5,250	5,407
28	57165 Elevator Inspection	950	570	1,100	1,670	1,700	1,700
29	57210 Exterminating	870	546	462	1,008	1,092	1,008
30	57220 Fertilization	2,661	1,331	951	2,282	2,661	2,661
31	57290 Fire/Safety	2,136	1,527	850	2,377	2,268	2,366
32	57440 HVAC	924	952	0	952	1,000	980
33	57510 Lawn Contract	12,953	7,629	5,449	13,078	13,406	15,025
34	57530 Lobby Plant Maintenance	5,016	2,996	2,140	5,136	5,136	5,136
35	57720 Snow Removal	5,736	2,488	0	2,488	8,981	7,465
36	57740 Sprinkler- Inspection	0	720	720	1,440	1,500	1,500
37	57920 Window Cleaning	200	0	350	350	610	610
38	<b>Total Contracted</b>	<b>40,211</b>	<b>24,697</b>	<b>16,676</b>	<b>41,373</b>	<b>47,444</b>	<b>47,698</b>

**0102 Annen Woods Condominium No. 2**  
**Approved 2018 Budget**

	Account		2016	2017	Remaining	Tot-2017	Tot-2017	2018
	Number		Actual	YTD	Projected	Projected	Budget	Approved
		<b>Administrative</b>						
39	60370	Master Association Fees	48,282	26,143	18,674	44,817	44,817	44,756
40	60420	Office Supplies	2,413	649	464	1,113	2,000	2,000
41	60440	Postage	251	129	92	221	300	300
42	60605	Social Committee	0	0	0	0	0	1,200
43		Total Administrative	50,946	26,921	19,229	46,150	47,117	47,056
		<b>Professionals</b>						
44	67000	Accounting	1,700	0	1,750	1,750	1,750	1,800
45	67005	Professional Fees	2,000	1,000	0	1,000	0	0
46	67300	Legal	876	0	0	0	3,000	2,000
47	67600	Management	12,370	7,432	5,309	12,741	12,741	13,123
48		Total Professionals	16,946	8,432	7,059	15,491	17,491	16,923
		<b>Insurance &amp; Taxes</b>						
49	68050	Insurance - Master Policy	14,607	11,091	5,094	16,185	16,185	16,509
50	68350	Common Area - Claim Submitted	3,416	0	0	0	1,000	1,000
51	68355	Common Area - Self Insured	250	3,758	0	3,758	0	0
52	68800	Income Taxes	0	0	0	0	300	100
53		Total Insurance & Taxes	18,273	14,849	5,094	19,943	17,485	17,609
		<b>Reserves</b>						
54	85000	Reserve Contribution	58,255	33,982	24,273	58,255	58,255	58,255
55	85025	MA - Replacement Reserve Fee	4,367	2,548	1,820	4,368	4,367	4,744
56		Total Reserves	62,622	36,530	26,093	62,623	62,622	62,999
57		<b>TOTAL EXPENSES</b>	<b>298,489</b>	<b>166,684</b>	<b>112,268</b>	<b>278,952</b>	<b>302,400</b>	<b>302,400</b>
58		<b>NET INCOME/(LOSS)</b>	<b>(10,251)</b>	<b>9,732</b>	<b>13,732</b>	<b>23,464</b>	<b>-</b>	<b>-</b>

# **Council of Unit Owners of Annen Woods Condominium No. 2**

Bylaws



0027752 005

AMENDED AND RESTATED  
BY-LAWS  
OF  
ANNEN WOODS CONDOMINIUM NO. 2

WY FE SUKE # 29,000  
RECORDING FEE 75.00  
TOTAL 29,750  
Res# 2415 Rec# 4 42307  
SA IM bck # 306  
Mar 29, 2013 11:58 AM

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AMENDED AND RESTATED  
BY-LAWS  
OF  
ANNEN WOODS CONDOMINIUM NO. 2

ARTICLE I - Name, Location and Function

**Section 1. Condominium Regime.** The property and improvements erected thereon located in Pikesville, Maryland, were subjected to a Condominium Regime created by recording: (1) a Declaration for Annen Woods Condominium No. 2 (the "**Declaration**") in Liber 5904, Page 576 et seq. among the Land Records of Baltimore County, Maryland on June 16, 1978, (2) Bylaws recorded as aforesaid in Liber 5904, Page 587 et seq and Plats and as amended by the First Amendment Condominium Bylaws Annen Woods Condominium No. 2 dated January 19, 1979 recorded as aforesaid in Liber 5987, Page 690 et seq.

**Section 2. Amended and Restated By-Laws.** These Amended and Restated By-Laws are intended to and do specifically supersede the By-Laws of Annen Woods Condominium No. 2 recorded among the Land Records aforesaid. Wherever hereinafter in these Amended and Restated By-Laws the terms "the By-Laws", "these By-Laws" or the like are used, they shall mean and refer to these Amended and Restated By-Laws (the "**By-Laws**") and not to any prior recorded By-Laws.

**Section 3. Name and Location.** The name of the Condominium is **ANNEN WOODS CONDOMINIUM NO. 2**. The principal office and mailing address of the Council of Unit Owners is 199 Granary Drive, Baltimore, Maryland 21208. Pursuant to the provisions of Paragraph First of the Declaration, and in accordance with the provisions of Section 11-109 of the Real Property Article of the Annotated Code of Maryland, the affairs of the Condominium shall be governed and administered by the unincorporated Council of Unit Owners of Annen Woods Condominium No. 2.

ARTICLE II - Definitions

**Section 1. Definitions.** Unless it is plainly evident from the context that a different meaning is intended all other terms used herein shall have the same meaning as they are defined to have in the Declaration or in Sections 11-101, et seq., of the Real Property Article of the Annotated Code of Maryland as amended, the Maryland Condominium Act (hereinafter the "**Act**").

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### ARTICLE III - Ownership

**Section 1. Owners.** Every person, group of persons, corporation, trust or other legal entity, or any combination thereof, which owns a Unit (as Unit is defined in the Declaration) within this Regime as the same is constituted from time to time, shall be a member of the Council of Unit Owners (hereinafter called the "Council"); provided, however, that any person, group of persons, general partnership, limited partnership, corporation, trust or other legal entity, or any combination thereof, which holds such interest solely as security for the performance of an obligation shall not be deemed a Unit Owner. When the Owner of a Unit is a corporation or a Limited Liability Company ("LLC"), the directors of the corporation or the managing members of the LLC shall from time to time designate a representative to exercise its vote at meetings of the Council.

**Section 2. By-Laws Applicability.** The provisions of these By-Laws are applicable to the Condominium Regime. The terms "Condominium Regime" or "Regime" as used herein shall include the land, as well as the improvements thereon. In construing these By-Laws, and the government of the Regime pursuant thereto, the provisions of the Corporations and Associations Article of the Annotated Code of Maryland, as amended, pertaining to the government of nonstock corporations, shall be considered as governing to the extent not inconsistent with the provisions of the Act, the Declaration and these By-Laws. This Council shall be unincorporated as permitted in the Act, but may become incorporated pursuant to the laws of the State of Maryland, upon a vote of seventy-five percent (75%) of the Unit Owners to amend these By-Laws to require such incorporation.

### ARTICLE IV - Meeting of Council of Unit Owners

**Section 1. Place of Meetings.** Meetings of the Council shall be held at the principal office or place of business of the Regime or at such other suitable place convenient to the Council as may be designated by the Board of Directors (hereinafter defined as the "Board"). All meetings of the Council shall be open to all Unit Owners.

**Section 2. Annual Meetings.** Annual meetings of the Council shall be held at 7 p.m. on the third Tuesday in June in each year if not a legal holiday or such other date as may be determined by the Board. At such meeting there shall be elected by ballot of the Unit Owners, a Board in accordance with the requirements of Section 4 of Article V of these By-Laws. The Council may also transact such other business of the Regime as may properly come before it. All meetings of the Council shall be open except as limited or provided by the Act. The provisions of Section 11-109(c)(7)(i and iii) of the Act providing time for Unit Owner comment are applicable to the Regime.





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(d) (1) At the additional meeting, the Unit Owners present in person or by proxy constitute a quorum; and (2) a majority of the Unit Owners present in person or by proxy:

(i) May approve or authorize the proposed action at the additional meeting; and

(ii) May take any other action that could have been taken at the original meeting if a sufficient number of Unit Owners had been present.

(e) This Article IV, Section 5 may not be construed to affect the percentage of votes required to amend the Declaration or Bylaws or to take any other action required to be taken by a specified percentage of votes.

**Section 6. Voting.** At every meeting of the Council, each of the Unit Owners shall have the right to cast the number of votes held by the Unit Owner under the provisions of the Declaration. If a Unit is owned by more than one (1) person, all owners must agree as they may cast only one (1) vote for each Unit owned. The votes established in Paragraph Fifth of the Declaration shall be applicable to voting rights. The majority vote of the Unit Owners present, in person or by proxy, and voting representing fifty-one percent (51%) of the votes at that meeting shall decide the question presented, unless the question is one upon which, by express provision of the Act, the Declaration or these By-Laws, a different vote is required, in which case such express provision shall govern and control. No Unit Owner shall be eligible to vote at any annual or special meeting of the Council, or be elected to an office or to the Board against whom the Council has recorded a Statement of Condominium Lien on his Unit and the amount necessary to release the lien has not been paid at the time of the meeting. The Act provides for voting or submission of proxies (see Section 7 below) by electronic transmission and the Council and the Board hereby authorize such voting and such proxies to be given in accordance with the Act. The Board may make Rules to implement such electronic voting.

**Section 7. Proxies.** A Unit Owner may appoint any other Unit Owner, Management Agent, Mortgagee, Attorney, Lessee or any other person, as his proxy. Subject to Section 6 above, any proxy must be in writing and filed with the Secretary, and is revocable at any time by the Unit Owner granting it. A proxy not appointed to vote as directed may only be appointed and used for purposes of meeting quorums and for voting on matters of business before the Council, and not for purposes of election of officers and members of the Board. Only proxies containing a designation of candidates, including write-in candidates, to be voted for may be used during an election of officers or members of the Board.

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## ARTICLE V - Directors

**Section 1. Number and Qualification.** The affairs of the Regime shall be governed by the Board composed of not less than three (3) persons, which number may be increased by the Council. A majority of the Directors shall be Unit Owners. Directors shall serve until their successors are duly qualified and elected.

**Section 2. Powers and Duties.** The Board is specifically delegated and shall have the powers and duties necessary for the administration of the affairs of the Regime and may do all such acts and things as are not, by law or by these By-Laws, directed to be exercised and done by the Council. The powers and duties of the Board shall include, but not be limited to, the following:

(a) To provide for the care and upkeep of the Regime and its General and Limited Common Elements, and services and maintenance of the Unit exteriors in a manner consistent with law and the provisions of these By-Laws and the Declaration;

(b) To grant easements as provided in Paragraph Fourth of the Declaration. Nothing in this Section shall enlarge the authority granted to the Board by the Act and all actions of the Board shall be in conformity with the Act and the Declaration;

(c) To grant temporary easements, rights of way, licenses, and leases less than one (1) year or similar interests;

(d) To establish and provide for the collection of assessments and fines, if levied, from the Unit Owners and for the assessment and/or enforcement of liens therefor in a manner consistent with law and the provisions of these By-Laws and the Declaration;

(e) To designate, hire and/or dismiss personnel necessary for the good working order of the Regime and for the proper care of the General and Limited Common Elements and to provide services for the Regime in a manner consistent with all applicable State, and local law, the Declaration and these By-Laws; and

(f) To promulgate and enforce such Rules, and such restrictions or requirements, as may be deemed proper respecting the use, occupancy and maintenance of the Regime and the General and Limited Common Elements, as they are designated, to prevent unreasonable interference with the use and occupancy of the Regime and of the General and Limited Common Elements by the Unit Owners, all of which shall be consistent with all applicable State and local law, the Declaration and these By-Laws.

**Section 3. Management Agent.** The Board may employ for the Regime a professional Management Agent at a rate of compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not necessarily limited to, the duties set out in subsections (a) through (d) of Section 2 of this Article. Any professional management company so employed must have and maintain fidelity bond coverage in an amount determined by the Board.

**Section 5. Vacancies.** Vacancies on the Board caused by any reason other than the removal of a Director by a vote of the Council shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected by the Council at the next annual meeting.

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**Section 7. Compensation.** No remuneration shall be paid to any Director who is also a Unit Owner for services performed by him for the Regime in any other capacity unless a resolution authorizing such remuneration shall have been adopted by the Board before the services are undertaken. Reimbursable expenses are not deemed compensation.

**Section 8. Regular Meetings.** The Board shall give each Unit Owner notice of its meetings by posting in conspicuous places for all Unit Owners to see. All meetings of the Board shall be open except as provided in the Act. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board shall be given to each Director, personally or by mail or telephone, at least three (3) days prior to the day named for such meeting.

**Section 9. Special Meetings.** Special meetings of the Board may be called by the President on three (3) days notice to each Director and Unit Owner, given personally or by mail or telephone, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) Directors. Notice of Special Meeting shall be posted in a conspicuous place for all Unit Owners to see.

**Section 10. Waiver of Notice.** Before, or at, any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time, place and purpose thereof.

**Section 11. Quorum.** At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board. If at any meeting of the Board there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such meeting, following an adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

**Section 12. Fidelity Bonds.** The Board may require that all officers and employees of the Council handling or responsible for Council or trust funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Council except for the bond required under Section 3 of this Article, which may be paid by the Council.

## ARTICLE VI - Officers

**Section 3. Removal of Officers.** Upon an affirmative vote of a majority of the members of the Board any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

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**Section 4. President.** The President shall be the chief executive officer of the Council and a member of the Board. He shall preside at all meetings of the Council and the Board. He shall have all of the general powers and duties which are usually vested in the office of President of a corporation including but not limited to the power to appoint committees from among the Unit Owners, or other persons whom he feels are qualified, from time to time, as he may in his discretion decide is appropriate, to assist in the conduct of the affairs of the Council.

**Section 5. Vice President.** The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall, from time to time, be imposed upon him by the Board.

**Section 6. Secretary.** The Secretary shall keep the minutes of all meetings of the Board and the Council, he shall have charge of the "Ownership Book" (The Roster) and such other books and papers as the Board may direct; and he shall, in general, perform all the duties incidental to the office of Secretary including counting the votes at meetings of the Council. In the Secretary's absence, the President shall designate some other person to count such votes.

**Section 7. Treasurer.** The Treasurer shall have responsibility for Council funds and securities, and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Council. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of the Council in such depositories as may from time to time be designated by the Board. The Board may delegate any or all of these duties to a Management Agent or banking institution.

**Section 8. Compensation.** The Board shall have the power to fix the compensation for all officers of the Council who are not Unit Owners but shall have the power to fix the compensation for all officers of the Council who are Unit Owners only with the approval of the Council.

#### **ARTICLE VII - Liability and Indemnification of Officers and Directors**

**Section 1. Liability and Indemnification of Officers and Directors.** The Council shall indemnify every officer and director of the Council against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit or other proceeding, including the settlement of any such suit or proceeding if approved by the then Board to which he may be made a party by reason of

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being or having been, an officer or director of the Council, whether or not such person is an officer or director at the time such expenses are incurred. The officers and directors of the Council shall be liable to the Council and the Unit Owners for any gross negligence, including their own individual willful misconduct or bad faith, but shall not be liable for mistakes of judgment or otherwise if made in good faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Council, except to the extent that such officers or directors may also be Unit Owners, and the Council shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director of the Council, or former officer or director of the Council, may be entitled.

**Section 2. Common or Interested Directors.**

(a) The Directors shall exercise their powers and duties in good faith and with a view to the interest of the Council.

(b) No contract or other transaction between the Council and one or more of its Directors, or between the Council and any corporation, firm or association in which one or more of the Directors are directors or officers, or are pecuniarily or otherwise interested, is either void or voidable because such Director or Directors are present at the meeting of the Board, or any committee thereof, which authorizes or approves the contract or other transaction, or because his or their votes are counted for such purpose, if any of the conditions specified in any of the following subparagraphs exist:

(1) The fact of the common directorate, office or interest is disclosed or known to the Board, or a majority thereof, or noted in the Minutes, and the Board authorizes, approves or ratifies such contract or other transaction in good faith by a vote sufficient for the purpose; or

(2) The fact of the common directorate, office or interest is disclosed or known to the Unit Owners, or a majority thereof, and they approve or ratify the contract or other transaction in good faith by a vote sufficient for the purpose; or

(3) The contract or other transaction is commercially reasonable to the Council at the time it is authorized, ratified, approved or executed.

(c) Common or interested Directors may be counted in determining the presence of a quorum of any meeting of the Board, or any committee thereof, which authorizes, approves or ratifies



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any contract or other transaction, any may vote thereat to authorize any contract or other transaction with like force and effect as if he were not such director or officer of such other corporation or not so interested.

#### ARTICLE VIII - Management

**Section 1. Management and Common Expenses.** The Board shall manage, operate and maintain the Regime and, for the benefit of the Units and the Unit Owners thereof, shall enforce the provisions hereof and may pay out of the Common Expenses, herein elsewhere provided for, the following, which itemization shall not act as a limitation on the Board:

(a) The cost of providing water, sanitary and storm sewer, garbage and trash collection, electrical (including street lighting), and other necessary utility services for the Common Elements and, to the extent that the same are not separately metered or billed to each Unit, for the Units.

(b) The cost of property, casualty and comprehensive general liability insurance on the Common Elements and the Units as originally constructed, and the cost of such other insurance as the Board or the Council may elect including directors and officers liability insurance.

(c) The cost of the services of a person or firm to manage the Regime to the extent deemed advisable by the Council, together with the services of such other personnel as the Board or the Council shall consider necessary for the operation of the Regime.

(d) The cost of providing such legal and accounting services as may be considered necessary to the operation of the Regime.

(e) The cost of painting, maintaining, replacing, repairing and landscaping the General and Limited Common Elements, except as provided in the Declaration, including such furnishings and equipment for the General and Limited Common Elements as the Board shall determine are necessary and proper, and the Board shall have the exclusive right and duty to acquire the same; provided, however, that nothing herein contained shall require the Council to paint, repair, or otherwise maintain the interior of any Unit or any fixtures or equipment located therein except as provided in the Declaration.

(f) The cost of any and all other materials, supplies, labor, services, maintenance, repairs, taxes, assessments or the like which the Council is required to secure and to pay for by law or contract, or which in the discretion of the Board shall be

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necessary or proper for the operation of the General and Limited Common Elements; provided, however, that if any of the aforementioned are provided or paid for the benefit of a particular Unit or Units as provided in Paragraph Seventh of the Declaration, the cost thereof shall be specially assessed to the Unit Owner or Owners thereof.

(g) Any amount necessary to discharge any lien or encumbrance levied against the Regime or any portion thereof, which may, in the opinion of the Board, constitute a lien against any of the General or Limited Common Elements rather than the interest of the Unit Owner of any individual Unit.

(h) The cost of any maintenance, repair or replacement required by the Declaration or contracted for between the Council, or its management agent, and individual Unit Owners having to do with an individual Unit which cost shall be a Common Expense only with respect to that Unit and that the cost thereof shall be assessed against the Unit on which such maintenance, repair or replacement is performed and, when so assessed, a statement for the amount thereof shall be rendered promptly to the Owner of said Unit at which time the assessment shall become due and payable and a continuing lien and obligation of said Unit Owner in all respects as provided in Article IX of these By-Laws.

(i) The cost of the services of a person or firm to provide for necessary snow and ice clearing from the roads, driveways, walkways, curbing, and parking areas.

**Section 2. Management Agent.** The Board may employ a professional Management Agent at a rate of compensation established by the Board. The Board may delegate such of its duties, powers or functions to the Management Agent, as the Board shall authorize in writing.

**Section 3. Duty to Maintain.** Except for maintenance requirements herein imposed upon the Council, if any, the Owner of each Unit shall, at his own expense, maintain, repair and replace the interior of his Unit and any and all structures, improvements, equipment, appliances or fixtures situated within the Unit and its other appurtenances in good order, condition and repair, in a clean and sanitary condition, and shall do all redecorating, painting and the like which may at any time be necessary to maintain the good appearance of his Unit and such appurtenances. In addition to the foregoing, each Unit Owner shall, at his own expense, maintain, repair and replace those items referenced in Paragraph Seventh of the Declaration; and all Unit Owners shall, at their own expense, maintain, repair and replace any plumbing fixtures; heating and air conditioning equipment; lighting fixtures; refrigerators; freezers; dishwashers; washers and dryers; disposals; trash compactors; ranges and/or other equipment that may be in, or appurtenant to

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such Unit. Any Unit Owner may contract separately for the performance of any maintenance, repair or replacement of any item listed in this Section which is his responsibility with the Management Agent and the cost of the same shall be assessed as provided in Section 1(f) of this Article.

**Section 4. Right of Entry.** As provided in Paragraph Seventh of the Declaration: (1) each Unit Owner shall and does hereby grant right of entry to any person authorized by the Board in case of any emergency originating in, or threatening his Unit, whether the Unit Owner is present at the time or not and also for the purpose of maintaining said Unit as provided in Paragraph Seventh of the Declaration; and (2) each Unit Owner shall and does hereby grant right of entry to any person authorized by the Board to provide extermination or other services or repairs necessary to maintain the Regime, including Units, in a clean and sanitary condition. Except in the event of emergency situations, the Board shall provide reasonable notice to Unit Owners prior to exercising such right of entry.

**Section 5. Limitation of Liability.** The Council shall not be liable for any failure of water supply or other utilities or services to be obtained by the Council. The Council shall not be liable to any Unit Owner for loss or damage, by theft or otherwise, of articles which may be stored upon any of the General or Limited Common Elements. No diminution or abatement of Common Expense Assessments as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the General or Limited Common Elements, separately contracted maintenance to a Unit, or from any action taken by the Council to comply with any law, ordinance, or with the order or directive of any municipal or other governmental authority.

#### **ARTICLE IX - Condominium Assessments**

##### **Section 1. Annual Condominium Assessments.**

(a) In accordance with Paragraph Eighth of the Declaration, each Unit Owner shall pay to the Council, monthly, in advance, a sum equal to one-twelfth (1/12) of the Unit Owner's proportionate share of the sum required by the Council pursuant to the Percentage Interests in Common Expenses and Common Profits as set forth in the Declaration (hereinafter called "**Assessments**"), to meet its annual budget, including, but in no way limited to, the following:

(1) The cost of all operating expenses of the Regime as the same may be constituted from time to time, and services furnished, including charges by the Council for facilities and services furnished by it;

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(2) The cost of necessary management and administration, including fees paid to any Management Agent;

(3) The amount of all taxes and assessments levied against the Council or upon any property which it is otherwise required to pay, if any;

(4) The cost of property, casualty and comprehensive general liability insurance on the Common Elements, and the cost of such other insurance as the Council or the Board may effect;

(5) The cost of furnishing water, electricity, heat, gas, garbage and trash collection and/or utilities, to the extent furnished by the Council;

(6) The cost of funding all reserves established by the Council, including, when appropriate, a general operating reserve and/or reserve for replacements;

(7) The estimated cost of repairs, maintenance and replacements of the Regime including General and Limited Common Elements, to be made by the Council; and

(8) The cost of the services of a person or firm to provide for necessary snow and ice clearing from the roads, driveways, walkways, curbing, and parking areas.

(9) In addition, each Unit Owner shall pay to the Council, monthly, the amount of the required maintenance performed by the Council or separately contracted maintenance, if any, for which said Unit Owner is liable under Section 1(h) of Article VIII.

[Subsection (b) intentionally not included - has never existed]

(c) In addition, each Unit Owner shall pay to the Council, monthly, the amount of any fine levied against him pursuant to any Rules for fining promulgated by the Board in accordance with the procedures in these By-Laws.

(d) The Board shall determine the amount of the assessment annually by preparation and adoption of an annual proposed budget as provided in Section 11-109.2 of the Act. A copy of the proposed budget shall be delivered to each Unit Owner at least thirty (30) days prior to its adoption. The budget shall be amended only in accordance with the Section of the Act aforesaid.

(e) The omission of the Board, before the expiration of any budget period, to adopt a budget 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 the Act, or a release of assessment installment thereof, for that or any subsequent budget period, but the budget fixed for the preceding period shall continue until a new budget is fixed. No Unit Owner may exempt

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himself from liability for assessments by a waiver of the use or enjoyment of any of the Common Elements, or by abandonment of any Unit belonging to him. Expenditures increasing the annual assessment in excess of fifteen percent (15%) shall be levied as provided in the Act.

(f) The enumeration of the rights of the Council and Board contained in this Article IX is made in furtherance, and not in limitation, of the rights and remedies conferred by law upon the Council, or the Board, to collect the Common Expenses or enforce any lien against any Unit, and is not intended, by mention of any particular right or remedy, to limit or restrict the Council, or the Board, which shall have all powers and rights necessary or convenient for collection of the common expenses.

**Section 2. Special Assessments.** In addition to the regular assessment authorized by this Article, the Council may levy in any assessment year a special assessment or assessments, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement located upon the Regime including the necessary fixtures and personal property related thereto, or for such other purpose as the Board may consider appropriate, provided that any such assessment shall have the assent of the owners representing fifty-one percent (51%) of the total votes of the Regime. A meeting of the Unit Owners shall be duly called for this purpose, written notice of which shall be sent to all owners at least ten (10) days, but not more than ninety (90) days, in advance of such meeting, which notice shall set forth the purpose of the meeting.

**Section 3. Reserve for Replacements.** The Council shall establish and maintain a reserve fund for replacements by the allocation and payment monthly to such reserve fund of an amount to be designated, from time to time, by the Board and which shall not be less than five percent (5%) of the aggregate monthly installments levied pursuant to the provisions of this Article. Such fund shall be conclusively deemed to be a Common Expense. Such funds shall be deposited in a special account with a lending institution, the accounts of which are insured by an agency of the United States of America, or may, in the discretion of the Board, be invested in the obligations of, or fully guaranteed as to principal, by, the United States of America, states, municipalities, or counties thereof. The reserve for replacements may be expended only for the purpose of effecting the replacement of the Common Elements and equipment of the Regime and for operating contingencies of a non-recurring nature. The proportionate interest of any Unit Owner in any reserve for replacements shall be considered an appurtenance of his Unit and shall not be separately withdrawn, assigned, transferred or otherwise separated from the Unit to which it appertains, and shall be deemed to be transferred with such Unit.

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**Section 4. Non-Payment of Assessment.**

(a) A Unit Owner shall be liable in law and equity for all assessments, or installments thereof, late charges, and fines or other charges (including charges for an electronic payment fee) coming due while he is the owner of a Unit. In a voluntary grant the grantee shall be jointly and severally liable with the grantor for all unpaid assessments, fines or other charges against the grantor for his share of the Common Expenses up to the time of the voluntary grant for which a Statement of Condominium Lien is recorded, without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee for such assessments.

(b) All assessments, until paid, together with interest at eight percent (8%) per annum, actual costs of collection, other charges, reasonable attorneys' fees and late charges, at the maximum rate permitted in the Act, constitute a continuing lien on the Units on which they are assessed. All Statements of Condominium Lien shall be prepared and established pursuant to the Act and all other statutory requirements now or hereafter in effect pertaining to the establishment and enforcement of statements of lien for condominium assessments in the State of Maryland, including but not limited to the Maryland Contract Lien Act. The lien shall be effective against a Unit from and after the time a Statement of Condominium Lien is recorded among the Land Records of Baltimore County. The Statement of Condominium Lien shall be signed and verified by an officer or agent of the Council and then recorded. The Unit Owners hereby expressly agree that the Council shall be entitled to record a Statement of Condominium Lien after the expiration of any applicable time periods imposed by the Maryland Contract Lien Act. On full payment of the assessment or damages for which the lien is claimed the Unit Owner shall be entitled to a recordable satisfaction of the lien.

(c) Any assessment or installment thereof, or damages not paid when due shall bear interest, from the date when due until paid, at eight percent (8%) per annum. The Board may choose to file suit for such unpaid assessments or installments thereof, fines, late fees, interest, other charges, Court Costs and reasonable attorney's fee in addition to or in lieu of filing a Statement of Condominium Lien as provided herein and in the Act.

(d) The Council shall, upon demand, notify the holder of the mortgages on any Unit for which any assessment levied pursuant to these By-Laws becomes delinquent for a period in excess of thirty (30) days, and in any other case, where the Unit Owner is in default with respect to the performance of any other obligation hereunder for a period in excess of thirty (30) days.

**Section 5. Assessment Certificates.** The Council shall, upon demand, furnish to any Unit Owner liable for any assessment or damages levied pursuant to the By-Laws (or to any other party legitimately interested in the same), a certificate in writing signed by an officer of the Council or its agent, setting forth the status of said assessment, i.e., whether the same is paid or unpaid. Such certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid. A charge not to exceed Twenty-Five Dollars (\$25.00) shall be levied in advance by the Council for each certificate so delivered.

**Section 6. Acceleration of Installments.** Upon default in the payment of any one or more installments of any assessment, levied pursuant to these By-Laws, the entire balance of said assessment may be accelerated at the option of the Board, and be declared due and payable in full.

**Section 7. Enforcement.** The lien for unpaid assessments, late charges, interest and attorney fees may be enforced and foreclosed by the Council or any other person specified in the By-Laws, in the same manner, and subject to the same requirements, as the foreclosure of mortgages or deeds of trusts on real property in the State of Maryland. Suit for any deficiency following foreclosure may be maintained in the same proceeding and suit to recover a money judgment for unpaid assessments may be maintained without waiving the lien securing the same. No action may be brought to foreclose the lien unless brought within three (3) years following the recordation of the Statement of Condominium Lien.

**Section 8. Subordination and Mortgage Protection.**

(a) Notwithstanding any other provisions hereof to the contrary, the lien of any assessment levied pursuant to these By-Laws upon any Unit in the Regime shall be subordinate to, and shall in no way affect the rights of the holder of any indebtedness secured by any recorded mortgage, made in good faith and for value received, provided, however, that such subordination shall apply only to assessments which have become due and payable prior to a sale or transfer of such Unit pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve the purchaser at such sale of the Unit from liability for any assessment thereafter becoming due, nor from the lien of any such subsequent assessment, which lien, if claimed, shall have the same effect, and be enforced in the same manner as provided herein.

(b) No amendment to these By-Laws shall affect the rights of the holder of any such mortgage, or the indebtedness secured thereby, recorded prior to recordation of such amendment, unless the holder thereof, or of the indebtedness secured thereby, shall join in the execution of such amendment.

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(c) The Board may, in its sole and absolute discretion, extend the provisions of this Section to the holders of a mortgage, or the indebtedness secured thereby, not otherwise entitled thereto.

**Section 9. Definition.** As used throughout these By-Laws the term "Mortgage" shall include deed of trust and the term "Holder" or "Mortgagee" shall include the party secured by any deed of trust, any beneficiary thereof and the Trustees named therein, their successors and assigns.

**Section 10. Foreclosure of Assessment Lien.** Foreclosure of the assessment lien shall not take place until after the mortgagee of that Unit is notified pursuant to Section 4(d) of this Article and the said mortgagee is given thirty (30) days to obtain compliance by the Unit Owner with the assessment requirements herein before stated.

#### ARTICLE X - Use Restrictions

**Section 1. Use.** (a) All Units shall be used for residential purposes exclusively except for such temporary non-residential uses as may be permitted from time to time by the Council and by State and Local Laws and except as provided in this Section.

(b) No Unit shall be leased for any period except that a Mortgagee shall have the right to lease its Unit in accordance with Article XVIII Section 4.

(c) Units shall not be used for "family day care" or "no-impact home-based businesses", however this prohibition may be eliminated and family day care homes may be approved by a simple majority of the total votes of the condominium.

**Section 2. Prohibited Uses and Nuisances.**

(a) No noxious or offensive activity shall be carried on within the Regime or within any Unit situate thereon, nor shall anything be done therein or thereon which may be or become an annoyance to the neighborhood or the other Unit Owners. Residents shall be considerate of their neighbors in the use of musical instruments, radios, televisions, and amplifiers that may disturb other residents.

(b) There shall be no obstruction of any General Common Elements, except as herein provided. Nothing shall be stored upon any General Common Elements, except as herein provided, without the approval of the Board. Vehicular parking upon General Common Elements shall be regulated by the Board.



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(c) Nothing shall be done or maintained in any Unit, or upon any General or Limited Common Elements, which will increase the rate of insurance on any Unit or General or Limited Common Elements, or result in the cancellation thereof. Nothing shall be done or maintained in any Unit or upon General or Limited Common Elements which would be in violation of any law. No waste shall be committed upon any General or Limited Common Elements.

(d) No structural alteration, construction, addition or removal of any Unit or General or Limited Common Elements shall be commenced or conducted except in strict accordance with the provisions of these By-Laws, State and Local Laws and as regulated by the Architectural Standards herein and as approved by the Board. Non-structural interior alterations to Unit are permitted without Board approval.

(e) The maintenance, keeping, boarding and/or raising of animals, fish and reptiles (except those commonly kept in small terrariums, livestock, or poultry of any kind, regardless of number, shall be and is hereby prohibited within any Unit, and upon any Common Element; except that this shall not prohibit the keeping of caged birds as domestic pets, provided that they are not kept, bred or maintained for commercial purposes, and provided further that their keeping will not constitute such type of noxious or offensive activity as described in Section 3(a) of this Article.

(f) Except for signs of a directional nature, no signs of any character, except as permitted by law (as such may be regulated by Section 11-111.2 of the Act), shall be erected, posted or displayed upon, in or from or about any Unit or the Common Elements without the express written consent of the Board.

(g) Except as herein elsewhere provided, no junk vehicle or other vehicle, on which current registration plates are not displayed; trailer; truck; camper; house trailer; recreational vehicle; or the like shall be kept upon any Common Elements, nor shall extensive repair or extraordinary maintenance of automobiles or other vehicles be carried out thereon.

(h) No part of the Common Elements shall be used for commercial activities of any character.

(i) No burning of any trash, and no unreasonable or unsightly accumulation or storage of litter, new or used building materials, or trash of any other kind shall be permitted within any Unit or upon any Common Elements. Trash and garbage containers shall not be permitted to remain in public view, except within locations designated by the Board.

(j) No hazardous or toxic substances or wastes or used motor oil, as defined now or in the future under Federal or State laws or regulations, shall be used or disposed of or used on any

Common Elements, or through any sanitary or storm sewerage system within the units or the Regime. Storage, use, disposal and transportation of hazardous or toxic substances or wastes to or from any Unit or the Common Elements shall comply with all applicable Federal or State laws and/or Regulations. If any Unit Owner violates this Section 3(i), such Unit Owner shall indemnify, defend and save harmless every other Unit Owner, the Council of Unit Owners, and the Board from any claim, charge, or cause of action by the Council or any other Unit Owner or any governmental authority for violation of any Federal, State or local laws or regulations relating to storage, use, disposal, and transportation of hazardous or toxic substances or wastes including, but not limited, to attorney's fees and costs to remove hazardous substances or wastes and any and all fines or penalties levied or imposed by any governmental authority.

(k) No structure of a temporary character, trailer, tent, shack, barn or other out-building shall be maintained upon any of the Common Element at any time except as permitted in writing by the Board. Outdoor clothes dryers or clothes lines shall not be maintained upon the Common Elements at any time.

(l) No outside television or radio aerial or antenna, or other aerial or antenna, for reception or transmission, shall be maintained upon the exterior of any Unit or upon any Common Elements without the prior written consent of the Board, except the master antenna system installed upon the roof of the buildings as a Common Element.

(m) No items or materials shall be hung on the exterior of the building including balcony railings or draped from windows over the exterior of the building.

(n) No window treatments shall be installed in any Unit which do not have a white backing.

(o) At least eighty percent (80%) of the floor area of each room in each Unit, excluding the kitchen, storage room, and tiled bathrooms, shall be covered with carpet or rugs. This provision is not applicable to Units on the first floor or ground level. As of the date of adoption of these Bylaws: (1) Units on floors 2 through 4 which now have carpeting cannot change to wood, tile, etc.; and (2) Units on floors 2 through 4 who now have solid wood, tile, or hard surface floors must conform to the 80% provision when flooring is replaced.

(p) Outdoor cooking is strictly prohibited on patios and balconies and the General Common Elements.

(q) There shall be no violation of any Rules, whether for the use of the Common Elements or for the governance of the Regime, which may from time to time be adopted by the Board and

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promulgated among the Unit Owners by said Board in writing; and the Board is hereby, and elsewhere in these By-Laws, authorized to adopt such Rules.

(x) The Board shall have the power to levy fines against Unit Owners for violation of these By-Laws or the Rules promulgated by the Board hereunder. Said power to levy fines is specifically subject to Article XII hereof. The Board shall also have the right to enforce compliance by injunction or other legal means as the Board deems appropriate.

(s) No "Commercial Vehicle", which has been designated for or adopted to the transportation of goods or persons for profit as its primary purpose, or displays a logo, decal, lettering, symbol, or ornament (other than a decal placed on the bumper of the vehicle) affixed for the purpose of advertising any person, service, product, or entity other than the make, model, manufacturer, or dealer of the vehicle, or which has a net weight of over 6,000 pounds shall be kept on the common elements or in the Units; except that this shall not prohibit passenger cars, mini-vans, vans, SUV's, and pick-up trucks of less than 3/4 ton capacity, which have not been designated for or adopted for the transportation of goods or persons for profit and upon which no advertisement appears shall be kept on the common elements or in the Units.

(t) In the event of breach of any of the provisions of the Condominium Declaration, these By-Laws or Rules adopted by the Board pursuant hereto by any Unit Owner or tenant, the Council, through its officers, managers or other agents, shall take such action as it shall deem appropriate, including legal action through court proceedings, to cure such breach and cause an abatement thereof. All costs of taking such action, including the time of employees of the Council in connection therewith, attorney fees and all other costs and expenses incurred in connection therewith, shall be a charge against the Unit Owner who, or whose tenant, causes such breach, payable to the Council if such breach is cured prior to adjudication or if such adjudication results in a judgement in favor of the Council.

#### ARTICLE XI - Architectural Standards

##### Section 1. Architectural Standards Committee.

(a) Except for the original construction of the Units situate within the property and any improvements to any Unit or to the General or Limited Common Elements accomplished concurrently with said original construction, and except for purposes of proper maintenance and repair, or as otherwise in these By-Laws provided, it shall be prohibited to install, erect, attach, apply, paste,

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hinge, screw, nail, build, alter, remove or construct any light, screens, awnings, patio covers, decorations, aerials, antennas, radio or television broadcasting or receiving devices (except as permitted by law), patios, balconies, platforms, porches, walls or to make any change or otherwise alter, including any alteration in color, in any manner whatsoever, to the exterior of any Unit, any window, or upon any of the General or Limited Common Elements within the property until the complete plans and specifications, showing the location, nature, shape, height, material, color, type of construction and/or other proposed form of change, including, without limitation, any other information specified by the Board (or its designated Committee), shall have been submitted to, and approved in writing by the Board, or by an "Architectural Standards Committee" designated by such Board. This includes the replacement of any windows other than the repair-replacement of glass panes and/or screens.

(b) In the event the Board, or its designated Committee, fails to approve, or disapprove, such design and location within sixty (60) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. If plans and specifications are not submitted, any and all alterations and/or changes shall be deemed violations of this Article.

(c) There will be no changes of any kind including furniture, fixtures, and decorations to the General Common Elements either inside or outside of the buildings without the written approval of the Board or Architectural Standards Committee and any future request for changes must take "uniformity" between the buildings into consideration including the lobby area.

#### ARTICLE XII - Hearing Procedures

**Section 1. Statement of Purpose.** It is the declared intention of the Council that Rules shall be adopted freely by the Board, and without the requirement of a vote of the Council as a requisite to their adoption. Each Rule adopted shall state that the Rule was adopted under the provisions of this Article and Section 11-111 of the Act. All Rules are intended to be adopted as supplements to, and not in lieu of, legally required provisions of these By-Laws. Should any adopted rules contradict any provisions of these By-Laws, as amended, said provisions of these By-Laws shall take precedence.

**Section 2. Rules.** All Rules proposed by the Board or by any committee appointed by the Board to act on its behalf shall be dated as of the date of the meeting at which they were considered, and shall be communicated to the Council in writing within seven (7) days after said meeting date, and shall be put forward before

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the Council for consideration and review by the process of Hearing and Comment as specified in the Act.

**Section 3. Rule Adoption - Hearing and Comment.**

(a) Any notice of hearing so required shall include a copy of the proposed rule, its proposed effective date, the date, time, location, and agenda of the hearing, and shall be communicated by the Board to the Council by published form, or by any reasonable manner. The notice must be given to the Council at least fifteen (15) days prior to the meeting date.

(b) A quorum of the Board shall be in attendance at all public hearings; if a quorum is not present, a new hearing shall be scheduled within seven (7) days.

(c) A member of the Board shall preside over any hearings so convened and shall limit discussions within parameters of the published agenda. Any Unit Owner may appear and speak at these hearings, or by written statement.

(d) After comment is held on the proposed rule at the hearing, the Board shall vote on its passage. The rule will be adopted upon a majority vote of those members of the Board present and voting.

(e) The rule will be considered enacted unless, within fifteen (15) days after the Board vote, a petition calling for a special meeting is filed with the Board. The petition must be signed by at least fifteen percent (15%) of the Council of Unit Owners. Following the filing of a petition, the Board shall schedule a special meeting of the Council of Unit Owners, to be held within thirty (30) days after the Board's receipt of the petition. Written notice of the meeting must be given to each Unit Owner at least fifteen (15) days prior to the special meeting date.

(f) A quorum of the Council of Unit Owners must be in attendance at the special meeting. If a quorum is not present, the rule will be considered final. If a quorum is present, and fifty percent (50%) of the Unit Owners present and voting disapprove the rule, the rule will be considered void; provided those Unit Owners voting to disapprove number at least thirty-three percent (33%) of the total votes of the Council of Unit Owners.

**Section 4. Right of Appeal.**

(a) Each Unit Owner shall have a right to appeal to the Board for an individual exception to any rules or regulations adopted by the Board.

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(b) The appeal period shall begin on the effective date of the rules, and shall run for a period of fourteen (14) days.

(c) No appeals shall be considered, except by permission of the Board if filed after the expiration of the appeal period.

(d) All appeals shall be in writing, shall be signed and dated by the Unit Owner or Owners making such appeal, and shall be delivered to a member of the Board or the management agent by certified mail, postage prepaid. The Board shall consider all appeals and shall render a decision at its next regularly scheduled meeting. Said decision shall be in writing, and shall be addressed to the Unit Owner or Owners making the appeal. If the Board shall deny an appeal, there shall be no requirement of publication as to the denial.

(e) If the Board shall uphold an appeal, thus granting an individual exception to an adopted rule, the Board shall publish, or communicate in a reasonable manner, to the Council an explanation of the reasons for granting the exception.

**Section 5. Effect of Rules.** Any Rules, when adopted in accordance with the above procedures, shall have the same effect as if they were incorporated in these By-Laws by direct reference. Said Rules, upon proper adoption under the above procedures, shall be enforced in the same manner as all other provisions of the By-Laws.

#### **ARTICLE XIII - Insurance**

##### **Section 1. Insurance.**

(a) The Board acting on behalf of the Council shall obtain and maintain to the extent reasonably available the following insurance, as a Condominium Master Insurance Policy which shall be an item of Common Expense:

(1) Property insurance on the Common Elements and the structural portion of Units, exclusive of improvements and betterments installed in Units by Unit Owners, insuring against all risks of direct physical loss commonly insured against. The total amount of insurance may not be less than the full replacement cost of all insurable improvements within the Condominium; the policy may, however, contain a "**Deductible**" provision provided the total insurance after application of deductibles will not be less than one hundred percent (100%) of the actual cash value of the insured property, exclusive of land, excavations, foundations, and other items normally excluded from property policies; and

(2) Comprehensive general liability insurance, including medical payments insurance, in an amount determined by the Board of Directors but not less than One Million Dollars

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(\$1,000,000.00), covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the Common Elements.

(b) The Council shall give notice to all Unit Owners of the termination of any insurance policy within ten (10) days of termination. The Council in any event may carry any other insurance it deems appropriate to protect the Council of Unit Owners or the Unit Owners.

(c) Insurance policies carried pursuant to subsection (a) shall provide that:

(1) Each Unit Owner is an insured person under the policy with respect to liability arising out of his/her ownership of an undivided interest in the Common Elements or membership in the Council;

(2) The insurer waives its right to subrogation under the policy against any Unit Owner or members of his/her household;

(3) An act or omission by any Unit Owner, unless acting within the scope of his authority on behalf of the Council of Unit Owners, does not void the policy and is not a condition to recovery under the policy; and

(4) If, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same property covered by the policy, the policy is primary insurance not contributing with the other insurance.

(d) (1) (i) The cost of repair or replacement in excess of insurance proceeds and reserves is a common expense.

(ii) A property insurance deductible is not a cost of repair or replacement in excess of insurance proceeds.

(2) If the cause of any damage to or the destruction of any portion of the condominium originates from the Common Elements, the Council's property insurance deductible is a common expense.

(3) (i) If the cause of any damage to or the destruction of any portion of the condominium originates from a Unit, the Council's property insurance deductible is a common expense.

(ii) These Bylaws specifically provide that the owner of a Unit where the cause of the damage or destruction originated is responsible for the Council's property insurance

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deductible; however, the Unit Owners' responsibility may not exceed the amount provided by the Act, as amended from time to time.

(iii) The Council's property insurance deductible amount exceeding the responsibility of the Unit Owner as provided by the Act, as amended from time to time, is a common expense.

(4) In the same manner as provided under Section 11-110 of the Act, the Council may make an annual assessment against the Unit Owner responsible under subparagraph (3) of this Section herein.

(e) Any loss covered by the property policy under subsection (a)(1) shall be adjusted with the Council, but the insurance proceeds for that loss shall be payable to any insurance Trustee designated for the purpose, or otherwise to the Council, and not to any Mortgagee. The insurance Trustee or the Council shall hold any insurance proceeds in trust for Unit Owners and lien holders as their interest may appear. Subject to the provisions of Article XIV, Section 1, the proceeds shall be disbursed first for the repair or restoration of the damaged Common Elements and Units, and Unit Owners and lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the Common Elements and Units have been completely repaired or restored, or the Condominium is terminated.

(f) An insurance policy issued to the Council does not prevent a Unit Owner from obtaining insurance for his own benefit.

(g) An insurer that has issued an insurance policy under this section shall issue certificates or memoranda of insurance to the Council and, upon request, to any Unit Owner, Mortgagee, or beneficiary under a Deed of Trust. The insurance may not be canceled until thirty (30) days after the notice of the proposed cancellation has been mailed to the Council of Unit Owners, each Unit Owner and each Mortgagee to whom certificates of insurance have been issued.

(h) It is recommended by the Board that each Unit Owner should obtain his own insurance policy on his Unit in the HO-6 form with an "improvements and betterments", "alterations and additions" or similar endorsement.

#### ARTICLE XIV - Casualty Damages

##### Section 1. Use of Insurance Proceeds.

(a) Any portion of the Condominium Regime damaged or destroyed shall be repaired or replaced promptly by the Council unless:



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- (1) The Condominium Regime is terminated;
  - (2) Repair or replacement would be illegal under any State or local health or safety statute or ordinance; or
  - (3) Eighty percent (80%) of the Unit Owners, including every Owner of a Unit or assigned Limited Common Element which will not be rebuilt, vote not to rebuild.
- (b) The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense.
- (c) If the damaged or destroyed portion of Condominium Regime is not repaired or replaced:

(1) The insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium;

(2) The insurance proceeds attributable to Units and Limited Common Elements which are not rebuilt shall be distributed to the Owners of those Units and the Owners of the Units to which those Limited Common Elements were assigned; and

(3) The remainder of the proceeds shall be distributed to all the Unit Owners in proportion to their Common Element interest.

(d) If the Unit Owners vote not to rebuild any Unit, that Unit's entire Common Element interest, votes in the Council of Unit Owners, and Common Expense liability are automatically reallocated upon the vote as if the Unit had been condemned and the provisions of the Declaration shall govern, and the Council promptly shall prepare, execute, and record an amendment to the Declaration reflecting the reallocations. Notwithstanding the provisions of this subsection, the Act governs the distribution of insurance proceeds if the Condominium is terminated.

#### ARTICLE XV - Fiscal Management

**Section 1. Fiscal Year.** The fiscal year of the Council shall begin on the first day of January every year and end on the 31st day of December except that the first year of the Council shall begin on the date of the recording of the Declaration. The commencement date of the fiscal year herein established shall be subject to change by the Board in its discretion.

**Section 2. Books and Accounts.** Books and accounts of the Council shall be kept under the direction of the Treasurer in accordance with good accounting practices. The same shall include books with detailed account, in chronological order, of the receipts and

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expenditures affecting the Regime and its administration and shall specify the maintenance, repair and replacement expenses of the Common Elements and services and any other expenses incurred. That amount of any assessment required for payment on any capital expenditures of the Council shall be credited upon the books of the Council to the "Paid-in-Surplus" account as a capital contribution by the Unit Owners.

**Section 3. Auditing.** At the close of each fiscal year, the books and records of the Regime shall be audited and if such audit is by an independent Certified Public Accountant, his report shall be prepared, and may be certified, in accordance with generally accepted auditing standards. Based upon such audit or report, the Council shall furnish the Unit Owners with an annual financial statement, including the income and disbursements of the Council.

**Section 4. Inspection of Books.** The books and accounts of the Council and vouchers accrediting the entries made thereupon, shall be available for examination by the Unit Owners and/or their duly authorized agents, attorneys and mortgagees, during normal business hours, after reasonable notice of a request for inspection is given to the custodian of the records. The Act provides specific exclusions of records from examination by Unit Owners and/or their duly authorized agents, attorneys or mortgagees, and such exclusions are adopted herein as stated in the Act. A reasonable charge for any reviewing or copying of records may be imposed by the Council.

#### ARTICLE XVI - Amendments

**Section 1. Amendments.** These By-Laws may be amended by the affirmative vote of Unit Owners representing sixty-six and two-thirds percent (66-2/3%) of the total votes of the Regime at any meeting of the Council duly called for such purposes in accordance with the provisions of the Act. Amendments may be proposed by the Board or by a Petition signed by Unit Owners representing at least twenty percent (20%) of the total votes of the Regime. A description of the proposed amendment shall accompany the notice of the regular or special meeting at which such proposed amendment is to be voted upon, and said notice shall also be given to the holders of all first mortgages in the Regime. Any amendment adopted by the Council shall be effective only upon recordation among the Land Records of Baltimore County. The recorded amendment shall set out the Sections of these By-Laws being amended and the applicable provisions of the Act.

#### ARTICLE XVII - Notice to Council

**Section 1. Ownership-Book (The Roster).** The Secretary of the Council or the management agent, if so designated, shall maintain a current roster of names and addresses of each Unit Owner to which

**Section 2. Mortgages.** A Unit Owner who mortgages his Unit shall notify the Secretary of the Council or its agents of the name and address of his mortgagee and the Council shall maintain such information in a book entitled "**Mortgagees of Units**".

**Section 1. Change in Percentage Interest in Common Elements.**  
Except as may be provided in the Declaration, the consent of all mortgagees, obtained in advance in writing, is mandatory if the Council should adopt any change in the pro-rata interest of the Unit Owners in the General Common Elements of the Regime.

**Section 3. Notice of Meetings.** All mortgagees, upon request, shall have the right to notification of and attendance at all general and special meetings of the Council and shall be permitted to express any views at such meetings as they may wish to convey to the Council.

**Section 5. Notice of Loss or Taking.** The Board shall notify Mortgagees, in writing if any uninsured loss or taking of the Common Elements exceeds Ten Thousand Dollars (\$10,000.00).

**Section 1. Compliance.** These By-Laws are set forth in compliance with the requirements of the Act and all applicable State and local laws and ordinances notwithstanding anything in these By-Laws to the contrary, whether expressed or implied.

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event of any conflict between the By-Laws and the applicable Sections of the Act, the provisions of the Act control.

**Section 3. Resident Agent.** Michael H. Mannes, P.A., 108 Water Street, Suite 200, Baltimore, Maryland 21202-1001, a resident of Maryland is designated as the person authorized to accept service of process in any action relating to the Regime or to the General or Limited Common Elements.

**Section 4. Severability.** In the event any provision or provisions of these By-Laws shall be determined to be invalid, void or unenforceable, such determination shall not render invalid, void or unenforceable any other provisions hereof which can be given effect.

**Section 5. Waiver.** No restriction, condition, obligation or provisions of these By-Laws or the Rules adopted hereunder shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same and failure to enforce in one instance shall not be deemed a waiver to enforce in any other instance.

**Section 6. Captions and Table of Contents.** The captions and table of contents contained in these By-Laws are for convenience and ease of use only, and are not part of these By-Laws and are not intended in any way to limit or enlarge the terms and provisions of these By-Laws.

**Section 7. Gender, Etc.** Whenever in these By-Laws the context so required, the singular number shall include the plural and the converse; and the use of any gender shall be deemed to include all genders. Where a Unit Owner is referred to by gender, such reference shall also include entities such as corporations and limited liability companies who maybe or become Unit Owners.

#### CERTIFICATION

I, the undersigned RUTH GANNAT, do hereby certify that I am the duly elected Secretary of ANNEN WOODS CONDOMINIUM NO. 2 and I am the officer specified in the By-Laws to count the votes at the meetings of the Council, a Maryland Condominium Regime, and that the foregoing constitute the Amended and Restated Bylaws of said Condominium Regime, as duly adopted by Unit Owners having the required percentage of the votes at the SPECIAL meeting of the Council called for that purpose on OCTOBER 6, 2008.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 26TH day of JANUARY, 2009.

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WITNESSES:

COUNCIL OF UNIT OWNERS OF  
ANNEN WOODS CONDOMINIUM NO. 2

Seymour Baida  
SEYMOUR BAIDA, President

Ruth Granat  
RUTH GRANAT, Secretary

STATE OF MARYLAND )  
 ) to wit:  
COUNTY OF BALTIMORE )

I HEREBY CERTIFY that on the 26<sup>th</sup> day of January,  
2001, before me, the subscriber, a Notary Public of the State of  
Maryland, personally appeared Ruth Granat, who acknowledged  
himself/herself to be the Secretary of ANNEN WOODS CONDOMINIUM NO.  
2 a Maryland Condominium Regime, and that he/she, as the Secretary,  
being authorized to do so, executed the Amended and Restated  
By-Laws for the purposes contained in that instrument, by signing  
the name of the condominium regime by himself/herself as Secretary.

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

[NOTARY SEAL]

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Printed Name of Notary Public

My Commission Expires: \_\_\_\_\_

This is to certify that the within instrument has been  
prepared by or under the supervision of the undersigned Maryland  
attorney.

Michael H. Mannes  
Michael H. Mannes

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AMENDED AND RESTATED  
BY-LAWS  
OF  
ANNEN WOODS CONDOMINIUM NO. 2

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Condominium Regime . . . . .	2
Council . . . . .	2
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MAIL TO: Michael H. Mannes, Esq.  
Michael H. Mannes, P.A.  
108 Water Street Suite 200  
Baltimore, MD 21202-1001

**ORIGINAL**

**AMENDMENT TO THE AMENDED AND RESTATED BY-LAWS  
OF ANNEN WOODS CONDOMINIUM NO. 2**

IMP FD SURE 40.00  
RECORDING FEE 20.00  
TOTAL 60.00  
Reg# 8A05 Rcr# 6 16753  
JLE SF 81K 6 1133  
Nov 17, 2015 03:08 PM

THIS AMENDMENT TO THE AMENDED AND RESTATED BY-LAWS OF ANNEN WOODS CONDOMINIUM NO. 2 (hereinafter this "Amendment") is made this 30th day of September, 2015, by Annen Woods Condominium No. 2 (hereinafter the "Condominium").

**WITNESSETH:**

WHEREAS, the Condominium is duly created by virtue of the recordation of its Declaration (and any amendments thereto) and Amended and Restated By-Laws among the Land Records of Baltimore County, Maryland, at Liber 5804, Folio 576, *et seq.*; and,

WHEREAS, in consideration of feedback received from the Unit Owners about limiting and/or prohibiting smoking within and upon the Units and Common Elements, the Board of Directors has proposed that the Condominium's By-Laws be amended as set forth herein; and,

WHEREAS, Article XVI, Section 1 of the Condominium's Amended and Restated By-Laws, provides that the By-Laws may be amended by the affirmative vote of Unit Owners having at least sixty-six and two-thirds percent (66-2/3%) of the total votes in the Council of Unit Owners at a meeting of the Condominium called for that purpose; and,

WHEREAS, Article XVI, Section 1 of the Condominium's Amended and Restated By-Laws, also provides that notice of the Amendment shall be given to the holders of all first mortgages in the Regime; and,

WHEREAS, Article IV, Section 4 of the Condominium's Amended and Restated By-Laws provide that notice of any regular or special meeting shall be given to each Unit Owner at least ten (10) but not more than ninety (90) days in advance of the meeting upon which an amendment will be voted upon; and,

WHEREAS, written notice of this Amendment to the By-Laws was sent to each Unit Owner and to the holders of all first mortgages in accordance with the Maryland Condominium Act and the Condominium's By-Laws in accordance with the By-Laws; and,

WHEREAS, as certified herein by the Condominium's Secretary, this Amendment to the By-Laws of Annen Woods Condominium No. 2 was approved and adopted in accordance with the affirmative vote of Unit Owners having at least sixty-six and two-thirds percent (66-2/3%) of the total votes in the Condominium, and that said votes were cast, in person or by proxy, at a meeting of the Condominium called for the purpose of approving this Amendment, at which meeting a quorum of Unit Owners was present;

NOW THEREFORE, the By-Laws of Annen Woods Condominium No. 2 are hereby further amended as follows:

By adding a new Article X, Section 2(u), which shall read as follows:

(u) Smoking shall be prohibited within all Units in the Condominium, the Limited Common Elements appurtenant to said Units, and upon or within all General Common Elements.

(1) Notwithstanding the foregoing, this provision shall not apply to the Unit Owners who are listed on Exhibit A to this Amendment to the By-Laws which is attached hereto and incorporated herein by reference. Those Unit Owners are exempt from this amendment and may continue to smoke inside of their Unit, and the limited common elements appurtenant thereto, so long as they own the Unit. However, if title to said Unit transfers to another, the right to smoke shall become subject to the restrictions herein.

(2) Smoking shall include, but not be limited to, any practice by which a substance is burned and the resulting smoke is breathed in to be tasted or inhaled and/or subsequently exhaled.

(3) Smoking shall further include the carrying or use of cigarette, pipe, cigar, bidi, hookah, vaporizer, bong or any other device or instrument designed or intended to be used to burn, consume or transform any substance for the purpose of creating smoke that is breathed in to be tasted or inhaled and/or subsequently exhaled.

(4) The Board shall be and is hereby authorized to promulgate, adopt and enforce any rules and regulations deemed by the Board to be necessary to enforce this prohibition.

IN WITNESS WHEREOF, this 30th day of September, 2015, the Board of Directors of Annen Woods Condominium No. 2 executed the foregoing Amendment to the By-Laws of Annen Woods Condominium No. 2.

ANNEN WOODS CONDOMINIUM NO. 2

By: [Signature]  
President

ATTEST:

[Signature]  
Secretary



**CERTIFICATE OF THE SECRETARY  
OF ANNEN WOODS CONDOMINIUM NO. 2**

I hereby certify that, on the 30th day of September, 2015, that I was the Secretary of Annen Woods Condominium No. 2; that I was present at the annual or special meeting of the Condominium at which the foregoing Amendment to the By-Laws of Annen Woods Condominium No. 2 was duly approved; that I was the person authorized pursuant to the Condominium's By-Laws to count the votes at said meeting; that the foregoing Amendment to the By-Laws of Annen Woods Condominium No. 2 was approved pursuant to the affirmative vote of Unit Owners having the requisite percentage of votes required by the By-Laws to adopt amendments thereto; that the required written notice of the same was given to all Unit Owners in the manner prescribed by the By-Laws and applicable law; and, that, accordingly, the aforesaid Amendment to the By-Laws of Annen Woods Condominium No. 2 shall be and is hereby effective.

By: Jonas J. Yousem, Secretary

ATTEST:

Harvey A. Hohmann President

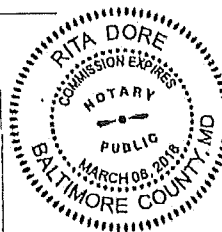
STATE OF MARYLAND )  
COUNTY OF BALTIMORE ) ss:

I, Rita Dore, a Notary Public in and for the State of Maryland, do hereby certify that Jonas Yousem being known (or satisfactorily proven) to me to be the person named herein as the Secretary of Annen Woods Condominium No. 2, did personally appear before me in the above-referenced jurisdiction, and as Secretary, and by virtue of the authority vested in him/her, did acknowledge before me the foregoing Certificate to be his/her Act and Deed as Secretary of Annen Woods Condominium No. 2.

GIVEN under my hand and seal this 30th day of September 2015.

Rita Dore  
Notary Public

My Commission expires: 3-6-2018



STATE OF MARYLAND )  
COUNTY OF BALTIMORE )

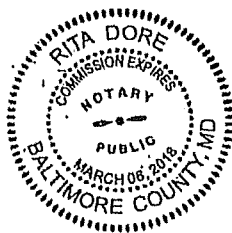
SS:

I, Rita Dore, a Notary Public in and for the State of Maryland,  
do hereby certify that HARVEY A. HALLMAN being known (or satisfactorily  
proven) to me to be the person named herein as the President of Annen Woods  
Condominium No. 2, did personally appear before me in the above-referenced  
jurisdiction, and as President, and by virtue of the authority vested in him/her, did  
acknowledge before me the foregoing Amendment to the By-Laws of Annen Woods  
Condominium No. 2 to be the Act and Deed of Annen Woods Condominium No. 2.

GIVEN under my and seal this 30 day of September 2015.

Rita Dore  
Notary Public

My Commission expires: 3-6-2018



SMOKING EXEMPTION LIST

Two Candlemaker Court

2-303 Martha Pritzker, Trustee

Four Candlemaker Court

4-101 Naomi Taffett

4-106 Barbara Kernan

4-206 Upshire Circle Acquisitions, LLC

4-304 Bernice Offit Berger

# **Council of Unit Owners of Annen Woods Condominium No. 2**

Emergency Contact Information Form



**ANNEN WOODS CONDOMINIUM NO. 2**  
**EMERGENCY CONTACT INFORMATION**

Name: \_\_\_\_\_  
Unit Address: \_\_\_\_\_  
Mailing Address (if different from Unit Address): \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Home Phone: \_\_\_\_\_ Cell Phone: \_\_\_\_\_  
Work Phone: \_\_\_\_\_ Email: \_\_\_\_\_

**List all occupants living in unit:**

Adults: \_\_\_\_\_  
Children: \_\_\_\_\_

\*\*\*\*\*

**Emergency Contact: (PERSON WHO HAS A KEY TO THE UNIT)**

1 ST Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Home Phone: \_\_\_\_\_ Cell Phone: \_\_\_\_\_  
Work Phone: \_\_\_\_\_ Email: \_\_\_\_\_

2 ND Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Home Phone: \_\_\_\_\_ Cell Phone: \_\_\_\_\_  
Work Phone: \_\_\_\_\_ Email: \_\_\_\_\_

\*\*\*\*\*

**PLEASE RETURN TO: Annen Woods Condominium No. 2**  
c/o WPM Real Estate Management  
11433 Cronridge Drive, Owings Mills, MD 21117  
Office (443) 796-7400 Fax (443) 796-7188  
Email: [annenwoods2@wpmlc.com](mailto:annenwoods2@wpmlc.com)  
[www.wpmlc.com](http://www.wpmlc.com) [www.wpmassociations.com](http://www.wpmassociations.com)

# **Council of Unit Owners of Annen Woods Condominium No. 2**

Insurance Declaration Pages





ANNEN-2

OP ID: KH

## CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

11/07/2018

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).

PRODUCER Schoenfeld Ins. Assoc., Inc. 6225 Smith Ave Baltimore, MD 21209	410-602-2000	CONTACT NAME: PHONE (A/C, No, Ext): 410-602-2000 FAX (A/C, No): 410-602-1160 E-MAIL: condo@schoenfeldins.com ADDRESS:
INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A: Greater New York		
INSURER B: Great American Insurance		
INSURER C: The Hartford		22357
INSURER D:		
INSURER E:		
INSURER F:		

## COVERAGES

CERTIFICATE NUMBER:

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 SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR		8119M39406	11/06/2018	11/06/2019	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000
B	<input checked="" type="checkbox"/> D&O \$1 Million		EPPE296154	11/06/2018	11/06/2019	MED EXP (Any one person) \$ 5,000
C	<input checked="" type="checkbox"/> Fidelity \$450,000		30BDDHS5869	10/01/2017	10/01/2020	PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ Included
GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:						
AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE		UM2259894	11/06/2018	11/06/2019	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000
DED <input checked="" type="checkbox"/> RETENTION \$ -0-						
WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory In NH) <input type="checkbox"/> Y/N N/A						PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Property Section All Risk Repl.Cost		8119M39406	11/06/2018	11/06/2019	Blkt.Bldg \$ 12,877,202 Ded. \$ 5,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

WP&M Real Estate Group is included as an Employee with respects to Fidelity Bond at Full Limit

WP&M Real Estate Group is included as an additional insured as per form BP 00 03 07 02 included in policy #BOP5001933

## CERTIFICATE HOLDER

WPMREAL

WP&M Real Estate Group  
11433 Cronridge Drive  
Owings Mills., MD 21117

## CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

**NOTEPAD**

INSURED'S NAME Annen Woods Condominiums No. 2

ANNEN-2

OP ID: KH

PAGE 2

Date 11/07/2018

The Master Policy for Annen Woods Condominium No. 2 is written in accordance with the Maryland Condominium Act, Section 11-114, to include revisions implemented in October 2009, updated/posted in January 2011. Property Section/Replacement Cost of the Master Policy is written on an All Risk/SPECIAL Form basis, excluding ANY Betterments & Improvements installed by Unit owner's, other than the Developer. Homeowners are recommended to purchase a Homeowners Policy designed for Condominium Owners, commonly known as a HO6 Policy.

Fidelity Bond is included, as per the Maryland Condominium Act, Section 11-114, to include the Management Company as an Employee at Full Limit scheduled on the Fidelity Bond Policy.

**Additional Coverage Notes:**

48 Residential Units

Wind/Hail Coverage - Included (no separate deductible)

Equipment Breakdown Coverage - Included for Common Areas and Association Responsibility (please refer to Association By Laws)

Ordinance Coverage - Included



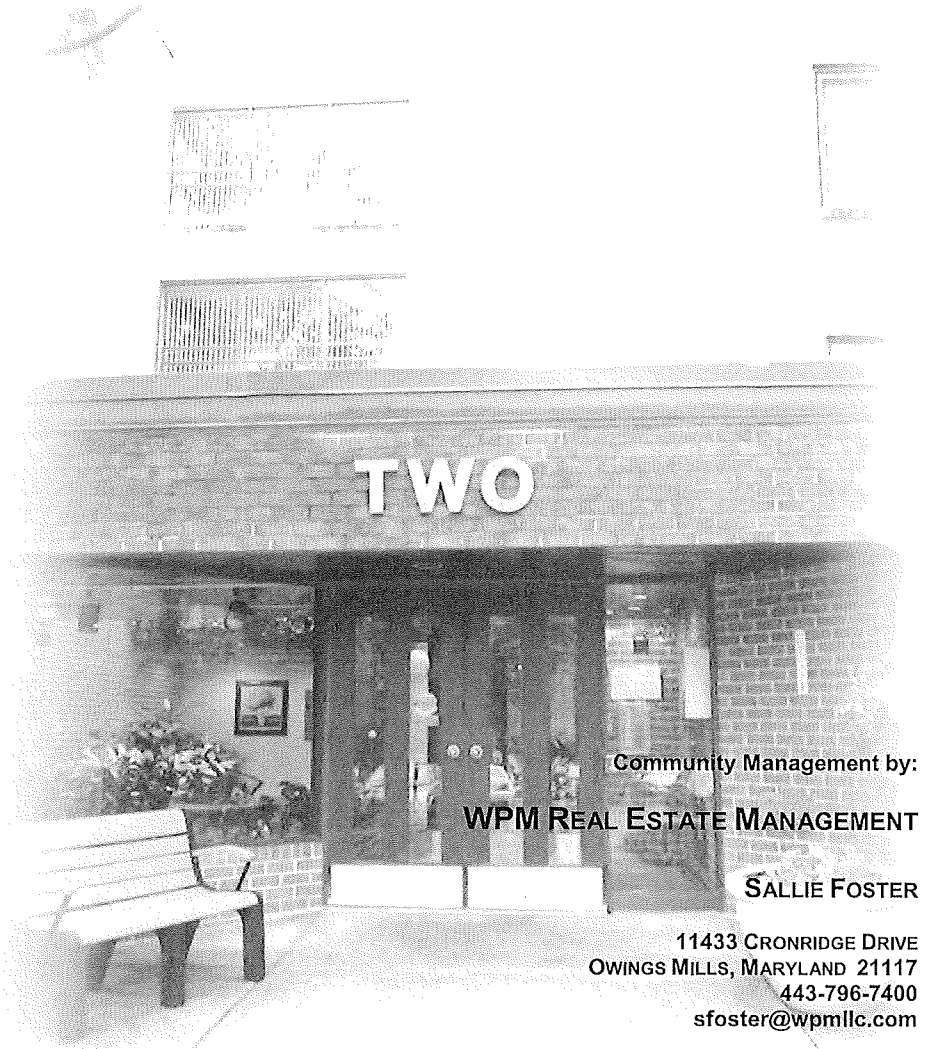
# Council of Unit Owners of Annen Woods Condominium No. 2

Reserve Reports



REPLACEMENT RESERVE REPORT FY 2016  
ANNEN WOODS AWC-2

REPLACEMENT RESERVE REPORT FY 2016  
ANNEN WOODS AWC-2



Community Management by:

**WPM REAL ESTATE MANAGEMENT**

**SALLIE FOSTER**

11433 CRONRIDGE DRIVE  
OWINGS MILLS, MARYLAND 21117  
443-796-7400  
sfoster@wpmlc.com

Consultant:

**millerdodson** | Capital  
ASSOCIATES Reserve  
Consultants

929 West Street, Suite 310  
Annapolis, MD 21401  
410.268.0479  
800.850.2835

[www.mdareserves.com](http://www.mdareserves.com)

**millerdodson**  
ASSOCIATES | Capital  
Reserve  
Consultants

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# REPLACEMENT RESERVE REPORT

## ANNEN WOODS AWC-2

PIKESVILLE, MARYLAND



**Description.** Annen Woods AWC-2 is a two building four story multi-family condominium community located in Pikesville, Maryland. Constructed in 1978, the community consists of 48 residences. The survey examined the common elements of the property, including:

- Asphalt drive, parking, and curbing.
- Concrete sidewalks, leadwalks, and patios.
- Retaining walls and railings.
- Building exteriors and common interior areas.

**Level of Service.** This study has been performed as a Level 2 Update with Site Visit/On-Site Review as defined under the National Reserve Study Standards that have been adopted by the Community Associations Institute. As such, the component inventory is based on the study that was performed in 2006 by Miller - Dodson Associates, Incorporated of Annapolis, Maryland. The inventory was adjusted to reflect changes as provided by the Community Manager or adjustments were made based on the site visit and visual inspection performed by the Reserve Specialist. The included fund status and funding plan have been developed from analysis of the adjusted inventory.

### Section A

#### Replacement Reserve Analysis

Executive Summary - A1  
General Information - A2  
Current Funding - A3  
Cash Flow Method Funding - A4  
Inflation Adjusted Funding - A5  
Comments - A6

### Section B

#### Replacement Reserve Inventory

Replacement Reserve Inventory  
General Information - B1  
Replacement Reserve Inventory  
Comments - B2  
Schedule of Projected Replacements  
and Exclusions - B3

### Section C

#### Projected Annual Replacements

Projected Annual Replacements  
General Information - C1  
Calendar of  
Projected Annual Replacements - C2

### Section D

#### Condition Assessment

### Appendix

Accounting Summary - CF1  
Component Method - CM1  
  
Overview, Standard Terms, and Definitions  
Video Answers to Frequently Asked Questions

To aid in the understanding of this report and its concepts and practices, on our web site, we have developed videos addressing frequently asked topics. In addition, there are posted links covering a variety of subjects under the resources page of our web site at mdareserves.com.

**Purpose.** The purpose of this Replacement Reserve Study is to provide Annen Woods AWC-2 (hereinafter called the Association) with an inventory of the common community facilities and infrastructure components that require periodic replacement. The Study includes a general view of the condition of these items and an effective financial plan to fund projected periodic replacements.

- **Inventory of Items Owned by the Association.** Section B lists the Projected Replacements of the commonly owned items that require periodic replacement using funding from Replacement Reserves. The Replacement Reserve Inventory also provides information about excluded items, which are items whose replacements are not scheduled for funding from Replacement Reserves.
- **Condition of Items Owned by the Association.** Section B includes our estimates of the normal economic life and the remaining economic life for the projected replacements. Section C provides a year-by-year listing of the projected replacements. Section D provides additional detail for items that are unique or deserving of attention because of their condition or the manner in which they have been treated in this study.
- **Financial Plan.** The Association has a fiduciary responsibility to protect the appearance, value, and safety of the property and it is therefore essential the Association have a financial plan that provides funding for the projected replacements. In conformance with American Institute of Certified Public Accountant guidelines, Section A, Replacement Reserve Analysis evaluates the current funding of Replacement Reserves as reported by the Association and recommends annual funding of Replacement Reserves by the Cash Flow Method. Section A, Replacement Reserve Analysis includes graphic and tabular presentations of the Association's current funding and the recommended funding based on the Cash Flow Method. An Executive Summary of these calculations is provided on Page A1. The alternative Component Method of funding is provided in the Appendix.

**Basis.** The data contained in this Replacement Reserve Study is based upon the following:

- The Request for Proposal submitted and executed by the Association.
- Miller - Dodson performed a visual evaluation on May 3, 2016 to determine a remaining useful life and replacement cost for the commonly owned elements of this facility.
- This study contains additional recommendations to address inflation for the Cash Flow Method only. For this recommendation, Miller - Dodson uses the Producers Price Index (PPI), which gauges inflation in manufacturing and construction. Please see page A5 for further details.

**To-Scale Drawings.** Site and building plans were not used in the development of this study. We recommend the Association assemble and maintain a library of site and building plans of the entire facility. Record drawings should be scanned into an electronic format for safe storage and ease of distribution. Upon request for a nominal fee, Miller - Dodson can provide scanning services.

**Current Funding.** This reserve study has been prepared for Fiscal Year 2016 covering the period from January 1, 2016 to December 31, 2016. The Replacement Reserves on deposit as of January 1, 2016 are reported to be \$302,025.00. The planned contribution for the fiscal year is \$58,255.00.

The balance and contribution figures have been supplied by the managing agent and confirmation or audit of these figures is beyond the scope of the study. For the purposes of this study, it is assumed that the annual contribution will be deposited at the end of each month.

**Acknowledgement.** Miller - Dodson Associates would like to acknowledge the assistance and input of the Community Manager, Ms. Sallie Foster and the Community Engineer, Mr. Jack Casteel who provided very helpful insight into the current operations of the property.

**Analyst's Credentials.** This study has been performed by Michael G. Hughes, who holds a Bachelor's Degree in Business Administration from Georgetown University. Mr. Hughes has extensive experience in the development and construction of over \$750,000,000 worth of residential and commercial properties. Most of this volume of work was performed in the Baltimore-Washington market. He is a licensed Realtor in the state of Maryland. Earlier he was a licensed real estate broker and a troubled-property appraiser in Columbus, Ohio where he founded a property management company and an historic restoration construction company. Currently, Mr. Hughes is a Reserve Specialist for Miller - Dodson Associates.

Respectfully submitted,

**millerdodson** | Capital  
ASSOCIATES Reserve  
Consultants

Michael G. Hughes, RS  
Reserve Specialist

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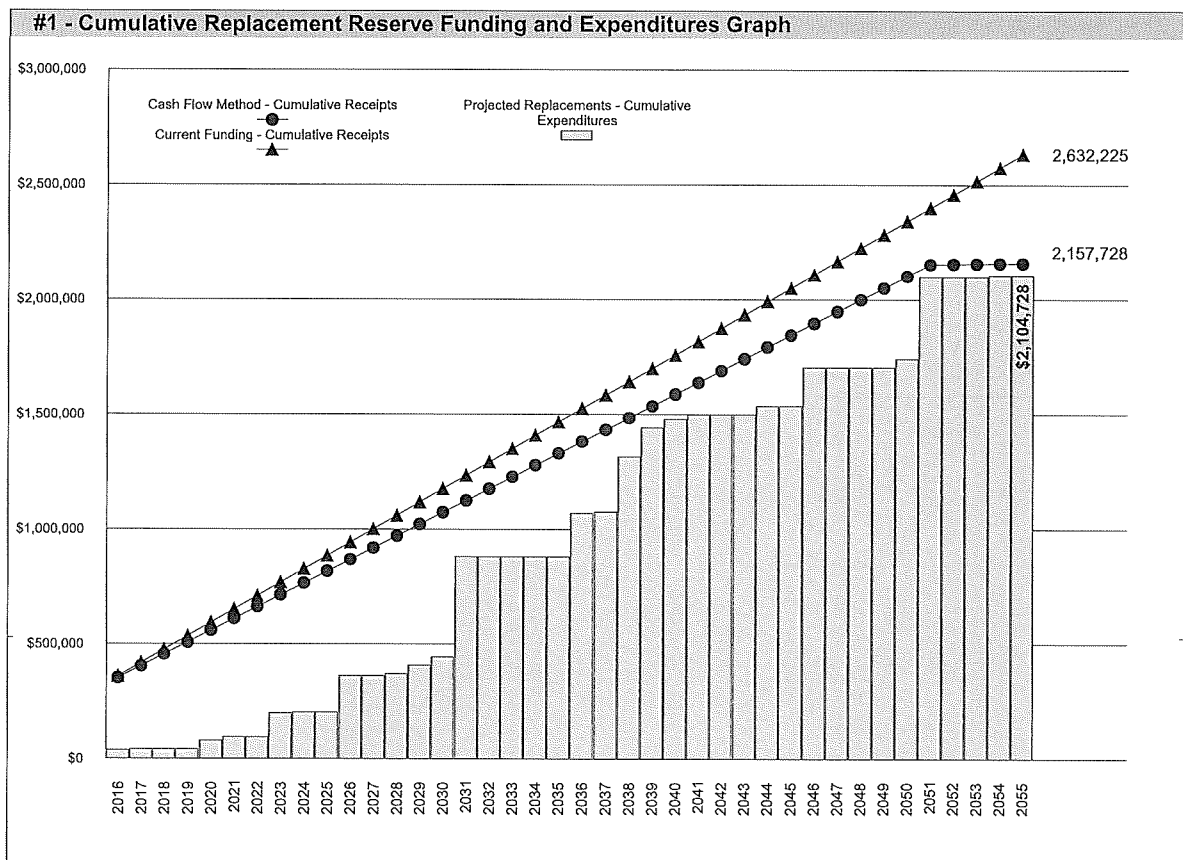
## EXECUTIVE SUMMARY

The Annen Woods AWC-2 Replacement Reserve Analysis uses the Cash Flow Method (CFM) to calculate Replacement Reserve funding for the periodic replacement of the 54 Projected Replacements identified in the Replacement Reserve Inventory.

**\$51,425** | **RECOMMENDED REPLACEMENT RESERVE FUNDING FOR THE STUDY YEAR, 2016**  
\$89.28 Per unit (average), minimum monthly funding of Replacement Reserves

We recommend the Association adopt a Replacement Reserve Funding Plan based on the annual funding recommendation above. Inflation adjusted funding for subsequent years is shown on Page A5.

Annen Woods AWC-2 reports a Starting Balance of \$302,025 and Annual Funding totaling \$58,255. Current funding is adequate to fund the \$2,104,728 of Projected Replacements scheduled in the Replacement Reserve Inventory over the 40-year Study Period. See Page A3 for a more detailed evaluation.



The Current Funding Objective as calculated by the Component Method (Fully Funded) is \$478,664 making the reserve account 63.1% funded. See the Appendix for more information on this method.



## REPLACEMENT RESERVE ANALYSIS - GENERAL INFORMATION

The Annen Woods AWC-2 Replacement Reserve Analysis calculations of recommended funding of Replacement Reserves by the Cash Flow Method and the evaluation of the Current Funding are based upon the same Study Year, Study Period, Beginning Balance, Replacement Reserve Inventory and Level of Service.

### 2016 | STUDY YEAR

The Association reports that their accounting year begins on January 1, and the Study Year, the first year evaluated by the Replacement Reserve Analysis, begins on January 1, 2016.

### 40 Years | STUDY PERIOD

The Replacement Reserve Analysis evaluates the funding of Replacement Reserves over a 40-year Study Period.

### \$302,025 | STARTING BALANCE

The Association reports Replacement Reserves on Deposit totaling \$302,025 at the start of the Study Year.

### Level Two | LEVEL OF SERVICE

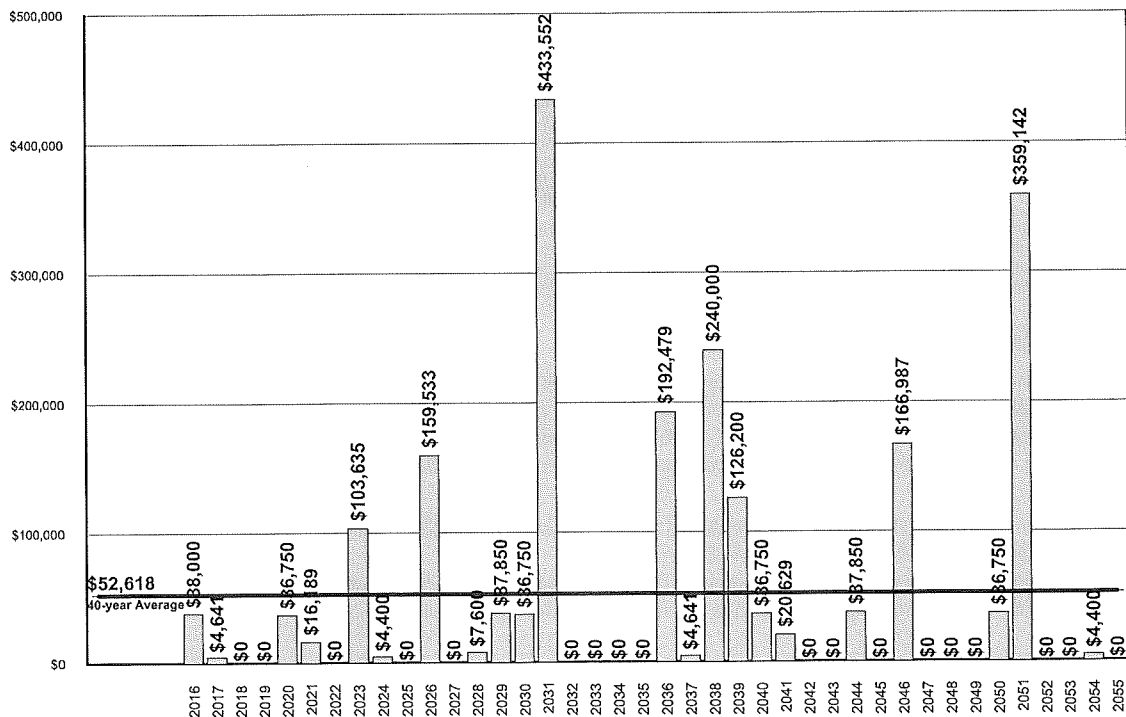
The Replacement Reserve Inventory has been developed in compliance with the National Reserve Study Standards for a Level Two Study, as defined by the Community Associations Institute (CAI).

### \$2,104,728 | REPLACEMENT RESERVE INVENTORY - PROJECTED REPLACEMENTS

The Annen Woods AWC-2 Replacement Reserve Inventory identifies 54 items that will require periodic replacement, that are to be funded from Replacement Reserves. We estimate the cost of these replacements will be \$2,104,728 over the 40-year Study Period. The Projected Replacements are divided into 11 major categories starting on Page B3. Pages B1-B2 provide detailed information on the Replacement Reserve Inventory.

#### #2 - Annual Expenditures for Projected Replacements Graph

This graph shows annual expenditures for Projected Replacements over the 40-year Study Period. The red line shows the average annual expenditure of \$52,618. Section C provides a year by year Calendar of these expenditures.



## UPDATING

### UPDATING OF THE FUNDING PLAN

The Association has a responsibility to review the Funding Plan annually. The review should include a comparison and evaluation of actual reserve funding with recommended levels shown on Page A4 and A5. The Projected Replacements listed on Page C2 should be compared with any replacements accomplished and funded from Replacement Reserves. Discrepancies should be evaluated and if necessary, the Reserve Study should be updated or a new study commissioned. We recommend annual increases in replacement reserve funding to account for the impact of inflation. Inflation Adjusted Funding is discussed on Page A5.

### UPDATING OF THE REPLACEMENT RESERVE STUDY

At a minimum, the Replacement Reserve Study should be professionally updated every three to five years or after completion of a major replacement project. Updating should also be considered if during the annual review of the Funding Plan, discrepancies are noted between projected and actual reserve funding or replacement costs. Updating may also be necessary if there is a meaningful discrepancy between the actual inflation rate and the inflation rate used for the Inflation Adjusted Funding of Replacement Reserves on Page A5.

## ANNUAL EXPENDITURES AND CURRENT FUNDING

The annual expenditures that comprise the \$2,104,728 of Projected Expenditures over the 40-year Study Period and the impact of the Association continuing to fund Replacement Reserves at the current level are detailed in Table 3.

#3 - Table of Annual Expenditures and Current Funding Data - Years 1 through 40										
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Starting Balance	\$302,025									
Projected Replacements	(\$38,000)	(\$4,641)			(\$36,750)	(\$16,189)		(\$103,635)	(\$4,400)	
Annual Deposit	\$58,255	\$58,255	\$58,255	\$58,255	\$58,255	\$58,255	\$58,255	\$58,255	\$58,255	\$58,255
End of Year Balance	\$322,280	\$375,894	\$434,149	\$492,404	\$551,309	\$555,975	\$614,230	\$569,850	\$622,705	\$680,960
Cumulative Expenditures	(\$38,000)	(\$42,641)	(\$42,641)	(\$42,641)	(\$79,391)	(\$95,580)	(\$95,580)	(\$199,215)	(\$203,615)	(\$203,615)
Cumulative Receipts	\$360,280	\$418,535	\$476,790	\$535,045	\$593,300	\$651,555	\$709,810	\$768,065	\$826,320	\$884,575
Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Projected Replacements	(\$159,533)	(\$7,600)	(\$37,850)	(\$37,850)	(\$36,750)	(\$433,552)				
Annual Deposit	\$58,255	\$58,255	\$58,255	\$58,255	\$58,255	\$58,255	\$58,255	\$58,255	\$58,255	\$58,255
End of Year Balance	\$579,682	\$637,937	\$688,592	\$708,997	\$730,502	\$355,205	\$413,460	\$471,715	\$529,970	\$588,225
Cumulative Expenditures	(\$363,148)	(\$363,148)	(\$370,748)	(\$408,598)	(\$445,348)	(\$878,900)	(\$878,900)	(\$878,900)	(\$878,900)	(\$878,900)
Cumulative Receipts	\$942,830	\$1,001,085	\$1,059,340	\$1,117,595	\$1,175,850	\$1,234,105	\$1,292,360	\$1,350,615	\$1,408,870	\$1,467,125
Year	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Projected Replacements	(\$192,479)	(\$4,641)	(\$240,000)	(\$126,200)	(\$36,750)	(\$20,629)			(\$37,850)	
Annual Deposit	\$58,255	\$58,255	\$58,255	\$58,255	\$58,255	\$58,255	\$58,255	\$58,255	\$58,255	\$58,255
End of Year Balance	\$454,001	\$507,615	\$325,870	\$257,925	\$279,430	\$317,056	\$375,311	\$433,566	\$453,971	\$512,226
Cumulative Expenditures	(\$1,071,379)	(\$1,076,020)	(\$1,316,020)	(\$1,442,220)	(\$1,478,970)	(\$1,499,599)	(\$1,499,599)	(\$1,499,599)	(\$1,537,449)	(\$1,537,449)
Cumulative Receipts	\$1,525,380	\$1,583,635	\$1,641,890	\$1,700,145	\$1,758,400	\$1,816,655	\$1,874,910	\$1,933,165	\$1,991,420	\$2,049,675
Year	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
Projected Replacements	(\$166,967)				(\$36,750)	(\$359,142)				
Annual Deposit	\$58,255	\$58,255	\$58,255	\$58,255	\$58,255	\$58,255	\$58,255	\$58,255	\$58,255	\$58,255
End of Year Balance	\$403,494	\$461,749	\$520,004	\$578,259	\$599,764	\$299,877	\$357,132	\$415,387	\$469,242	\$527,497
Cumulative Expenditures	(\$1,704,436)	(\$1,704,436)	(\$1,704,436)	(\$1,704,436)	(\$1,741,186)	(\$2,100,328)	(\$2,100,328)	(\$2,100,328)	(\$2,104,728)	(\$2,104,728)
Cumulative Receipts	\$2,107,930	\$2,166,185	\$2,224,440	\$2,282,695	\$2,340,950	\$2,399,205	\$2,457,460	\$2,515,715	\$2,573,970	\$2,632,225

## EVALUATION OF CURRENT FUNDING

The evaluation of Current Funding (Starting Balance of \$302,025 & annual funding of \$58,255), is done in today's dollars with no adjustments for inflation or interest earned on Replacement Reserves. The evaluation assumes Replacement Reserves will only be used for the 54 Projected Replacements identified in the Replacement Reserve Inventory and that the Association will continue Annual Funding of \$58,255 throughout the 40-year Study Period.

Annual Funding of \$58,255 is approximately 113 percent of the \$51,425 recommended Annual Funding calculated by the Cash Flow Method for 2016, the Study Year.

Evaluation of the 54 Projected Replacements calculates an average annual expenditure over the next 40 years of \$52,618. Annual funding of \$58,255 is 111 percent of the average annual expenditure.

In summary, Current Funding as reported by the Association and outlined above provides timely and adequate funding for the \$2,104,728 of Projected Replacements scheduled in the Replacement Reserve Inventory over the 40-year Study Period.

## CASH FLOW METHOD FUNDING

**\$51,425**

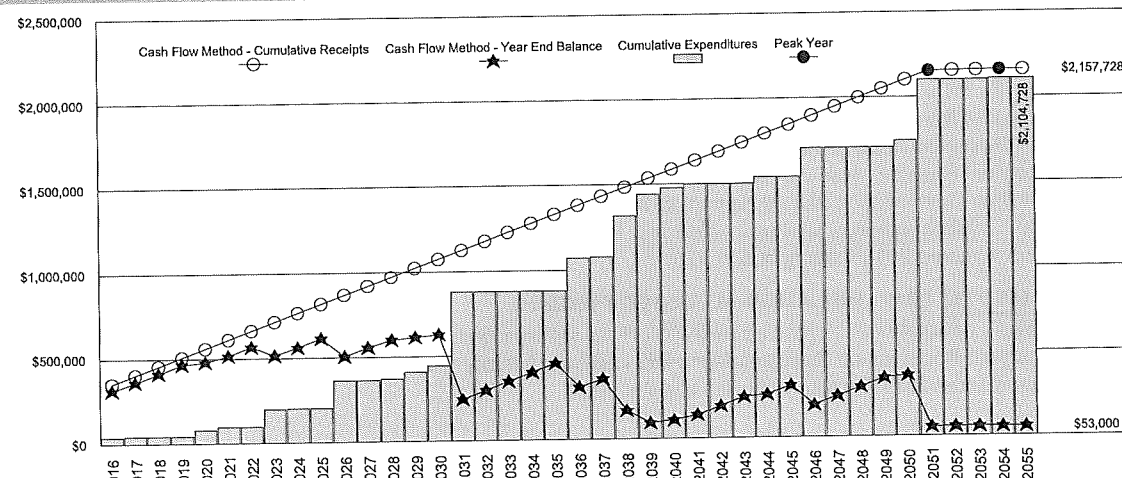
### RECOMMENDED REPLACEMENT RESERVE FUNDING FOR 2016

\$89.28 Per unit (average), minimum monthly funding of Replacement Reserves

Recommended Replacement Reserve Funding has been calculated using the Cash Flow Method (also called the Straight Line or Threshold Method). This method calculates a constant annual funding between peaks in cumulative expenditures, while maintaining a Minimum Balance (threshold) in the Peak Years.

- **Peak Years.** The First Peak Year occurs in 2051 with Replacement Reserves on Deposit dropping to the Minimum Balance after the completion of \$2,100,328 of replacements from 2016 to 2051. Recommended funding declines from \$51,425 in 2051 to \$1,467 in 2052. Peak Years are identified in Chart 4 and Table 5.
- **Minimum Balance.** The calculations assume a Minimum Balance of \$53,000 in Replacement Reserves. This is approx. 12 months of average expenditures based on the \$52,618, 40-year average annual expenditure.
- **Cash Flow Method Study Period.** Cash Flow Method calculates funding for \$2,104,728 of expenditures over the 40-year Study Period. It does not include funding for any projects beyond 2055 and in 2055, the end of year balance will always be the Minimum Balance.

**#4 - Cash Flow Method - Graph of Cumulative Receipts and Expenditures - Years 1 through 40**



**#5 - Cash Flow Method - Table of Receipts & Expenditures - Years 1 through 40**

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Starting Balance	\$302,025									
Projected Replacements	(\$38,000)	(\$4,841)			(\$36,750)	(\$16,189)		(\$103,635)	(\$4,400)	
Annual Deposit	\$51,425	\$51,425	\$51,425	\$51,425	\$51,425	\$51,425	\$51,425	\$51,425	\$51,425	\$51,425
End of Year Balance	\$316,450	\$362,235	\$413,660	\$465,085	\$479,780	\$514,998	\$566,421	\$514,211	\$561,236	\$612,661
Cumulative Expenditures	\$38,000	\$42,641	\$42,641	\$42,641	\$79,391	\$95,580	\$95,580	\$199,215	\$203,615	\$203,615
Cumulative Receipts	\$353,450	\$404,876	\$456,301	\$507,726	\$559,151	\$610,576	\$662,001	\$713,426	\$764,851	\$816,276
Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Projected Replacements	(\$159,533)		(\$7,600)	(\$37,850)	(\$36,750)	(\$433,552)				
Annual Deposit	\$51,425	\$51,425	\$51,425	\$51,425	\$51,425	\$51,425	\$51,425	\$51,425	\$51,425	\$51,425
End of Year Balance	\$504,553	\$555,978	\$599,803	\$613,378	\$628,053	\$245,827	\$297,352	\$348,777	\$400,202	\$451,627
Cumulative Expenditures	(\$363,148)	(\$363,148)	(\$370,748)	(\$408,598)	(\$445,348)	(\$878,900)	(\$878,900)	(\$878,900)	(\$878,900)	(\$878,900)
Cumulative Receipts	\$867,701	\$919,126	\$970,551	\$1,021,976	\$1,073,401	\$1,124,826	\$1,176,252	\$1,227,677	\$1,279,102	\$1,330,527
Year	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Projected Replacements	(\$192,479)	(\$4,841)	(\$240,000)	(\$126,200)	(\$36,750)	(\$20,629)				
Annual Deposit	\$51,425	\$51,425	\$51,425	\$51,425	\$51,425	\$51,425	\$51,425	\$51,425	\$51,425	\$51,425
End of Year Balance	\$310,573	\$357,357	\$168,782	\$94,007	\$108,682	\$139,478	\$190,803	\$242,328	\$255,903	\$307,328
Cumulative Expenditures	(\$1,071,379)	(\$1,076,020)	(\$1,316,020)	(\$1,442,220)	(\$1,478,970)	(\$1,499,599)	(\$1,499,599)	(\$1,499,599)	(\$1,537,449)	(\$1,537,449)
Cumulative Receipts	\$1,381,952	\$1,433,377	\$1,484,802	\$1,536,227	\$1,587,652	\$1,639,077	\$1,690,502	\$1,741,927	\$1,793,352	\$1,844,777
Year	2046	2047	2048	2049	2050	1st Peak - 2051	2052	2053	2nd Peak - 2054	2055
Projected Replacements	(\$166,987)				(\$36,750)	(\$359,142)			(\$4,400)	
Annual Deposit	\$51,425	\$51,425	\$51,425	\$51,425	\$51,425	\$51,425	\$1,467	\$1,467	\$1,467	\$53,000
End of Year Balance	\$191,766	\$243,191	\$294,617	\$346,042	\$397,467	\$346,042	\$397,467	\$448,892	\$500,317	\$551,742
Cumulative Expenditures	(\$1,704,436)	(\$1,704,436)	(\$1,704,436)	(\$1,704,436)	(\$1,741,186)	(\$2,104,728)	(\$2,104,728)	(\$2,104,728)	(\$2,104,728)	(\$2,104,728)
Cumulative Receipts	\$1,896,203	\$1,947,628	\$1,999,053	\$2,050,478	\$2,101,903	\$2,153,328	\$2,153,328	\$2,153,328	\$2,153,328	\$2,153,328

## INFLATION ADJUSTED FUNDING

The Cash Flow Method calculations on Page A4 have been done in today's dollars with no adjustment for inflation. At Miller + Dodson, we believe that long-term inflation forecasting is effective at demonstrating the power of compounding, not at calculating appropriate funding levels for Replacement Reserves. We have developed this proprietary model to estimate the short-term impact of inflation on Replacement Reserve funding.

### **\$51,425** 2016 - CASH FLOW METHOD RECOMMENDED FUNDING

The 2016 Study Year calculations have been made using current replacement costs (see Page B2), modified by the Analyst for any project specific conditions.

### **\$54,134** 2017 - INFLATION ADJUSTED FUNDING

A new analysis calculates 2017 funding based on three assumptions;

- Replacement Reserves on Deposit totaling \$315,450 on January 1, 2017.
- All 2016 Projected Replacements listed on Page C2 accomplished at a cost to Replacement Reserves less than \$38,000.
- Construction Cost Inflation of 4.50 percent in 2016.

The \$54,134 inflation adjusted funding in 2017 is a 5.27 percent increase over the non-inflation adjusted 2017 funding of \$51,425.

### **\$57,097** 2018 - INFLATION ADJUSTED FUNDING

A new analysis calculates 2018 funding based on three assumptions;

- Replacement Reserves on Deposit totaling \$364,734 on January 1, 2018.
- All 2017 Projected Replacements listed on Page C2 accomplished at a cost to Replacement Reserves less than \$4,850.
- Construction Cost Inflation of 4.50 percent in 2017.

The \$57,097 inflation adjusted funding in 2018 is a 11.03 percent increase over the non-inflation adjusted 2018 funding of \$51,425.

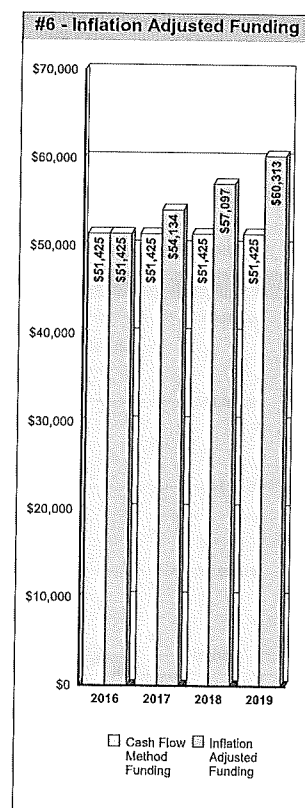
### **\$60,313** 2019 - INFLATION ADJUSTED FUNDING

A new analysis calculates 2019 funding based on three assumptions;

- Replacement Reserves on Deposit totaling \$421,832 on January 1, 2019.
- No Expenditures from Replacement Reserves in 2018.

- Construction Cost Inflation of 4.50 percent in 2018.

The \$60,313 inflation adjusted funding in 2019 is a 17.28 percent increase over the non-inflation adjusted funding of \$51,425.



## YEAR FIVE & BEYOND

The inflation adjusted funding calculations outlined above are not intended to be a substitute for periodic evaluation of common elements by an experienced Reserve Analyst. Industry Standards, lender requirements, and many state and local statutes require a Replacement Reserve Study be professionally updated every 3 to 5 years.

## INFLATION ADJUSTMENT

Prior to approving a budget based upon the 2017, 2018 and 2019 inflation adjusted funding calculations above, the 4.50 percent base rate of inflation used in our calculations should be compared to rates published by the Bureau of Labor Statistics. If there is a significant discrepancy (over 1 percent), contact Miller Dodson + Associates prior to using the Inflation Adjusted Funding.

## INTEREST ON RESERVES

The recommended funding calculations do not account for interest earned on Replacement Reserves.

In 2016, based on a 1.00 percent interest rate, we estimate the Association may earn \$3,087 on an average balance of \$308,738, \$3,401 on an average balance of \$340,092 in 2017, and \$3,933 on \$393,283 in 2018. The Association may elect to attribute 100 percent of the earned interest to Reserves, resulting in a reduction in the 2016 funding from \$51,425 to \$48,338 (a 6.00 percent reduction), \$54,134 to \$50,733 in 2017 (a 6.28 percent reduction), and \$57,097 to \$53,165 in 2018 (a 6.89 percent reduction).

## REPLACEMENT RESERVE STUDY - SUPPLEMENTAL COMMENTS

- Annen Woods AWC-2 has 48 units. The type of property is a condominium .
- The Cash Flow Method calculates the minimum annual funding necessary to prevent Replacement Reserves from dropping below the Minimum Balance. Failure to fund at least the recommended levels may result in funding not being available for the Projected Replacements listed in the Replacement Reserve Inventory.
- The accuracy of the Replacement Reserve Analysis is dependent upon expenditures from Replacement Reserves being made ONLY for the 54 Projected Replacements specifically listed in the Replacement Reserve Inventory. The inclusion/exclusion of items from the Replacement Reserve Inventory is discussed on Page B1.

## REPLACEMENT RESERVE INVENTORY GENERAL INFORMATION

Annen Woods AWC-2 - Replacement Reserve Inventory identifies 95 items. Two types of items are identified, Projected Replacements and Excluded Items:

- **PROJECTED REPLACEMENTS.** 54 of the items are Projected Replacements and the periodic replacements of these items are scheduled for funding from Replacement Reserves. The Projected Replacements have an estimated one-time replacement cost of \$1,266,222. Replacements totaling \$2,104,728 are scheduled in the Replacement Reserve Inventory over the 40-year Study Period.

Projected Replacements are the replacement of commonly-owned physical assets that require periodic replacement and whose replacement is to be funded from Replacement Reserves.

- **EXCLUDED ITEMS.** 41 of the items are Excluded Items, and expenditures for these items are NOT scheduled for funding from Replacement Reserves. The accuracy of the calculations made in the Replacement Reserve Analysis is dependent on expenditures NOT being made for Excluded Items. The Excluded Items are listed in the Replacement Reserve Inventory to identify specific items and categories of items that are not to be funded from Replacement Reserves. There are multiple categories of items that are typically excluded from funding by Replacement Reserves, including but not limited to:

**Tax Code.** The United States Tax Code grants very favorable tax status to Replacement Reserves, conditioned on expenditures being made within certain guidelines. These guidelines typically exclude maintenance activities, minor repairs and capital improvements.

**Value.** Items with a replacement cost of less than \$1,000 and/or a normal economic life of less than 3 years are typically excluded from funding from Replacement Reserves. This exclusion should reflect Association policy on the administration of Replacement Reserves. If the Association has selected an alternative level, it will be noted in the Replacement Reserve Inventory - General Comments on Page B2.

**Long-lived Items.** Items that when properly maintained, can be assumed to have a life equal to the property as a whole, are typically excluded from the Replacement Reserve Inventory.

**Unit improvements.** Items owned by a single unit and where the items serve a single unit are generally assumed to be the responsibility of that unit, not the Association.

**Other non-common improvements.** Items owned by the local government, public and private utility companies, the United States Postal Service, Master Associations, state and local highway authorities, etc., may be installed on property that is owned by the Association. These types of items are generally not the responsibility of the Association and are excluded from the Replacement Reserve Inventory.

The rationale for the exclusion of an item from funding by Replacement Reserves is discussed in more detail in the 'Comments' sections of the Section B - Replacement Reserve Inventory.

- **CATEGORIES.** The 95 items included in the Annen Woods AWC-2 Replacement Reserve Inventory are divided into 11 major categories. Each category is printed on a separate page, Pages B3 to B12.
- **LEVEL OF SERVICE.** This Replacement Reserve Inventory has been developed in compliance with the standards established for a Level Two - Update (with site visit and on-site review), as defined by the National Reserve Study Standards, established in 1998 by Community Associations Institute, which states:

*Level II Studies are based entirely on the component inventory from a prior study. This information is adjusted to reflect changes to the inventory that are provided by the Association, and the quantities are adjusted accordingly from field measurement and/or quantity takeoffs from to-scale drawings that are made available to us. The condition of all components is ascertained from a site visit and the visual inspection of each component by the analyst. The Remaining Economic Life and replacement cost of components are provided based in part on these observations. The fund status and Funding Plan are derived from analysis of this data.*

## REPLACEMENT RESERVE INVENTORY - GENERAL INFORMATION (cont'd)

- **INVENTORY DATA.** Each of the 54 Projected Replacements listed in the Replacement Reserve Inventory includes the following data:

Item Number. The Item Number is assigned sequentially and is intended for identification purposes only.

Item Description. We have identified each item included in the Inventory. Additional information may be included in the Comments section at the bottom of each page of the Inventory.

Units. We have used standard abbreviations to identify the number of units including SF-square feet, LF-lineal feet, SY-square yard, LS-lump sum, EA-each, and PR-pair. Non-standard abbreviations are noted in the Comments section at the bottom of the page.

Number of Units. The methods used to develop the quantities are discussed in "Level of Service" above.

Unit Replacement Cost. We use four sources to develop the unit cost data shown in the Inventory; actual replacement cost data provided by the client, information provided by local contractors and suppliers, industry standard estimating manuals, and a cost database we have developed based upon our detailed interviews with contractors and service providers who are specialists in their respective lines of work.

Normal Economic Life (Yrs). The number of years that a new and properly installed item should be expected to remain in service.

Remaining Economic Life (Yrs). The estimated number of years before an item will need to be replaced. In "normal" conditions, this could be calculated by subtracting the age of the item from the Normal Economic Life of the item, but only rarely do physical assets age "normally". Some items may have longer or shorter lives depending on many factors such as environment, initial quality of the item, maintenance, etc.

Total Replacement Cost. This is calculated by multiplying the Unit Replacement Cost by the Number of Units.

Each of the 41 Excluded Items includes the Item Description, Units, and Number of Units. Many of the Excluded Items are listed as a 'Lump Sum' with a quantity of 1. For the Excluded Items, this indicates that all of the items identified by the 'Item Description' are excluded from funding by Replacement Reserves.

- **REVIEW OF EXPENDITURES.** This Replacement Reserve Study should be reviewed by an accounting professional representing the Association prior to implementation.
- **PARTIAL FUNDING.** Items may have been included in the Replacement Reserve Inventory at less than 100 percent of their full quantity and/or replacement cost. This is done on items that will never be replaced in their entirety, but which may require periodic replacements over an extended period of time. The assumptions that provide the basis for any partial funding are noted in the Comments section.
- **REMAINING ECONOMIC LIFE GREATER THAN 40 YEARS.** The calculations do not include funding for initial replacements beyond 40 years. These replacements are included in this Study for tracking and evaluation. They should be included for funding in future Studies, when they enter the 40-year window.

SITE COMPONENTS PROJECTED REPLACEMENTS							
ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST (\$)
1	Asphalt pavement, mill & overlay	sf	30,335	\$1.65	20	15	\$50,053
2	Asphalt pavement, seal coat	sf	30,335	\$0.20	5	5	\$6,067
3	Asphalt curb	lf	1,105	\$4.20	20	1	\$4,641
4	Concrete flatwork - walks & patios (6%)	sf	620	\$9.10	5	5	\$5,642
5	Retaining wall, segmental block	sf	60	\$55.00	80	10	\$3,300
6	Stormwater management components	ls	1	\$1,700.00	20	15	\$1,700
7	Benches	ea	5	\$880.00	15	8	\$4,400
SITE COMPONENTS - Replacement Costs - Subtotal							\$75,803

SITE COMPONENTS COMMENTS	
<ul style="list-style-type: none"> <li>● We have assumed that the Association will replace the asphalt pavement by the installation of a 2 inch thick overlay. The pavement will need to be milled prior to the installation of the overlay.</li> </ul>	



**BUILDING EXTERIOR COMPONENTS**  
PROJECTED REPLACEMENTS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST (\$)
8	Roofing, flat modified bitumen	sf	25,000	\$11.00	20	15	\$275,000
9	Flashing	sf	2,000	\$8.10	20	15	\$16,200
10	Masonry (10% repointing allowance)	sf	5,100	\$14.50	10	20	\$73,950
11	Entry skylights	sf	987	\$105.00	45	7	\$103,635
12	Front entry door sets - refurbish	ea	4	\$2,000.00	10	10	\$8,000
13	Exterior metal door sets - single	ea	2	\$850.00	25	20	\$1,700
14	Exterior metal door sets - double	ea	6	\$1,500.00	25	20	\$9,000
15	Window, stationary	sf	550	\$42.80	40	10	\$23,540
16	Exterior lighting, atrium recessed cans	ea	10	\$195.00	25	20	\$1,950
17	Exterior lighting, sconce @ exterior doors	ea	6	\$140.00	15	10	\$840
18	Balcony, concrete resurface	sf	5,184	\$4.50	20	10	\$23,328
19	Balcony, composite rail-screen	ft	576	\$56.00	40	10	\$32,256
20	Exterior waterproofing caulk	lf	3,200	\$2.00	10	10	\$6,400
21	Front entry doors - automatic openers	ea	4	\$900.00	15	10	\$3,600

BUILDING EXTERIOR COMPONENTS - Replacement Costs - Subtotal \$579,399

**BUILDING EXTERIOR COMPONENTS**  
COMMENTS

## BUILDING INTERIOR COMPONENTS

## PROJECTED REPLACEMENTS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST (\$)
22	Flooring, carpet	sf	7,500	\$4.90	10	4	\$36,750
23	Flooring, vinyl lobby	sf	886	\$5.70	15	13	\$5,050
24	Lobby, refurbish/redecorate	ls	1	\$10,800.00	15	13	\$10,800
25	Lighting, lobby track lights	ea	30	\$200.00	25	15	\$6,000
26	Lighting, lobby light-tracks	ft	46	\$50.00	25	15	\$2,300
27	Lighting, lobbies - recessed cans	ea	52	\$185.00	25	15	\$9,620
28	Lighting, corridor up-lights	ea	46	\$165.00	25	15	\$7,590
29	Lighting, stair tower wall lights	ea	50	\$140.00	25	15	\$7,000
30	Lighting, storage & work rooms, fluorescent	ea	20	\$125.00	25	15	\$2,500
31	Cluster mailboxes	ea	48	\$65.00	35	20	\$3,120
32	Trash chute doors	ea	8	\$645.00	25	15	\$5,160
33	Interior doors, metal - single	ea	24	\$960.00	25	15	\$23,040
34	Interior doors, metal - double	ea	8	\$1,400.00	25	15	\$11,200
35	Interior fire doors - double	ea	2	\$2,100.00	30	20	\$4,200
36	Security & inner-com system	ea	2	\$4,500.00	20	10	\$9,000

BUILDING INTERIOR COMPONENTS - Replacement Costs - Subtotal	\$143,330
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## BUILDING INTERIOR COMPONENTS

## COMMENTS

**BUILDING SYSTEM COMPONENTS**  
**PROJECTED REPLACEMENTS**

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST (\$)
37	Elevator, hydraulic passenger controls	ea	2	\$32,400.00	25	23	\$64,800
38	Elevator cab & door, passenger	ea	2	\$9,800.00	25	23	\$19,600
39	Elevator, hydraulic freight piston 4 FL	ea	2	\$18,700.00	25	23	\$37,400
40	Heat pump @ common areas	ea	2	\$8,000.00	15	13	\$16,000
41	Heat pump in the elevator machinery room	ea	2	\$3,000.00	15	13	\$6,000
42	Electric panels & breakers	ea	2	\$3,800.00	50	12	\$7,600
43	Fire safety annunciator sys, mid-rise	ea	2	\$7,500.00	30	20	\$15,000
44	Fire safety light / bell / horn/ pull stations	ea	16	\$90.00	30	20	\$1,440
45	Fire safety control panels	ea	2	\$380.00	30	20	\$760
46	Emergency illuminated exit signs	ea	30	\$155.00	30	20	\$4,650
47	Emergency battery pack exit lights	ea	32	\$250.00	30	20	\$8,000
48	Trash compactor motors	ea	2	\$4,000.00	20	none	\$8,000
49	Trash dumpsters	ls	2	\$1,800.00	5	5	\$3,600
50	Sump pumps	ea	2	\$500.00	10	10	\$1,000
51	Common sanitary line (allowance)	ls	2	\$15,000.00	10	none	\$30,000
52	Domestic water, epoxy lining	unit	48	\$5,000.00	60	22	\$240,000
53	Fire extinguisher, cabinet	ea	16	\$185.00	30	10	\$2,960
54	Fire extinguisher	ea	16	\$55.00	10	5	\$880
BUILDING SYSTEM COMPONENTS - Replacement Costs - Subtotal							\$467,690

**BUILDING SYSTEM COMPONENTS**  
**COMMENTS**

**VALUATION EXCLUSIONS**  
EXCLUDED ITEMS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST (\$)
	Property identification signage	ls	1				EXCLUDED
	Miscellaneous signage	ls	1				EXCLUDED
	Retaining wall, segmental block - reset	ls	1				EXCLUDED
	Electric heaters	ls	1				EXCLUDED

**VALUATION EXCLUSIONS**  
COMMENTS

- Valuation Exclusions. For ease of administration of the Replacement Reserves and to reflect accurately how Replacement Reserves are administered, items with a dollar value less than \$1,000.00 have not been scheduled for funding from Replacement Reserves. Examples of items excluded from funding by Replacement Reserves by this standard are listed above.
- The list above exemplifies exclusions by the cited standard(s) and is not intended to be comprehensive.

**LONG-LIFE EXCLUSIONS**  
EXCLUDED ITEMS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST (\$)
	Exterior brick veneer - replacement	ls	1				EXCLUDED
	Building foundation(s)	ls	1				EXCLUDED
	Concrete floor slabs (interior)	ls	1				EXCLUDED
	Wall, floor, & roof structure	ls	1				EXCLUDED
	Electrical wiring	ls	1				EXCLUDED
	Trash chute	ls	1				EXCLUDED

**LONG-LIFE EXCLUSIONS**  
COMMENTS

- Long Life Exclusions. Components that when properly maintained, can be assumed to have a life equal to the property as a whole, are normally excluded from the Replacement Reserve Inventory. Examples of items excluded from funding by Replacement Reserves by this standard are listed above.
- Exterior masonry is generally assumed to have an unlimited economic life but periodic repointing is required and we have included this for funding in the Replacement Reserve Inventory.
- The list above exemplifies exclusions by the cited standard(s) and is not intended to be comprehensive.

**UNIT IMPROVEMENTS EXCLUSIONS**  
EXCLUDED ITEMS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST (\$)
	Domestic water pipes serving one unit	ls	1				EXCLUDED
	Sanitary sewers serving one unit	ls	1				EXCLUDED
	Electrical wiring serving one unit	ls	1				EXCLUDED
	Cable TV service serving one unit	ls	1				EXCLUDED
	Telephone service serving one unit	ls	1				EXCLUDED
	Unit windows	ls	1				EXCLUDED
	Unit doors	ls	1				EXCLUDED
	Unit interior	ls	1				EXCLUDED
	Unit HVAC system	ls	1				EXCLUDED

**UNIT IMPROVEMENTS EXCLUSIONS**  
COMMENTS

- Unit improvement Exclusions. We understand that the elements of the project that relate to a single unit are the responsibility of that unit owner. Examples of items excluded from funding by Replacement Reserves by this standard are listed above.
- The list above exemplifies exclusions by the cited standard(s) and is not intended to be comprehensive.

**UTILITY EXCLUSIONS**  
EXCLUDED ITEMS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST (\$)
	Primary electric feeds	ls	1				EXCLUDED
	Electric transformers	ls	1				EXCLUDED
	Cable TV systems and structures	ls	1				EXCLUDED
	Telephone cables and structures	ls	1				EXCLUDED
	Site lighting	ls	1				EXCLUDED
	Gas mains and meters	ls	1				EXCLUDED

**UTILITY EXCLUSIONS**  
COMMENTS

- Utility Exclusions. Many improvements owned by utility companies are on property owned by the Association. We have assumed that repair, maintenance, and replacements of these components will be done at the expense of the appropriate utility company. Examples of items excluded from funding Replacement Reserves by this standard are listed above.
- Per the Community Manager, the Association will be replacing the site lights. The local electric utility Baltimore Gas and Electric will be removing the present components, installing new ones at their cost, and charging the Association a fee.
- The list above exemplifies exclusions by the cited standard(s) and is not intended to be comprehensive.

### MAINTENANCE AND REPAIR EXCLUSIONS

#### EXCLUDED ITEMS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST (\$)
	Cleaning of asphalt pavement	ls	1				EXCLUDED
	Crack sealing of asphalt pavement	ls	1				EXCLUDED
	Painting of curbs	ls	1				EXCLUDED
	Striping of parking spaces	ls	1				EXCLUDED
	Numbering of parking spaces	ls	1				EXCLUDED
	Landscaping and site grading	ls	1				EXCLUDED
	Exterior painting	ls	1				EXCLUDED
	Interior painting	ls	1				EXCLUDED
	Janitorial service	ls	1				EXCLUDED
	Repair services	ls	1				EXCLUDED
	Partial replacements	ls	1				EXCLUDED
	Capital improvements	ls	1				EXCLUDED

### MAINTENANCE AND REPAIR EXCLUSIONS

#### COMMENTS

- Maintenance activities, one-time-only repairs, and capital improvements. These activities are NOT appropriately funded from Replacement Reserves. The inclusion of such component in the Replacement Reserve Inventory could jeopardize the special tax status of ALL Replacement Reserves, exposing the Association to significant tax liabilities. We recommend that the Board of Directors discuss these exclusions and Revenue Ruling 75-370 with a Certified Public Accountant.
- Examples of items excluded from funding by Replacement Reserves by this standard are listed above.
- The list above exemplifies exclusions by the cited standard(s) and is not intended to be comprehensive.



**GOVERNMENT EXCLUSIONS**  
EXCLUDED ITEMS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST (\$)
	Government, roadways & parking	ls	1				EXCLUDED
	Government, sidewalks & curbs	ls	1				EXCLUDED
	Government, lighting	ls	1				EXCLUDED
	Government, stormwater mgmt.	ls	1				EXCLUDED

**GOVERNMENT EXCLUSIONS**  
COMMENTS

- Government Exclusions. We have assumed that some of the improvements installed on property owned by the Association will be maintained by the state, county, or local government, or other association or other responsible entity. Examples of items excluded from funding by Replacement Reserves by this standard are listed above.
- Excluded right-of-ways, including Granary Drive and associated community driveways, and adjacent properties.
- The list above exemplifies exclusions by the cited standard(s) and is not intended to be comprehensive.

## PROJECTED ANNUAL REPLACEMENTS GENERAL INFORMATION

CALENDAR OF ANNUAL REPLACEMENTS. The 54 Projected Replacements in the Annen Woods AWC-2 Replacement Reserve Inventory whose replacement is scheduled to be funded from Replacement Reserves are broken down on a year-by-year basis, beginning on Page C2.

## REPLACEMENT RESERVE ANALYSIS AND INVENTORY POLICIES, PROCEDURES, AND ADMINISTRATION

- **REVISIONS.** Revisions will be made to the Replacement Reserve Analysis and Replacement Reserve Inventory 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 the Replacement Reserve Study. It is our policy to provide revisions in electronic (Adobe PDF) format only.
- **TAX CODE.** The United States Tax Code grants favorable tax status to a common interest development (CID) meeting certain guidelines for their Replacement Reserve. If a CID files their taxes as a 'Corporation' on Form 1120 (IRC Section 277), these guidelines typically require maintenance activities, partial replacements, minor replacements, capital improvements, and one-time only replacements to be excluded from Reserves. A CID cannot co-mingle planning for maintenance activities with capital replacement activities in the Reserves (Revenue Ruling 75-370). Funds for maintenance activities and capital replacements activities must be held in separate accounts. If a CID files taxes as an "Exempt Homeowners Association" using Form 1120H (IRC Section 528), the CID does not have to segregate these activities. However, because the CID may elect to change their method of filing from year to year within the Study Period, we advise using the more restrictive approach. We further recommend that the CID consult with their Accountant and consider creating separate and independent accounts and reserves for large maintenance items, such as painting.
- **CONFLICT OF INTEREST.** Neither Miller - Dodson Associates nor the Reserve Analyst has any prior or existing relationship with this Association which would represent a real or perceived conflict of interest.
- **RELIANCE ON DATA PROVIDED BY THE CLIENT.** Information provided by an official representative of the Association regarding financial, physical conditions, quality, or historical issues is deemed reliable.
- **INTENT.** This Replacement Reserve Study is a reflection of the information provided by the Association and the visual evaluations of the Analyst. It has been prepared for the sole use of the Association and is not for the purpose of performing an audit, quality/forensic analyses, or background checks of historical records.
- **PREVIOUS REPLACEMENTS.** Information provided to Miller - Dodson Associates regarding prior replacements is considered to be accurate and reliable. Our visual evaluation is not a project audit or quality inspection.
- **EXPERIENCE WITH FUTURE REPLACEMENTS.** The Calendar of Annual Projected Replacements, lists replacements we have projected to occur over the next thirty years, begins on Page C2. Actual experience in replacing the items may differ significantly from the cost estimates and time frames shown because of conditions beyond our control. These differences may be caused by maintenance practices, inflation, variations in pricing and market conditions, future technological developments, regulatory actions, acts of God, and luck. Some items may function normally during our visual evaluation and then fail without notice.
- **REVIEW OF THE REPLACEMENT RESERVE STUDY.** For this study to be effective, it should be reviewed by the Annen Woods AWC-2 Board of Directors, those responsible for the management of the items included in the Replacement Reserve Inventory, and the accounting professionals employed by the Association.

## Annen Woods AWC-2

May 3, 2016

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Item	2016 - STUDY YEAR	\$
48	Trash compactor motors	\$8,000
51	Common sanitary line (allow	\$30,000
Total Scheduled Replacements		\$38,000

Item	2017 - YEAR 2	\$
3	Asphalt curb	\$4,641
Total Scheduled Replacements		\$4,641

Item	2018 - YEAR 3	\$
No Scheduled Replacements		

Item	2019 - YEAR 4	\$
No Scheduled Replacements		

Item	2020 - YEAR 5	\$
22	Flooring, carpet	\$36,750
Total Scheduled Replacements		\$36,750

Item	2021 - YEAR 6	\$
2	Asphalt pavement, seal coat	\$6,067
4	Concrete flatwork - walks &	\$5,642
49	Trash dumpsters	\$3,600
54	Fire extinguisher	\$880
Total Scheduled Replacements		\$16,189

**PROJECTED REPLACEMENTS - YEARS 7 TO 12**

Item	2022 - YEAR 7	\$	Item	2023 - YEAR 8	\$	Item	2024 - YEAR 9	\$
			11	Entry skylights	\$103,635	7	Benches	\$4,400
No Scheduled Replacements			Total Scheduled Replacements			Total Scheduled Replacements		
				\$103,635			\$4,400	
Item	2025 - YEAR 10	\$	Item	2026 - YEAR 11	\$	Item	2027 - YEAR 12	\$
			2	Asphalt pavement, seal coat	\$6,067			
			4	Concrete flatwork - walks &	\$5,642			
			5	Retaining wall, segmental bl	\$3,300			
			12	Front entry door sets - refurb	\$8,000			
			15	Window, stationary	\$23,540			
			17	Exterior lighting, sconce @ €	\$840			
			18	Balcony, concrete resurface	\$23,328			
			19	Balcony, composite rail-scre	\$32,256			
			20	Exterior waterproofing caulk	\$6,400			
			21	Front entry doors - automati	\$3,600			
			36	Security & inner-com system	\$9,000			
			49	Trash dumpsters	\$3,600			
			50	Sump pumps	\$1,000			
			51	Common sanitary line (allow	\$30,000			
			53	Fire extinguisher, cabinet	\$2,960			
No Scheduled Replacements			Total Scheduled Replacements			No Scheduled Replacements		
				\$159,533				

**PROJECTED REPLACEMENTS - YEARS 13 TO 18**

Item	2028 - YEAR 13	\$
42	Electric panels & breakers	\$7,600

PROJECTED REPLACEMENTS - YEARS 19 TO 24

Item	2034 - YEAR 19	\$	Item	2035 - YEAR 20	\$	Item	2036 - YEAR 21	\$
						2	Asphalt pavement, seal coat	\$6,067
						4	Concrete flatwork - walks &	\$5,642
						10	Masonry (10% repointing all	\$73,950
						12	Front entry door sets - refurt	\$8,000
						13	Exterior metal door sets - sir	\$1,700
						14	Exterior metal door sets - do	\$9,000
						16	Exterior lighting, atrium rece	\$1,950
						20	Exterior waterproofing caulk	\$6,400
						31	Cluster mailboxes	\$3,120
						35	Interior fire doors - double	\$4,200
						43	Fire safety annunciator sys,	\$15,000
						44	Fire safety light / bell / horn/	\$1,440
						45	Fire safety control panels	\$760
						46	Emergency illuminated exit s	\$4,650
						47	Emergency battery pack exit	\$8,000
						48	Trash compactor motors	\$8,000
						49	Trash dumpsters	\$3,600
						50	Sump pumps	\$1,000
						51	Common sanitary line (allow	\$30,000
No Scheduled Replacements			No Scheduled Replacements			Total Scheduled Replacements		
						\$192,479		
Item	2037 - YEAR 22	\$	Item	2038 - YEAR 23	\$	Item	2039 - YEAR 24	\$
3	Asphalt curb	\$4,641	52	Domestic water, epoxy lining	\$240,000	7	Benches	\$4,400
						37	Elevator, hydraulic passenge	\$64,800
						38	Elevator cab & door, passen	\$19,600
						39	Elevator, hydraulic freight pl	\$37,400
Total Scheduled Replacements			Total Scheduled Replacements			Total Scheduled Replacements		
\$4,641			\$240,000			\$126,200		

### PROJECTED REPLACEMENTS - YEARS 25 TO 30

[illegible]

## PROJECTED REPLACEMENTS - YEARS 31 TO 36

Item	2046 - YEAR 31	\$	Item	2047 - YEAR 32	\$	Item	2048 - YEAR 33	\$
2	Asphalt pavement, seal coat	\$6,067						
4	Concrete flatwork - walks &	\$5,642						
10	Masonry (10% repointing all	\$73,950						
12	Front entry door sets - refurb	\$8,000						
18	Balcony, concrete resurface	\$23,328						
20	Exterior waterproofing caulk	\$6,400						
36	Security & inner-com system	\$9,000						
49	Trash dumpsters	\$3,600						
50	Sump pumps	\$1,000						
51	Common sanitary line (allow	\$30,000						
Total Scheduled Replacements		\$166,987	No Scheduled Replacements			No Scheduled Replacements		
Item	2049 - YEAR 34	\$	Item	2050 - YEAR 35	\$	Item	2051 - YEAR 36	\$
			22	Flooring, carpet	\$36,750	1	Asphalt pavement, mill & ov	\$50,053
						2	Asphalt pavement, seal coat	\$6,067
						4	Concrete flatwork - walks &	\$5,642
						6	Stormwater management co	\$1,700
						8	Roofing, flat modified bitum	\$275,000
						9	Flashing	\$16,200
						49	Trash dumpsters	\$3,600
						54	Fire extinguisher	\$880
No Scheduled Replacements			All Replacements not listed		\$36,750	Total Scheduled Replacements		\$359,142



PROJECTED REPLACEMENTS - YEARS 37 TO 42

Item	2052 - YEAR 37	\$	Item	2053 - YEAR 38	\$	Item	2054 - YEAR 39	\$
						7	Benches	\$4,400
No Scheduled Replacements			No Scheduled Replacements			Total Scheduled Replacements \$4,400		
Item	2055 - YEAR 40	\$	Item	2056 (beyond Study Period)	\$	Item	2057 (beyond Study Period)	\$
			2	Asphalt pavement, seal coat	\$6,067	3	Asphalt curb	\$4,641
			4	Concrete flatwork - walks &	\$5,642			
			10	Masonry (10% repointing all	\$73,950			
			12	Front entry door sets - refur	\$8,000			
			17	Exterior lighting, sconce @ c	\$840			
			20	Exterior waterproofing caulk	\$6,400			
			21	Front entry doors - automati	\$3,600			
			25	Lighting, lobby track lights	\$6,000			
			26	Lighting, lobby light-tracks	\$2,300			
			27	Lighting, lobbies - recessed	\$9,620			
			28	Lighting, corridor up-lights	\$7,590			
			29	Lighting, stair tower wall ligh	\$7,000			
			30	Lighting, storage & work roo	\$2,500			
			32	Trash chute doors	\$5,160			
			33	Interior doors, metal - single	\$23,040			
			34	Interior doors, metal - doubl	\$11,200			
			48	Trash compactor motors	\$8,000			
			49	Trash dumpsters	\$3,600			
			50	Sump pumps	\$1,000			
			51	Common sanitary line (allow	\$30,000			
			53	Fire extinguisher, cabinet	\$2,960			
No Scheduled Replacements			Total Scheduled Replacements \$224,469			Total Scheduled Replacements \$4,641		

## CONDITION ASSESSMENT

**General Comments.** Miller - Dodson Associates conducted a Reserve Study at Annen Woods AWC-2 in May of 2016. Annen Woods AWC-2 is in generally good condition for a community constructed in 1978. A review of the Replacement Reserve Inventory will show that we are anticipating most of the components achieving their normal economic lives.

The following comments pertain to the larger, more significant components in the Replacement Reserve 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 Replacement Reserve Analysis or Inventory.

### General Condition Statements.

**Excellent.** 100% to 90% of Normal Economic Life expected, with no appreciable wear or defects.

**Good.** 90% to 60% of Normal Economic Life expected, minor wear or cosmetic defects found. Normal maintenance should be expected. If performed properly, normal maintenance may increase the useful life of a component. Otherwise, the component is wearing normally.

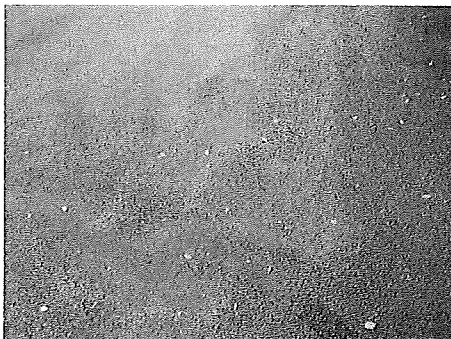
**Fair.** 60% to 30% of Normal Economic Life expected, moderate wear with defects found. Repair actions should be taken to extend the life of the component or to correct repairable defects and distress. Otherwise, the component is wearing normally.

**Marginal.** 30% to 10% of Normal Economic Life expected, with moderate to significant wear or distress found. Repair actions are expected to be cost effective for localized issues, but normal wear and use are evident. The component is reaching the end of the Normal Economic Life.

**Poor.** 10% to 0% of Normal Economic Life expected, with significant distress and wear. Left unattended, additional damage to underlying structures is likely to occur. Further maintenance is unlikely to be cost effective.

## SITE COMPONENTS

**Asphalt Pavement and Curbing.** The Association is responsible for the driveways and parking areas within the community; other roadways are maintained by the County and/or the master association. In general, the Association's asphalt pavements are in fair condition, with wide cracking and distress in a few locations. The community's curbs are also asphalt and in a failed condition.



The Association maintains an inventory of 30,335 square feet of asphalt pavement and 1105 lineal feet of asphalt curbs.

As a rule of thumb, asphalt should be overlaid when approximately 5% of the surface area is cracked or otherwise deteriorated. The normal service life of asphalt pavement is typically 18 to 20 years.

In order to maintain the condition of the pavement throughout the community and to ensure the longest life of the asphalt, we recommend a systematic and comprehensive maintenance program that includes:

- **Cleaning.** Long-term exposure to oil or gas breaks down asphalt. Because this asphalt pavement is generally not used for long-term parking, it is unlikely that frequent cleaning will be necessary. When necessary, spill areas should be cleaned or patched if deterioration has penetrated the asphalt. This is a maintenance activity, and we have assumed that it will not be funded from Reserves.
- **Crack Repair.** All cracks should be repaired with an appropriate compound to prevent water infiltration through the asphalt into the base. This repair should be done annually. Crack repair is normally considered a maintenance activity and is not funded from Reserves. Areas of extensive cracking or deterioration that cannot be made watertight should be cut out and patched.
- **Seal Coating.** The asphalt should be seal coated every five to seven years. For this maintenance, activity to be effective in extending the life of the asphalt, cleaning and crack repair should be performed first.

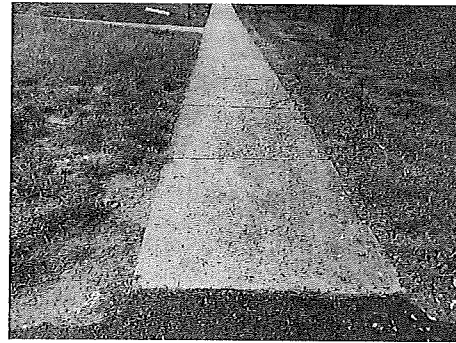
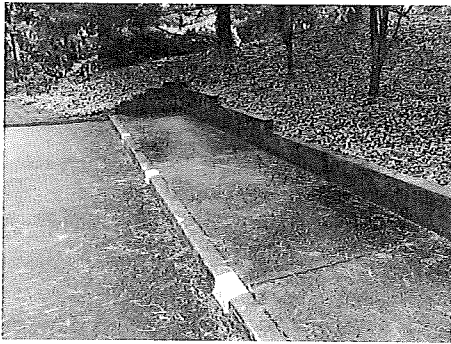
The pricing used is based on recent contracts for a two-inch overlay, which reflects the current local market for this work.

For seal coating, several different products are available. The older, more traditional seal coating products are simply paints. They coat the surface of the asphalt and they are minimally effective. However, the newer coating materials, such as those from Total Asphalt Management, Asphalt Restoration Technologies, Inc., and others, are penetrating. They are engineered, so to speak, to 'remoisturize' the pavement. Asphalt pavement is intended to be flexible. Over time, the volatile chemicals in the pavement dry, the pavement becomes brittle, and degradation follows in the forms of cracking and potholes. Remoisturizing the pavement can return its flexibility and extend the life of the pavement.

Lastly, the resource links provided on our website may provide insight into the general terms and concerns, including maintenance related advantages and disadvantages, which may help the Association better manage the asphalt pavements throughout the community: <http://mdareserves.com/resources/links/site-components>.

**Concrete Work.** The concrete work includes the community walks, patios, and other flatwork. We have modeled for concrete replacement when the asphalt pavement is overlaid or sealcoated. The overall condition of the concrete work is fair with a significant amount of spalling at the walks; however, without much cracking or evidence of a loss of structural integrity.





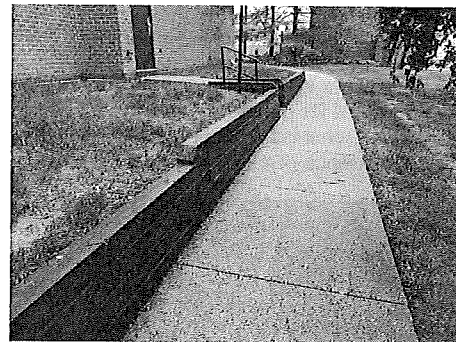
The standards we use for recommending replacement are as follows:

- Trip hazard,  $\frac{1}{2}$  inch height difference.
- Severe cracking.
- Severe spalling and scale.
- Uneven riser heights on steps.
- Steps with risers in excess of  $8\frac{1}{4}$  inches.

Because it is highly unlikely that all of the concrete components will fail and require replacement in the period of the study, we have programmed funds for the replacement of these inventories and spread the funds over an extended timeframe to reflect the incremental nature of this work.

The relevant links on our web site may provide useful information related to concrete terminology, maintenance, and repair. Please see <http://mdareserves.com/resources/links/site-components>.

**Retaining Walls.** The Association maintains several wood timber retaining walls. The retaining walls are in good to mixed condition.



Retaining walls in general are designed to provide slope stabilization and soil retention by means of a structural system. Typically, walls that are three feet high or more require some level of design.

Movement and displacement of any retaining wall is a sign of general settlement or failure. This typically is in the form of leaning and bowing, and can involve the entire wall or localized sections of the wall. Typically, these types of movements are gradual and may require the replacement of the wall. Movement of retaining walls located near other buildings or structures may negatively affect the stability of the adjacent structure. These conditions can become extremely costly if not properly identified, monitored, and addressed.

Wood retaining walls will experience rot and decay over time and partial replacement of defective wooden members is often possible in the early stages of decay. Eventually however, these walls will require replacement. Wood retaining walls can have a useful life of 25 to 35 years.

Segmental block retaining walls can have an extended useful life, and if stable, are likely to only require localized resetting of displaced blocks, typically near the top of the wall. This study assumes that resetting will be performed incrementally as needed.

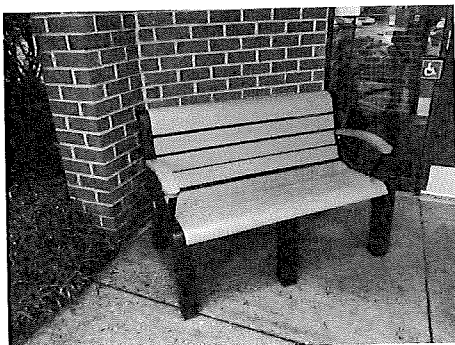
When and if it becomes necessary to replace these wood walls, we recommend the Association consider one of the segmental block retaining wall systems. These systems are very low maintenance. If over time the wall experiences movement, sections of the walls can be re-stacked at a very small portion of the cost of a new wall. Segmental block retaining walls can have a service life of 80 years or more. As a general source of information about retaining walls, we offer several links from our website at <http://mdareserves.com/resources/links/site-components>.

Retaining wall replacement can be costly, and early planning on the part of the Association can help to reduce the impact of this work on the community's budget in the future. We therefore recommend having a Professional Engineer inspect the walls and develop preliminary replacement alternatives and recommendations based on the site conditions, replacement costs, and recommended replacement wall types. This information can then be incorporated into future updates to the Reserve Study.

**Underground Utilities.** The Association is responsible for the maintenance of the underground storm-water management pipes and structures. Engineering drawings were not used in the determination of these underground components. Instead, we have provided an estimate of the approximate replacement costs based on our experience with other facilities of similar size and configuration. The inspection and evaluation of underground lines and structures is beyond the scope of work for this study.

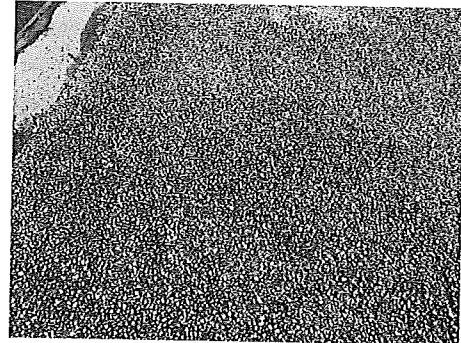
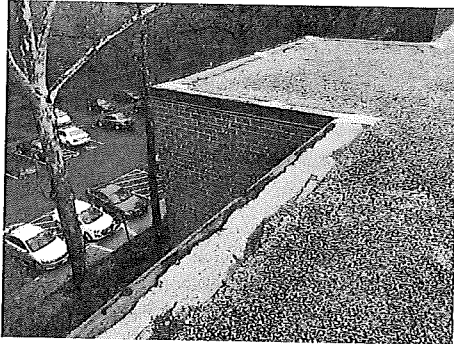


**Miscellaneous Site Components.** Some of the community's Site Components are the "Benches" located at the entry porticos and near the parking areas.



## BUILDING EXTERIOR COMPONENTS

**Building Roofing.** The buildings are roofed by a flat roofing system that is in generally good condition.



Flat roofing systems can have a variety of configurations that will greatly affect the cost of replacement including insulation, ballast, the height of the building, and the density of installed mechanical equipment. Flat roofing systems typically have a useful life of 15 to 25 years.

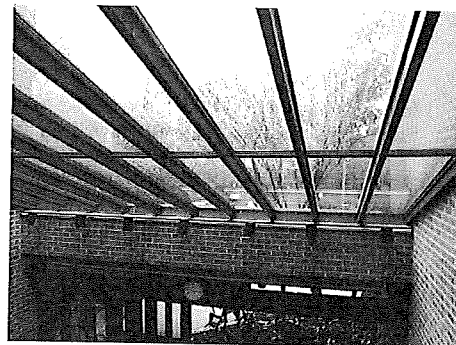
Access to the roof was provided at the time of inspection.

Annual inspections are recommended, with cleaning, repair, and mitigation of vegetation performed as needed. Access, inspection, and repair work should be performed by contractors and personnel with the appropriate access equipment who are experienced in the types of roofing used for the facility.

For additional information on roofs and roof maintenance, please see the appropriate links on our web site at <http://mdareserves.com/resources/links/building-exterior>.

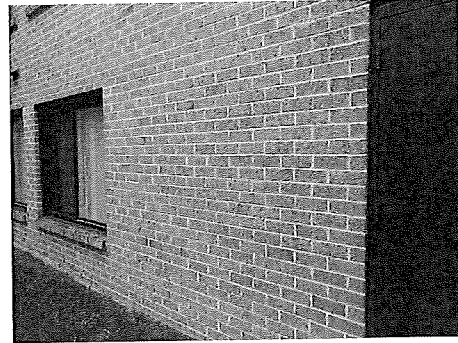
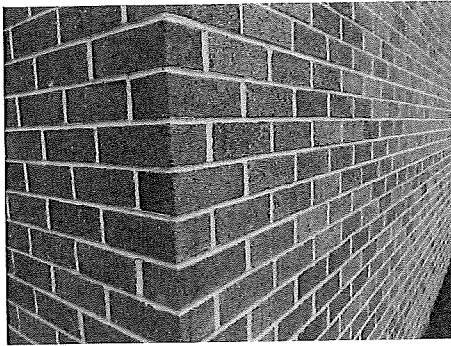
**Skylights.** The Association maintains a large pitched-glass skylight over parts of each buildings' lobby and foyers. The skylights are in good condition.

It is recommended that all skylights be inspected once each year for structural integrity and weather tightness. If the areas beneath the skylight show signs of moisture damage, it is important to identify and correct the source of water penetration in order to prevent damage to the building. Closely examine the skylight flashing and roof area immediately surrounding the skylight, as these often are the source of leaks attributed to skylights.



**Brickwork.** Brick masonry veneer is used as the main exterior cladding of the building. As masonry weathers, the mortar joints will become damaged by water penetration. As additional water gains access to the joints, repeated freeze-thaw cycles gradually increase the damage to the mortar joints. If allowed to progress, even the masonry units such as brick, block, and stone can have their surfaces affected and masonry units can become loose.

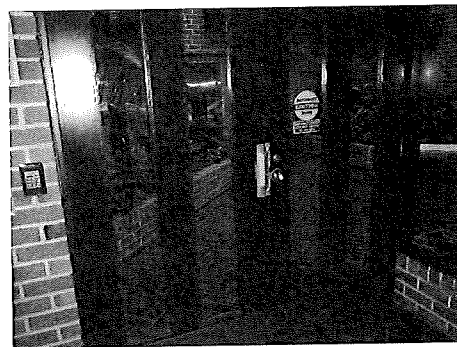


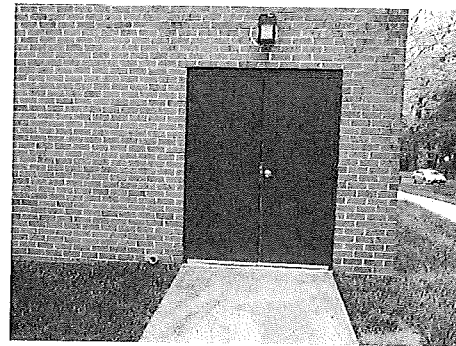
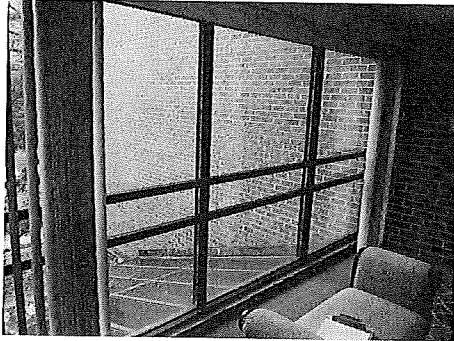


In general, masonry is considered a long-life item and is therefore excluded from reserve funding. However, because weather and other conditions result in the slow deterioration of the mortar in masonry joints, we have included funding in this study for repointing. Repointing is the process of raking and cutting out damaged sections of mortar and replacing them with new mortar.

Periodic repointing and local replacement of damaged masonry units will limit the damage done by moisture penetration. For this study, we assume that 10% of the masonry will require repointing every 10 years after approximately 30 years. For additional information about masonry and repointing, please view the relevant links at <http://mdareserves.com/resources/links/building-exterior>.

**Windows and Doors.** The Association is responsible for the common windows and exterior doors of the facility and the individual owners are responsible for the windows and doors attributed to their unit. The windows and doors are in generally excellent condition.





For Associations where the unit owner is responsible for the replacement of their own windows and exterior doors, we recommend for the Association consider offering the unit owners an option to have their replacements performed in conjunction with the Association's work. This can be performed either by separate agreement between the unit owner and the Association's selected contractor or by back charging the unit owner.

Window and door units play an integral part in a facility's overall comfort, efficiency, and energy use. The quality of the installed units and the care taken in their installation and maintenance are major factors in their effectiveness and useful life. These units can have a useful life of 20 to 35 years or more depending on their use and other factors mentioned above.

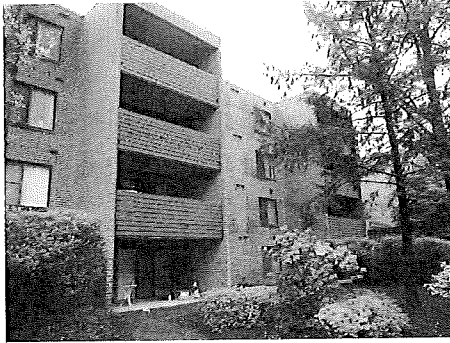
In general, we recommend coordinating the replacement of these units with other exterior work, such as siding and roof replacements. The weather tightness of the building envelope often requires transitional flashing and caulking that should be performed in coordination with each other. Warranties and advantages in 'economy of scale' can often result in lower overall replacement costs and results that are more reliable. Lastly, coordinated replacements offer the opportunity to correct initial construction defects and improve the effectiveness of details with improved construction techniques and materials.

For more information, please see our links at <http://mdareserves.com/resources/links/building-exterior>.

**Miscellaneous Building Exterior Components.** Some of the community's Building Exterior Components are: the "Exterior lighting, atrium recessed cans", "Exterior lighting, sconce @ exterior doors", "Balcony, concrete resurface" not shown, "Balcony, composite rail-screen" and the "Front entry doors automatic openers".

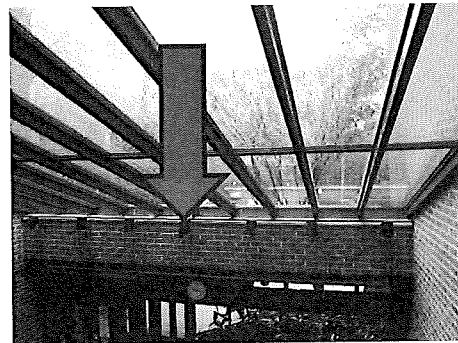
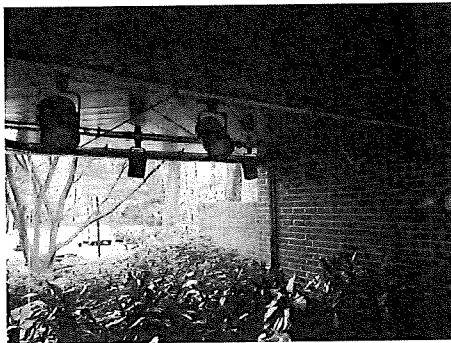
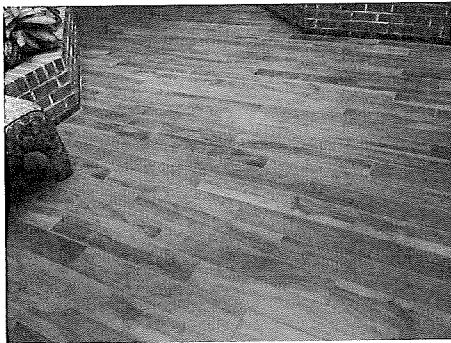






## BUILDING INTERIOR COMPONENTS

Lobby. We have included the following items from the building's entrance and lobby in the Reserve Analysis:



- Vinyl Tile. The Association maintains imitation wood vinyl tile in the lobby. The overall condition of the vinyl tile is excellent as it was replaced two years ago.
- Furnishings. We have included the lobby furnishings in the reserve analysis. We have assumed that their service life is 15 years and that they will be replaced with similar items.

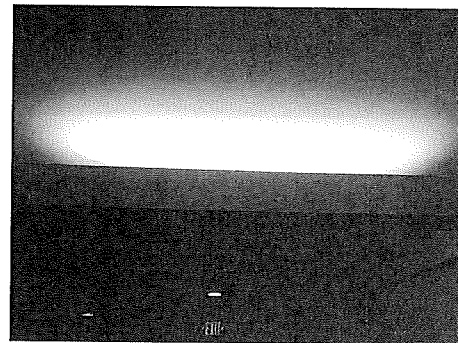
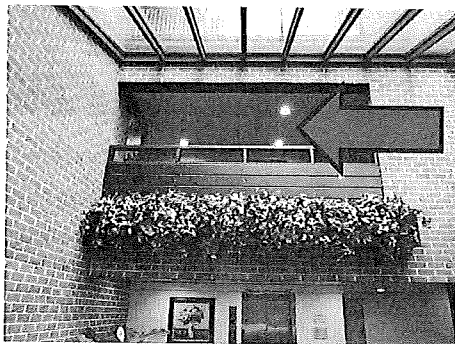
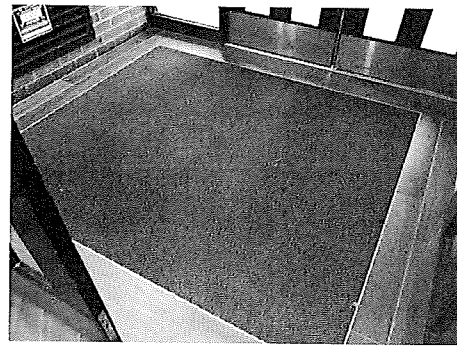
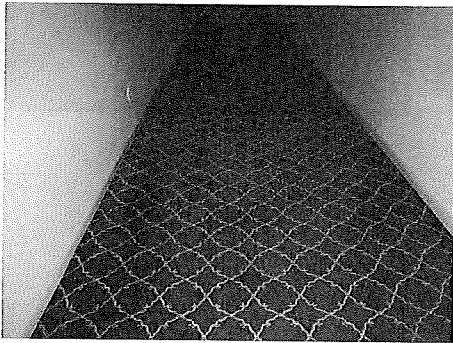
- Light Fixtures. Lobby illumination is provided by a ceiling mounted track-light fixture system. The fixtures are in good working condition and provide adequate lighting. Fixtures of this type have a typical service life of 25 years.

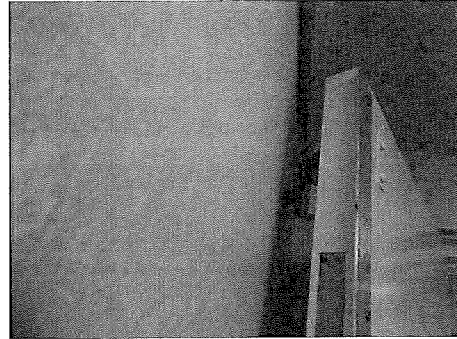
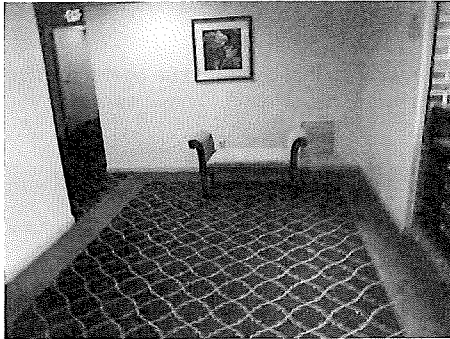
**Corridors and Elevator Lobbies.** The corridors and lobbies in the building are in excellent condition. Listed below are the major corridor components that we have included in the Reserve Analysis:

- Carpet. The carpet in the building's corridors is in good condition. Commercial carpet of this construction in this type of application has a typical service life of 7 to 10 years.

To extend the life of the carpet, it is important that the Association continue with a comprehensive maintenance program that includes regular vacuuming, spot and spill removal, interim cleaning of high traffic areas, and regular scheduled cleanings. The main entrances are with walk-off mats to trap soil set in a perimeter of the vinyl tile.

- Light Fixtures. Corridor and lobby illumination is provided by recessed cans and up-light fixtures. The fixtures are in good working condition. Fixtures of this type have a typical service life of 25 years.
- Furnishings. We have included the furnishings of the elevator lobbies in the "Lobby, refurbish/redecorate" component in the Reserve Analysis. We have assumed that the service life for the furniture is 15 years and that it will be replaced with similar items.
- Magnetic Fire Door Holders. The fire doors that are installed on the second floor are held open by an electromagnet. In the event of a fire alarm, current to the electromagnet is interrupted and the doors automatically close. We have assumed a 30-year service life for these mechanisms. Their cost is included in the "Interior Fire doors - double" component pricing.

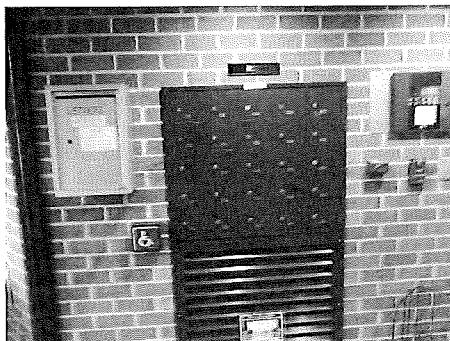




**Stairwells.** The building has two interior stairwells located at the ends of the corridors. We consider the stairs and the landings to be life of structure items and therefore are excluded from the Reserve Analysis

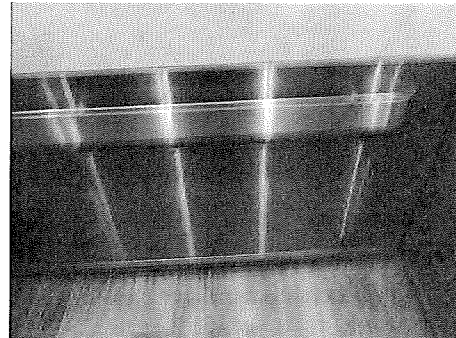
All components are in good condition.

**Miscellaneous Building Interior Components.** Some of the community's Building Interior Components are: the "Cluster mailboxes", the "Trash chute doors", and the "Security & inner-com system".



## BUILDING SYSTEM COMPONENTS

**Elevators.** The Association maintains two hydraulic passenger elevators that appear to be operating normally. There are no reported cases of entrapment or operational issues by the Association. These systems' components were replaced in the last two years.

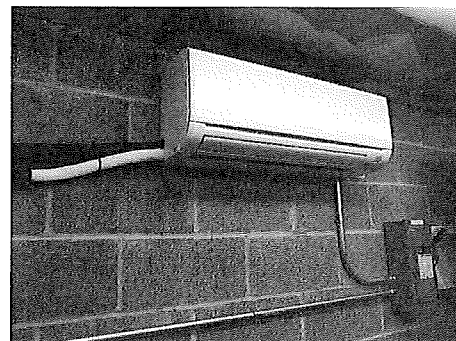


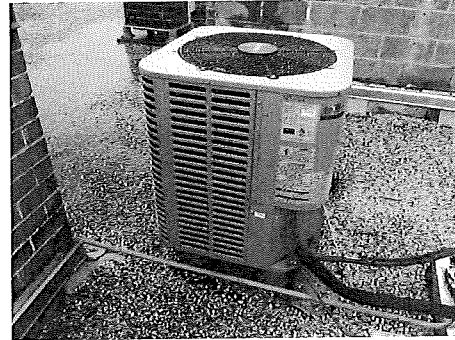
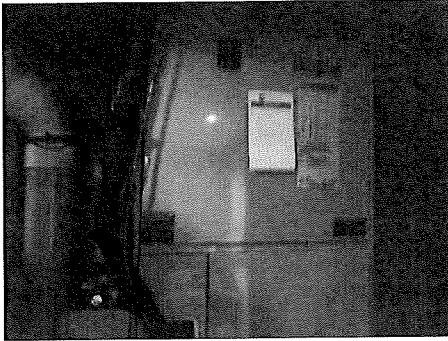
The estimated costs for the replacement the major components of the facility's elevators have been developed utilizing R.S. Means Construction Cost Data, and guidelines provided by reputable elevator manufacturers and service providers. These costs are included to reflect the obsolescence that occurs with elevator systems. Even though the systems may be functioning well, parts for most mechanical control systems will become increasingly hard to find as the components age, and the reliability of these components becomes problematic. As such, parts availability, down-time, and service costs become major considerations that may force a replacement decision. When these elevator systems are replaced, they will normally have to be brought into compliance with current code requirements. This work typically entails upgrading door operating mechanisms, replacing elevator call systems, and installation of emergency phones, but can involve enlargement of the cab and other very costly work.

Where prudent amounts have been included in this study in anticipation of these concerns, we recommend developing a replacement plan with estimated costs based on the specific equipment installed and current local code requirements. Many reputable elevator companies will provide this service free of charge or at minimal cost. At the time of a Reserve Study Update, this information can then be incorporated into the study.

**HVAC Systems.** The heating, venting, and air conditioning (HVAC) in each building is reported to be in good operating condition with a single system consisting of an air handler on the third floor with a rooftop condensing unit for the corridors and a small unit in the elevator machine room.

Detailed inspection and testing of these systems is beyond the scope of this study.





**Building Piping.** During our inspection, we noticed no cracked or leaking pipes nor are pinhole leaks being reported. However, we were told of an under-slab sanitary pipe failure recently in building four.

Copper water supply pipes have been used throughout the facility.

As a result of changes in water chemistry, brought on by federal clean water legislation, piping has been developing pin-hole leaks, which can lead to higher maintenance costs and a shorter than normal service life. For further information about the problem and research that is being conducted, please see the WSSC link on our web site at <http://mdareserves.com/resources/links/building-system>. In addition, in some cases, the pipe and fitting materials are of poor quality, and pin-hole leaks have been reported in as little as three years.

Water quality, in particular the Ph of the water, is critical to the longevity of these systems, and typically, the pressurized water supply lines are the most problematic followed by the central heating and cooling lines.

Because of these problems, the facility's piping will require replacement at some point in time. As a less expensive alternative to the extremely costly work of re-piping a building, systems have been developed to clean and epoxy-line the interior surfaces of these, including other types of pipes. In addition, new pipe materials are on the market.

Please note that the timeframe for repiping a facility can vary widely, and the estimation of the remaining economic life is highly speculative. Given the age of the facility, the Association should be aware of the various technologies available for pipe replacement and pipe lining, including traditional pipe replacement, replacement with CPVC and other synthetic pipes, and linings from companies such as Ace Duraflo and Curaflo. However, Miller - Dodson does not endorse any specific process or company.

To gain a better understanding of the condition of this facility's pipes and water supply lines, we recommend having an expert evaluation of the piping performed. This evaluation should provide an estimation of remaining useful life of the piping systems, the condition of the water supply, and recommendations for replacement to maximize the remaining useful life of this facility's piping systems. To gain a better understanding of this issue, please see the Water Delivery Report on our web site at <http://mdareserves.com/resources/links/building-system>.

**Water Additives.** As discussed above, copper water supply pipes have been used throughout the facility. At Miller - Dodson Associates, Inc., we hear of differing products and systems for the components of work discussed in our studies. We are aware of water conditioning systems for both potable and internally contained water loops whose purpose is to add longevity to copper piping. The systems in our study area are under constant attack from the corrosion of copper piping and their resultant pin-hole leaks. One of our recent clients, The St. George Condominium in The District of Columbia has a water conditioning system ROCO a service provided by Bond Water Technologies, Inc. of Gaithersburg, MD <http://bondwater.com>. Another product used by our clients is from the Aquatomics Products Company of Fairfax, VA <http://aquatomic.com>.



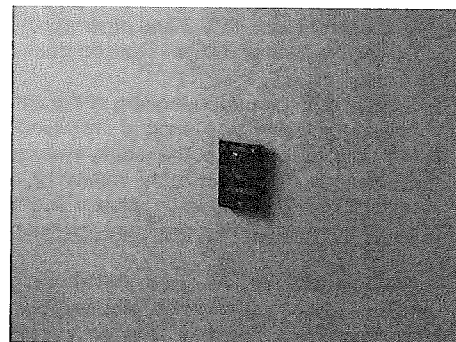
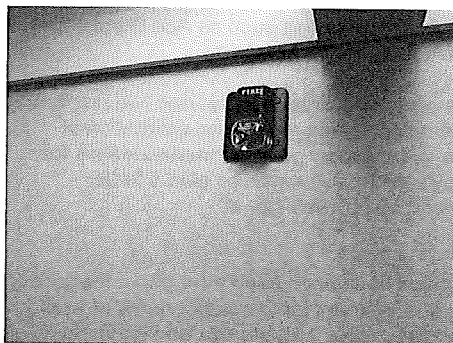
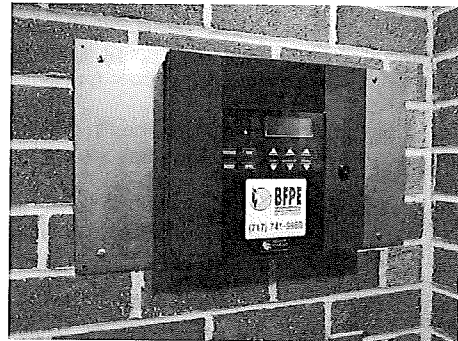
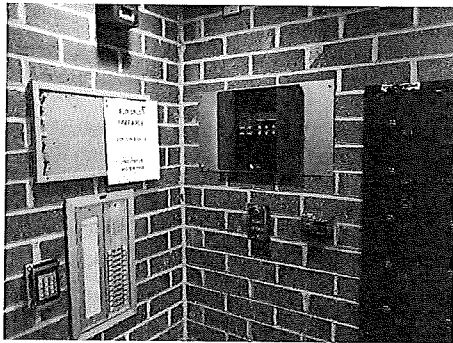
**Building Electrical Service.** The electrical systems of the buildings are reported to be operating normally with no concern by the Community Manager and Community Engineer about the scarcity of electric main switch-gear of this system's age.

Other than transformers and meters and if protected from water damage or overloading, interior electrical systems within a building, including feed lines and switch gear, are considered long-life components, and unless otherwise noted, are excluded from this study.

In order to maintain this equipment properly, periodic tightening of all connections is recommended every three to five years. Insurance policies in some cases may have specific requirements regarding the tightening of electrical connections. It is also recommended that outlets, sockets, switches, and minor fixtures be replaced at a maximum of every 30 years.

Replacement of these smaller components, unless otherwise identified, is considered incidental to refurbishment or is considered a Valuation Exclusion.

**Fire Safety Systems.** The buildings are fitted with a fire safety system that includes annunciator panels and alarms that are reported to be operating normally. Testing and inspection of fire safety systems are not included in alarms this study.

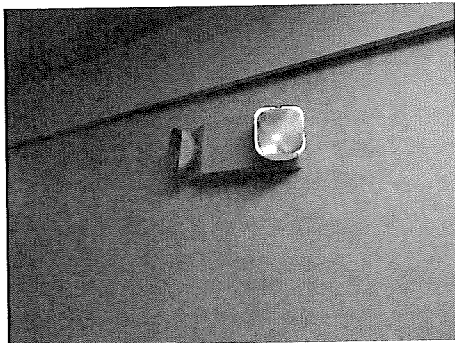


**Illuminated Exit Signs.** The building uses illuminated exit signs at each of the exits. They appear to be using incandescent light sources. The general condition of the building's exit signs is good.



We recommend that the Association consider replacing the existing exit lights with ones powered by light emitting diodes (LEDs). LED based exit lights offer 30 years or more service life without having to replace the light source while reducing the energy requirements by 90% for incandescent light sources and 50% for compact fluorescent light sources.

**Emergency Battery Pack Exit Lights.** The building uses battery powered light fixtures for emergency lighting in the event of a power outage. The fixtures appear to be equipped with incandescent light sources. The fixtures are in good condition. Fixtures of this type have a typical service life of 30 years.



The use of emergency light fixtures is required on an irregular and infrequent basis. Frequently, fixtures fail to operate when needed due to failed components that have gone unnoticed. Therefore, we recommend that the Association have all emergency light fixtures tested on a regular basis, typically every 3 to 6 months.

**Miscellaneous Building System Components.** Some of the community's Building Systems Components are: the "Trash compactor motors" and the "Fire extinguisher and cabinet".



This Condition Assessment is based upon our visual survey of the property. The sole purpose of the visual survey was an evaluation of the common elements of the property to ascertain the remaining useful life and the replacement costs of these common elements. Our evaluation assumed that all components met building code requirements in force at the time of construction. Our visual survey was conducted with care by experienced persons, but no warranty or guarantee is expressed or implied.

End of Condition Assessment



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## CASH FLOW METHOD ACCOUNTING SUMMARY

This Annen Woods AWC-2 - Cash Flow Method Accounting Summary is an attachment to the Annen Woods AWC-2 - Replacement Reserve Study dated May 3, 2016 and is for use by accounting and reserve professionals experienced in Association funding and accounting principles. This Summary consists of four reports, the 2016, 2017, and 2018 Cash Flow Method Category Funding Reports (3) and a Three-Year Replacement Funding Report.

- CASH FLOW METHOD CATEGORY FUNDING REPORT, 2016, 2017, and 2018. Each of the 54 Projected Replacements listed in the Annen Woods AWC-2 Replacement Reserve Inventory has been assigned to one of 4 categories. The following information is summarized by category in each report:
  - Normal Economic Life and Remaining Economic Life of the Projected Replacements.
  - Cost of all Scheduled Replacements in each category.
  - Replacement Reserves on Deposit allocated to the category at the beginning and end of the report period.
  - Cost of Projected Replacements in the report period.
  - Recommended Replacement Reserve Funding allocated to the category during the report period as calculated by the Cash Flow Method.
- THREE-YEAR REPLACEMENT FUNDING REPORT. This report details the allocation of the \$302,025 Beginning Balance (at the start of the Study Year) and the \$154,275 of additional Replacement Reserve Funding in 2016 through 2018 (as calculated in the Replacement Reserve Analysis) to each of the 54 Projected Replacements listed in the Replacement Reserve Inventory. These allocations have been made using Chronological Allocation, a method developed by Miller Dodson Associates, Inc., and discussed below. The calculated data includes:
  - Identification and estimated cost of each Projected Replacement scheduled in years 2016 through 2018.
  - Allocation of the \$302,025 Beginning Balance to the Projected Replacements by Chronological Allocation.
  - Allocation of the \$154,275 of additional Replacement Reserve Funding recommended in the Replacement Reserve Analysis in years 2016 through 2018, by Chronological Allocation.
- CHRONOLOGICAL ALLOCATION. Chronological Allocation assigns Replacement Reserves to Projected Replacements on a "first come, first serve" basis in keeping with the basic philosophy of the Cash Flow Method. The Chronological Allocation methodology is outlined below.
  - The first step is the allocation of the \$302,025 Beginning Balance to the Projected Replacements in the Study Year. Remaining unallocated funds are next allocated to the Projected Replacements in subsequent years in chronological order until the total of Projected Replacements in the next year is greater than the unallocated funds. Projected Replacements in this year are partially funded with each replacement receiving percentage funding. The percentage of funding is calculated by dividing the unallocated funds by the total of Projected Replacements in the partially funded year.

At Annen Woods AWC-2 the Beginning Balance funds all Scheduled Replacements in the Study Year through 2025 and provides partial funding (62%) of replacements scheduled in 2026.
  - The next step is the allocation of the \$51,425 of 2016 Cash Flow Method Reserve Funding calculated in the Replacement Reserve Analysis. These funds are first allocated to fund the partially funded Projected Replacements and then to subsequent years in chronological order as outlined above.

At Annen Woods AWC-2 the Beginning Balance and the 2016 Replacement Reserve Funding, funds replacements through 2025 and partial funds (93.9%) replacements in 2026.
  - Allocations of the 2017 and 2018 Reserve Funding are done using the same methodology.
  - The Three-Year Replacement Funding Report details component by component allocations made by Chronological Allocation.

## 2016 - CASH FLOW METHOD CATEGORY FUNDING REPORT

Each of the 54 Projected Replacements included in the Annen Woods AWC-2 Replacement Reserve Inventory has been assigned to one of the 4 categories listed in TABLE CF1 below. This calculated data is a summary of data provided in the Three-Year Replacement Funding Report and Replacement Reserve Inventory. The accuracy of this data is dependent upon many factors including the following critical financial data:

- A Beginning Balance of \$302,025 as of the first day of the Study Year, January 1, 2016.
- Total reserve funding (including the Beginning Balance) of \$353,450 in the Study Year.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.
- All Projected Replacements scheduled in the Replacement Reserve Inventory in 2016 being accomplished in 2016 at a cost of \$38,000.

If any of these critical factors are inaccurate, do not use the data and please contact Miller Dodson Associates to arrange for an update of the Replacement Reserve Study.

2016 - CASH FLOW METHOD CATEGORY FUNDING - TABLE CF1							
CATEGORY	NORMAL ECONOMIC LIFE	REMAINING ECONOMIC LIFE	ESTIMATED REPLACEMENT COST	2016 BEGINNING BALANCE	2016 RESERVE FUNDING	2016 PROJECTED REPLACEMENTS	2016 END OF YEAR BALANCE
SITE COMPONENTS	5 to 80 years	1 to 15 years	\$75,803	\$30,009	\$4,838		\$34,847
BUILDING EXTERIOR COMPONENTS	10 to 45 years	7 to 20 years	\$579,399	\$164,066	\$31,578		\$195,644
BUILDING INTERIOR COMPONENTS	10 to 35 years	4 to 20 years	\$143,330	\$42,302	\$2,901		\$45,203
BUILDING SYSTEM COMPONENTS	5 to 60 years	0 to 23 years	\$467,690	\$65,649	\$12,107	(\$38,000)	\$39,757

## 2017 - CASH FLOW METHOD CATEGORY FUNDING REPORT

Each of the 54 Projected Replacements included in the Annen Woods AWC-2 Replacement Reserve Inventory has been assigned to one of the 4 categories listed in TABLE CF2 below. This calculated data is a summary of data provided in the Three-Year Replacement Funding Report and Replacement Reserve Inventory. The accuracy of this data is dependent upon many factors including the following critical financial data:

- Replacement Reserves on Deposit totaling \$315,450 on January 1, 2017.
- Total reserve funding (including the Beginning Balance) of \$404,876 from 2016 through 2017.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.
- All Projected Replacements scheduled in the Replacement Reserve Inventory in 2017 being accomplished in 2017 at a cost of \$4,641.

If any of these critical factors are inaccurate, do not use the data and please contact Miller Dodson Associates to arrange for an update of the Replacement Reserve Study.

2017 - CASH FLOW METHOD CATEGORY FUNDING - TABLE CF2							
CATEGORY	NORMAL ECONOMIC LIFE	REMAINING ECONOMIC LIFE	ESTIMATED REPLACEMENT COST	2017 BEGINNING BALANCE	2017 RESERVE FUNDING	2017 PROJECTED REPLACEMENTS	2017 END OF YEAR BALANCE
SITE COMPONENTS	5 to 80 years	0 to 14 years	\$75,803	\$34,847	\$912	(\$4,641)	\$31,118
BUILDING EXTERIOR COMPONENTS	10 to 45 years	6 to 19 years	\$579,399	\$195,644	\$5,955		\$201,599
BUILDING INTERIOR COMPONENTS	10 to 35 years	3 to 19 years	\$143,330	\$45,203	\$14,838		\$60,041
BUILDING SYSTEM COMPONENTS	5 to 60 years	4 to 22 years	\$467,690	\$39,757	\$29,719		\$69,476

## 2018 - CASH FLOW METHOD CATEGORY FUNDING REPORT

Each of the 54 Projected Replacements included in the Annen Woods AWC-2 Replacement Reserve Inventory has been assigned to one of the 4 categories listed in TABLE CF3 below. This calculated data is a summary of data provided in the Three-Year Replacement Funding Report and Replacement Reserve Inventory. The accuracy of this data is dependent upon many factors including the following critical financial data:

- Replacement Reserves on Deposit totaling \$362,235 on January 1, 2018.
- Total Replacement Reserve funding (including the Beginning Balance) of \$456,301 from 2016 to 2018.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.

If any of these critical factors are inaccurate, do not use the data and please contact Miller Dodson Associates to arrange for an update of the Replacement Reserve Study.

2018 - CASH FLOW METHOD CATEGORY FUNDING - TABLE CF3							
CATEGORY	NORMAL ECONOMIC LIFE	REMAINING ECONOMIC LIFE	ESTIMATED REPLACEMENT COST	2018 BEGINNING BALANCE	2018 RESERVE FUNDING	2018 PROJECTED REPLACEMENTS	2018 END OF YEAR BALANCE
SITE COMPONENTS	5 to 80 years	3 to 19 years	\$75,803	\$31,118	\$1,603		\$32,721
BUILDING EXTERIOR COMPONENTS	10 to 45 years	5 to 18 years	\$579,399	\$201,599	\$7,356		\$208,955
BUILDING INTERIOR COMPONENTS	10 to 35 years	2 to 18 years	\$143,330	\$60,041	\$40,189		\$100,230
BUILDING SYSTEM COMPONENTS	5 to 60 years	3 to 21 years	\$467,690	\$69,476	\$2,277		\$71,753

## CASH FLOW METHOD - THREE-YEAR REPLACEMENT FUNDING REPORT

TABLE CF4 below details the allocation of the \$302,025 Beginning Balance, as reported by the Association and the \$154,275 of Replacement Reserve Funding calculated by the Cash Flow Method from 2016 to 2018, to the 54 Projected Replacements listed in the Replacement Reserve Inventory. These allocations have been made by Chronological Allocation, a method developed by Miller Dodson Associates, Inc., and outlined on Page CF1. The accuracy of the allocations is dependent upon many factors including the following critical financial data:

- Replacement Reserves on Deposit totaling \$302,025 on January 1, 2016.
- Replacement Reserves on Deposit totaling \$315,450 on January 1, 2017.
- Replacement Reserves on Deposit totaling \$362,235 on January 1, 2018.
- Total Replacement Reserve funding (including the Beginning Balance) of \$456,301 from 2016 to 2018.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.
- All Projected Replacements scheduled in the Replacement Reserve Inventory from 2016 to 2018 being accomplished as scheduled in the Replacement Reserve Inventory at a cost of \$42,641.

If any of these critical factors are inaccurate, do not use the data and please contact Miller Dodson Associates, Inc., to arrange for an update of the Replacement Reserve Study.

Item #	Description of Projected Replacement	Estimated Replacement Costs	Allocation of Beginning Balance	2016 Reserve Funding	2016 Projected Replacements	2016 End of Year Balance	2017 Reserve Funding	2017 Projected Replacements	2017 End of Year Balance	2018 Reserve Funding	2018 Projected Replacements	2018 End of Year Balance
SITE COMPONENTS												
1	Asphalt pavement, mill & overlay	50,053										
2	Asphalt pavement, seal coat	6,067	9,810	1,956		11,765				1,264		1,264
3	Asphalt curb	4,641	4,641			4,641	369		12,134	153		12,287
4	Concrete flatwork - walks & patios (69)	5,642	9,122	1,819		10,941	343	(4,641)	11,284	143		11,427
5	Retaining wall, segmental block	3,300	2,036	1,064		3,099	201		3,300			3,300
6	Stormwater management components	1,700										
7	Benches	4,400	4,400			4,400			4,400	43		43
BUILDING EXTERIOR COMPONENTS												
8	Roofing, flat modified bitumen	275,000										
9	Flashing	16,200								6,947		6,947
10	Masonry (10% repointing allowance)	73,950								409		409
11	Entry skylights	103,635	103,635			103,635			103,635			103,635
12	Front entry door sets - refurbish	8,000	4,935	2,579		7,514	486		8,000			8,000
13	Exterior metal door sets - single	1,700										
14	Exterior metal door sets - double	9,000										
15	Window, stationary	23,540	14,521	7,588		22,109	1,431		23,540			23,540
16	Exterior lighting, atrium recessed cans	1,950										
17	Exterior lighting, sconce @ exterior deck	840	518	271		789	51		840			840
18	Balcony, concrete resurface	23,328	14,390	7,520		21,910	1,418		23,328			23,328
19	Balcony, composite rail-screen	32,256	19,898	10,398		30,295	1,961		32,256			32,256
20	Exterior waterproofing caulk	6,400	3,948	2,063		6,011	389		6,400			6,400
21	Front entry doors - automatic openers	3,600	2,221	1,160		3,381	219		3,600			3,600
BUILDING INTERIOR COMPONENTS												
22	Flooring, carpet	36,750	36,750			36,750			36,750	36,750		73,500
23	Flooring, vinyl lobby	5,050					4,553		4,553	497		5,050
24	Lobby, refurbish/redecorate	10,800					9,738		9,738	1,062		10,800
25	Lighting, lobby track lights	6,000								152		152
26	Lighting, lobby light-tracks	2,300								58		58
27	Lighting, lobbies - recessed cans	9,620								243		243
28	Lighting, corridor up-lights	7,590								192		192
29	Lighting, stair tower wall lights	7,000								177		177
30	Lighting, storage & work rooms, fluorescent	2,500								63		63
31	Cluster mailboxes	3,120										
32	Trash chute doors	5,160										
33	Interior doors, metal - single	23,040								130		130
34	Interior doors, metal - double	11,200								582		582
35	Interior fire doors - double	4,200								283		283
36	Security & inner-com system	9,000	5,552	2,901		8,453	547		9,000			9,000
BUILDING SYSTEM COMPONENTS												

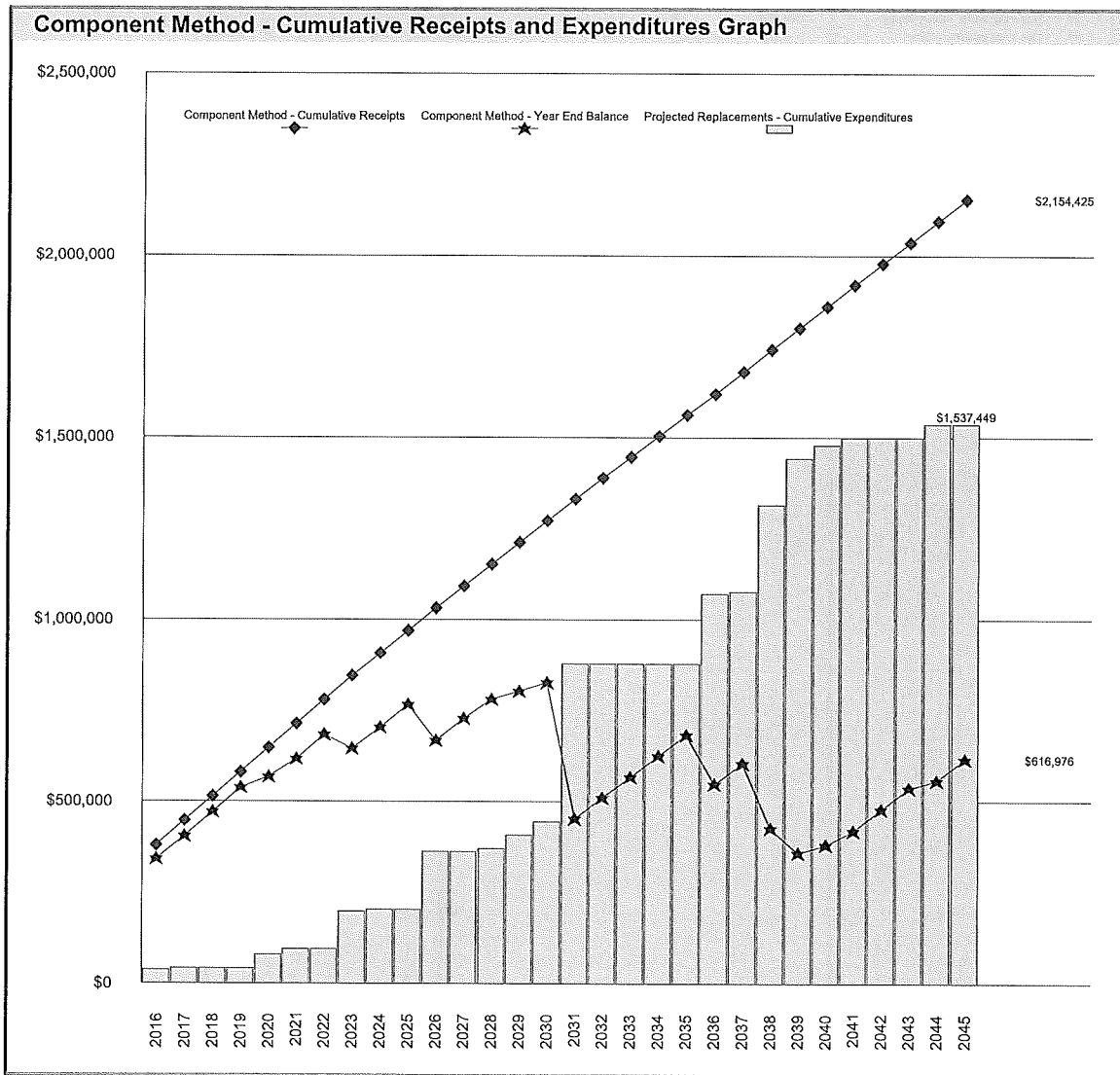
CASH FLOW METHOD - THREE-YEAR REPLACEMENT FUNDING - TABLE CF4 cont'd												
Item #	Description of Projected Replacement	Estimated Replacement Costs	Allocation of Beginning Balance	2016 Reserve Funding	2016 Projected Replacements	2016 End of Year Balance	2017 Reserve Funding	2017 Projected Replacements	2017 End of Year Balance	2018 Reserve Funding	2018 Projected Replacements	2018 End of Year Balance
37	Elevator, hydraulic passenger controls	64,800										
38	Elevator cab & door, passenger	19,600										
39	Elevator, hydraulic freight piston 4 FL	37,400										
40	Heat pump @ common areas	16,000					14,426		14,426	1,574		16,000
41	Heat pump in the elevator machinery r	6,000					5,410		5,410	590		6,000
42	Electric panels & breakers	7,600					7,600		7,600			7,600
43	Fire safety annunciator sys, mid-rise	15,000										
44	Fire safety light / bell / horn/ pull static	1,440										
45	Fire safety control panels	760										
46	Emergency illuminated exit signs	4,650										
47	Emergency battery pack exit lights	8,000										
48	Trash compactor motors	8,000	8,000		(8,000)							
49	Trash dumpsters	3,600	5,821	1,160		6,981	219		7,200	91		7,291
50	Sump pumps	1,000	617	322		939	61		1,000			1,000
51	Common sanitary line (allowance)	30,000	48,506	9,670	(30,000)	28,176	1,824		30,000			30,000
52	Domestic water, epoxy lining	240,000										
53	Fire extinguisher, cabinet	2,960	1,826	954		2,780	180		2,960			2,960
54	Fire extinguisher	880	880			880			880	22		902

## COMPONENT METHOD

### ● \$78,243 COMPONENT METHOD RECOMMENDED ANNUAL FUNDING OF REPLACEMENT RESERVES IN THE STUDY YEAR, 2016.

\$135.84 Per unit (average), recommended monthly funding of Replacement Reserves

General. The Component Method (also referred to as the Full Funded Method) is a very conservative mathematical model developed by HUD in the early 1980s. Each of the 54 Projected Replacements listed in the Replacement Reserve Inventory is treated as a separate account. The Beginning Balance is allocated to each of the individual accounts, as is all subsequent funding of Replacement Reserves. These funds are "locked" in these individual accounts and are not available to fund other Projected Replacements. The calculation of Recommended Annual Funding of Replacement Reserves is a multi-step process outlined in more detail on Page CM2.





## COMPONENT METHOD (cont'd)

- **Current Funding Objective.** A Current Funding Objective is calculated for each of the Projected Replacements listed in the Replacement Reserve Inventory. Replacement Cost is divided by the Normal Economic Life to determine the nominal annual contribution. The Remaining Economic Life is then subtracted from the Normal Economic Life to calculate the number of years that the nominal annual contribution should have been made. The two values are then multiplied to determine the Current Funding Objective. This is repeated for each of the 54 Projected Replacements. The total, \$478,664, is the Current Funding Objective.

For an example, consider a very simple Replacement Reserve Inventory with one Projected Replacement, a fence with a \$1,000 Replacement Cost, a Normal Economic Life of 10 years, and a Remaining Economic Life of 2 years. A contribution to Replacement Reserves of \$100 ( $\$1,000 \div 10$  years) should have been made in each of the previous 8 years (10 years - 2 years). The result is a Current Funding Objective of \$800 (8 years x \$100 per year).

- **Funding Percentage.** The Funding Percentage is calculated by dividing the Beginning Balance (\$302,025) by the Current Funding Objective (\$478,664). At Annen Woods AWC-2 the Funding Percentage is 63.1%
- **Allocation of the Beginning Balance.** The Beginning Balance is divided among the 54 Projected Replacements in the Replacement Reserve Inventory. The Current Funding Objective for each Projected Replacement is multiplied by the Funding Percentage and these funds are then "locked" into the account of each item.

If we relate this calculation back to our fence example, it means that the Association has not accumulated \$800 in Reserves (the Funding Objective), but rather at 63.1 percent funded, there is \$505 in the account for the fence.

- **Annual Funding.** The Recommended Annual Funding of Replacement Reserves is then calculated for each Projected Replacement. The funds allocated to the account of the Projected Replacement are subtracted from the Replacement Cost. The result is then divided by the number of years until replacement, and the result is the annual funding for each of the Projected Replacements. The sum of these is \$78,243, the Component Method Recommended Annual Funding of Replacement Reserves in the Study Year (2016).

In our fence example, the \$505 in the account is subtracted from the \$1,000 Total Replacement Cost and divided by the 2 years that remain before replacement, resulting in an annual deposit of \$248. Next year, the deposit remains \$248, but in the third year, the fence is replaced and the annual funding adjusts to \$100.

- **Adjustment to the Component Method for interest and inflation.** The calculations in the Replacement Reserve Analysis do not account for interest earned on Replacement Reserves, inflation, or a constant annual increase in Annual Funding of Replacement Reserves. The Component Method is a very conservative method and if the Analysis is updated regularly, adequate funding will be maintained without the need for adjustments.

## Component Method Data - Years 1 through 30

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Beginning balance	\$302,025									
Recommended annual funding	\$78,243	\$67,620	\$66,849	\$66,849	\$66,849	\$65,493	\$65,982	\$65,982	\$62,051	\$61,979
Interest on reserves										
Expenditures	\$38,000	\$4,641			\$36,750	\$16,189		\$103,635	\$4,400	
Year end balance	\$342,268	\$405,247	\$472,097	\$538,946	\$569,045	\$618,349	\$684,331	\$846,678	\$704,329	\$766,308
Cumulative Expenditures	\$38,000	\$42,641	\$42,641	\$42,641	\$79,391	\$95,580	\$95,580	\$199,215	\$203,615	\$203,615
Cumulative Receipts	\$380,268	\$447,888	\$514,738	\$561,587	\$648,436	\$713,929	\$779,911	\$845,893	\$907,944	\$969,923
Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Recommended annual funding	\$61,979	\$60,076	\$60,076	\$59,916	\$59,850	\$59,850	\$57,650	\$57,650	\$57,650	\$57,650
Interest on reserves										
Expenditures	\$169,533		\$7,600	\$37,850	\$36,750	\$433,552				
Year end balance	\$668,764	\$728,830	\$781,306	\$803,372	\$826,472	\$452,770	\$510,419	\$568,069	\$625,719	\$683,369
Cumulative Expenditures	\$363,148	\$363,148	\$370,748	\$408,598	\$445,348	\$878,900	\$878,900	\$878,900	\$878,900	\$878,900
Cumulative Receipts	\$1,031,902	\$1,091,978	\$1,152,054	\$1,211,970	\$1,271,820	\$1,331,669	\$1,389,319	\$1,446,969	\$1,504,619	\$1,562,269
Year	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Recommended annual funding	\$57,650	\$61,286	\$61,286	\$58,912	\$58,837	\$58,837	\$58,837	\$58,837	\$58,837	\$58,837
Interest on reserves										
Expenditures	\$192,479	\$4,641	\$240,000	\$126,200	\$36,750	\$20,629			\$37,850	
Year end balance	\$548,540	\$605,185	\$426,472	\$359,184	\$381,270	\$419,478	\$478,315	\$537,152	\$558,139	\$616,976
Cumulative Expenditures	\$1,071,379	\$1,076,020	\$1,316,020	\$1,442,220	\$1,478,970	\$1,499,599	\$1,499,599	\$1,499,599	\$1,537,449	\$1,537,449
Cumulative Receipts	\$1,619,919	\$1,681,205	\$1,742,492	\$1,801,403	\$1,860,240	\$1,919,077	\$1,977,914	\$2,036,751	\$2,095,588	\$2,154,425

## COMPONENT METHOD ACCOUNTING SUMMARY

This Annen Woods AWC-2 - Component Method Accounting Summary is an attachment to the Annen Woods AWC-2 - Replacement Reserve Study dated May 3, 2016 and is for use by accounting and reserve professionals experienced in Association funding and accounting principles. This Summary consists of four reports, the 2016, 2017, and 2018 Component Method Category Funding Reports (3) and a Three-Year Replacement Funding Report.

- COMPONENT METHOD CATEGORY FUNDING REPORT, 2016, 2017, and 2018. Each of the 54 Projected Replacements listed in the Annen Woods AWC-2 Replacement Reserve Inventory has been assigned to one of 4 categories. The following information is summarized by category in each report:
  - Normal Economic Life and Remaining Economic Life of the Projected Replacements.
  - Cost of all Scheduled Replacements in each category.
  - Replacement Reserves on Deposit allocated to the category at the beginning and end of the report period.
  - Cost of Projected Replacements in the report period.
  - Recommended Replacement Reserve Funding allocated to the category during the report period as calculated by the Component Method.
- THREE-YEAR REPLACEMENT FUNDING REPORT. This report details the allocation of the \$302,025 Beginning Balance (at the start of the Study Year) and the \$212,712 of additional Replacement Reserve funding from 2016 to 2018 (as calculated in the Replacement Reserve Analysis) to each of the 54 Projected Replacements listed in the Replacement Reserve Inventory. These allocations have been made using the Component Method as outlined in the Replacement Reserve Analysis. The calculated data includes:
  - Identification and estimated cost of each Projected Replacement schedule in years 2016 through 2018.
  - Allocation of the \$302,025 Beginning Balance to the Projected Replacements by the Component Method.
  - Allocation of the \$212,712 of additional Replacement Reserve Funding recommended in the Replacement Reserve Analysis in years 2016 through 2018, by the Component Method.

## 2016 - COMPONENT METHOD CATEGORY FUNDING REPORT

Each of the 54 Projected Replacements included in the Annen Woods AWC-2 Replacement Reserve Inventory has been assigned to one of the 4 categories listed in TABLE CM1 below. This calculated data is a summary of data provided in the Three-Year Replacement Funding Report and Replacement Reserve Inventory. The accuracy of this data is dependent upon many factors including the following critical financial data:

- A Beginning Balance of \$302,025 as of the first day of the Study Year, January 1, 2016.
- Total reserve funding (including the Beginning Balance) of \$380,268 in the Study Year.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.
- All Projected Replacements scheduled in the Replacement Reserve Inventory in 2016 being accomplished in 2016 at a cost of \$38,000.

If any of these critical factors are inaccurate, do not use the data and please contact Miller Dodson Associates to arrange for an update of the Replacement Reserve Study.

2016 - COMPONENT METHOD CATEGORY FUNDING - TABLE CM1							
CATEGORY	NORMAL ECONOMIC LIFE	REMAINING ECONOMIC LIFE	ESTIMATED REPLACEMENT COST	2016 BEGINNING BALANCE	2016 RESERVE FUNDING	2016 PROJECTED REPLACEMENTS	2016 END OF YEAR BALANCE
SITE COMPONENTS	5 to 80 years	1 to 15 years	\$75,803	\$12,073	\$6,283		\$18,356
BUILDING EXTERIOR COMPONENTS	10 to 45 years	7 to 20 years	\$579,399	\$124,686	\$32,115		\$156,802
BUILDING INTERIOR COMPONENTS	10 to 35 years	4 to 20 years	\$143,330	\$33,301	\$10,569		\$43,870
BUILDING SYSTEM COMPONENTS	5 to 60 years	0 to 23 years	\$467,690	\$131,965	\$29,276	\$38,000	\$123,241

## 2017 - COMPONENT METHOD CATEGORY FUNDING REPORT

Each of the 54 Projected Replacements included in the Annen Woods AWC-2 Replacement Reserve Inventory has been assigned to one of the 4 categories listed in TABLE CM2 below. This calculated data is a summary of data provided in the Three-Year Replacement Funding Report and Replacement Reserve Inventory. The accuracy of this data is dependent upon many factors including the following critical financial data:

- Replacement Reserves on Deposit totaling \$342,268 on January 1, 2017.
- Total reserve funding (including the Beginning Balance) of \$447,888 from 2016 through 2017.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.
- All Projected Replacements scheduled in the Replacement Reserve Inventory in 2017 being accomplished in 2017 at a cost of \$4,641.

If any of these critical factors are inaccurate, do not use the data and please contact Miller Dodson Associates to arrange for an update of the Replacement Reserve Study.

2017 - COMPONENT METHOD CATEGORY FUNDING - TABLE CM2							
CATEGORY	NORMAL ECONOMIC LIFE	REMAINING ECONOMIC LIFE	ESTIMATED REPLACEMENT COST	2017 BEGINNING BALANCE	2017 RESERVE FUNDING	2017 PROJECTED REPLACEMENTS	2017 END OF YEAR BALANCE
SITE COMPONENTS	5 to 80 years	0 to 14 years	\$75,803	\$18,356	\$6,283	\$4,641	\$19,998
BUILDING EXTERIOR COMPONENTS	10 to 45 years	6 to 19 years	\$579,399	\$156,802	\$32,115		\$188,917
BUILDING INTERIOR COMPONENTS	10 to 35 years	3 to 19 years	\$143,330	\$43,870	\$10,569		\$54,439
BUILDING SYSTEM COMPONENTS	5 to 60 years	4 to 22 years	\$467,690	\$123,241	\$18,653		\$141,894

## 2018 - COMPONENT METHOD CATEGORY FUNDING REPORT

Each of the 54 Projected Replacements included in the Annen Woods AWC-2 Replacement Reserve Inventory has been assigned to one of the 4 categories listed in TABLE CM3 below. This calculated data is a summary of data provided in the Three-Year Replacement Funding Report and Replacement Reserve Inventory. The accuracy of this data is dependent upon many factors including the following critical financial data:

- Replacement Reserves on Deposit totaling \$405,247 on January 1, 2018.
- Total Replacement Reserve funding (including the Beginning Balance) of \$514,738 from 2016 to 2018.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.

If any of these critical factors are inaccurate, do not use the data and please contact Miller Dodson Associates to arrange for an update of the Replacement Reserve Study.

2018 - COMPONENT METHOD CATEGORY FUNDING - TABLE CM3							
CATEGORY	NORMAL ECONOMIC LIFE	REMAINING ECONOMIC LIFE	ESTIMATED REPLACEMENT COST	2018 BEGINNING BALANCE	2018 RESERVE FUNDING	2018 PROJECTED REPLACEMENTS	2018 END OF YEAR BALANCE
SITE COMPONENTS	5 to 80 years	3 to 19 years	\$75,803	\$19,998	\$5,512		\$25,510
BUILDING EXTERIOR COMPONENTS	10 to 45 years	5 to 18 years	\$579,399	\$188,917	\$32,115		\$221,032
BUILDING INTERIOR COMPONENTS	10 to 35 years	2 to 18 years	\$143,330	\$54,439	\$10,569		\$65,008
BUILDING SYSTEM COMPONENTS	5 to 60 years	3 to 21 years	\$467,690	\$141,894	\$18,653		\$160,547

- Replacement Reserves on Deposit totaling \$302,025 on January 1, 2016.
- Replacement Reserves on Deposit totaling \$342,268 on January 1, 2017.
- Replacement Reserves on Deposit totaling \$405,247 on January 1, 2018.
- Total Replacement Reserve funding (including the Beginning Balance) of \$514,738 from 2016 to 2018.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.
- All Projected Replacements scheduled in the Replacement Reserve Inventory from 2016 to 2018 being accomplished as scheduled in the Replacement Reserve Inventory at a cost of \$42,641.

**COMPONENT METHOD - THREE-YEAR REPLACEMENT FUNDING - TABLE CM4**

COMPONENT METHOD - THREE-YEAR REPLACEMENT FUNDING - TABLE CM4												
Item #	Description of Projected Replacement	Estimated Replacement Costs	Allocation of Beginning Balance	2016 Reserve Funding	2016 Projected Replacements	2016 End of Year Balance	2017 Reserve Funding	2017 Projected Replacements	2017 End of Year Balance	2018 Reserve Funding	2018 Projected Replacements	2018 End of Year Balance
SITE COMPONENTS												
1	Asphalt pavement, mill & overlay	50,053	6,316	2,734		9,050	2,734		11,783	2,734		14,517
2	Asphalt pavement, seal coat	6,067		1,011		1,011	1,011		2,022	1,011		3,034
3	Asphalt curb	4,641	2,636	1,003		3,638	1,003	(4,641)			232	232
4	Concrete flatwork - walks & patios (6%)	5,642		940		940	940		1,881	940		2,821
5	Retaining wall, segmental block	3,300	1,796	137		1,933	137		2,069	137		2,206
6	Stormwater management components	1,700	215	93		307	93		400	93		493
7	Benches	4,400	1,111	365		1,476	365		1,842	365		2,207
BUILDING EXTERIOR COMPONENTS												
8	Roofing, flat modified bitumen	275,000	34,704	15,019		49,722	15,019		64,741	15,019		79,759
9	Flashing	16,200	2,044	885		2,929	885		3,814	885		4,699
10	Masonry (10% repointing allowance)	73,950		3,521		3,521	3,521		7,043	3,521		10,564
11	Entry skylights	103,635	53,766	6,234		60,000	6,234		66,233	6,234		72,467
12	Front entry door sets - refurbish	8,000		727		727	727		1,455	727		2,182
13	Exterior metal door sets - single	1,700	172	73		244	73		317	73		390
14	Exterior metal door sets - double	9,000	909	385		1,294	385		1,679	385		2,065
15	Window, stationary	23,540	10,769	1,161		11,930	1,161		13,091	1,161		14,252
16	Exterior lighting, atrium recessed cans	1,950	197	83		280	83		364	83		447
17	Exterior lighting, sconce @ exterior deck	840	141	64		205	64		268	64		332
18	Balcony, concrete resurface	23,328	6,624	1,519		8,142	1,519		9,661	1,519		11,179
19	Balcony, composite rail-screen	32,256	14,756	1,591		16,347	1,591		17,938	1,591		19,529
20	Exterior waterproofing caulk	6,400		582		582	582		1,164	582		1,745
21	Front entry doors - automatic openers	3,600	606	272		878	272		1,150	272		1,422
BUILDING INTERIOR COMPONENTS												
22	Flooring, carpet	36,750	11,594	5,031		16,625	5,031		21,657	5,031		26,688
23	Flooring, vinyl lobby	5,050	212	346		558	346		904	346		1,249
24	Lobby, refurbish/redecorate	10,800	454	739		1,193	739		1,932	739		2,671
25	Lighting, lobby track lights	6,000	1,363	290		1,653	290		1,943	290		2,232
26	Lighting, lobby light-tracks	2,300	522	111		634	111		745	111		856
27	Lighting, lobbies - recessed cans	9,620	2,185	465		2,650	465		3,115	465		3,579
28	Lighting, corridor up-lights	7,590	1,724	367		2,091	367		2,457	367		2,824
29	Lighting, stair tower wall lights	7,000	1,590	338		1,928	338		2,266	338		2,604
30	Lighting, storage & work rooms, fluorescent	2,500	568	121		689	121		809	121		930
31	Cluster mailboxes	3,120	787	111		899	111		1,010	111		1,121
32	Trash chute doors	5,160	1,172	249		1,421	249		1,671	249		1,920
33	Interior doors, metal - single	23,040	5,234	1,113		6,346	1,113		7,459	1,113		8,572
34	Interior doors, metal - double	11,200	2,544	541		3,085	541		3,626	541		4,167
35	Interior fire doors - double	4,200	795	162		957	162		1,119	162		1,281
36	Security & inner-com system	9,000	2,555	586		3,141	586		3,727	586		4,313
BUILDING SYSTEM COMPONENTS												

COMPONENT METHOD - THREE-YEAR REPLACEMENT FUNDING - TABLE CM4 cont'd												
Item #	Description of Projected Replacement	Estimated Replacement Costs	Allocation of Beginning Balance	2016 Reserve Funding	2016 Projected Replacements	2016 End of Year Balance	2017 Reserve Funding	2017 Projected Replacements	2017 End of Year Balance	2018 Reserve Funding	2018 Projected Replacements	2018 End of Year Balance
37	Elevator, hydraulic passenger controls	64,800	1,635	2,632		4,267	2,632		6,899	2,632		9,531
38	Elevator cab & door, passenger	19,600	495	796		1,291	796		2,087	796		2,883
39	Elevator, hydraulic freight piston 4 FL	37,400	944	1,519		2,463	1,519		3,982	1,519		5,501
40	Heat pump @ common areas	16,000	673	1,095		1,768	1,095		2,863	1,095		3,957
41	Heat pump in the elevator machinery r	6,000	252	411		663	411		1,073	411		1,484
42	Electric panels & breakers	7,600	3,549	312		3,860	312		4,172	312		4,484
43	Fire safety annunciator sys, mid-rise	15,000	2,839	579		3,418	579		3,998	579		4,577
44	Fire safety light / bell / horn/ pull stati	1,440	273	56		328	56		384	56		439
45	Fire safety control panels	760	144	29		173	29		203	29		232
46	Emergency illuminated exit signs	4,650	880	180		1,060	180		1,239	180		1,419
47	Emergency battery pack exit lights	8,000	1,514	309		1,823	309		2,132	309		2,441
48	Trash compactor motors	8,000	5,048	2,952	(8,000)		400		400	400		800
49	Trash dumpsters	3,600		600		600	600		1,200	600		1,800
50	Sump pumps	1,000		91		91	91		182	91		273
51	Common sanitary line (allowance)	30,000	18,929	11,071	(30,000)		3,000		3,000	3,000		6,000
52	Domestic water, epoxy lining	240,000	93,384	6,375		99,759	6,375		106,134	6,375		112,508
53	Fire extinguisher, cabinet	2,960	1,183	162		1,344	162		1,506	162		1,668
54	Fire extinguisher	880	222	110		332	110		441	110		551

## 1. COMMON INTEREST DEVELOPMENTS - AN OVERVIEW

Over the past 40 years, the responsibility for community facilities and infrastructure around many of our homes has shifted from the local government to Community Associations. Thirty years ago, a typical new town house abutted a public street on the front and a public alley on the rear. Open space was provided by a nearby public park and recreational facilities were purchased ala carte from privately owned country clubs, swim clubs, tennis clubs, and gymnasiums. Today, 60% of all new residential construction, i.e. townhouses, single-family homes, condominiums, and cooperatives, is in Common Interest Developments (CID). In a CID, a homeowner is bound to a Community Association that owns, maintains, and is responsible for periodic replacements of various components that may include the roads, curbs, sidewalks, playgrounds, streetlights, recreational facilities, and other community facilities and infrastructure.

The growth of Community Associations has been explosive. In 1965, there were only 500 Community Associations in the United States. According to the 1990 U.S. Census, there were 130,000 Community Associations. Community Associations Institute (CAI), a national trade association, estimates there were more than 200,000 Community Associations in the year 2000, and that the number of Community Associations will continue to multiply.

The shift of responsibility for billions of dollars of community facilities and infrastructure from the local government and private sector to Community Associations has generated new and unanticipated problems. Although Community Associations have succeeded in solving many short-term problems, many Associations have failed to properly plan for the tremendous expenses of replacing community facilities and infrastructure components. When inadequate replacement reserve funding results in less than timely replacements of failing components, home owners are exposed to the burden of special assessments, major increases in Association fees, and a decline in property values.

## 2. REPLACEMENT RESERVE STUDY

The purpose of a Replacement Reserve Study is to provide the Association with an inventory of the common community facilities and infrastructure components that require periodic replacement, a general view of the condition of these components, and an effective financial plan to fund projected periodic replacements. The Replacement Reserve Study consists of the following:

- Replacement Reserve Study Introduction. The introduction provides a description of the property, reviews the intent of the Replacement Reserve Study, and lists documents and site evaluations upon which the Replacement Reserve Study is based.
- Section A Replacement Reserve Analysis. Many components owned by the Association have a limited life and require periodic replacement. Therefore, it is essential the Association have a financial plan that provides funding for the timely replacement of these components in order to protect the safety, appearance, and value of the community. In conformance with American Institute of Certified Public Accountant guidelines, a Replacement Reserve Analysis evaluates the current funding of Replacement Reserves as reported by the Association and recommends annual funding of Replacement Reserves by two generally accepted accounting methods; the Cash Flow Method and the Component Method. Miller - Dodson provides a replacement reserve recommendation based on the Cash Flow Method in Section A, and the Component Method in the Appendix of the report.
- Section B Replacement Reserve Inventory. The Replacement Reserve Inventory lists the commonly owned components within the community that require periodic replacement using funding from Replacement Reserves. The Replacement Reserve Inventory also provides information about components excluded from the Replacement Reserve Inventory whose replacement is not scheduled for funding from Replacement Reserves.  
  
Replacement Reserve Inventory includes estimates of the normal economic life and the remaining economic life for those components whose replacement is scheduled for funding from Replacement Reserves.
- Section C Projected Annual Replacements. The Calendar of Projected Annual Replacements provides a year-by-year listing of the Projected Replacements based on the data in the Replacement Reserve Inventory.
- Section D Condition Assessment. Several of the items listed in the Replacement Reserve Inventory are discussed in more detail. The Condition Assessment includes a narrative and photographs that document conditions at the property observed during our visual evaluation.
- The Appendix is provided as an attachment to the Replacement Reserve Study. Additional attachments may include supplemental photographs to document conditions at the property and additional information specific to the property cited in the Conditions Assessment (i.e. Consumer Product Safety Commission, Handbook for Public Playground Safety, information on segmental retaining walls, manufacturer recommendations for asphalt shingles or siding, etc). The Appendix also includes the Accounting Summary for the Cash Flow Method and the Component Method.



### 3. METHODS OF ANALYSIS

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 the Association. The two methods are:

- 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.

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 Method.

- Component Method. This method is a time tested mathematical model developed by HUD in the early 1980s, but has been generally relegated to a few States that require it by law. For the vast majority of Miller - Dodson's clients, this method is not used.

The Component Method 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 Reserves 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.

### 4. REPLACEMENT RESERVE STUDY DATA

- Identification of Reserve Components. The Reserve Analyst has only two methods of identifying Reserve Components; (1) information provided by the Association and (2) observations made at the site. It is important that the Reserve Analyst be provided with all available information detailing the components owned by the Association. It is our policy to request such information prior to bidding on a project and to meet with the individuals responsible for maintaining the community after acceptance of our proposal. After completion of the Study, the Study should be reviewed by the Board of Directors, individuals responsible for maintaining the community, and the Association's accounting professionals. We are dependent upon the Association for correct information, documentation, and drawings.
- 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, which 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.

## 5. 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 A1 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 Method, 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 cost. 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)

**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 A1. 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 A1. 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 A1, 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 numbers 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 A1 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 A1, 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.

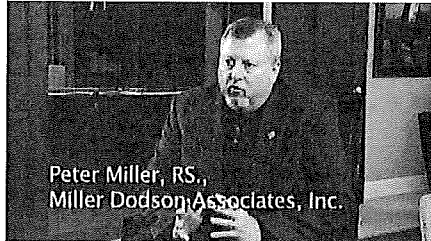
**Total Replacement Cost.** Shown on the Summary Sheet A1, this is total of the Estimated Replacement Costs for all items on the schedule if they were to be replaced once.

**Unit Replacement Cost.** Estimated replacement cost for a single unit of a given item on the schedule.

**Unit (of Measure).** Non-standard abbreviations are defined on the page of the Replacement Reserve Inventory where the item appears. The following standard abbreviations are used in this report:

EA: each    FT: feet    LS: lump sum    PR: pair    SF: square feet    SY: square yard

What is a Reserve Study?  
Who are we?



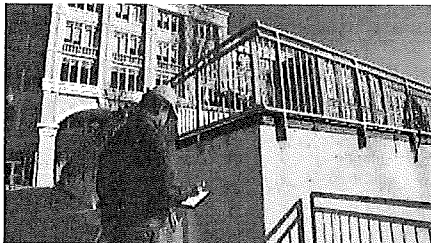
<http://bcove.me/nc0o69t7>

What kind of property uses a Reserve Study?  
Who are our clients?



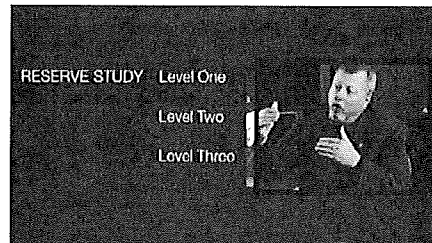
<http://bcove.me/stt373hj>

Who conducts a Reserve Study?  
Reserve Specialist (RS) what does this mean?



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When should a Reserve Study be updated?  
What are the different types of Reserve Studies?



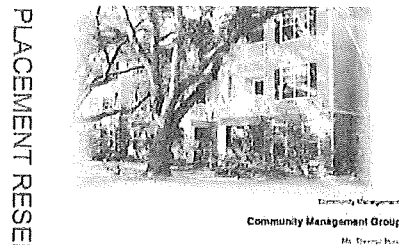
<http://bcove.me/ixis1yxm>

What is in a Reserve Study and what is out?  
Improvement vs Component, is there a difference?



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What is my role as a Community Manager?  
Will the report help me explain Reserves to my



<http://bcove.me/fazwdk3h>

clients?

What is my role as a Board Member?  
Will a Reserve Study meet my community's needs?



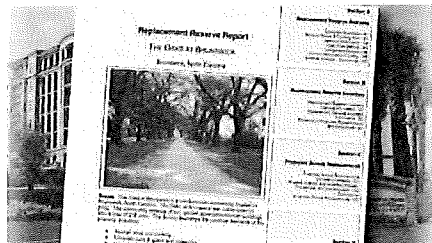
<http://bcove.me/n6nwnktv>

Community dues, how can a Reserve Study help?  
Will a study help keep my property competitive?



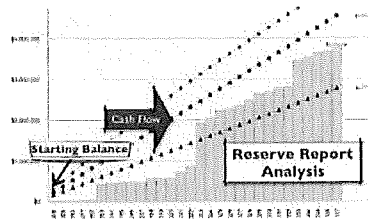
<http://bcove.me/2vfihtz>

How do I read the report?  
Will I have a say in what the report contains?



<http://bcove.me/wb2fugb1>

Where do the numbers come from?  
Cumulative expenditures and funding, what?



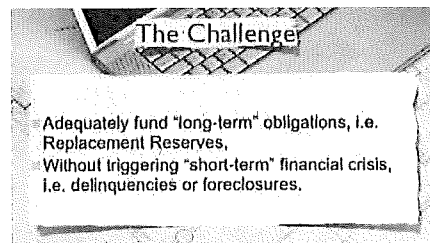
<http://bcove.me/7buer3n8>

How are interest and inflation addressed?  
What should we look at when considering inflation?



<http://bcove.me/s2fntj9b>

A community needs more help, where do we go?  
What is a Strategic Funding Plan?



<http://bcove.me/iqul31vg>

# **Council of Unit Owners of Annen Woods Condominium No. 2**

Rules and Regulations



# RULES & REGULATIONS

# ANNEX

Purpose of this document is to set forth the policies, procedures and process pertaining to an alleged violation by an Annen Woods Condominium #2 unit owner of the Condominium Act, Declaration, By-laws, rules or regulations.

## Applicability of Policies

All present and future owners, tenants and occupants of units...shall be subject to, and shall comply with, the provisions of the Condominium Act, Declaration, By-laws, rules or regulations, as they may be amended from time to time. The acceptance of a deed, conveyance, or the entering into of a lease, or the entering into the occupancy of any unit, shall constitute an agreement that the provisions of the Declaration, By-laws, and regulations, as they may be amended from time to time, are accepted and ratified by the owner, tenant or occupant.

## Condominium Fees Late Charges

A. **Late Charge.** A late charge of 10 percent will be assessed for fees that are received fifteen days after they are due. (Adopted in 1978.) A unit owner may request a waiver of late charges for just cause. A hearing regarding written petition will be held by the Board of Directors in Executive Session.

B. **Non-payment of Condominium Fees.** Non-payment of Condominium Fees is a violation of the By-laws and considered a very serious offense. The Management Company will ask the attorney to collect all Condominium Fees by all appropriate legal means against the Unit Owner which shall include accelerating the balance due for the remainder of the year, placing a lien on the unit, levying against a Unit Owner's assets, garnishment of wages and any other appropriate action as necessary.



## DISPUTE SETTLEMENT MECHANISM

Authority to sanction for rule violation including a fine system is provided in Section 11-109(d)(16), 11-111 and 11-113 of the Maryland Condominium Act.

*A. Procedure prior to imposition of sanction for rule violation.* - The council of unit owners or board of directors may not impose a fine, suspend voting, infringe upon any other rights of a unit owner or other occupant for violation of rules until the following procedure is followed:

1. Written demand to cease and desist from an alleged violation is served upon the alleged violator specifying:

- a) The alleged violation;
- b) The action required to abate the violation; and
- c) A time period, not less than 10 days, during which the violation may be abated without further sanction, if the violation is a continuing one, or a statement that any further violation of the same rule may result in the imposition of sanction after notice and hearing if the violation is not continuing.

2. Within 12 months of the demand, if the violation continues past the period allowed in the demand for abatement without penalty or if the same rule is violated subsequently, the board serves the alleged violator with written notice of a hearing to be held by the board in session. The notice shall contain:

- a) The nature of the alleged violation;
- b) The time and place of the hearing, which time may be not less than 10 days from the giving of the notice;
- c) An invitation to attend the hearing and produce any statement, evidence, and witnesses on his or her behalf; and
- d) The proposed sanction to be imposed.

3. A hearing occurs at which the alleged violator has the right to present evidence and present and cross-examine witnesses. The hearing shall be held in executive session pursuant to this notice and shall afford the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. This proof shall be

deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the person who delivered the notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

**B. *Liability for damages; injunction.*** - If any unit owner fails to comply with this title, the declaration, or bylaws, or a decision rendered pursuant to this section, the unit owner may be sued for damages caused by the failure or for injunctive relief, or both, by the council of unit owners or by any other unit owner. The prevailing party in any such proceeding is entitled to an award for counsel fees as determined by court.

**C. *Effect of failure to enforce provisions.*** - The failure of the council of unit owners to enforce a provision of this title, the declaration, or bylaws on any occasion is not a waiver of the right to enforce the provision on any other occasion

**D. *Application of fine*** - *The amount of the fine shall be \$25.00 for the initial violation, \$50.00 for the second violation of the same item, and \$100.00 each for the third and subsequent violation of the same item. For a continuing violation the fine shall be \$25.00 per day.*

## DEFINITIONS

- A. **Architectural Control Committee**-A group of persons designated by the Board of Directors to review and approve an alteration to the exterior of any unit or of the common elements.
- B. **Board of Directors**-A group of persons elected by the Council of Unit Owners and responsible for governing the affairs of the condominium.
- C. **By-laws**-Legal document outlining requirement for the operation of the condominium, such as the Board of Directors, management of the condominium, and architectural control. Each unit owner should have received a copy of the By-laws at the time of settlement when unit was purchased. Should a unit owner not have a copy of the Declaration and bylaws, a copy can be obtained from the Management Company at a cost of \$50.00.
- D. **Common Elements**-All areas and facilities within the condominium, not part of a unit, comprise the general common elements, including all streets, sidewalks, main and front entrance walks, recreation areas, parking areas, lawn areas, trees, shrubbery, conduits, sewers, water mains, storm drains, and other lines, exterior lighting, and all other devices rationally of common use and necessary to the upkeep, use and safety of the buildings, and all other conduits and wire outlets and utility lines, regardless of location, and all other parts of the property and all apparatus and installation existing in the buildings or on the property for common use or necessary or convenient to the existence, maintenance or safety of the property. The common elements also include the foundations, main walls, supporting elements, roof, foyer, lobby, hallway, emergency exit, storage room, trash room, compactor room, and patio railing.
- E. **Council of Unit Owners**-A group comprised of all unit owners.
- F. **Declaration**-Legal document describing the condominium and the rights and responsibilities of unit owners. Each unit owner should have received a copy of the Declaration at settlement. (see paragraph C for procedure for obtaining a copy.)

G. **Rules and Regulations**-Restrictions or requirements adopted by the Board of Directors to prevent unreasonable interference with the use and occupancy of the condominium.

H. **Unit**-Condominium unit shall consist of an enclosed space described in the Declaration and Condominium plats, the use of which is limited to residential purposes..

I. **Unit Owners**-Every person, group of persons, corporation, trust or other legal entity, or any combination thereof which owns a unit within the condominium.

### **Swimming pool and tennis court rules and regulations**

Enforcement of the swimming pool and tennis courts rules and regulations is through eviction, withdrawal of privileges, and/or fines. (Determined by the Board of Directors, Annen Wood Maintenance Corporation.)

**ANNEN WOODS CONDOMINIUM #2**

**HANDBOOK**

**For**

**UNIT OWNERS**

BOARD OF DIRECTORS

October, 1998

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## INTRODUCTION

The By-Laws of Condominium #2 specify prohibitions and nuisances or in effect "do's and don'ts" to be followed by unit owners. Over the years additional rules have been promulgated to enhance the quality of life in the condominium.

Some of the more important By Laws and rules are set forth below:

## PROHIBITIONS AND NUISANCES

1. No noxious or offensive trade or activity shall be carried on within the Condominium or any Unit situated thereon, nor shall anything be done therein or thereon which may be or become an annoyance to the neighborhood or the other owners. Residents shall be considerate of their neighbors in the use of musical instruments, radios, televisions and amplifiers that may disturb other residents.
2. Nothing shall be done or maintained in any Condominium Unit or upon any common elements which will increase the rate of insurance on any Condominium Unit or common elements, or result in the cancellation thereof, without the prior written approval of the Board of Directors. Nothing shall be done or maintained in any Condominium Unit or upon common elements which would be in violation of any law. No waste shall be committed upon any common elements.
3. No external structural alteration, modification, construction, addition or removal of any Unit or common element shall be commenced or conducted without the prior written approval of the Board of Directors.
4. The maintenance, keeping, breeding, boarding and/or raising of animals, livestock, or poultry of any kind, regardless of number, shall be and is hereby prohibited within any Condominium Unit or upon any common elements, except that this shall not prohibit the keeping of fish and/or caged birds as domestic pets provided that they are not kept or maintained for commercial purposes or for breeding.

## COMMON ELEMENTS

5. The common elements shall be used in accordance with rules and regulations established by the Board of Directors, but in any event no part of the common elements shall be used for commercial purposes. Anyone who attempts to alter or destroy common elements (and this includes landscaping, hallways, etc.) will be held responsible for damages that result and will be liable for removal and replacement of said property.
6. There shall be no obstruction of any common elements. Nothing shall be stored or placed upon any common elements without the prior written approval of the Board of

Directors, excepting the parking of vehicles in parking areas. Two specified parking spaces upon the common elements may be assigned to each unit owner as a limited common element for each said Owner's exclusive use upon the vote of the unit owners to amend the Condominium Declaration as provided in said Declaration.

#### VEHICLES

7. No junk vehicle or other vehicle on which current registration plates are not displayed, trailer, truck, camper, camp truck, van, house trailer, boat or the like shall be kept upon any of the common elements, nor shall the washing, repair or extraordinary maintenance of automobiles or other vehicles be carried out on any of the common elements.
  - a. "Face-in" parking is required (fumes destroy grass and damage shrubs.)
  - b. Unit owners on vacation for more than a few days are required to park their cars in the spaces farthest from the buildings so that on-site occupants have access to convenient spaces.
  - c. Owners with two or more cars are to park additional cars in spaces other than "prime spots" (directly in front of the buildings) as a matter of courtesy to your neighbors.)
  - d. All unit owners are required to obtain an Annen Woods parking sticker for their cars. Stickers for each car can be obtained from the maintenance supervisor.
  - e. Do not use the parking lot to deposit trash from car.

#### SIGNS/POSTERS

8. No signs, advertisements or posters of any character shall be erected, posted or displayed upon, in, from or about any Condominium Unit or common elements without the prior consent in writing of the Board of Directors and under such conditions as they may establish. The provisions of this subsection shall not be applicable to the institutional holder of any mortgage of any Condominium Unit by reason of any remedies provided for in the mortgage, foreclosure of any mortgage or any deed of trust, or other proceeding in lieu of foreclosure.

#### TRASH

9. No burning of any trash and no unreasonable or unsightly accumulation or storage of litter, new or used building materials, or trash of any other kind shall be permitted within any Condominium Unit or upon any common elements, nor shall trash or



garbage containers be permitted to remain in public view, except as may be reasonably required during construction, maintenance or repair of the Condominium. All trash shall be placed, and only placed, in areas designated by the Board of Directors.

- a. Observe the trash deposit time posted in the trash chute rooms which is 5:00 am until 10:00 pm to preclude disturbing unit owners residing adjacent to Trash Room. Should trash not be deposited properly it can cause the compactor to continually cycle and malfunction thus requiring extensive and expensive repairs.
- b. All trash shall be placed in tied plastic bags before being deposited in the chute. Bag shall be tied to assure exit down the chute.
  - i. No loose paper or containers are to be thrown down the chute.
  - ii. No loose food containers are to be left on the floor of the trash chute room. This attracts rodents, roaches, etc.
  - iii. Loose newspapers are to be deposited in a container that is in the trash chute room.
  - iv. Bottles may be thrown down to the compactor if placed in a tied plastic bag. (Wrap the glass in paper before putting it in the bag.)
  - v. Old carpeting, paint cans, wallpaper, tiles and other similar materials should not be thrown in the compactor. Unit owners are responsible for disposing of these materials by some other authorized method. These types of materials will clog the chutes and/or damage the compactor. Anyone damaging the chute or compactor will be responsible for its repair.

#### ANTENNA

10. No outside television or radio aerial or antenna, or other aerial or antenna, for reception or transmission, shall be maintained upon any common element without prior written consent of the Board of Directors, subject to FCC regulations. Problems associated with personal television reception, are initially the responsibility of the unit owner.

Should security channel (6) malfunction a "work order" should be filed with Maintenance Supervisor and/or notify a Board member if condition is not corrected.

#### STRUCTURE

11. No structure of a temporary character, trailer, tent, shack, barn or other outbuilding, outdoor clothes dryers or clothes lines shall be maintained upon any common elements nor upon any patio or balcony at any time.

12. No change may be made in the appearance of the exterior of any Unit without the prior written consent of the Board of Directors, or as otherwise provided herein.
13. Each unit owner shall maintain his patio or balcony in a neat, clean, orderly fashion. Cooking and the hanging of clothing, bedding, linen or other items of personal property, including wiring, on the patio, balcony, or any other exterior part of the building is prohibited.
- a. Each unit owner is required to keep his own patio/balcony area clean and free of any material that could attract birds, insects, rodents or animals to the building.
  - b. Unit owners are not permitted to shake tablecloths out over their balcony.
14. In order to achieve uniformity of appearance on the building exterior, vertical blinds, white in color, shall be required for all windows and glass doors within the Units. Unit owners may install drapery in addition to said blinds provided that for the exterior of the building such drapery appears white, and only white, in color. No other window or glass door treatments are permitted.

#### GENERAL

15. There shall be no violation of any rules for the use of the common elements or other rules and regulations, which may from time to time be adopted by the Board of Directors and promulgated among the membership by them in writing, and the Board of Directors is hereby and elsewhere in these By-Laws authorized to adopt such rules and regulations as they may deem appropriate.
- a. When furniture is to be moved into a unit, the custodian should be notified (the day before) so that padding can be placed on the elevator walls.
    - i. Should there be a need to use of the elevator for a move or there are several items to be placed on same, do not tie up the elevator while you run back and forth to collect the items. This adversely impacts on others in the building from using the elevator. The elevator should not be placed on hold inordinately it should be available at all times.
  - b. Elevators are available for all of the unit owners' convenience. Children or grandchildren are not allowed to misuse the elevator as a toy. Any damage caused as a result of this misuse will be the responsibility of the unit owner.
  - c. The floor of the elevator is not to be used for trash. Unit owners are responsible for cleaning up their spills in the elevator or notify the custodian.
16. In the event of breach of any of the provisions of the Condominium Declaration, By-Laws or rules adopted by the Board of Directors pursuant hereto by any unit owner, his/her guests or tenant, the Council, through its officers, managers or other agents,

shall take such action as it shall deem appropriate, including legal action through court process, to cure such breach and cause an abatement thereof. All costs of taking such action, including the time of employees of the Council in connection therewith, counsel fees and all other costs and expenses incurred in connection therewith, shall be a charge against the unit owner who, or whose tenants or guests, causes such breach, payable to the Council on an individual assessment basis.

#### THE CUSTODIAN

17. The custodian's job is to maintain buildings and land that comprise Annen Woods Condominium #2. Do not requisition help during his scheduled working hours which are from 5:00 am until 4:00 pm Monday through Friday.
18. You may make specific arrangements with the custodian to help you under the following circumstances:
  - i. Before official start of day.
  - ii. During lunch break (If he is available).
  - iii. After official work day.
19. Do not request custodian's assistance any other time than stated above. It may cause him to lose his position.
20. Should there be complaints regarding custodian work performance notify the Board of Directors and/or Management in writing.

#### SECURITY

21. Do not prop the locked lobby door open for any reason or leave it ajar at any time unless you are present.
22. Care should be exercised regarding possession of lobby key. Building security is compromised if keys are casually distributed.
23. Do not ring the buzzer to admit someone until you have checked on the lobby television to determine that the person is known. This will preclude unauthorized persons from entering the building.
24. When going on vacation notify management of someone in the building who can be contacted should entry to United be required. (Key should be left with a neighbor or family member for that purpose).
25. Emergency exit doors, at the bottom of the stairwells must be kept closed. Entry to and exit from the buildings is only through the lobby doors.

## BEFORE LEAVING TOWN

26. When leaving town, it is recommended that the following steps be taken to protect individual Unit:
- a. Shut off the water in apartment. The main shut-off valve is located in storage room.
  - b. Shut off the electricity to hot water heater. This can be done by throwing the circuit breaker labeled for the hot water heater to the "off" position. This will result in a substantial savings in electric bill.
  - c. In the winter, set heat on 55 degrees. This will result savings on electric bill. However, DO NOT turn off your heat completely. Some heat is required to protect the unit.
  - d. Park your cars in the spaces farthest from the buildings so that other unit owners may have the convenience of the better spaces.
  - e. There are the following shut-off valves in each apartment:
    - i. Main shut-off valve-storage room (there are also separate shut-off valves for all hot water and all cold water.)
    - ii. Each sink has two valves below, hot and cold.
    - iii. Each toilet has a valve below.
    - iv. Ice maker - under the kitchen sink.
    - v. Dishwasher - under the kitchen sink
    - vi. Washing machine - behind the washer and under the sink

## THE LUGGAGE CART

27. The luggage cart is available to all unit owners. Carts are located in the third (3rd) floor storage room. Carts must be replaced immediately following use.
28. Notify the Custodian or a Board Member the day before the cart is required to avoid conflict with other requests for the cart for the same day.
29. Do not request the cart for an extended period of time. Purpose of cart is to move articles or luggage to and from unit and then returned to the storage area so that it can be made available to other unit owners.
30. Cart should not remain indefinitely in a unit owner's possession.

### HALLS AND FOYER

31. The luggage cart, umbrellas, shoes, shopping carts, etc. are not to be left in front of unit owner's door. Not only is this unsightly but more important it can create a fire and safety hazard, All items are to be housed in unit.
32. Treat the halls, foyer, walls, and compact room as your own unit. Do not wait for the custodian to clean up. - keep living areas clean and appealing at all times.

### WORK ORDERS

33. The use of a "Work Order" form is the primary means for notifying the management and the Board of Directors of a maintenance problem. "Work Order" forms can be found in a receptacle on the wall of each trash chute room.
34. Simply stated by completing the work order and depositing it in the slot at the main gatehouse as you exit Annen Woods; this will alert Management and the Board of Directors to initiate appropriate action.

### DAMAGE IN THE COMMON AREA

35. Any damages to the common elements by a contractor/mover/repairman working for a Unit Owner will be the responsibility of the Unit Owner.

### FIRE ALARM

35. In the event the Fire Alarm is sounded it is imperative unit owners respond by immediately evacuating the building(s) by the nearest exit using the stairwell (DO NOT USE ELEVATOR) and to leave building by the emergency exit doors on the first floor.
36. Those individuals designated as Fire Marshal are to assist in the evacuation. A word of caution; the Fire Alarm does not activate a signal to the Fire Department, therefore, it is necessary that 911 be dialed to notify the Fire Department.
37. Should a unit owner detect a fire in their unit, dial 911 immediately and in addition pull the fire alarm handle located at either end of the hallway near the stairwells.
38. There are fire extinguishers on each floor at both stairwells.

### VISITORS

39. Unit owners are encouraged to contact the Gatehouse Guard (410-484-9115) to notify the Guard on duty (hours 5:00 pm to 7:00 am) the names of intended visitors and their approximate arrival time. This action will expedite visitor's entry into Annen Woods.

### EMERGENCY NUMBERS

The following is a list of telephone, numbers to be used by unit owners in the event there is a bona fide emergency requiring a rapid response by the maintenance supervisor and/or the WPM Real Estate Group:

WPM Real Estate Group	443-796-7400 (Business hours)
Gate House	410-484-9115 (After business hours)
WPM Emergency	443-796-7192 (After hours & holidays)

### CLOSING COMMENTS

The board of Directors is responsible for the business and affairs of the Condominium in terms of policy and direction. The WPM Real Estate Group is contracted to perform the execution of facilities maintenance and provide financial services. Unit owners have a responsibility of awareness and compliance of the rules and regulations as stipulated in the By-Laws and Rules. Conditions and suggestions unit owners feel should be addressed in relation to Condominium operations should be directed to the board of Directors in writing.

Unit owner's support and compliance with the By-Laws and Rules will effectively enhance the quality of life of the Condominium.

ANNEN WOODS MAINTENANCE CORPORATION  
(AWMC)

AGREEMENT FOR PLAYING CARDS OR MAHJONG

I hereby request to use the (upper) or (lower) clubroom on \_\_\_\_\_, 20\_\_\_\_,  
between the hours of \_\_\_\_\_ and \_\_\_\_\_ for the purpose of \_\_\_\_\_  
and expect approximately \_\_\_\_\_ persons to attend.

I have reviewed the Rules and Regulations governing the use of the clubroom, and agree  
that I will abide by these Rules and Regulations and will require my guests to do so. It is  
understood that any violation of the Rules and Regulations may result in denial of the use  
of the facility by me or my family for private purposes in the future. If the facility shall  
sustain any damages as a result of a breach of this Agreement, I may be liable for  
charges. See the attached Clubhouse Use Charge Sheet for information on these charges.

RESIDENT'S SIGNATURE: \_\_\_\_\_

RESIDENT'S NAME: \_\_\_\_\_  
(PLEASE PRINT)

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

DATE: \_\_\_\_\_

RESERVATION CONFIRMED:  
ANNEN WOODS MAINTENANCE CORPORATION

BY: \_\_\_\_\_

DATE: \_\_\_\_\_

**ANNENWOODS MAINTENANCE CORPORATION  
(AWMC)**

**ANNEN WOODS CLUBHOUSE  
199 GRANARY DRIVE  
PIKESVILLE, MARYLAND 21208**

**RULES AND REGULATIONS FOR USE OF THE CLUBHOUSE**

The following rules and regulations have been established so that the clubrooms will be available, in excellent condition, whenever any residents of Annen Woods would like to use them.

1. Only Annen Woods's unit owners or rental community tenants are permitted to rent the lower or upper clubrooms for private use ("the User").
2. The clubrooms may be rented for private parties or other purposes, as approved by Annen Woods Maintenance Corporation – A WMC.
3. The clubrooms may be used for private functions between the hours of 7:00 a.m. and 1:00 a.m., except that during the swimming season the lower clubroom hours shall be 7:00 p.m. to 1:00 a.m. on Saturday, Sunday, and Holidays and from 8:00 p.m. to 1:00 a.m. Monday through Friday.
4. The User must be present for any function and must provide adult supervision for persons below college age.
5. Baltimore County law limits the number of occupants to the posted limits in each clubroom.
6. Rental of the clubroom has a rental fee of \$250.00 and a \$150.00 security deposit. Any costs of cleaning, repairs, moving of furniture, or other services provided, will be charged to the unit owner's account.
7. Requests to reserve either clubroom must be made to the management office in writing, on a form provided by it, accompanied by the required \$400.00. A reservation for the clubroom shall be effective upon issuance of a written confirmation by the management office.
8. The User is required to clean the clubroom at the end of its use. A vacuum cleaner is provided in the downstairs coatroom for the User's convenience. All trash must be removed from the Annen Woods premises or put into sealed bags and placed in the dumpsters at the corner of Jumpers Lane and Pacers Lane.



15. No glassware or china is permitted on the pool deck at any time. If the pool deck is being used, all utensils must be plastic or paper.
16. Noise levels must comply with Baltimore County law, which prohibits excessive noise after 10:00 p.m. In any circumstance, music may not be played outside of the clubroom after 10:00 p.m. When music is provided (live or recorded) the volume level shall not be a disturbance to any residents of the community.
17. In compliance with the insurance coverage and applicable law, during the swimming season the User must hire one (1) of the licensed Annen Woods lifeguards to be present during the lower clubroom's use whether or not it is the User's intention to use the pool, and the User must negotiate all fees related to this service with the pool management company.
18. During the swimming season the lifeguards will provide the User with admittance to the facilities. At times other than the swimming season, the User may obtain keys from the Maintenance Supervisor. Please see #13 above.
19. Annen Woods Maintenance Corporation assumes no liability or responsibility for damage or loss of any personal property brought into the facility. The User shall be held responsible for any loss of or damage to, the clubroom and its physical property, and shall be billed for such loss or damage. The User agrees to indemnify and save Annen Woods Maintenance Corporation harmless from any and all claims for injury, loss, or damage to any person or property while on premises, including counsel fees and expenses in connection therewith.
20. The clubroom should be treated as one's own home and left in good condition for the next User. The facility is inspected prior to and after each use so that responsibility for damage or cleaning can be established.

ANNEN WOODS MAINTENANCE CORPORATION  
(AWMC)

Dear Member:

Enclosed herewith is a copy of the Charge Sheet that will be used to evaluate the Clubroom facility after you have used it. You can avoid these additional charges by making sure that the items on the list have been performed.

We encourage you to use this sheet as a checklist to avoid any problems.

Very truly yours,

Annen Woods Maintenance Corporation  
AWMC

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Date: \_\_\_\_\_

**CLUBROOM USE CHARGE SHEET**

<b><u>Item</u></b>	<b><u>Charge</u></b>
A/C Not Turned Off	\$25.00
Heat Not Turned Off	\$25.00
Lights Not Turned Off	\$25.00
Exhaust Fan (Kitchen) Not Off	\$15.00
Refrigerator Not Clean and Empty	\$10.00
Stove Not Cleaned	\$10.00
Sink Not Clean	\$10.00
Trash Not Bagged and Ready for Removal	\$15.00
Vinyl Floor Not Broom - Cleaned	\$8.00
Counter Not Clean and Empty	\$5.00
Tables Not Cleaned and Arranged Properly	\$15.00
Chairs Not Cleaned and Arranged Properly (four to each table)	\$15.00
Carpet Not Vacuumed (Stain Removal – Professional Svc.)	\$20.00- Vacuum (Contractor Cost)
Walls (additional marks or holes)	Time & Material
<b><u>Bathrooms</u></b>	
Lights Not Off	\$25.00
Floors Not Clean of Debris and Paper	\$15.00
Toilets Not Clean (no clogs)	\$20.00
Walls Not Clean (no marks)	Time & Material
Fixtures (damaged)	Time & Material
<b><u>Doors</u></b>	
Sliding Glass	
* Glass Not Intact	Contractor Cost
* Not Locked Securely	\$15.00
* Security Bars Not in Place	\$10.00
Front Entry Door Not Locked Securely	\$15.00
Keys Not Returned To Maintenance Supervisor at End of Function	\$25.00

9. The User is responsible for securing the facility at the end of its use, making sure that any appliances and all lights are off, the doors to the ice maker and refrigerator are properly closed, the air conditioning is off or the heat is set at a minimum temperature, the sliding glass doors are locked and metal dowels are placed in all of the door tracks, and the entrance door is locked.
10. Guests are permitted to park their vehicles only within Annen Woods on the parking lot adjacent to the clubroom. If additional parking for clubroom functions is needed, guests should park on Hooks Lane.
11. In case of an emergency with plumbing, electrical, etc. the Management Company should be contacted. For health and safety emergencies contact the Gatehouse Guard.
12. Tables and chairs are available in each clubroom for functions. Any additional furniture required shall be provided by the User. Arrangements for furniture delivery and catering services are the responsibility of the User.
13. The person renting the clubhouse will need to pick up the key prior to the event from the Annen Woods Maintenance Supervisor (410-484-4716). If renting the clubhouse over the weekend, arrangements must be made to pick up the key by 2:30 p.m. on Friday. Also, the key must be returned within two (2) days after the event. Should there be any questions or problems contact the Management Company or Maintenance Supervisor.
14. The clubroom facility is equipped with both heating and air conditioning systems, which are controlled by a thermostat. Minimum temperatures are maintained in the winter months and those using the facility may activate the heating or air conditioning systems upon arrival. A key to the thermostat lock box is provided when the clubroom door key is issued. Users must make sure that the air conditioning system is turned off after functions are held in the warmer months of the year. During the colder months, the thermostat should be placed at 60 degrees when the function concludes for the evening. The kitchen area in the lower clubroom is equipped with an exhaust fan, the lighted switch for which is on the wall immediately adjacent to the counter area of the kitchen. Users must make sure that the exhaust fan is turned off at the end of the function.

# NOTICE



No pets allowed in the Annen  
Woods Condominium No. 2  
Community



## ANNEN WOODS CONDOMINIUM NO. 2

Please be advised that Annen Woods Condominium No. 2 is a smoke free community.



Per Article X, Section (u) of the Associations By-Laws "Smoking shall be prohibited within all Units in the Condominium, the Limited Common Elements appurtenant to said Units, and upon or within all General Common Elements."



# **Council of Unit Owners of Annen Woods Condominium No. 2**

Temporary Coupon





**Annen Woods Condominium No. 2**

**Temporary Coupon**

**Please refer to the resale disclosure certificate for monthly assessment amount**

**PAYMENT IS DUE – First of each month**

**THE MAILING ADDRESS FOR THIS PAYMENT IS AS FOLLOWS:**

**Annen Woods Condominium No. 2  
c/o WPM Real Estate Management  
11433 Cronridge Drive  
Owings Mills, MD 21117**

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**PLEASE TEAR-OFF AND RETURN WITH PAYMENT**

**COUPON**

**AMOUNT ENCLOSED:** \_\_\_\_\_

**NAME:** \_\_\_\_\_

**UNIT ADDRESS:** \_\_\_\_\_

**HOME PHONE:** \_\_\_\_\_

**WORK PHONE:** \_\_\_\_\_

**CELL PHONE:** \_\_\_\_\_

**EMAIL:** \_\_\_\_\_

