

## HMRNA Declaration of Easements, Covenants, and Restrictions

The following are amendments to the HMRNA Declarations that homeowners are being asked to approve upon the recommendation of the HMRNA board. These amendments bring the Declarations into alignment with how the Association has been operated since it began 10 years ago, and make it more practical to operate in the future, without intrusion into owner's homes.

1.2 1 Parcel. A "Parcel" is the smallest piece of real property which may be separately conveyed. A Parcel may be a Lot (whether or not improved by a Building), a Special Use Parcel, or certain Residential Units such as condominium units.

### 9.1 Generally.

The common expenses of the Association shall be allocated among the Parcels in accordance with the relative values described in Section 9.2. The fractional allocation of the common expenses of the Association may be calculated for each Parcel by dividing the value assigned that Parcel by the sum of the values of all Parcels within the Neighborhood.

9.2 Residential and Mixed Uses. Each Parcel shall be assigned a value which is based on the following:

(a) Residential Uses. Parcels for Residential uses shall be assigned a value equal to 1.

(b) Commercial Use. Any Parcel which has a commercial use shall be assigned a value equal to 2.

(c) Mixed-Use. A single Parcel may have both a residential use and a commercial use and be assessed for both uses. The actual amount of assessment in circumstances of dual use shall be determined by the Association. A home-based occupation which does not advertise to the general public or have signage on any street, other than an alley, shall be subject to the residential and not to the commercial use value.

9.3 Special Use Parcels. Assessments for Special Use Parcels shall be determined by the Founder based on the anticipated use of the parcel.

9.4 Unimproved Lots. Unimproved Lots shall be assigned a value of 0.25. Upon substantial completion of improvements, the value shall be changed as provided in Section 9.2. If the Founder or an Owner combines two Lots or parts of Lots and uses them as a single Lot, the Association may assess them as a single Lot or other formula in accordance with regulations consistently applied.

9.5 Exempt Parcels. Parcels which are used by non-profit entities primarily for the benefit of residents of the Neighborhood may have a zero allocation. The Founder may grant such exempt status of record at any time up to and including the time of conveyance of the parcel to someone other than the Founder. Once granted, such exempt status shall continue so long as the use of the Parcel remains substantially the same. The Association also has the authority to grant exempt status for qualified entities upon terms and conditions established by the Association.

9.6 Additional Property. If Parcels of substantially different size or use are created within Additional Property, the Founder may by Supplemental Declaration establish a different relative value for those Parcels based on a reasonable determination of the expected usage levels consistent with the determination for other properties within the Neighborhood. If individual Residential Units which are within primarily commercial portions of the Master Plan Area are added and the property surrounding such units is not added, the amount of assessments to be paid by such units may be reduced, based upon a reasonable estimate of the units' usage of the Commons

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**Deleted:** 0.1 for each 100 square feet of gross occupied square footage, as defined in paragraph 9.6 hereof. Any garage or permitted non-occupied outbuildings on the Parcel shall be excluded in making the calculation.

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**Deleted:** 0.2 for each 100 square feet of gross occupied square footage, as defined in paragraph 9.6 hereof. ..

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**Deleted:** 9.6 Definition of Gross Occupied Square Footage. ..

(a) Space to be Included. For purposes of calculating the allocation of expenses, residential gross occupied square footage shall include all heated or air-conditioned space, measured to the center of the exterior walls, but for Parcels used solely for residential purposes shall exclude garages and permitted non-occupied outbuildings. Residential facilities constructed above garages or which otherwise exist as accessory dwelling units, shall include all heated or air conditioned space used for residential purposes in determining residential gross occupied square footage, but shall exclude that portion of the structure used for vehicle storage, etc. Commercial gross occupied square footage shall include all space which may be used for commerce, office, storage and other support areas for the commercial use, but shall not include any space occupied for residential use or any stairwells or walkways used primarily to access residential space. At the discretion of the Association, decks and other un-airconditioned space which are used on a regular basis for commerce may also be considered as part of the square footage and assessed at a reduced rate, depending on use. Space occupied within a commercial building for residential use or access shall be calculated utilizing the residential standards set forth above. ..

(b) Determination by Association. The amount and category of assessed gross occupied square footage for a particular Parcel shall be as determined by the Association in its reasonable discretion. The Association may establish further rules for the definition and calculation of gross occupied square footage, the rounding of square footage to the nearest 100 square feet, assessment of unimproved lots other than those owned by the Founder which shall never be assessed for more than the value set forth in paragraph 9.4 above, determination of residential and commercial use or combinations thereof, and other matters relating to assessment. The Association's agent may enter and examine Buildings at reasonable times for assessment purposes. An Owner shall have the right to a hearing before the Association to appeal an assessment. ... [1]

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### 10.6 Capital Contribution; Transfer Fee.

(a) Initial Closing. At the closing and transfer of title of each Parcel to the first Owner other than the Founder or the builder, the Owner shall contribute an amount equal to three months assessments. This contribution shall be deposited in the general funds of the Association for expenses of the Association and for working capital for the Association, and shall not be considered as a pre-payment of assessments.

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(b) Subsequent Closings. At each subsequent closing and transfer of title, the new Owner shall pay two hundred fifty dollars (\$250), which amount may be increased in accordance with cost of living increases as determined annually by the Association board, which shall be collected by the Association in a separate fund for the benefit of the Residential Neighborhood's Commons and, if it chooses, enhancement of the Common Area(s). The transfer fee shall not be paid by a Mortgagee who assumes title as the result of a foreclosure or deed in lieu, but shall be paid upon the conveyance by the Mortgagee to a subsequent Owner.

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### 13.1 Amendment.

(a) By Members. This Declaration may be amended at any time by an instrument signed by the president or vice president and secretary of the Association, certifying approval in writing by Parcel Owners representing sixty six percent (66%) of the votes in the Association.

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(b) By the Founder. To the extent permitted by law, the Founder specifically reserves the absolute and unconditional right to amend this Declaration without the consent or joinder of any party (i) to conform to the requirements of the Federal Home Loan Mortgage Corporation, Veterans Administration, Federal National Mortgage Association or any other generally recognized institution involved in the guarantee or purchase and sale of mortgages, (ii) to conform to the requirements of institutional mortgage lenders or title insurance companies, (iii) to clarify the Declaration's provisions or correct errors, or to modify this Declaration with respect to additional property made subject to its provisions by Founder.