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MEMORANDUM

TO: LAKE FOREST HOMEOWNERS ASSOCIATION, INC.

FROM: WINEGRAD, HESS & HEIMLICHER, LLC

DATE: AUGUST 29, 2024

RE: LAKE FOREST HOMEOWNERS ASSOCIATION, INC. PROPOSED HOA

DECLARATION AMENDMENT WITH REVISIONS

Our firm has, on the request of the Board of Directors, drafted an Amended and Restated Declaration for Lake Forest Homeowners Association, Inc. ("Amendment"). In order to provide the Owners the ability to determine whether or not to support the Amendment, we have provided this memorandum. The majority of changes relate to new Maryland HOA requirements into the Declaration, including new laws regarding the HOA's responsibility to allow portable basketball hoops, solar collection systems, provide for reserves, and other items. The below information summarizes the majority of the changes.

I. <u>Proposed Significant Changes Made to Declaration</u>

- 1. Added a Table of Contents.
- 2. Deleted the Declarant and Builder provisions from the entire document for easier interpretation and use. The Developmental Period has expired, so all references have been removed. No Class B Membership remains all references have been removed.
- 3. Revised the following Sections:
 - a. Section 2.5 regarding Hot Tubs
 - b. Section 2.6 regarding Temporary Structures
 - c. Section 2.7 regarding Clotheslines
 - d. Section 2.9 regarding Front Lawn

These sections were updated to include language explicitly allowing Hot Tubs and Whirlpools if maintained correctly by an Owner. The sections also allow Clotheslines, with

restrictions, allow portable basketball hoops with reasonable restrictions (as is now mandated by Maryland law), and allowing holiday decorations with reasonable restrictions without the need for application to the ARC.

- e. Section 2.13 regarding Animals allows the Association to set reasonable Rules and Regulations. Revisions removed pet limit.
- f. Section 2.15 regarding Lighting and Wiring further allows decorative lighting and holiday materials without HOA approval revisions to extend dates.
- g. Section 2.18 regarding Signage allows security signs with approval (previously disallowed). Revisions remove flag restriction.
- h. Section 2.19 regarding Lease Agreements Proposed amendment BANS AirBNB/short term rentals. Assures that the HOA is informed of all leases and that the leases/tenants are subject to the HOA's rules. Adds a fee for registration of a property as a rental property (if adopted by the Board).
- 4. Add provisions regarding the following:
 - a. Solar Collection Systems explicitly allowed pursuant to Maryland law. Lays out the restrictions allowable.
 - b. Play Equipment allows portable basketball hoops (required by Law.)
 - c. Laws and Ordinances All Owners shall comply with local laws.
 - d. Drones Rules may be set by the Board about drones, if need arises.
 - e. Auctions, Flea Markets Need consent of ARC. Revisions removed Yard Sales
 - f. Quiet Enjoyment/ Harassment Owners can't be harassed by other Owners.
 - g. Garages and Driveways REMOVED PER REVISIONS.
- 5. Section 8.8 Nonpayment of Assessment Add post judgment attorney's fees and language allowing convenience fees for electronic payments.
- 6. Section 8.12 Reserves for Replacements Add new reserve funding requirements required by Maryland law.
- 7. Section 8.13 Initial Capital Contribution Add that every *new* Owner must pay Two Hundred Dollars (\$200.00) does not apply to existing owners.
- 8. Section 11.2 Enforcement Revise to include a fining provision, detailed therein. Owners have opportunity for hearing and to cure prior to any fines being assessed. No continuing fines shall be applied.
- 9. Section 11.9 Amendment Revise to update requirements with Maryland Law.

Note regarding adoption:

The Amended and Restated Declaration must be passed by a vote of sixty percent (60%) of Owners in good standing (meaning that they have not more than ninety (90) days in arrears or any amounts owed to the Association).