

Springhill Community Homeowners Association

Certificate of Resale

3985 Driftwood Way

Springhill Community Homeowners Association, Inc.
c/o Chesapeake Bay Management, Inc.
603 Pilot House Drive, Suite 300
Newport News, VA 23606
(757) 706-3019
(757) 345-6532 Fax

July 9, 2014

Prospective Homeowner(s):
3985 Driftwood Way
Williamsburg, VA 23188

RE: Association Resale Package

Springhill Community Homeowners Association (the "Association") would like to take this opportunity to welcome you. Springhill Community is located in Williamsburg, Virginia. As a planned community, Springhill Community Homeowners Association is subject to the proffers and conditions associated with the project's zoning and certain covenants and restrictions creating a homeowners association which oversees the maintenance and repair of the common areas. The Association is also responsible for promulgating rules, regulations and architectural guidelines which govern the use and architectural design of the entire community.

Please note that any changes to the landscaping or additions/alterations to the exterior of your home require approval of the Architectural Review Board (ARB) and/or the Board of Directors. Applications are available at the managing agent's office: Chesapeake Bay Management, Inc., which is located at 603 Pilot House Drive, Suite 300, Newport News, Virginia 23606, or the Williamsburg office located at 3705 Strawberry Plains Road, Suite C, Williamsburg, VA 23188. You may request a fax copy by calling (757) 706-3019.

Virginia Code Section 55-509.5 requires your seller to request the Association to provide to the buyer the enclosed resale packet to be delivered by the seller to you. The resale packet contains a Certificate of Resale setting forth information regarding assessments, capital expenditures, reserve accounts and pending litigation (if any).

We thank you for your interest in Springhill Community Homeowners Association and hope the enclosed information is helpful. If you have any questions regarding the enclosed materials, please call me at (757) 706-3019.

Sincerely,



Jennifer Smith, CMCA®, AMS®
Managing Agent

Enclosures

RESALE CERTIFICATE
3985 Driftwood Way
Williamsburg, Virginia
Springhill Community Association, Inc.

Pursuant to Virginia Code Section 55-509.5, the undersigned managing agent for Springhill Community Homeowners Association, Inc., a Virginia corporation (the "Association") states on behalf of the Association as of the date hereof the following:

1. The name and address of the registered agent for the Association is
Susan B. Tarley, PLC
4808 Courthouse Street, Suite 102
Williamsburg, VA 23188
2. It is anticipated that the Association will make the following capital expenditures within the current or succeeding two years, if any, which will require a special assessment: *None known at this time.*
3. The quarterly assessment for the calendar year 2014 for each Lot is \$156.00 payable on the first day of each quarter. The annual assessment, if any, for the right to use the common areas is N/A. The assessment account for 3985 Driftwood Way is X or is not current. **There is a \$50 post transaction fee due from the purchaser at closing. There is also a \$225 resale package due at closing. If the settlement does not occur within 45 days of the date of this certificate, these fees will be assessed to the owners account.**
4. There are no other entities or facilities affiliated with the Association to which the Lot owner may be liable for fees or other charges.
5. There are no known project approvals currently in effect issued by secondary mortgage market agencies such as FHA, VA, etc. except as follows: *None*
6. There are currently funds in the Association's replacement Reserve Account in the amount of \$32,585.50 as of 5/31/14.
7. A copy of the association's current budget and audited financial statement is attached hereto.
8. Department of Professional and Occupational Regulation Real Estate Board Common Interest Community Association Certification of Annual Report expiration date December 31, 2014; as required by Virginia Code § 55-516.1.
9. The Association maintains the insurance described in the schedule attached hereto.
10. Except otherwise provided herein and in the Governing Documents, Units shall be used exclusively for residential purposes.
11. Notice X has not been given to the current Lot owner that any improvement or alteration to the Lot, or uses made of the Lot or common area assigned thereto, are in violation of the current Declaration, Articles of Incorporation of the Association, Bylaws of the Association, the Architectural Guidelines promulgated by the Association or any rules and regulations that may have been adopted pursuant thereto.
Please store your recycling container away from view of the street and neighboring properties.
12. The Association has the following rule regarding the right of a Lot owner to place a sign on their Lot advertising the lot for sale:

No Sign of any kind shall be erected or maintained on any lot, dwelling unit or any other structure on a Lot, except customary name, address and lawn signs as are approved by the Architectural Review Committee (ARC) and customary signs offering the property for sale or lease not exceeding six square feet (one per candidate in an official local or national election) to be displayed for up to a period of 30 days prior to the official election provided they are removed within 3 days following the election. No signs of any type shall be erected or maintained on the Common Area except signs required in connection with any legal proceedings or proceedings of the Association, Board Supervisors, Planning Commission or other administrative body. Owners are prohibited from placing any signs on the Common Area.

13. The Association has the following rule and restriction regarding flag displays:
Flagpoles. *Freestanding flagpoles may not be erected on a Lot unless an application is first submitted to the ARC for approval.*
14. The association has the following rule and restriction regarding the installation and use of solar panels: *None*
15. Attached to this Certificate are the following exhibits:
 - Exhibit 1: Current Operating Budget;
 - Exhibit 2: 2013 Audited Financial Statements
 - Exhibit 3: Statement of Pending Litigation and/or Unpaid Judgment against the Association: *None*;
 - Exhibit 4: Current Insurance Policy;
 - Exhibit 5: Department of Professional and Occupational Regulation Real Estate Board Common Interest Community Association Certification of Annual Report, expiration date December 31, 2014; as required by Virginia Code § 55-516.1;
 - Exhibit 6: Deed of Easement for Springhill Community Homeowners Association;
 - Exhibit 7: Amended and Restated Articles of Incorporation of Springhill Community Homeowners Association, Inc.;
 - Exhibit 8: Amended and Restated Declaration of Covenants, Conditions and Restrictions of Springhill;
 - Exhibit 9: The Articles of Merger of Springhill Community Homeowners Association Inc., Springhill I Community Homeowners Association, Inc., and Springhill II Community Homeowners Association, Inc.; the Articles of Merger of Springhill and Springhill III Community; Certificate of Merger;
 - Exhibit 10: Amended Bylaws of Springhill Community Homeowners Association, Inc.;
 - Exhibit 11: Resolution by Consent of the Board of Directors for Collections adopted March 8, 2012; Resolution of the Board of Directors-Association Complaint Procedure adopted September 13, 2012; Policy Resolution/ Rules and Regulations for Springhill III- Maintenance of Lawns, Plantings, and Masonry adopted August 8, 2011; Resolution of the Board of Directors-Policy for Records Inspection and Cost Schedule adopted March 8, 2012; Policy Resolution/Rules and Regulations for Springhill; Policy Resolution/Rules and Regulations for Springhill – Mowing and Property Maintenance, adopted April 12, 2012;
 - Exhibit 12: Right-of-Way Agreement for Springhill Community Homeowners Association;

Exhibit 13: Buried Cable Easement for Springhill Community Homeowners Association;

Exhibit 14: Notification of Resource Protection Area (RPA) for Springhill Community Homeowners Association;

Exhibit 15: Reserve Study of Springhill Community Homeowners Association, dated 2009;

Exhibit 16: Last six months approved board meeting minutes; and

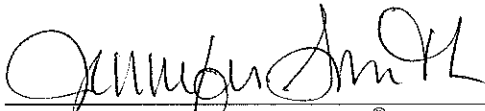
Exhibit 17: Notice of current or pending rule or architectural violation (if any).

Please store your recycling container away from view of the street and neighboring properties.

IN WITNESS WHEREOF the Association has caused this Certificate to be executed and delivered by its duly authorized officer as of Wednesday, July 09, 2014.

For:

SPRINGHILL COMMUNITY HOMEOWNERS ASSOCIATION, INC.

By: 
Jennifer Smith CMCA®, AMS®
Managing Agent

PLEASE NOTE: The managing agent will require a copy of the Settlement Statement from your closing attorney in order to transfer the ownership records and process the appropriate paperwork.

ADDRESS CHANGE FORM

Please complete this form if your mailing address will not be the property address you are purchasing. You can return to melissaa@1cbm.com, by fax at 757-534-7765 or mail at 603 Pilot House Drive, Suite 300, Newport News, VA 23606.

Association: _____

Address of Lot: _____

Date: ____ / ____ / ____

Time: _____ am/pm

Homeowner Name: _____

New Mailing Address: _____

Phone Number(s): (_____) - _____

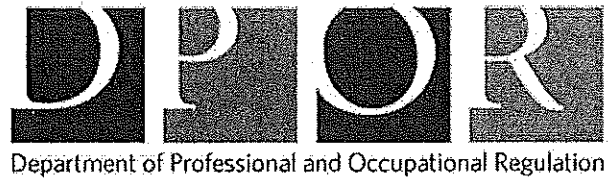
(_____) - _____

(_____) - _____

(_____) - _____

E-Mail Address(s) _____

Commonwealth of Virginia
Department of Professional and Occupational Regulation
Post Office Box 29570
Richmond, Virginia 23242-0570
(804) 367-8510
cic@dpor.virginia.gov
www.dpor.virginia.gov



**Common Interest Community Board
VIRGINIA PROPERTY OWNERS' ASSOCIATION DISCLOSURE PACKET NOTICE**

The lot being purchased is in a development subject to the Virginia Property Owners' Association Act. The contract to purchase a lot shall disclose that the lot is located in a property owners' association. The purchaser may have the right to cancel the contract after receiving the disclosure packet and the purchaser may request an update of the disclosure packet pursuant to § 55.509.4 of the Code of Virginia.

Living in a common interest community carries with it certain rights, responsibilities and benefits. Benefits include the right to use common areas, which may include swimming pools, parks, playgrounds and other recreational facilities. In order to finance the operation of the common interest community association, each owner is responsible for and obligated to pay periodic assessments, and if necessary, special assessments to ensure that the financial requirements are met.

Use of common areas, financial obligations of lot owners and other rights, responsibilities and benefits associated with the ownership of a lot in this common interest community are subject to the provisions of governing documents that typically include a declaration, articles of incorporation, bylaws and rules and regulations. These documents are important and should be reviewed carefully prior to purchase.

Some decisions are made by the association board of directors, while other decisions are reserved to a vote of association members. The purchaser is bound by all decisions of the association and the board of directors and the provisions of the governing documents.

Failure to comply with the association governing documents can result in legal action taken against the lot owner. Failure to pay assessments and mandatory fees may result in the association filing a lien and/or lawsuit against the lot owner, foreclosing the lien, and other actions permitted by the governing documents and the Property Owners' Association Act.

Documents and information contained in the disclosure packet describe the basis for living in a common interest community and should be reviewed carefully prior to purchase of the lot.

The Association Disclosure Packet must include the following statements:

- Association name, and if incorporated, the state of incorporation and the name and address of the registered agent;
- A statement of any approved expenditures that require an additional assessment during the current year or the immediately succeeding fiscal year;
- A statement of all assessments and other mandatory fees currently imposed by the association;
- A statement whether there is any other entity or facility to which the lot owner may be liable for fees or charges;
- The current reserve study report (or a summary thereof), a statement of the status and amount of any reserve or replacement fund and any portion of the fund allocated by the governing board for a specified project;
- A copy of the association's current budget (or a summary thereof) and a copy of its statement of income and expenses or financial condition for the last fiscal year available, including a statement of the balance due of any outstanding loans of the association;
- A statement of the nature and status of any pending suit or unpaid judgment to which the association is a party and that either could or would have a material impact on the association or its members or that relates to the lot being purchased;
- A statement setting forth the insurance coverage provided for all lot owners by the association, including any fidelity bond maintained by the association, and what additional insurance would normally be secured by each individual lot owner;
- A statement that any improvement or alteration made to the lot, or uses made of the lot or common area assigned thereto by the prior lot owner, are not in violation of any of the instruments referred to in this disclosure notice;
- A statement setting forth any restriction, limitation, or prohibition on the right of a lot owner to place a sign on the owner's lot advertising the lot for sale;
- A statement setting forth any restriction, limitation, or prohibition on the right of a lot owner to display any flag on the owner's lot, including, but not limited to reasonable restrictions as to the size, place and manner of placement or display of such flag and the installation of any flagpole or similar structure necessary to display such flag;
- A statement setting forth any restriction, limitation, or prohibition on the right of a lot owner to install or use solar energy collection devices on the owner's property;
- A statement indicating any known project approvals currently in effect by secondary mortgage market agencies;
- Certification, if applicable, that the association has filed with the Common Interest Community Board the annual report required by §55-516.1 of the Code of Virginia including the filing number assigned by the Common Interest Community Board and the expiration date of the filing; and
- The association complaint procedure as required by 18 VAC 48-70-60 and pursuant to 18 VAC 48-70-40 and 18 VAC 48-70-50.

The Association Disclosure Packet must include the following attachments, if any:

- A copy of the current declaration, the association's articles of incorporation and bylaws, and any rules and regulations or architectural guidelines adopted by the association;
- A copy of notice given to the lot owner by the association of any current or pending rule or architectural violation; and
- A copy of any approved minutes of the board of directors and association meetings for the six calendar months preceding the request for the disclosure packet.

EXHIBIT 1

Springhill Budget 2014

ADOPTED

| Acct | Description | 2013 | | 2014 | | Special Notes 2014 |
|------|---|-------------------|------------------|-------------------|--|-----------------------|
| | | BUDGET | YTD 7/31/13 | ADOPTED | ADOPTED | |
| | INCOME: | | | | | |
| 6310 | ASSESSMENT INCOME | 112,958.80 | 65,892.63 | 118,560.00 | 190 homes (includes assessment and trash combined - no increase) | |
| 6320 | INTEREST INCOME-REPLACE RESV | 0.00 | 34.28 | 50.00 | Acct 9920 replacement reserve interest | |
| 6325 | INTEREST INCOME-OPERATING RESV | 0.00 | 4.50 | 7.00 | Formerly known as 'project reserves' | |
| 6340 | LATE FEES INCOME | 0.00 | 2,910.00 | 0.00 | Late fee income is not anticipated for budget purposes | |
| 6350 | LEGAL FEES REIMBURS INCOME | 0.00 | 0.00 | 0.00 | Legal fees reimbursement income is not anticipated for budget purposes | |
| 6370 | OWNER COLLECTION COSTS | 0.00 | 2,201.55 | 0.00 | Owner collection costs income is not anticipated for budget purposes | |
| 6380 | OWNER ADMIN FEES INCOME | 0.00 | 0.00 | 0.00 | Owner admin fees income is not anticipated for budget purposes | |
| 6390 | INTEREST INCOME | 50.00 | 19.73 | 30.00 | Interest on operating deposit account | |
| 6392 | INTEREST- PROJECT RESERVES | 0.00 | 0.00 | 0.00 | See acct 6325 operating reserve interest | |
| 6410 | TRASH FEE INCOME | 0.00 | 0.00 | 0.00 | Trash assessment combined with regular assessment | |
| 6915 | NON-COMPLIANCE CHARGES | 500.00 | 1,310.00 | 0.00 | Non-compliance charge income is not anticipated for budget purposes | |
| | TOTAL INCOME | 113,508.80 | 72,372.69 | 118,647.00 | | |
| | EXPENSES: | | | | | |
| 7010 | MANAGEMENT FEES | 19,003.92 | 11,085.66 | 19,669.06 | Contract rate plus 3.5% annual escalator | |
| 7140 | ACCOUNTING FEES (AUDIT & TAX PREP) | 2,000.00 | 1,990.00 | 2,000.00 | Annual CPA financial review & tax preparation | |
| 7160 | LEGAL FEES | 5,500.00 | 1,855.00 | 5,000.00 | Register agent fee, legal opinions as necessary | |
| 7190 | LEGAL FEES-OWNER COLLECTIONS | 2,000.00 | 2,235.55 | 4,000.00 | Escrow funds to collections attorney, lien filing fees | |
| | RESERVE STUDY | 0.00 | 0.00 | 1,200.00 | New reserve study as required by law in 2014 | |
| 7260 | POSTAGE & MAIL* | 1,250.00 | 354.40 | 1,250.00 | Violation notices, newsletters, annual meeting mailing, coupons | |
| 7280 | INSURANCE | 1,275.00 | 768.25 | 1,369.68 | Based on actual Nationwide premium + 4% | |
| 7281 | INSURANCE PREMIUM FEE | 60.00 | 55.00 | 90.00 | Premium fee to pay premium monthly | |
| 7320 | OFFICE SUPPLIES | 500.00 | 70.78 | 447.32 | Based on 2013 budget for envelopes, labels, etc | |
| 7400 | PRINTING & REPRODUCTION* | 1,200.00 | 398.60 | 1,200.00 | Based on 2013 budget for community mailings, violation notices, etc. | |
| 7450 | SCC/OCC LICENSES | 200.00 | 25.00 | 200.00 | SCC/DPOR renewal | |
| 7890 | MISC. GENERAL & ADMINISTRATIVE | 0.00 | 0.00 | 500.00 | Miscellaneous administrative expenses | |
| 7990 | BAD DEBT EXPENSE | 0.00 | 1.34 | 0.00 | Bad debt expense is not anticipated for budget purposes | |
| | TOTAL GEN. & ADMIN. EXPENSES | 32,988.92 | 18,839.53 | 36,926.06 | | |
| | PROPERTY EXPENSES: | | | | | |
| 8910 | ELECTRICITY | 2,000.00 | 1,179.43 | 2,000.00 | Based on historical trend | |
| 8920 | TRASH REMOVAL | 30,400.00 | 18,470.71 | 21,000.00 | Based on renegotiated contract with Waste Management | |
| 8930 | WATER & SEWER | 400.00 | 52.78 | 400.00 | Based on historical trend | |
| 9010 | TREE REMOVAL | 10,000.00 | 0.00 | 10,000.00 | Anticipated expenses for tree removal as needed | |
| 9050 | LAKE MAINTENANCE | 4,000.00 | 1,694.00 | 3,000.00 | Based on contract cost with Solitude Lake Management | |
| 9110 | GENERAL PROPERTY MAINT | 2,000.00 | 1,339.79 | 2,000.00 | Signs and assorted common area repairs | |
| 9610 | LANDSCAPING CONTRACT | 14,275.60 | 8,327.41 | 14,275.60 | Based on contract cost with James River Grounds | |
| 9611 | IRRIGATION | 400.00 | 281.00 | 400.00 | Based on historical trend for irrigation repairs | |
| 9612 | LANDSCAPE EXTRAS | 4,000.00 | 1,247.90 | 6,062.66 | Anticipated expenses for landscape improvements/additions | |
| | TOTAL PROPERTY MAINTENANCE | 67,475.60 | 32,603.02 | 59,138.26 | | |
| | RESERVE CONTRIBUTIONS: | | | | | |
| 9910 | REPLACEMENT RESERVE - DEPOSIT | 2,000.00 | 1,166.69 | 11,527.00 | Replacement reserve deposits per reserve study | |
| 9920 | REPLACEMENT RESERVES - INTEREST | 0.00 | 34.28 | 50.00 | Interest on replacement reserve acct | |

| | | | | | | |
|------|---|-------------------|------------------|-------------------|-----------|--|
| | REPLACEMENT RESERVE REPAYMENT | 0.00 | 0.00 | 0.00 | 0.00 | One time line item in 2012 |
| 9912 | OPERATING - PROJECT RESERVE | 11,044.28 | 6.47 | 10,998.68 | 10,998.68 | Based on BOD direction |
| 9925 | OPERATING - PROJECT RESERVE INT | 0.00 | 4.00 | 7.00 | 7.00 | Interest on operating reserve account |
| | TOTAL RESERVES | 13,044.28 | 7,647.99 | 22,582.68 | | |
| | TOTAL EXPENSES | 113,508.80 | 59,090.59 | 118,647.00 | | |
| | TOTAL VARIANCE | (0.00) | 13,282.10 | 0.00 | | |
| | RESERVES: | | | | | |
| | REPLACEMENT RESERVES: | | | | | |
| 9910 | Replacement reserve deposits | 2,000.00 | 28,227.59 | 11,527.00 | 11,527.00 | actual cash balance 2014 based on reserve study |
| 9920 | Replacement reserve interest | 0.00 | 34.28 | 50.00 | 50.00 | |
| | Additional reserve deposits | 0.00 | 0.00 | 0.00 | 0.00 | Anticipated excess income at EOY 2013 |
| | Replacement reserve expenditures | 0.00 | 0.00 | -22359.00 | -22359.00 | |
| | TOTALS: | 2000.00 | 1200.97 | -10782.00 | | |
| | OPERATING PROJECT RESERVES: | | | | | |
| 9912 | Operating reserve deposits | 11,044.28 | \$8,798.51 | 7,460.14 | 7,460.14 | actual cash balance Based on BOD direction |
| 9925 | Operating reserve interest | 0.00 | 4.50 | 7.00 | 7.00 | |
| | Operating reserve expenditures | 0.00 | 0.00 | 0.00 | 0.00 | |
| | TOTALS: | 11,044.28 | 6447.02 | 7467.14 | | |
| 2013 | Expenses from replacement reserves include: NONE | | | | | |
| 2013 | Expenses from operating/project reserves: NONE | | | | | |
| 2014 | Budget expenses from replacement reserves: Replacement of street signs and posts (project started in 2013). | | | | | |
| 2014 | Budget expenses from operating/project reserves: NONE | | | | | |
| | NOTE: PLEASE SEE ATTACHED RESERVE STUDY FOR OUTLINE OF SCHEDULED FUNDING AND EXPENDITURES FOR THE REPLACEMENT | | | | | |
| | COPIES OF THE COMPLETE RESERVE STUDY ARE AVAILABLE ON-LINE AT WWW.SMARTSTREET.ORG. TO ACCESS THE ASSOCIATION'S V | | | | | |
| | THE MANAGEMENT OFFICE AT 757-706-3019 | | | | | |

EXHIBIT 2

**SPRINGHILL COMMUNITY
HOMEOWNERS ASSOCIATION, INC.**

FINANCIAL STATEMENTS

DECEMBER 31, 2013

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

The Board of Directors
Springhill Community Homeowners Association, Inc.

We have reviewed the accompanying balance sheet of Springhill Community Homeowners Association, Inc. as of December 31, 2013, and the related statements of revenues and expenses, changes in members' equity and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Association management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the schedule of future major repairs and replacements be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have compiled the required supplementary information without audit or review, and, accordingly, we do not express an opinion or provide any assurance on it.

April 1, 2014

Desroches & Company

SPRINGHILL COMMUNITY HOMEOWNERS ASSOCIATION, INC.

BALANCE SHEET

December 31, 2013

ASSETS

| | |
|---|------------------|
| Cash and cash equivalents: | |
| Operating | \$ 48,112 |
| For future major repairs, replacements and improvements | 26,673 |
| Certificate of deposit for future major repairs, replacements and improvements | <u>2,115</u> |
| Total cash and cash equivalents | 76,900 |
| Assessments receivable, less allowance for uncollectible assessments of \$8,000 | 9,997 |
| Prepaid expenses | <u>182</u> |
| Total assets | <u>\$ 87,079</u> |

LIABILITIES AND MEMBERS' EQUITY

| | |
|--|------------------|
| Accounts payable | \$ 13,750 |
| Prepaid assessments | <u>16,764</u> |
| Total liabilities | <u>30,514</u> |
| Members' equity: | |
| Undesignated | 27,777 |
| Designated for future major repairs, replacements and improvements | <u>28,788</u> |
| Total members' equity | <u>56,565</u> |
| Total liabilities and members' equity | <u>\$ 87,079</u> |

See notes to financial statements
and independent accountants' review report.

SPRINGHILL COMMUNITY HOMEOWNERS ASSOCIATION, INC.

STATEMENT OF REVENUES AND EXPENSES

For the year ended December 31, 2013

| | <u>Operating Undesignated</u> | <u>Designated for Replacements and Improvements</u> | <u>Total</u> |
|---|-----------------------------------|---|------------------|
| Revenues: | | | |
| Member assessments | \$ 110,959 | \$ 2,000 | \$ 112,959 |
| Late and legal fees | 11,550 | 0 | 11,550 |
| Interest income | 49 | 102 | 151 |
| | <u>122,558</u> | <u>2,102</u> | <u>124,660</u> |
| Expenses: | | | |
| Accounting | 1,990 | 0 | 1,990 |
| Bad debts | 5,001 | 0 | 5,001 |
| Electric | 2,007 | 0 | 2,007 |
| General repairs and maintenance | 3,459 | 18,341 | 21,800 |
| Grounds maintenance and improvements | 2,609 | 0 | 2,609 |
| Insurance | 1,419 | 0 | 1,419 |
| Lake maintenance | 2,924 | 0 | 2,924 |
| Lawn maintenance | 14,706 | 0 | 14,706 |
| Legal | 10,819 | 0 | 10,819 |
| Management | 19,070 | 0 | 19,070 |
| Miscellaneous | 1,051 | 13 | 1,064 |
| Postage and printing | 1,854 | 0 | 1,854 |
| Trash removal | 23,896 | 0 | 23,896 |
| Water and sewer | 556 | 0 | 556 |
| | <u>91,361</u> | <u>18,354</u> | <u>109,715</u> |
| Total expenses | | | |
| Excess (deficit) revenues over expenses | <u>\$ 31,197</u> | <u>\$ (16,252)</u> | <u>\$ 14,945</u> |

See notes to financial statements
and independent accountants' review report.

SPRINGHILL COMMUNITY HOMEOWNERS ASSOCIATION, INC.

STATEMENT OF CHANGES IN MEMBERS' EQUITY

For the year ended December 31, 2013

| | <u>Operating Undesignated</u> | <u>Designated for Replacements and Improvements</u> | <u>Total</u> |
|--|-----------------------------------|---|------------------|
| Members' equity - beginning of year | \$ 14,580 | \$ 27,040 | \$ 41,620 |
| Excess (deficit) revenues over expenses | 31,197 | (16,252) | 14,945 |
| Additional transfer to designated equity | <u>(18,000)</u> | <u>18,000</u> | <u>0</u> |
| Members' equity - end of year | <u>\$ 27,777</u> | <u>\$ 28,788</u> | <u>\$ 56,565</u> |

See notes to financial statements
and independent accountants' review report.

SPRINGHILL COMMUNITY HOMEOWNERS ASSOCIATION, INC.

STATEMENT OF CASH FLOWS

For the year ended December 31, 2013

| | |
|---|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | |
| Excess revenues over expenses | \$ 14,945 |
| Adjustments to reconcile excess revenues over expenses to net cash provided by operating activities: | |
| Bad debts | 5,001 |
| Changes in assets and liabilities: | |
| Increase in assessments receivable | (7,141) |
| Increase in prepaid expenses | (12) |
| Increase in accounts payable | 13,383 |
| Decrease in prepaid assessments | <u>(3,346)</u> |
| Net cash provided by operating activities | 22,830 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | |
| Net cash provided by investing activities | 0 |
| CASH FLOWS FROM FINANCING ACTIVITIES: | |
| Net cash provided by financing activities | <u>0</u> |
| Increase in cash and cash equivalents | 22,830 |
| Cash and cash equivalents at beginning of year | <u>54,070</u> |
| Cash and cash equivalents at end of year | <u><u>\$ 76,900</u></u> |

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

| | |
|--|--------------------|
| Cash paid during the year for income taxes | <u><u>\$ 0</u></u> |
| Cash paid during the year for interest | <u><u>\$ 0</u></u> |

See notes to financial statements
and independent accountants' review report.

SPRINGHILL COMMUNITY HOMEOWNERS ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

[1] NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business Springhill Community Homeowners Association, Inc. ("the Association") is a management association formed as a corporation and organized for the specific purpose of maintaining, preserving and architecturally controlling the individual properties and common areas for the benefit of its members. The Association consists of 190 lots/homes and is located in James City County, Virginia.

Method of Accounting The Association's financial statements have been prepared under the accrual method of accounting in which revenues are recognized when earned and expenses are recognized when incurred.

Member Assessments Association members are subject to quarterly assessments to provide funds for the Association's operating expenses and major repairs, replacements and improvements. Assessments receivable at the balance sheet date represent fees due from unit owners. The Association's policy is to retain legal counsel and place liens on the properties of owners whose assessments are several months delinquent. Member assessments in the statement of revenues and expenses have been allocated between undesignated (operating) and designated (replacements) equity based upon the Association's 2013 budget reserve requirements. The Association retains excess operating funds at the end of the year, if any, for use in future periods.

Allowance for Uncollectible Assessments The Association's policy is to record an allowance for uncollectible assessments for those accounts which the owner has filed Chapter 7 bankruptcy, the property has been foreclosed, or accounts which are substantially delinquent that management feels are doubtful of collection.

Recognition of Assets During the organization of the Association, certain real common property was received from the Declarant. The property contributed included land and related improvements. This property has not been recognized on the Association's financial statements because the Association cannot dispose of the property at the discretion of its Board of Directors, for cash. In addition, the property is not used by the Association to generate significant cash flow from members or nonmembers on the basis of usage.

Cash and Cash Equivalents The Association includes all cash accounts, money market accounts, and certificates of deposit with an original maturity of three months or less or that do not include a substantial penalty for early withdrawal, to be cash and cash equivalents.

See independent accountants' review report.

SPRINGHILL COMMUNITY HOMEOWNERS ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

Estimates The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. In addition, it is reasonably possible that the estimate for the allowance for uncollectible assessments may materially change within the next year, depending upon the success of the Association's managing agent and attorney in collecting past due balances.

[2] INCOME TAXES

The Association has elected to be tax-exempt with respect to its exempt function income under Internal Revenue Code Section 528. Since the Association's 2013 non-exempt function income, less applicable deductions, was less than zero, the Association was not liable for income tax and, accordingly, no provision for income taxes has been made for the year ended December 31, 2013.

As of December 31, 2013, the tax years that remain subject to examination by taxing authorities begin with 2010. The Association believes it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

[3] FUTURE MAJOR REPAIRS, REPLACEMENTS AND CAPITAL IMPROVEMENTS

During 2009, the Board of Directors hired a professional firm to perform a study to estimate the remaining useful lives and the replacement costs of the components of common property. The table included in the compiled supplementary information of future major repairs and replacements is based on this study. Subsequent to year-end, the Association engaged an outside professional firm to conduct an updated study of the Association's common property; the study is expected to be completed during 2014.

The Board of Directors is funding for major repairs and replacements over the remaining useful lives of the components based on the study's estimates of current replacement costs and considering amounts previously accumulated in the replacements fund. Accordingly, a funding requirement of \$11,527 has been included in the 2014 budget.

Funds are being accumulated in the replacements fund based on estimates of future needs for repairs and replacements of common property components. Actual expenditures may vary from the estimated future expenditures, and the variations may be material. Therefore, amounts accumulated in the replacements fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association has the right, under certain circumstances, to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

See independent accountants' review report.

SPRINGHILL COMMUNITY HOMEOWNERS ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

[4] SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date that the financial statements were available to be issued, April 1, 2014.

See independent accountants' review report.

SUPPLEMENTARY INFORMATION

SPRINGHILL COMMUNITY HOMEOWNERS ASSOCIATION, INC.

SCHEDULE OF FUTURE MAJOR REPAIRS AND REPLACEMENTS

December 31, 2013

Compiled

During 2009, the Board of Directors hired a professional firm to perform a study to estimate the remaining useful lives and the replacement costs of the components of common property. The methods used to determine replacement costs were based on estimates of current costs as of the date of the study. Current replacement costs include all phased replacements over the next thirty years. The study provides for a 3.8% annual rate earned on the average replacement fund balance and a 3.8% annual rate of anticipated inflation.

The following table is a summary of information contained in the professional study concerning the components of common property. The data contained below is for informational purposes only and has not been subjected to review procedures. All data is as of the effective date of the study, July 23, 2009.

| <u>Component</u> | <u>Estimated Remaining Useful Life</u> | <u>Current Replacement Cost</u> |
|--------------------------|--|---|
| Wood bridges | 4-24 years | \$ 7,500 |
| Concrete drainage swales | 6-30 years | 26,500 |
| Wood deck | 4-24 years | 18,200 |
| Pond aerator | 13-28 years | 10,800 |
| Pond dredging | 15 years | 24,000 |
| Signage - replacements | 5-25 years | 37,200 |
| Signage - paint finishes | 10-30 years | 7,500 |
| Reserve study update | 3 years | 1,200 |
| | | <u>\$ 132,900</u> |

The Association's 2014 minimum recommended annual reserve contribution as stated in the reserve study totals \$11,527.

See independent accountants' review report.

EXHIBIT 3

**STATEMENT OF PENDING LITIGATION AND/OR THE AMOUNT OF
ANY UNPAID JUDGEMENT AGAINST THE ASSOCIATION**

**There is no pending litigation and there are no unpaid judgments against Springhill
Community Association, Inc.**

EXHIBIT 4

PREMIER BUSINESSOWNERS POLICY

PREMIER HABITATIONAL PROPERTY DECLARATIONS

Policy Period:

From 12-14-13 To 12-14-14

Policy Number: **ACP BPHM2443994543**

Description of Premises Number: **001** Building Number: **001** Construction: **NON-COMBUSTIBLE**
 Premises Address **4200 SPRINGHILL DR** **WILLIAMSBURG VA 23188-7870**
 Occupancy **OL** Classification: **HOMEOWNERS ASSOCIATIONS**

Described as: **LAKE PUMPS**

WE PROVIDE INSURANCE ONLY FOR THOSE COVERAGES INDICATED BY A LIMIT OR BY "INCLUDED".

The Property Coverage provided at this premises is subject to a \$ **500** Deductible, unless otherwise stated.

| COVERAGES | LIMITS OF INSURANCE | |
|---|-----------------------|-------------------------|
| Building - Actual Cash Value | | \$3,300 |
| Business Personal Property - | | NOT PROVIDED |
| ADDITIONAL COVERAGES - the Coverage Form Includes other Additional Coverages not shown. | | |
| Business Income - ALS - 12 Months - NO Hour Waiting Period - 60 Day Ordinary Payroll Limit | | INCLUDED |
| Extra Expense - Actual Loss Sustained (ALS) - 12 Months - NO Hour Waiting Period | | INCLUDED |
| Equipment Breakdown | | INCLUDED |
| Automatic Increase in Insurance - Building | | 2% |
| Automatic Increase in Insurance - Business Personal Property | | 2.9% |
| Back Up of Sewer and Drain Water (limit shown per Building, subject to \$25,000 policy aggregate) | | \$5,000 |
| Appurtenant Structures - 10% of Building Limit of Insurance - maximum \$50,000 any one structure | | INCLUDED |
| Increased Cost of Construction | | NOT INCLUDED |
| OPTIONAL INCREASED LIMITS | Included Limit | Additional Limit |
| Account Receivable | \$25,000 | \$25,000 |
| Valuable Papers and Records (At the Described Premises) | \$25,000 | \$25,000 |
| Forgery and Alteration | \$10,000 | \$10,000 |
| Money and Securities - Inside the Premises | \$10,000 | \$10,000 |
| Outside the Premises (Limited) | \$10,000 | \$10,000 |
| Outdoor Signs | \$2,500 | \$2,000 \$4,500 |
| Outdoor Trees, Shrubs, Plants and Lawns | \$10,000 | \$10,000 |
| Business Personal Property Away From Premises | \$15,000 | \$15,000 |
| Business Personal Property Away From Premises - Transit | \$15,000 | \$15,000 |
| Electronic Data | \$10,000 | \$10,000 |
| Interruption of Computer Operations | \$10,000 | \$10,000 |
| Building Property of Others | \$10,000 | \$10,000 |
| OPTIONAL COVERAGES - Other frequently purchased coverage options. | | |
| Employee Dishonesty \$50,000 Policy Occurrence | | INCLUDED |
| Ordinance or Law - 1 - Loss to Undamaged Portion | | NOT PROVIDED |
| 2 - Demolition Cost and Broadened Increased Cost of Construction | | NOT PROVIDED |
| Virginia (Broad) | | NOT PROVIDED |
| Ordinance or Law Broadened | | NOT PROVIDED |

PROTECTIVE SAFEGUARDS

This premise has Protective Safeguards identified by symbols below. Insurance for Fire or Burglary and Robbery at this premise will be excluded if you do not notify us immediately if any of these safeguards are impaired. See **PB 04 30** for a description of each symbol. **APPLICABLE SYMBOLS: NOT APPLICABLE**

PREMIER BUSINESSOWNERS POLICY

PREMIER HABITATIONAL PROPERTY DECLARATIONS

Policy Period:

From 12-14-13 To 12-14-14

Policy Number: **ACP BPHM2443994543**

Description of Premises Number: **001** Building Number: **002** Construction: **NON-COMBUSTIBLE**
 Premises Address **4200 SPRINGHILL DR** **WILLIAMSBURG VA 23188-7870**
 Occupancy **OL** Classification: **FENCES (HABITATIONAL)**

Described as: **LIGHTS**

WE PROVIDE INSURANCE ONLY FOR THOSE COVERAGES INDICATED BY A LIMIT OR BY "INCLUDED".

The Property Coverage provided at this premises is subject to a \$ **500** Deductible, unless otherwise stated.

| COVERAGES | LIMITS OF INSURANCE |
|---|---|
| Building - Actual Cash Value | \$1,200 |
| Business Personal Property - | NOT PROVIDED |
| ADDITIONAL COVERAGES - the Coverage Form Includes other Additional Coverages not shown. | |
| Business Income-ALS- 12 Months- NO Hour Waiting Period-60Day Ordinary Payroll Limit | INCLUDED |
| Extra Expense - Actual Loss Sustained (ALS) - 12 Months - NOHour Waiting Period | INCLUDED |
| Equipment Breakdown | INCLUDED |
| Automatic Increase in Insurance - Building | 2% |
| Automatic Increase in Insurance - Business Personal Property | 2.9% |
| Back Up of Sewer and Drain Water (limit shown per Building, subject to \$25,000 policy aggregate) | \$5,000 |
| Appurtenant Structures - 10% of Building Limit of Insurance - maximum \$50,000 any one structure | INCLUDED |
| Increased Cost of Construction | NOT INCLUDED |
| OPTIONAL INCREASED LIMITS | |
| | Included Limit Additional Limit |
| Account Receivable | \$25,000 \$25,000 |
| Valuable Papers and Records (At the Described Premises) | \$25,000 \$25,000 |
| Forgery and Alteration | \$10,000 \$10,000 |
| Money and Securities - Inside the Premises | \$10,000 \$10,000 |
| Outside the Premises (Limited) | \$10,000 \$10,000 |
| Outdoor Signs | \$2,500 \$2,500 |
| Outdoor Trees, Shrubs, Plants and Lawns | \$10,000 \$10,000 |
| Business Personal Property Away From Premises | \$15,000 \$15,000 |
| Business Personal Property Away From Premises - Transit | \$15,000 \$15,000 |
| Electronic Data | \$10,000 \$10,000 |
| Interruption of Computer Operations | \$10,000 \$10,000 |
| Building Property of Others | \$10,000 \$10,000 |
| OPTIONAL COVERAGES - Other frequently purchased coverage options. | |
| Employee Dishonesty \$50,000 Policy Occurrence | INCLUDED |
| Ordinance or Law - 1 - Loss to Undamaged Portion | NOT PROVIDED |
| 2 - Demolition Cost and Broadened Increased Cost of Construction | NOT PROVIDED |
| Virginia (Broad) | NOT PROVIDED |
| Ordinance or Law Broadened | NOT PROVIDED |

PROTECTIVE SAFEGUARDS

This premise has Protective Safeguards identified by symbols below. Insurance for Fire or Burglary and Robbery at this premise will be excluded if you do not notify us immediately if any of these safeguards are impaired. See **PB 04 30** for a description of each symbol. APPLICABLE SYMBOLS: **NOT APPLICABLE**

PREMIER BUSINESSOWNERS POLICY

PREMIER HABITATIONAL PROPERTY DECLARATIONS

Policy Period:

From 12-14-13 To 12-14-14

Policy Number: **ACP BPHM2443994543**

Description of Premises Number: **001** Building Number: **003** Construction: **NON-COMBUSTIBLE**
 Premises Address **4200 SPRINGHILL DR** **WILLIAMSBURG VA 23188-7870**
 Occupancy **OL** Classification: **FENCES (HABITATIONAL)**

Described as: **SIGNS**

WE PROVIDE INSURANCE ONLY FOR THOSE COVERAGES INDICATED BY A LIMIT OR BY "INCLUDED".

The Property Coverage provided at this premises is subject to a \$ **500** Deductible, unless otherwise stated.

| COVERAGES | LIMITS OF INSURANCE |
|---|--|
| Building - Actual Cash Value | \$1,200 |
| Business Personal Property - | NOT PROVIDED |
| ADDITIONAL COVERAGES - the Coverage Form Includes other Additional Coverages not shown. | |
| Business Income - ALS - 12 Months - NO Hour Waiting Period - 60 Day Ordinary Payroll Limit | INCLUDED |
| Extra Expense - Actual Loss Sustained (ALS) - 12 Months - NO Hour Waiting Period | INCLUDED |
| Equipment Breakdown | INCLUDED |
| Automatic Increase in Insurance - Building | 2% |
| Automatic Increase in Insurance - Business Personal Property | 2.9% |
| Back Up of Sewer and Drain Water (limit shown per Building, subject to \$25,000 policy aggregate) | \$5,000 |
| Appurtenant Structures - 10% of Building Limit of Insurance - maximum \$50,000 any one structure | INCLUDED |
| Increased Cost of Construction | NOT INCLUDED |
| OPTIONAL INCREASED LIMITS | |
| Account Receivable | Included Limit Additional Limit \$25,000 |
| Valuable Papers and Records (At the Described Premises) | \$25,000 \$25,000 |
| Forgery and Alteration | \$10,000 \$10,000 |
| Money and Securities - Inside the Premises | \$10,000 \$10,000 |
| Outside the Premises (Limited) | \$10,000 \$10,000 |
| Outdoor Signs | \$2,500 \$2,500 |
| Outdoor Trees, Shrubs, Plants and Lawns | \$10,000 \$10,000 |
| Business Personal Property Away From Premises | \$15,000 \$15,000 |
| Business Personal Property Away From Premises - Transit | \$15,000 \$15,000 |
| Electronic Data | \$10,000 \$10,000 |
| Interruption of Computer Operations | \$10,000 \$10,000 |
| Building Property of Others | \$10,000 \$10,000 |
| OPTIONAL COVERAGES - Other frequently purchased coverage options. | |
| Employee Dishonesty \$50,000 Policy Occurrence | INCLUDED |
| Ordinance or Law - 1 - Loss to Undamaged Portion | NOT PROVIDED |
| 2 - Demolition Cost and Broadened Increased Cost of Construction | NOT PROVIDED |
| Virginia (Broad) | NOT PROVIDED |
| Ordinance or Law Broadened | NOT PROVIDED |

PROTECTIVE SAFEGUARDS

This premise has Protective Safeguards identified by symbols below. Insurance for Fire or Burglary and Robbery at this premise will be excluded if you do not notify us immediately if any of these safeguards are impaired. See **PB 04 30** for a description of each symbol. **APPLICABLE SYMBOLS: NOT APPLICABLE**

PREMIER BUSINESSOWNERS POLICY

PREMIER HABITATIONAL

LIABILITY DECLARATIONS

Policy Period:

From 12-14-13 To 12-14-14

Policy Number: **ACP BPHM2443994543**

LIMITS OF INSURANCE

| | | |
|---|----------------------------|-------------|
| Each Occurrence Limit of Insurance | Per Occurrence | \$2,000,000 |
| Medical Payments Coverage Sub Limit | Per Person | \$5,000 |
| Tenants Property Damage Legal Liability Sub Limit | Per Covered Loss | \$300,000 |
| Personal and Advertising Injury | Per Person Or Organization | \$2,000,000 |
| Products – Completed Operations Aggregate | All Occurrences | \$4,000,000 |
| General Aggregate (Other than Products – Completed Operations) | All Occurrences | \$4,000,000 |

AUTOMATIC ADDITIONAL INSURED STATUS

The following persons or organizations are automatically insureds when you and they have agreed in a written contract or agreement that such person or organization be added as an additional insured on your policy.

Co-Owners of Insured Premises
Controlling Interest
Grantor of Franchise or License
Lessors of Leased Equipment
Managers or Lessors of Leased Premises
Mortgagee, Assignee or Receiver
Owners or Other Interest from Whom Land has been Leased
State or Political Subdivisions - Permits Relating to Premises

PROPERTY DAMAGE DEDUCTIBLE

NONE

OPTIONAL COVERAGES

NONE PROVIDED



STANDARD WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY

NATIONWIDE MUTUAL INSURANCE COMPANY (16195)

Issued by: ONE NATIONWIDE PLAZA COLUMBUS, OH 43215-2220

INFORMATION PAGE

Policy No: ACP WC 24 4 3994543

as Renewed On 12/14/13

Printed On 10/21/13

1. Name of Insured: SPRINGHILL HOA

Mailing Address: 600 THIMBLE SHOALS BLVD #200 NEWPORT NEWS VA 236062572

Agent: Williamsburg Insurance Agency LLC 24 45 93150 001 WILLIAMSBURG VA 231882691

Producer: WILLIAMSBURG INSURANCE AGENCY

Federal ID 1.) 541684855 2.) 3.) 4.)

Other Workplaces: See Schedule of Locations

The insured is a(n) Individual: Partnership: Corporation:

Limited Liab Co: Other: AS NON-PROFITS & ASSOCIATIONS

2. The policy period is from 12:01 AM standard time on 12/14/13 to 12/14/14 at the insureds mailing address.

3. Coverage.

A. Workers Compensation Insurance: Part One applies to the Workers Compensation Law of the states listed here: VIRGINIA

B. Employers Liability Insurance: Part Two applies to work in each state listed in 3A. The limits of our liability under Part Two are:

| | | |
|---------------------------|---------|---------------|
| Bodily Injury by Accident | 100,000 | each accident |
| Bodily Injury by Disease | 100,000 | each employee |
| Bodily Injury by Disease | 500,000 | policy limit |

C. Other States Insurance: Part Three applies to the states listed here: All states except North Dakota, Ohio, Washington, West Virginia, Wyoming.

D. This policy includes these endorsements and schedules: SEE ATTACHED SUPPLEMENTAL INFORMATION PAGE.

| | | | | |
|--------------------------|------------|----|---------|-------|
| Misc. Policy Information | Sub Total: | \$ | PREMIUM | 17.00 |
|--------------------------|------------|----|---------|-------|

Experience Mod:

Sub Total: \$ 17.00

Prior Policy: ACP WC 2433994543

| | | |
|------------------------|----|--------|
| Premium Discount: | \$ | |
| Expense Constant: | \$ | 260.00 |
| Premium for Terrorism: | \$ | 0.00 |

Minimum Premium: \$ 527.00
Adjustment of premium shall be made Annually

| | | |
|--------------------------|----|--------|
| Total Estimated Premium: | \$ | 527.00 |
| Deposit Premium: | \$ | 527.00 |

Underwriter: 24-01 Countersigned by:

Date

EXHIBIT 5

**DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION
COMMONWEALTH OF VIRGINIA**

EXPIRES ON
12-31-2014

NUMBER
0550003897

9960 Mayland Dr., Suite 400, Richmond, VA 23233
Telephone: (804) 367-8500

COMMON INTEREST COMMUNITY BOARD
COMMON INTEREST COMMUNITY ASSOCIATION REGISTRATION

SPRINGHILL II HOMEOWNERS ASSOC AKA:SPRINGHILL
COMMUNITY HOA



Gordon N. Dixon
Gordon N. Dixon, Director

ALTERATION OF THIS DOCUMENT, USE AFTER EXPIRATION, OR USE BY PERSONS OR FIRMS OTHER THAN THOSE NAMED MAY RESULT IN CRIMINAL PROSECUTION UNDER THE CODE OF VIRGINIA.

(SEE REVERSE SIDE FOR NAME AND/OR ADDRESS CHANGE)

(DETACH HERE)

(POCKET CARD)
COMMONWEALTH OF VIRGINIA
COMMON INTEREST COMMUNITY BOARD
COMMON INTEREST COMMUNITY ASSOCIATION REGISTRATION
NUMBER: 0550003897 EXPIRES: 12-31-2014

SPRINGHILL II HOMEOWNERS ASSOC AKA:SPRINGHILL COMMUNITY
HOA



(FOLD)

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION
9960 Mayland Dr., Suite 400, Richmond, VA 23233

EXHIBIT 6

33979

018646

DEED OF EASEMENT

THIS DEED OF EASEMENT, made this 17 day of November, 1994, by and between SPRING HILL DEVELOPMENT CO., L.L.C., a Virginia limited liability company, hereinafter referred to as "Grantor", and COUNTY OF JAMES CITY, VIRGINIA, a political subdivision of the Commonwealth of Virginia, hereinafter called "Grantee", whose mailing address is P.O. Box 8744, Williamsburg, Virginia 23187-8744, provides for the conveyance of an easement from Grantor to Grantee under the terms and conditions provided herein.

WITNESSETH:

That for the sum of ten dollars (\$10.00) and other good and valuable consideration, receipt of which is hereby acknowledged, Grantor does hereby grant and convey unto Grantee, its successors and assigns, for the purposes enumerated herein, the following described easement, to wit:

An exclusive easement for drainage and access, twenty feet (20 ft.) in width, situate, lying and being in James City County, Virginia, being designated as "20' DRAINAGE AND JAMES CITY COUNTY ACCESS ROAD EASEMENT", as shown on a certain plat entitled, "PLAT OF JAMES CITY COUNTY ACCESS ROAD RELOCATION, SPRINGHILL, PHASE I, BERKELEY DISTRICT, JAMES CITY COUNTY, VIRGINIA", dated September 28, 1994, made by Langley and McDonald, P.C., Engineers - Surveyors - Planners, which plat is attached hereto and prayed to be made a party hereof.

WITNESS the following signatures and seals.

SPRING HILL DEVELOPMENT CO., L.L.C.
a Virginia limited liability company

By: Myrl L. Hairfield
MYRL L. HAIRFIELD, Manager

STATE OF VIRGINIA
CITY OF NEWPORT NEWS, to wit:

I, the undersigned, a Notary Public in and for the City and State aforesaid, do hereby certify that MYRL L. HAIRFIELD, Manager of Spring Hill Development Co., L.L.C., whose name is signed to the foregoing instrument, has acknowledged the same before me this 17 day of November, 1994.

My commission expires:

8/31/96
VIRGINIA: City of Williamsburg and County of James City, to wit:

Gene S. Smith
Notary Public

In the Clerk's office of the Circuit Court of the City of Williamsburg and County of James City the 22 day of Nov, 1994. This 11:59 AM

Casey I was presented with certificate signed and admitted to record at 10:45 o'clock

Teste: Holmes S. Wood, Clerk
by delia
Clergy Clerk

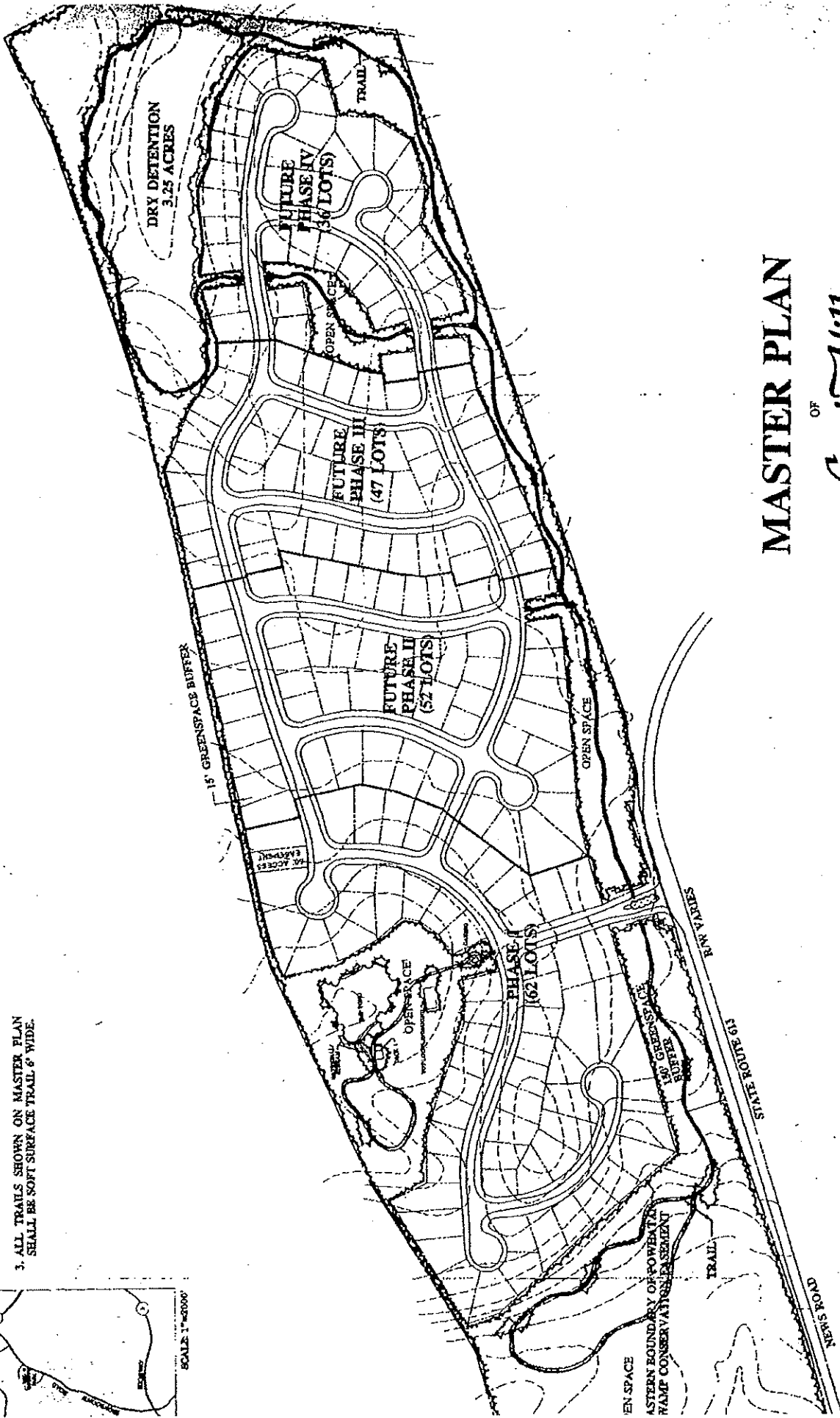
PLAT RECORDED IN
DB 715 PAGE 730

LAW OFFICES
ONES
LECHMAN
SOLTZ & KELLY, P.C.
27 Lakeside Shores Blvd.
Newport News, VA
23102-2244
(804) 273-3000

PREPARED, DEVELOPMENT WILL BE ADJUSTED TO INCLUDE SLOPES IN OPEN AREA.

ALL RESIDENTIAL WELLS TO MAINTAIN WATER LEVEL IN LAKE.

3. ALL TRAILS SHOWN ON MASTER PLAN SHALL BE SOFT SURFACE TRAIL 6' WIDE.



MASTER PLAN

OF *Springhill*

FOR

SPRINGHILL DEVELOPMENT COMPANY

JAMES CITY COUNTY, VIRGINIA

OPEN SPACE

EASTERN BOUNDARY OF POWER TRANSMISSION CONSERVATION EASEMENT

SEEDYVA AVE

10' GREENSPACE BUFFER

DRIVE SHOWN

SCALE: 1"=100'

EXHIBIT 7

AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
SPRINGHILL COMMUNITY HOMEOWNERS ASSOCIATION, INC.

A. The undersigned corporation, pursuant to Title 13.1, Chapter 10 of the Code of Virginia, hereby executes the following articles of amendment and restatement and sets forth:

1. The name of the corporation is Springhill Community Homeowners Association, Inc.
2. The restatement contains amendment to the Articles of Incorporation.
3. The extent of the amended and restated articles of incorporation is attached hereto.
4. The restatement and amendment was adopted by the corporation on the 25th day of

August, 2011.

The amendment(s) was (were) adopted by unanimous consent of the members.

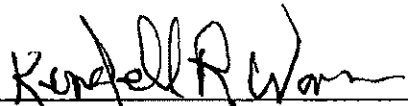
OR

- The amendments were proposed by the Board of Directors and submitted to the members in accordance with the provisions of Chapter 10 of Title 13.1 of the Code of Virginia, and at a meeting of the members at which a quorum of each voting group was present.

The total number of votes cast for and against the amendment(s) by each voting group entitled to vote separately on the amendment(s) was:

| <u>Voting Group</u> | <u>Total Votes For</u> | <u>Total Votes Against</u> |
|---------------------|------------------------|----------------------------|
| Class A | 157 | 9 |

And the number cast for the amendment(s) by each voting group was sufficient for approval by that voting group.



Kendall Warren, President
SCC ID# 0536373-4

AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
SPRINGHILL COMMUNITY HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

The name of the corporation is Springhill Community Homeowners Association, Inc.(the "Association").

ARTICLE II

The principal office of the Association, which is the initial registered office of the Association, is 1313 Jamestown Road, Suite 202, Williamsburg, Virginia 23185. The name of the county in which the initial office is located is James City County, Virginia.

ARTICLE III

The name of the Association's Registered Agent is Susan B. Tarley, who is a resident of Virginia and a member of the Virginia State Bar, and whose business office is the same as the registered office, namely, 1313 Jamestown Road, Suite 202, Williamsburg, Virginia 23185.

ARTICLE IV
DEFINITIONS

The capitalized terms in these Articles shall have the same meaning as set forth in the Amended and Restated Declaration.

ARTICLE V
PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which it is formed are to provide for management, maintenance, operation

and architectural control of real estate within the residential development known as "Springhill" located in James City County, Virginia, and to promote the health, safety and welfare of the residents within said property; and such other real estate as may properly be brought under the Association's jurisdiction and for this purpose to:

(a) exercise all of the powers and privileges granted by law to a non-stock corporation and to perform all of the duties and obligations of the Association as set forth in that certain Amended and Restated Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration", applicable to the property and recorded in the Office of the Clerk of the Circuit Court for the County of James City, Virginia, or as set forth in the Association's Amended Bylaws;

(b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments assessed to the Members; pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) borrow money, and with the assent of more than two-thirds (2/3rds) of each class of Members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) Grant permits, licenses and easements under, through and over the Common Area for drainage, utilities, roads, access and other purposes which are reasonably necessary to the ongoing development and operation of the Property or as deemed by the Board of Directors to be in the best

interest of the Association;

(f) participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall have the assent of more than two-thirds (2/3) of each class of Members; and

(g) have and exercise any and all powers, rights and privileges which a corporation organized as a nonstock corporation under the laws of the Commonwealth of Virginia by law may now or hereafter have or exercise, and perform all of the duties and obligations of the Association as set forth in the Declaration and as conferred by law.

ARTICLE VI MEMBERSHIP

Every Owner of a Lot which is subject to assessment shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

ARTICLE VII VOTING RIGHTS

The Association shall have one class of Members. Class A Members shall be all Owners as defined in the Declaration who shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot. Voting rights are as set forth in the Bylaws.

ARTICLE VIII
BOARD OF DIRECTORS

The affairs of the Association shall be managed by a Board of Directors of five persons. The number of directors may be changed by amendment of the Bylaws of the Association. Election of directors shall be by the Members as set forth in the Bylaws.

ARTICLE IX
LIMIT ON LIABILITY AND INDEMNIFICATION

In every instance in which the Virginia Nonstock Corporation Act, as amended from time to time, permits the limitation or elimination of liability of directors or officers of a corporation, the directors and officers of this Association shall not be liable to the Association or its Members.

The Association shall indemnify any individual who is, was or is threatened to be made a party to a civil, criminal, administrative, investigative or any other type of proceeding, including any matter by or in the right of the Association or by or on behalf of its Members, because such individual is or was a director or officer of the Association, or any other legal entity controlled by the Association, against all liabilities and reasonable expenses incurred by him or her on account of the proceeding, except such liabilities and expenses as are incurred because of the criminal law. Unless a determination has been made that indemnification is not permissible, the Association shall make advances and reimbursement for expenses incurred by any of the persons named above upon receipt of an undertaking from him or her to repay the same if it is ultimately determined that such individual is not entitled to indemnification. The Association is authorized to contract in advance to indemnify any of the persons named above to the extent it is required to indemnify as set forth herein.

The rights of each person entitled to indemnification under this Article shall inure to the

benefit of such person's heirs, executors and administrators. Indemnification pursuant to this Article shall not be exclusive of any other rights of indemnification to which any person may be entitled, including indemnification pursuant to a valid contract, indemnification by legal entities other than the Association and indemnification under policies of insurance purchased and maintained by the Association or others. However, no person shall be entitled to indemnification by the Association to the extent he or she is indemnified by another, including an insurer.

ARTICLE X DISSOLUTION

The Association may be dissolved, but only upon compliance with all of the provisions of Section 13.1-902 of the Code of Virginia or any amendment thereto. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency or James City County to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE XI AMENDMENTS

Amendment of these Articles shall require the affirmative vote of a majority of the Members present in person or by proxy at a meeting at which a quorum, as set forth in the Bylaws, is present.

EXHIBIT 8

AMENDED AND RESTATED DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF
SPRINGHILL

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF SPRINGHILL ("Amended and Restated Declaration"), is made this 8th day of September, 2011, by Springhill Community Homeowners Association, Inc., a Virginia non-stock corporation (the "Association"), Grantor.

WHEREAS, Spring Hill Development Co., LLC, a Virginia limited liability company subjected certain real property to a Declaration of Covenants, Conditions and Restrictions of Springhill dated May 1, 1994, and recorded on June 1, 1994 in the Clerk's Office of the Circuit Court of James City County, Virginia (the "Clerk's Office") in Deed Book 689, page 160 et seq. (the "Springhill Declaration"); and

WHEREAS, Springhill Development Co., LLC, a Virginia limited liability company subjected certain real property to a Declaration of Covenants, Conditions and Restrictions of Springhill II dated December 2, 1996 and recorded December 26, 1996 in the Clerk's Office in Deed Book 821, page 590, et seq. (the "Springhill II Declaration"); and

WHEREAS, Hampton Bay Group, L.L.C., a Virginia limited liability company subjected certain real property to a Declaration of Covenants, Conditions and Restrictions of Springhill III dated March 24, 2000 and recorded March 27, 2000 in the Clerk's Office as Instrument No. 000006048 (the "Springhill III Declaration"); and

WHEREAS, there were originally three separate entities incorporated to act as property owners' associations to manage each of the Springhill sections listed above; and

WHEREAS, the three separate corporations have previously merged into one property owners' association identified as Springhill Community Homeowners Association, Inc.; and

WHEREAS, it is the desire of the membership of the Springhill Community Homeowners Association, Inc. to amend and restate the various Declarations into one comprehensive and consistent Declaration for the entire Springhill community; and

WHEREAS Article VII, Section 3 of the Springhill Declaration permits the amendment of the Springhill Declaration by an instrument signed by not less than 75% of the Lots Owners and 51% of first mortgagees; and

WHEREAS, Article VIII, Section 3 of the Springhill II Declaration permits the amendment of the Springhill II Declaration by a vote of not less than 67% of Lots Owners and 51% of first mortgagees at a meeting at which at least a majority of the votes of all members are

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Prepared by and return to:

TARLEY ROBINSON, PLC
4808 Courthouse St, Ste 102
Williamsburg, VA 23188



present, in person or by proxy; and

WHEREAS, Article IX, Section 3 of the Springhill III Declaration permits the amendment of the Springhill III Declaration by an instrument signed by 90% of the Lot Owners; and

WHEREAS, at a duly called meeting of all the members of the Association, (i) the respective Lot Owners of the Springhill Declaration approved this Amended and Restated Declaration by a vote of 79 %, the required signatures are evidenced on ballots on file with the Association; (ii) the respective Lot Owners of the Springhill II Declaration approved this Amended and Restated Declaration by a vote of 74% of the Lot Owners, the required signatures are evidenced on ballots on file with the Association; (iii) the respective Lot Owners of the Springhill III Declaration approved this Amended and Restated Declaration by a vote of 91% of the Lot Owners, the required signatures are evidenced on ballots on file with the Association; and (iv) pursuant to Article VII, Section 5(k) of the Declaration of Covenants, Conditions, and Restrictions of Springhill, Phase I, and Article VIII, Section 6(i) of the Declaration of Covenants, Conditions and Restrictions of Springhill II, and § 55-515.1 the Association shall be deemed to have received the written consent of a mortgagee if the Association receives no written objection to the adoption of the amendment from the mortgagee within 14 days (as provided in the above referenced sections of the Declarations) of the date that notice is sent, accordingly, the votes of first mortgagees are deemed approved as notice was duly given on August 4, 2011 and only two first mortgagees objected within the 14 day period following notice, resulting in an approval by 96.4% of mortgagees in Springhill, Phase I and 100% of mortgagees in Springhill II.

NOW, THEREFORE, the undersigned hereby declares that the Property identified in Exhibit "A", being all of the Lots, Common Areas, Properties and parcels previously subjected to the Springhill Declaration, the Springhill II Declaration and the Springhill III Declaration (collectively the "Original Declarations"), shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens contained herein, which shall run with and bind the Property, as the same may be amended from time to time.

ARTICLE I DEFINITIONS

Section 1. "Association" shall mean and refer to Springhill Community Homeowners Association, Inc., a Virginia non-stock corporation, its successors and assigns.

Section 2. "Common Area" shall mean (i) all real estate specifically designated as "Common Area" or "Homeowner's Association" on recorded plats of the Properties, in any Supplemental Declaration or any amendment to this Amended and Restated Declaration; (ii) all real estate specifically designated as "Phase IV Open Space, 0.7827 Ac." and "Open Space Easement, 10.4906 Ac." on a Plat entitled "Subdivision Plat of Springhill, Phases 3 and 4, James City County, Virginia recorded in the Clerk's Office in Plat Book 75, at pages 31 and 32; (iii) all real property designated as "Parcel D, Open Space" and "15' Greenspace Buffer" as shown on that

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certain Plat recorded in the Clerk's Office in Plat Book 65, page 69 and 70; and (iv) all other real property and improvements and facilities now or hereafter owned by the Association which are intended to be devoted to the common use and enjoyment of the Owners.

Section 3. "Eligible Mortgagee" shall mean the holder of a first deed of trust or mortgage lien on a Lot who has notified the Association in writing of its status and requested that the Association provide it notice of proposed actions requiring approval of Eligible Mortgagees.

Section 4. "Governing Documents" shall mean the Articles of Incorporation and Bylaws of the Association and this Amended and Restated Declaration, as the same may be amended from time to time.

Section 5. "Lot" shall mean any lot that is shown on a recorded subdivision plat of any of the Properties and shall refer to the one hundred ninety (190) numbered lots as shown on all of the plats applicable to the Properties.

Section 6. "Mortgage" as used herein shall mean a mortgage or deed of trust, said terms having the same meaning and may be used interchangeably.

Section 7. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 8. "Properties" or "Property" shall mean and refer to that certain real property identified and described in Exhibit "A" attached hereto.

ARTICLE II PROPERTY DESCRIPTION

There has been duly approved under the ordinances of James City County three subdivisions comprised of: (1) a Subdivision known as "Springhill" as shown on the subdivision plat entitled "PLAT OF SPRINGHILL PHASE 1, BEING A SUBDIVISION OF THE PROPERTY OF SPRINGHILL DEVELOPMENT CO., L.L.C., JAMES CITY COUNTY, VA." dated 4/15/94, made by Langley & McDonald, P.C., Engineers Surveyors Planners, recorded in Plat Book 59 at page 47-49 in the Clerk's Office of the Circuit Court of James City County, Virginia; (2) a Subdivision known as "Springhill II" as shown on the subdivision plat (the "Subdivision Plat") entitled "PLAT OF SPRINGHILL, PHASE 2, BEING A SUBDIVISION OF THE PROPERTY OF SPRINGHILL DEVELOPMENT CO., L.L.C., JAMES CITY COUNTY, VIRGINIA" dated 11/12/96 made by Langley & McDonald, P.C., Engineers Surveyors Planners, recorded in Plat Book 65 at page 69-70 in the Clerk's Office of the Circuit Court of James City County, Virginia, (the "Clerk's Office"); and (3) a Subdivision known as Springhill Phases 3 and 4 as shown on that certain plat entitled "Subdivision Plat of Springhill Phases 3 and 4, James City County, Virginia, Berkeley District", made by Langley and McDonald, Inc., dated 6/30/99, and recorded in the Office of the Clerk of the Circuit Court of James City County, Virginia, in Plat Book 75 at Page 31; except streets dedicated for public use. All of said property as shown on the subdivision plats being herein incorporated as one

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community and referred to collectively as "Properties" or "Subdivision".

The Subdivision is composed of one hundred and ninety (190) single-family lots and certain Common Areas as provided for herein.

ARTICLE III COMMON AREAS

Section 1. Obligation of the Association. The Association, subject to the rights of the Owners as set forth in this Amended Declaration, shall be responsible for the exclusive management, maintenance and control of the Common Area and all improvements thereon (including furnishings and equipment related thereto), and shall keep the same in good, clean, attractive and sanitary condition, order and repair.

Section 2. Owners' Rights of Enjoyment; Appurtenance of Common Area. Subject to the provisions hereof, every Owner shall have a right of enjoyment in and to the Common Area. Such right of enjoyment to the Common Area shall pass with the title to every Lot. The Common Area shall be used by Owners only for the purpose or purposes for which the Common Area may have been improved by the original Declarants or by the Association. No Owner may construct or maintain any improvements or landscaping within the Common Area

Section 3. Extent of Owners' Easements. The Owners' easement of enjoyment in the Common Area shall be subject to the following:

- (a) The right of the Association to establish reasonable rules for the use of the Common Areas by Owners, their family members, tenants or guests and to charge reasonable charges and fees for the use of the Common Area.
- (b) The right of the Association to suspend the right of an Owner to use any portion of its facilities for any period during which any assessment against his Lot remains unpaid for more than thirty (30) days after notice or for any period during which any infraction or violation of the Governing Documents remains uncorrected, subject to any limitations in the Property Owners' Association Act (Va. Code Ann. § 55-508, et seq.).
- (c) The right of the Association to suspend the voting rights of a Member for any period during which any assessment, charge or fee against his Lot remains unpaid.
- (d) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility, for such purposes and subject to such conditions as maybe agreed to or be authorized by the Association in accordance with the Governing Documents.
- (e) The right of the Association to sell, lease, exchange, transfer or encumber all or any portion of the Common Area in accordance with the Governing Documents; and

(f) Any easements, covenants, conditions or restrictions applicable to the Common Area.

Section 4. Delegation of Use. Any Owner may delegate his right of enjoyment to the Common Area to the members of his family residing on his Lot, his tenants and their family residing on the Lot, or guests, all subject to such rules and regulations as may be established from time to time by the Board of Directors.

Section 5. Damage or Destruction of Common Area by Owner. In the event any Common Area is damaged, destroyed, or littered upon with yard or house debris or trash or by any other contrary action by any Owner or any of the Owner's lessees, guests, invitees, licensees, agents or members of their families, the Association may repair such damage or make such corrections as necessary at the expense of the Owner. The Owner does hereby authorize the Association to repair such damaged area and return it to conformity with the original plans and specifications of the area involved, or as the area may have been modified or altered subsequently by the Association in the discretion of the Association. The costs of such repair and cleanup shall become a special assessment upon the Lot or Lots of such Owner or Owners and shall constitute a lien upon such Owner(s) Lot(s) and be collectible in the same manner as other assessments set forth herein.

ARTICLE IV MEMBERSHIP AND VOTING RIGHTS

Section 1. Owners as Members. Every Owner of a Lot shall be a Member of the Association and shall be subject to assessment in the manner herein set forth. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Upon the recordation of a deed to a Lot, the membership of the selling Owner shall cease and the purchasing Owner shall become a Member of the Association.

Section 2. Classes of Membership; Voting Rights. The Association shall have one class of Membership with such voting rights as are set forth in the Articles of Incorporation and the Bylaws. The voting rights of any Member may be suspended for any period during which any assessment, charge or fee against his Lot remains unpaid or where the Member has a violation of the Governing Documents or rules and regulations which has not been corrected. Any suspension of voting rights shall be in accordance with the Bylaws. Members whose voting rights have been suspended shall not be counted toward the total membership present at any officially called meeting at which a quorum is required.

Section 3. Articles of Incorporation and Bylaws to Govern; Property Owners' Association Act. Except to the extent expressly provided in this Amended and Restated Declaration, all of the rights, powers and duties of the Association and the Members shall be governed by the Articles of Incorporation and the Bylaws. The Association shall have all of the rights, powers and duties provided in the Property Owners' Association Act (Va. Code Ann. § 55-508, et seq.), including without limitation, the right to assess charges against Members for violations of the Governing Documents.

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**ARTICLE V
COVENANTS FOR ASSESSMENTS**

Section 1. Creation of the Lien and Personal Obligation of Assessments. The respective declarants covenanted in the Springhill Declaration, the Springhill II Declaration and the Springhill III Declaration, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association assessments, charges and fees (collectively "Assessments") as set forth in the Governing Documents. The Assessments, together with interest, late fee, costs of collection, court costs, and attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made in order to secure payment thereof and shall also be the personal obligation of the person who was the Owner of the Lot at the time the Assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them. No Owner may waive or otherwise avoid liability for the fees or assessments provided herein by nonuse of the Common Area or abandonment of his Lot.

Section 2. Purpose of Assessments. The Assessments levied by the Association shall be used for the management, maintenance, improvement, care, operation, renovation, repair and replacement of the Common Areas and improvements thereon and other property owned or acquired by the Association of whatsoever nature, for the discharge of all real estate taxes and other levies and assessments against the Common Areas and improvements thereon and other property owned or acquired by the Association, for the procurement of insurance by the Association, for the establishment of reserves with respect to the Association's obligations, for the discharge of such other obligations as may be imposed upon or assumed by the Association pursuant to the Governing Documents, and for such other purposes as may be authorized by or pursuant to the Governing Documents.

Section 3. Annual Assessments. The Board of Directors shall adopt an annual budget which shall provide for allocation of expenses in such a manner that the obligations imposed by the Governing Documents or by law will be met. A copy of the adopted annual budget shall be made available upon request by any Owner. The maximum annual assessment as fixed by the Board of Directors may be increased each year not more than ten percent (10%) above the maximum assessment for the previous year without a vote of the membership. The maximum annual assessment may be increased above ten percent (10%) in any given year by the affirmative vote of at least two-thirds (2/3rds) of Members who are voting in person or by proxy, at a special meeting duly called for this purpose as set forth in this Article, at which a quorum is present.

Section 4. Notification to Members. The Board of Directors shall determine and set the annual assessment for the coming year, pursuant to the maximum restrictions listed above. Such determination shall be reported to each Owner in good faith by mail or electronic notice, billing notice, or newsletter, no later than December 15th of the current year. The failure to give notice shall not excuse an Owner from his responsibility to pay Assessments as set forth herein.

Section 5. Payment of Annual Assessments. Annual Assessments, uniform for every Lot, shall be payable in four (4) equal quarterly installments commencing on January 1st of each

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year, with remaining quarterly installments due on April 1st, July 1st, and October 1st of each year. The Board of Directors shall have the authority to change the installment period (e.g. monthly) for the payment of Annual Assessments. Assessments are considered late if not received by the due date and subject to late payment fees after a grace period not to exceed 10 calendar days beyond the due date. Late fees shall be as determined by the Board of Directors from time to time and shall be treated as an assessment against an Owner's Lot.

Section 6. Special Assessments. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a general special assessment, uniform for every Lot, applicable to that year and not more than the next five succeeding years for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of at least two-thirds (2/3rds) of the votes of Members who are voting in person or by proxy at a special meeting duly called for this purpose at which a quorum is present.

Section 7. Effect of Non-Payment of General Assessment: Remedies of the Association. The lien of the Assessments provided for in this Amended and Restated Declaration may be perfected and enforced in the manner provided by Va. Code Ann. §55-516. Any Assessment not paid within thirty (30) days shall bear interest from the due date at the rate of twelve percent (12%) per annum and late fees as determined by the Board. The Association may record a memorandum of lien, bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Owner's Lot pursuant to the Act. A statement from the Association showing the balance due on an assessment shall be prima facie proof of the current assessment balance and delinquency, if any, due upon a particular Lot. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Area or abandonment of his Lot. The Association may bring an action at law against any Owner personally obligated to pay the Assessment. The Owner shall be responsible for the payment of interest, late fees, costs of collection, attorney fees and court costs which shall be added to the amount of such Assessment. In the event that a check, credit card, or other means of cash payment is rejected or returned for lack of sufficient funds or because of false claims of disputed charges (in the event of the use of a credit or debit card) by the Owner properly owing the deficient sum, then the Association shall require the Owner to pay all outstanding debt to the Association in the form of a certified check or cash. Additionally, the Association reserves the right to require all future Assessment and special assessment fees owed by this Owner to be paid for only by certified check or cash. Upon the failure of an Owner to pay any installment when due, the Board of Directors may accelerate the remaining installments and declare the entire balance of the current Annual Assessment immediately due and payable.

Section 8. Subordination of Liens to Mortgages. There shall be a continuing lien upon each of the individual Lots, in order to secure the payment of any of the Assessments provided under this Amended and Restated Declaration, but such lien shall be at all times subject and subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the Assessment lien, nor avoid liability for any Assessments thereafter becoming due or from the lien thereof.

Section 9. Capital Contributions. Whenever a Lot is sold or transferred, each new owner of a Lot shall pay to the Association, at the time of settlement or transfer, an "initial capital contribution" in the amount of \$250.00 per Lot. The funds so collected will provide working capital for the Association. Such funds may be allocated to reserves or used for such other Common Expenses, including, without limitation, any personal property deemed necessary for the operation or maintenance of the Common Elements, as the Board may determine.

ARTICLE VI ARCHITECTURAL CONTROL AND MAINTENANCE

Section 1. The Architectural Review Committee. The Board of Directors shall appoint an Architectural Review Committee (the "ARC") for the purpose of reviewing and, as appropriate, approving or denying plans submitted by Owners in accordance with this Article. The ARC shall be composed of such number of persons as are from time to time appointed by the Board of Directors in accordance with the Bylaws.

Section 2. Purpose. The ARC shall regulate the external design, appearance, use, location, and maintenance of the Properties and of improvements thereon in such a manner so as to preserve and enhance values, to maintain a harmonious relationship among structures and the natural vegetation and topography, and to conserve existing natural amenities, ecologically sensitive areas and important historic elements.

Section 3. Plans to be Submitted. Before commencing the construction, erection or installation of any building, residence, or other structure, landscaping, lawn or garden statuary and ornamentation, exterior lighting, sign or any other type of improvement on a Lot (collectively "Improvements"), including any site work in preparation for such Improvement, and before commencing any alteration, enlargement, demolition or removal of any existing Improvements that alters the exterior appearance, including paint colors of any Improvement, or of the Lot on which it is situated, each Owner shall submit an application for approval to the ARC in compliance with the procedures recommended by the ARC and adopted from time to time by the Board of Directors. Existing Improvements approved and erected under the Original Declarations shall not be affected by this Amended and Restated Declaration. Provided, however, if Existing Improvements are replaced, the new Improvements must conform to this Amended and Restated Declaration and the current architectural guidelines as adopted from time to time. Notwithstanding the foregoing, if an Existing Improvement is damaged by weather, fire or other casualty, including without limitation, falling trees, and the damage is of such a magnitude that it requires replacement or it is cost efficient for the Owner to replace the Existing Improvement rather than repair it, the Owner shall be permitted to replace the Existing Improvement, in-kind, conforming to the originally approved specifications. Nothing herein shall be construed to prevent any Owner from removing dead trees of any size from his Lot without any application or approval.

Section 4. Architectural Guidelines and Standards. The ARC may, from time to time, adopt, amend and repeal, design criteria, standards, guidelines, application requirements and rules

and regulations governing the approval process and construction of Improvements (collectively "Architectural Guidelines and Standards") subject to approval by the Board of Directors. The Architectural Guidelines and Standards shall set forth the standards and procedures for Architectural Review Committee review and the guidelines for architectural design, placement of buildings and structures, exterior finishes, exterior color schemes and materials which are recommended for use for the Properties.

Section 5. Decks, Porches, Sunrooms. Any exterior change, including additions, replacements, maintenance and repairs to the original construction for decks, porches, sunrooms or similar improvements shall not be commenced without prior approval by the ARC. All exterior changes to decks, porches, sunrooms or similar improvements must be in character with the original construction. Any new construction shall be submitted to the ARC as required by Section 3 above. Decks, screened porches and sunroom construction shall be restricted to the rear of any House.

Section 6. Fences. Only wooden, vinyl or brick fences not exceeding six (6) feet in height may be erected on any Lot or part thereof. Fences are permitted in rear yards only and shall not extend any farther forward than the midpoint of the side of the house. Front yard fencing is not permitted. The fence may extend up to side and rear property lines. In street facing side yards on corner lots, fences may extend up to 10' from the property line. Metal fences, barbed wire fences, chain link fences, post and wire fences, pens or enclosures of any type shall not be permitted on any Lot or part thereof. Wooden, brick and vinyl decorative fencing shall be permitted in front yards as approved by the ARC, however, such decorative fencing shall not exceed four (4) feet in height nor shall it enclose the front yard area of the Lot or impact the building set back line. Where a fence has been constructed on an adjoining Lot up to a side or rear property line that abuts a Lot, an approved fence of the same or different design may be designed on that Lot to meet the adjoining fence. Each Owner hereby grants permission for the Owner of any adjoining lot to attach an approved fence to any fence of the Owner's that abuts or straddles the adjoining lot owner's property line. No fence may be constructed directly alongside a property line that has already been fenced by an adjoining lot owner.

Section 7. Satellite Dishes. The following are permitted upon written approval of the ARC: (i) satellite dishes designed to receive direct broadcast satellite service which are one meter or less in diameter; (ii) satellite dishes designed to receive video programming services via multi-point distribution services which are one meter or less in diameter or diagonal measurement; and (iii) antennas designed to receive television broadcast signals. Any such permitted device must be placed in the least conspicuous location on the Lot at which an acceptable quality signal can be received and in a location screened from view from the street or neighboring Lot.

Section 8. Waiver. The approval by the ARC of any plans, drawings or specifications for any Improvements, or for any other matter requiring the approval of the ARC under this Amended and Restated Declaration, shall not constitute a waiver of any right to withhold approval of any similar plan, drawing, specification or matter subsequently

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submitted for approval.

Section 9. Liability. The approval by the ARC of any plans and any requirement that the plans be modified shall not constitute a warranty or representation by the ARC or the Association of the adequacy, technical sufficiency or safety of the Improvements described in such plans, and the ARC and the Association shall have no liability whatsoever for the failure of the plans or the Improvements to comply with applicable building codes, laws and ordinances or to comply with sound engineering, architectural or construction practices. The ARC and the Association shall not be liable to any Owner or to any other party, for any costs, damage, loss or prejudice suffered or claimed on account of the approval or disapproval of any plans, drawings, specifications or Improvements.

Section 10. Failure to Act. In the event the ARC fails to approve, modify, or disapprove, in writing, a correctly filed application within thirty (30) days, the matter shall be submitted to the Board of Directors. The Board of Directors shall respond to the Owner within thirty (30) days of being notified in writing by the Owner of the ARC's failure to respond. Notification of total or partial disapproval shall include the reasons for each disapproval. Failure of the ARC or the Board of Directors to enforce the architectural standards or to notify an Owner of noncompliance with architectural standards or approved plans for any period of time shall not constitute a waiver by the ARC or the Board of Directors of the enforcement of this Amended and Restated Declaration at any later date.

ARTICLE VII USE OF PROPERTY

Section 1. Residential Use. The Properties shall be used, improved and devoted exclusively to residential use. No Lot containing a dwelling unit shall ever be used for any business, commercial, manufacturing, mercantile, storing, vending, or other nonresidential purpose; except that an Owner may maintain a home occupation as set forth below. An Owner may maintain a home occupation in the dwelling constructed on such Owner's Lot if (i) the occupation or activity is conducted entirely within the dwelling; (ii) the occupation or activity requires no external alterations or the use of outdoor storage of machinery or equipment that creates noise, odor, smoke, dust or glare or is dangerous or otherwise detrimental to persons residing in the home or in adjacent property; (iii) no exterior evidence of the occupation or activity exists; (iv) no articles are displayed or otherwise offered for sale upon the Lot; (v) there is no equipment or process inside that may disrupt neighboring dwellings; and (vi) such office generates no significant increase in traffic by clients, customers or other persons related to the business. As a condition to such use, the Board may require the Owner to pay any increase in the rate of insurance or other costs for the Association which may result from such use.

Section 2. Noxious or Offensive Activity and Conduct. No improper, offensive or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances, and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations, or requirements of any governmental agency

having jurisdiction thereof relating to any portion of the Property shall be complied with by, and at the sole expense of the Owner or the Association, whichever shall have the obligation for the upkeep of such portion of the Property and, if the Association, then the cost of such compliance shall be a Common Expense to be included in the Annual Assessment or assessed against the Owners in accordance with this Amended and Restated Declaration or the Property Owners' Association Act (Va. Code Ann. 55-510, et seq.), as applicable.

Section 3. Animals. No animals, livestock or poultry of any kind shall be kept, raised, bred or maintained on any Lot or in any dwelling unit. Dogs, cats or other usual household pets may be kept or maintained if they do not constitute an unreasonable annoyance to other Owners and they are not kept or maintained for commercial purposes; provided however, that the Association may make rules and regulations regarding such household pets including the maximum number thereof and the definition of "usual household pets". No pet shall be allowed to remain unleashed at any time except when fenced by fencing approved by the ARC or within the Owner's residence.

Section 4. Signs. No signs of any type shall be erected or maintained on any Lot, dwelling unit or any other structure on a Lot, except customary name, address and lawn signs as are approved by the ARC and customary signs offering the property for sale or lease not exceeding six square feet in size. An exception is allowed for a political sign not exceeding six square feet (one per candidate in an official local or national election) to be displayed for up to a period of 30 days prior to the official election provided they are removed within 3 days following the election. No signs of any type shall be erected or maintained on the Common Area except signs required in connection with any legal proceedings or proceedings of the Association, Board of Supervisors, Planning Commission or other administrative body. Owners are prohibited from placing any signs on the Common Area.

Section 5. Mailboxes. Mailboxes shall meet the Architectural guidelines and standards. Mailboxes and the posts upon which the mailboxes sit shall be maintained in neat, clean and sanitary condition. Maintenance of the mailboxes and posts shall be the responsibility of the Owner. Where posts are shared between Owners (2 mailboxes on a single post), both owners shall share in the maintenance of the common post. If a shared mailbox post is not maintained in a neat, clean and sanitary condition, letters of non-compliance will be sent to both Owners.

Section 6. Trash and Recycling Receptacles. All trash cans and other trash receptacles shall be kept in a clean and sanitary condition in the garage, in the rear of the dwelling unit, or in an enclosure or screening approved by the ARC. No accumulation or storage of litter, refuse, bulk materials or other trash of any kind shall be permitted on any Lot. The Board of Directors, in its sole discretion, may contract with a refuse collection service and may require Owners to subscribe to a specific refuse collection service. Each Owner agrees that the costs and expenses associated with such a service shall be included in the annual budget and assessed pursuant to Article V herein. No incinerators shall be kept or maintained on any Lot.

Section 7. Vehicles, Boats, Trailers, Recreational Vehicles, Commercial and Oversized Vehicles. No boat or personal watercraft, trailer, camper, recreational vehicle, and similar vehicles or equipment, shall be parked or maintained on any street or Common Area, or on any Lot except within a garage or in the rear yard, if screened, except construction vehicles being used to construct Improvements on the Lot, which are subject to the approval of the ARC. No Commercial Vehicles shall be parked or maintained on any street or Common Area or on any Lot except within a garage or driveway. Commercial Vehicles are vehicles which are designed or used for commercial applications, including, but not limited to vehicles (i) displaying a commercial license plate; (ii) displaying markings, signage or logos for a business; (iii) carrying equipment, tools or rubbish on the exterior of the vehicle; or (iv) having three or more axles. No Oversized Vehicles shall be parked or maintained on any street or Common Area or on any Lot except within a garage. Oversized Vehicles are vehicles, which are unable to fit in a regular size parking space nine feet (9') in width and twenty feet (20') in length.

Section 8. Vehicle Repairs, Unlicensed Vehicles. Except for emergency repairs and maintenance performed in an enclosed garage, no Owner, tenant, guest or invitee shall repair or restore or permit others to repair or restore any vehicle upon any portion of the Property. Operating any type of vehicle repair business or operation or vehicle restoration business, including painting of a motor vehicle, is prohibited. No Owner, tenant, guest or invitee shall be allowed to park or store any vehicle on any Lot unless that vehicle is currently licensed and registered and considered operable.

Section 9. Hazardous Uses. Nothing shall be done or kept on the Property which will increase the rate of insurance for the Common Area or any part thereof without the prior written consent of the Board of Directors; including without limitation, any activities which are unsafe or hazardous with respect to any person or property. No Person shall permit anything to be done or kept on the Property which will result in the cancellation of any insurance on the Common Area or any part thereof or which would be in violation of any law, regulation or administrative ruling. Each Owner shall comply with all federal, state, and local statutes, regulations, ordinances, or other rules intended to protect the public health and welfare as related to land, water, groundwater, air, or other aspects of the natural environment: the "Environmental Laws". Environmental Laws shall include, but are not limited to, those laws regulating the use, generation, storage, or disposal of hazardous substances, wastes, and materials (collectively, "Hazardous Materials").

Section 10. PODs & Dumpsters. The use of dumpsters and storage pods on a Lot is prohibited unless approved in writing by the ARC during construction or remodeling. Placement of an approved dumpster or storage pod shall be limited to the garage or driveway for a period of time to be approved by the ARC. Any damage resulting from the placement or recovery of the dumpster or storage pod shall be the responsibility of the Owner. The Owner shall be responsible for cleaning up any debris from the dumpster that is scattered into the neighborhood by wind or other means.

Section 11. Utility Service. No lines, wires or other devices for the communication or transmission of electric current or power, including telephone, television, and radio signals,

shall be erected, placed or maintained anywhere in or upon the Property unless the same shall be contained in conduits or cables installed and maintained underground or concealed in, under or on buildings or other structures approved by the ARC. No provision hereof shall be deemed to forbid the erection of temporary power or telephone structures incidental to the construction of buildings or structures approved by the ARC.

Section 12. Flagpoles. Freestanding flagpoles may not be erected on a Lot unless first submitted to the ARC for approval.

Section 13. Clothes Drying Equipment. No clotheslines or other exterior clothes drying apparatus shall be permitted, except as approved by the ARC. No clothes, laundry or wash shall be aired on the Property unless approved by the ARC.

Section 14. Trash Burning. In accordance with James City County ordinances, trash, leaves and other similar material shall not be burned without the written consent of the ARC and all appropriate governmental authorities. This restriction does not apply to reasonable use of outdoor fireplace equipment, e.g., chimeneas, commercially-sold outdoor fire pits, etc.

Section 15. Leasing. No Lot or dwelling unit located on a Lot, or any portion thereof shall be used or occupied for transient or hotel purposes or in any event leased for an initial period of less than twelve (12) months. No Lot or dwelling unit shall be subleased. No Lot or dwelling unit shall be subjected to or used for any timesharing, cooperative, licensing or other arrangement that would entail weekly, monthly or any other type of revolving or periodic occupancy. The terms of any lease shall be subject to all provisions of the Governing Documents and Rules and Regulations and the lease shall provide that the failure of the tenant to comply with the terms of such documents shall be a default under the lease. The Association shall have the right to require an Owner to complete an annual occupancy form, to provide a copy of any lease pertaining to the Lot and for such other documentation or information related to leasing as determined necessary by the Board of Directors.

Section 16. Wells. No well shall be dug or maintained on any Lot unless approved by the ARC and by James City County.

Section 17. Restrictions on Further Subdivision. No Lot shall be further subdivided or separated into smaller Lots by any Owner, nor shall any boundary line be vacated between Lots and no portion less than all of any such Lot shall be conveyed or transferred by any Owner, provided, however, that this shall not prohibit deeds of correction, deeds to resolve boundary line disputes and similar corrective instruments.

Section 18. Encroachments. No tree, shrub, property protection device or planting of any kind on any Lot shall be allowed to overhang or otherwise to encroach upon any sidewalk, street, pedestrian way, or other area from ground level to a height of eight (8) feet, without the prior approval of the ARC, nor shall any such tree, shrub or planting be allowed to block reasonable visibility by the driver of any vehicle. Landscaping in the form of plantings, beds, bushes, shrubs, and the like, in the unpaved portion of the public streets rights of way are prohibited by the Virginia Department of Transportation. No Owner shall plant in that

area without the written permission of that Department and the Board of Directors.

Section 19. Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or maintained upon any Property except:

- a. Such machinery or equipment as is usual and customary in connection with the use, maintenance or construction of a residence, appurtenant structures, or other improvements;
- b. Backup electrical generators as approved by the ARC and operated in compliance with rules and regulations of the Association.
- c. That which the Association may require for the operation and maintenance of this Community or its Common Area.

The operation and use of any machinery and equipment shall be subject to any applicable ordinance restrictions and such rules and regulations as adopted from time to time by the Board of Directors.

Section 20. Private Swimming Pools. Private swimming pools will be permitted upon approval of plans and specifications by the ARC.

Section 21. Firewood. Firewood may be stored on a Lot for use by the Owner, but only to the extent and in the manner allowed by the Rules and Regulations of the Association, and in no event shall firewood be stored in contact with the ground.

Section 22. Storage Sheds. Storage sheds, not to exceed a footprint of six (6) feet by eight (8) feet and not to exceed eight (8) feet in height, may be placed on the lot, provided an application for such is submitted to the ARC for approval. The siding material, roof material and trim color shall match that as exists on the house or shall be in a style and color complementary to the house. The shed shall be used for storage purposes, and shall not be used as a residence, temporary or otherwise.

ARTICLE VIII OWNER'S RESPONSIBILITY

Section 1. Mowing and Property Maintenance. Owners shall maintain their respective Lots in a clean and neat appearance, good order, condition and repair. Owners shall keep all shrubs, trees, grass and plantings of every kind located on their Lots neatly trimmed, properly cultivated and free of trash, weeds and other unsightly material. The exterior of any dwelling unit and any accessory structures located on a Lot, shall be maintained, repaired and replaced by the Owner of a Lot, and the manner and timing of any such maintenance, repair or replacement, and the materials and the color and texture of such materials shall at all times be subject to the Governing Documents and the Rules and Regulations of the Association.

Section 2. Driveways, Sidewalks and Parking Pads. Owners shall maintain the driveways, sidewalks, walkways and parking pads on their respective Lots in good order, condition and repair and in a clean and neat manner. The driveways, sidewalks, walkways and parking pads shall not be used as storage areas.

Section 3. Other Fences and Walls. Where there is a wall or fence along the rear of any Lot, whether near the rear line or substantially within the line, or a fence or wall that crosses a Lot boundary at an angle and, therefore, is not a party wall or fence, each Owner shall be responsible to maintain such fence or wall in good order, condition and repair and in a clean and neat matter. Each Owner shall be responsible for maintenance, repair and replacement of that portion of any such wall or fence that is located on his or her Lot.

Section 4. Association Action. If any Owner shall fail to maintain such Owner's Lot as required by the Governing Documents, then the Board of Directors may, pursuant to resolution, give notice to the Owner of the condition identified, specifying generally the action to be taken to rectify that condition. If the Owner fails to take the actions specified by the Board of Directors or to otherwise rectify the condition within thirty (30) days after the date the notice is given, or such other period as may be specified in the notice, if the circumstances warrant a different time period, the Board of Directors shall have the right, but not the obligation, to rectify that condition by taking such action or by causing such action to be taken as was specified in the notice. Such right shall include without limitation the right: (i) to mow the grass thereon; (ii) to remove any debris therefrom; (iii) to trim or prune any hedge, or planting that, in the opinion of the Board of Directors, by reason of its location or height or the manner in which it has been permitted to grow, is detrimental to the enjoyment of adjoining property or is unattractive in appearance; (iv) to repair or paint any fence thereon that is out of repair or not in harmony with respect to design or color, with fencing on adjacent property, unless the design or color of such fence has been previously approved by the ARC; and (v) to do any and all things necessary or desirable in the opinion of the Board of Directors to place such Lot in a neat and attractive condition consistent with the intention of this Amended and Restated Declaration. The costs incurred in rectifying that condition shall be assessed against such Owner's Lot and shall be treated as an Assessment as set forth herein and in accordance with the Property Owners' Association Act. Late fees and interest shall accrue in the same manner as Assessments. The Owner shall reimburse the Association within thirty (30) days after receipt of a statement for such expenses from the Board.

ARTICLE IX EASEMENTS

Section 1. Easements. Declarant reserved a perpetual easement, right and privilege to enter upon any Lot or Common Area, and the Association was previously, and is hereby granted, a perpetual easement, right and privilege to enter upon any Lot, either before or after a building has been constructed thereon or during such construction, for the purposes of establishing proper drainage and for the purpose of taking such erosion control measures as Declarant or the Association deems necessary to prevent or correct soil erosion or siltation thereon; provided, however, that Declarant or the Association shall not exercise such right

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unless it has given the Owner of the Lot or the Association (as to the Common Area) at least ten days' prior notice thereof and the Owner or the Association, as the case may be, has failed to take appropriate action to correct or prevent the erosion or siltation problem. However, in an emergency, such as water flowing from or onto a Lot, Declarant or the Association may take immediate action. The cost incurred by the Association in undertaking such erosion control measures on any Lot shall become a special assessment upon the Lot and shall constitute a lien against the Lot and shall be collectible in the manner provided herein for the payment of assessments. Declarant also reserves an easement, for so long as it has a warranty responsibility, to go upon any Lot for the purpose of carrying out any such responsibility on an adjoining Lot or the house on said Lot.

Section 2. Other Easements. The following easements shall also exist:

(a) Wherever sidewalks on Lots or a Common Area run along a street line, the Common Area or Lot shall be subject to an easement for the placing, maintaining and repairing of the sidewalks by the Association, and the right of Lot Owners and other lawfully in the community to the use of same. The sidewalks located on the Common Areas and/or on a Lot for the benefit of all Owners of Lots, shall be maintained, repaired and replaced by the Association.

(b) The Association shall have a five-foot easement along rear Lot lines for access, and the fencing of yards shall be subject to this easement.

(c) Minor encroachments of up to one (1) foot shall be allowed on the Common Area for any Lot by the initial improvements on a Lot, including the house, porch, chimney, sidewalks along a road, roof overhang, or the like. A more substantial encroachment onto the Common Area may be allowed by a majority vote of the Association's Board of Directors.

(d) In any situation where the edge of a house's roof is closer than four (4) feet from the Lot's boundary line, there shall be an easement of sufficient width over the adjoining Lot or Common Area to allow the Owner of the house to have four (4) feet next to the house for purposes of doing maintenance, repair or replacement. A similar easement shall exist to allow each Lot Owner access to maintain, repair or replace any fences, walls, driveways and sidewalks.

(e) All easements are shown on recorded plats subdividing this community into sections. These include on certain Lots "sight visibility easements" which will restrict plantings on certain areas of certain Lots.

(f) In any instance where the initial grading of a Lot needs to be redone so that the Lot or the adjacent Lot(s) or other nearby Lots will properly drain, the affected Lot Owner shall have an easement across the Lot or Lots that may be reasonably necessary for access to the land that needs to be graded. The affected Lot Owner shall be responsible for removing and replacing fences that must be taken down to allow such access, and also for the repair of any damage done. Nothing shall be construed herein

to permit an affected Lot Owner to disturb an Owner's residence or require removal or alteration of any improvement. Lot Owners shall have the responsibility not to alter the grade on their Lot and not to do anything that will adversely affect the drainage of their Lot or any other Lot.

(g) The Association, as owner of the community lighting system installed by Declarant for the general illumination within the community, shall have, and is hereby granted, an easement through the Common Area and Lots for the maintenance, repair and replacement of the electric lines, meters and fixtures. The maintenance easement shall be of sufficient size to accommodate the work to be done. The easements on the individual Lots shall be only at those locations where the lines, meters and fixtures are originally installed by Declarant. This easement affecting individual Lots shall also include the right to maintain, repair and replace what has been installed. Any change in the location of the easement may only be made by recorded agreement between the affected Lot Owner and the Association, by act of a majority of the Association's Board of Directors. All maintenance, repairs and replacements referred to above, together with the electric bills for this exterior lighting, and the replacement of light bulbs shall be at the expense of the Association. The Association, by act of a majority of its Board of Directors or of the professional management company managing the community, shall decide when any such work is to be done, but shall not allow the fixtures to become unsightly.

(h) The Association shall have an easement to go upon the portion of Lots and Common Areas that are affected by any "Landscape Easement" shown upon the subdivision plats. Where fences are located on Lots and within a Landscape Easement, the Association's easement shall be to go upon the portion of the Lot lying outside of the fence. The purpose of the Association's easement, and the obligation of the Association shall be to maintain the existing trees and other vegetation within the portion of the Landscape Easement lying outside of any fences, and within all of the Landscape Easement area if there is no fence. The work shall be done to such standards established by the Board of Directors. Lot Owners shall do nothing to change the appearance of the landscaped area for which the Association has the maintenance responsibility. Watering shall not be a maintenance responsibility, but the Association may water if the Board of Directors decides to do so.

ARTICLE X GENERAL PROVISIONS

Section 1. Duration. The covenants and restrictions of this Amended and Restated Declaration shall run with and bind the land for a term of thirty-five (35) years from the date this Amended and Restated Declaration is recorded. They shall be automatically extended for ten (10) year periods thereafter unless seventy-five percent (75%) of all Owners vote to terminate or modify them.

Section 2. Amendments. This Amended and Restated Declaration may be amended at any time by the affirmative vote of sixty-seven percent (67%) of all Owners and such

amendment shall be effective when a written amendment signed and certified by the President of the Association that sixty-seven percent (67%) of all Owners have approved the amendment is recorded in the Clerk's Office of the Circuit Court of the County of James City, Virginia.

Section 3. Eligible Mortgagees Votes Required. In addition to Member approval as set forth in Section 2 above, the following shall require approval by at least fifty-one percent (51%) of the Eligible Mortgagees: (i) terminate the Declaration or dissolve the Association; (ii) seek to abandon, partition, subdivide, encumber, sell, lease, exchange, or otherwise dispose of all, or substantially all of the Common Area owned in fee simple by the Association; (iii) add, change or waive the method of determining the obligations, assessments or other charges which may be levied against an Owner; and (iv) add, change, waive or abandon any scheme or regulation, or enforcement thereof, pertaining to the architectural design or exterior appearance or maintenance of Lots.

Section 4. Presumptive Approval. An Eligible Mortgagee who is notified of any amendment by certified mail, return receipt requested, who does not deliver a written negative response to the Association within thirty (30) days, shall be deemed to have approved such amendment.

Section 5. Enforcement. The Association shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the Governing Document. Failure to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 6. Right to Impose Fines; Suspension of Services. In accordance with Va. Code Ann. 55-513, as amended from time to time, the Board of Directors shall have the power to (i) suspend a member's right to use facilities or services, including utility services, provided directly through the Association for nonpayment of assessments which are more than 60 days past due, to the extent that access to the Lot through the Common Areas is not precluded and provided that such suspension shall not endanger the health, safety, or property of any Owner, tenant, or occupant and (ii) assess charges against any member for any violation of the Declaration or rules and regulations for which the member or his family members, tenants, guests, or other invitees are responsible.

Section 7. Entry for Maintenance. The Association specifically reserves the right to use any or all of the drainage and utility easements shown on the Subdivision Plat for ingress and egress to the Common Area for any legitimate purpose. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat of subdivision. Such entry shall be made with as little inconvenience to the Owner or occupant as practicable, and any damage caused thereby shall be repaired by the Association.

Section 8. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 9. Covenants Running with the Land. All provisions of this Declaration shall be construed to be covenants running with the Land, and with every part thereof and interest therein including, but not limited to, every dwelling and the appurtenances thereto; and every Member and his heirs, personal representatives, successors and assigns, shall be bound by all of the provisions of this Declaration.

Section 10. Gender and Grammar. The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

Section 11. Headings. All headings in this document are inserted solely for convenience or reference, and none of them constitutes a part of this document or affect its meaning, construction or effect.

Section 12. Effective Date. This Amended and Restated Declaration shall take effect upon recordation in the Clerk's Office of the Circuit Court for the County of James City, Virginia.

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IN WITNESS WHEREOF, Springhill Community Homeowners Association, Inc. has caused this Amended and Restated Declaration of Covenants, Conditions and Restrictions of Springhill to be executed by Kendell Warren, President of Springhill Community Homeowners Association, Inc. and attested by William Sumler, the Secretary, who certify in accordance with Va. Code Ann. § 55-515.1 that the requisite majority of Owners executed written ballots approving this Amended and Restated Declaration, said ballots serving as ratification of this Amended and Restated Declaration.

SPRINGHILL COMMUNITY HOMEOWNERS ASSOCIATION, INC., a Virginia Corporation

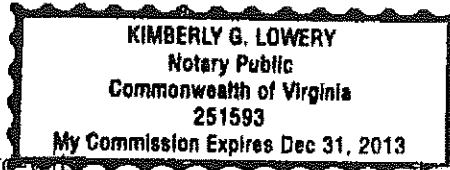
By Kendell R. Warren
Kendell Warren, President

Attest:

William Sumler
William Sumler, Secretary

State of Virginia,
County of James City, to-wit:

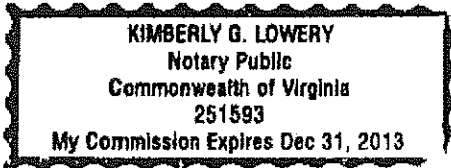
The foregoing instrument was acknowledged before me this 8th day of September, 2011, by Kendell Warren, President of Springhill Community Homeowners Association, Inc., a Virginia corporation, on behalf of the corporation.



Kimberly G. Lowery
Notary Public

State of Virginia,
County of James City, to-wit:

The foregoing instrument was acknowledged before me this 8th day of September, 2011, by William Sumler, Secretary of Springhill Community Homeowners Association, Inc., a Virginia corporation, on behalf of the corporation.



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Kimberly G. Lowery
Notary Public
Registration

SPRINGHILL COMMUNITY HOMEOWNERS ASSOCIATION
EXHIBIT A

| <u>OWNER</u> | <u>MAP #</u> | <u>LEGAL DESCRIPTION</u> |
|--|--------------|--------------------------|
| HAUGHT, ANNA R & DIGIACOMO, KRISTINE F | 3720900182 | L-182 P-3&4 Springhill |
| PASCUCCI, FRANK A & GRACE A | 3720900131 | L-131 P-3&4 Springhill |
| SANCHEZ, BALDEMAR R JR & POLLOCK-SANCHEZ, ELAINE H | 3720900167 | L-167 P-3&4 Springhill |
| ABBATE, CLIFFORD M & PATRICIA A | 3710600031 | L-31 P-1 Springhill |
| ACORD, JUDITH ANN | 3710600004 | L-4 P-1 Springhill |
| ALEXANDER, JAMES M & MICHELLE B | 3720900179 | L-179 P-4 Springhill |
| ALLEN, CINDY K | 3710600057 | L-57 P-1 Springhill |
| ALLEN, ERIC C & JENNIFER L | 3710600018 | L-18 P-1 Springhill |
| ARBEGAST, DANIEL & MARY W | 3720900064 | L-64 P-2 Springhill |
| ASCHMAN, HARALD | 3720900077 | L-77 P-2 Springhill |
| BARBER, KENNETH & PATRICIA ROSAS | 3710600054 | L-54 P-1 Springhill |
| BARNHILL, SHANNON K & JACQUELINE S | 3720900107 | L-107 P-2 Springhill |
| BERNAL, TOMMY F JR & MADELINE M | 3720900112 | L-112 P-2 Springhill |
| BIANCO, DAVID J & DEANGELIS, GINO M | 3710600010 | L-10 P-1 Springhill |
| BLEVINS, LARRY R & RUTH E | 3720900099 | L-99 P-2 Springhill |
| BOWEN, VAIDEN | 3720900144 | L-144 P-3 Springhill |
| BRANDT, KRISTEN N & NIELSEN, JAMES M | 3720900113 | L-113 P-3 & 4 Springhill |
| BROOKS, AVERY E & PIA | 3710600081 | L-81 P-2 Springhill |
| BRUNDAGE, WILLIAM S | 3710600046 | L-46 P-1 Springhill |
| BUCKLEY, KAREN D | 3720900172 | L-172 P-4 Springhill |
| BURNS, JOHN J & SHEILA R | 3720900128 | L-128 P-3&4 Springhill |
| BYRNES, TERENCE S | 3720900116 | L-116 P-3&4 Springhill |
| CAPLICE, JOHN M & JANE M | 3710600050 | L-50 P-1 Springhill |
| CARINO, RUSSELL & RENEE | 3720900164 | L-164 P-4 Springhill |
| CARRADO, CLYDE J & CHRISTINE V | 3720900106 | L-106 P-2 Springhill |
| CARROLL, MICHAEL S & FRANCES E | 3720900139 | L-139 P-3&4 Springhill |
| CENTOLANZA, II, LOUIS R & BRANDY L | 3720900092 | L-92 P-2 Springhill |
| COINER, NICKOLAS C | 3710600056 | L-56 P-1 Springhill |
| CONNELLY, CHARLES B SR & CONNELLY, CHARLES B JR | 3720900078 | L-78 P-2 Springhill |
| COOK, CHRISTOPHER WALTER & AMY MCLAUGHLIN | 3720900153 | L-153 P-3 Springhill |
| COOPER, GERALD W & ELLEN | 3710600028 | L-28 P-1 Springhill |
| COOPER, GERALD W & ELLEN | 3710600027 | L-27 P-1 Springhill |
| CORNELL, ROBIN M | 3720900166 | L-166 P-3&4 Springhill |
| COYNE, THOMAS P | 3720900102 | L-102 P-2 Springhill |
| CRAWFORD, ADRIAN R & CARLA R | 3720900119 | L-119 P-3&4 Springhill |
| CROWLEY, BRIAN J & GAIL A | 3720900165 | L-165 P-4 Springhill |
| CRUZ, TOMAS R | 3720900117 | L-117 P-3&4 Springhill |
| CUMMINGS, CRAIG A & JOYCE A | 3710600044 | L-44 P-1 Springhill |
| DALLMAN, ANTHONY G & RENEE D | 3720900132 | L-132 P-3&4 Springhill |
| DAVIDSON, ALLEN & ALLISON A | 3710600001 | L-1 P-1 Springhill |
| DAVIS, GUALANO & ANGELA | 3710600036 | L-36 P-1 Springhill |
| DENNIS, VERNON JR & MCLEAN-DENNIS, MILTA | 3710600059 | L-59 P-1 Springhill |
| DIAZ, JOSE E & GLORIBEL | 3720900090 | L-90 P-2 Springhill |
| DOVI, ANDREW J & AMY C | 3720900091 | L-91 P-2 Springhill |

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SPRINGHILL COMMUNITY HOMEOWNERS ASSOCIATION
EXHIBIT A

| <u>OWNER</u> | <u>MAP #</u> | <u>LEGAL DESCRIPTION</u> |
|---|--------------|--------------------------|
| DUDECK, ROBERT J & NANCY A | 3720900111 | L-111 P-2 Springhill |
| DULSKI, JOHN E & BRENDA L | 3720900189 | L-189 P-3&4 Springhill |
| DUNTON, SANDRA K & YOUR, LISA W | 3720900159 | L-159 P-3&4 Springhill |
| EARLY, WILLIAM P & KIMBERLY M | 3720900127 | L-127 P-3&4 Springhill |
| EASTER, RUSSELL A & SHELLEY A | 3720900096 | L-96 P-2 Springhill |
| EBERWINE, SCOTT D & MELISSA A | 3720900086 | L-86 P-2 Springhill |
| EGGERS, KENNETH W & PAULA | 3720900174 | L-174 P-3&4 Springhill |
| ELLETT, PHOEBE FAVILLE, TRUSTEE FOR THE PHOEBE FAVILLE ELLETT LIVING TRUST | 3720900079 | L-79 P-2 Springhill |
| ERICKSON, VICKI L | 3710600033 | L-33 P-1 Springhill |
| EUSTACE, JOSEPH T & MARY C EUSTACE, TRUSTEES UNDER THE EUSTACE FAMILY LIVING TRUST DATED DECEMBER 7, 2001 | 3720900068 | L-66 P-2 Springhill |
| FAN, DONGSHENG & MOU, NAN | 3720900069 | L-69 P-2 Springhill |
| FERGUSON, CARY V & ELISA M | 3710600041 | L-41 P-1 Springhill |
| FERREE, SUZANNE G | 3710600022 | L-22 P-1 Springhill |
| FETTY, JASON R & ASHLEY E | 3720900097 | L-97 P-2 Springhill |
| FIELD, BENSLEY H L | 3720900138 | L-138 P-3&4 Springhill |
| FISCHER, ROBERT J & BRENDA MCCONOUGHNEY | 3720900149 | L-149 P-3&4 Springhill |
| FONNER, DANIEL E & MARGARET J | 3720900169 | L-169 P-3&4 Springhill |
| FORTE, ROXANNE L & SMITH, RITA A | 3720900100 | L-100 P-2 Springhill |
| FORTUNE, JOEL R | 3710600009 | L-9 P-1 Springhill |
| FRAMPTON, ERIC A & JANE PATRICIA | 3710600005 | L-5 P-1 Springhill |
| FRANCIS, RAYMOND N & DONNA M | 3720900098 | L-98 P-2 Springhill |
| GERDA, RICHARD J & JAMIE L | 3720900115 | L-115 P-3&4 Springhill |
| GRANT, JOHN W & LINDA | 3720900180 | L-180 P-3&4 Springhill |
| GRAZIANO, ROBERT F & NOREEN A | 3710600051 | L-51 P-1 Springhill |
| GRIMES, JASON A & JESSICA S | 3720900088 | L-88 P-2 Springhill |
| GROOMBRIDGE, HERMANN J & KAREN L | 3720900120 | L-120 P-3 Springhill |
| GUILLORY, PAUL R & MONIKA R | 3720900160 | L-160 P-4 Springhill |
| GULICK, JOHN E & AMY B | 3720900146 | L-146 P-3 Springhill |
| HAMSON, DARRYL & BARBARA | 3710600045 | L-45 P-1 Springhill |
| HARRIS, RENETTA D | 3710600034 | L-34 P-1 Springhill |
| HARRISON, LARRY S & LYNN N | 3710600025 | L-25 P-1 Springhill |
| HARSHBARGER, ROBERT R II & BEVERLY K | 3720900072 | L-72 P-2 Springhill |
| HARTMAN, MARK A & CYNTHIA J | 3720900129 | L-129 P-3&4 Springhill |
| HAYDEN, RONALD C & LINDA M, TRUSTEES UNDER THE RONALD C HAYDEN LIVING TRUST DATED OCTOBER 24, 1994 AND UNDER THE LINDA M HAYDEN LIVING TRUST DATED OCTOBER 24, 1994 | 3720900110 | L-110 P-2 Springhill |
| EMERY, JAMES A & REBECCA L | 3710600037 | L-37 P-1 Springhill |
| HOFFMAN, KENNETH & JANICE | 3710600024 | L-24 P-1 Springhill |
| HOLBERT, TERRY L & BOWERS-HOLBERT, SANDRA | 3720900087 | L-87 P-2 Springhill |
| HOLLAND, HARRY R III | 3710600020 | L-20 P-1 Springhill |
| HOLLAND, SCOTT M & BARASSO, MEGAN H | 3720900152 | L-152 P-3&4 Springhill |

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SPRINGHILL COMMUNITY HOMEOWNERS ASSOCIATION
EXHIBIT A

| <u>OWNER</u> | <u>MAP #</u> | <u>LEGAL DESCRIPTION</u> |
|--|--------------|--------------------------|
| HOLLIDAY, BRENT S & JENNIFER H | 3720900136 | L-136 P-3 Springhill |
| HOLZWORTH, GAIL W | 3710600012 | L-12 P-1 Springhill |
| HONEGGER, HAROLD J & RHONDA D | 3710600006 | L-6 P-1 Springhill |
| HURATIAK, THOMAS J & CYNTHIA M | 3710600048 | L-48 P-1 Springhill |
| JAGANNATH, VENKATA K & SRIDHAR, SOWMYA | 3720900170 | L-170 P4 Springhill |
| JAMES, CHRISTOPHER H, JR & JOSETTE T | 3710600017 | L-17 P-1 Springhill |
| JOHNSON, THOMAS R & HAZEL | 3720900187 | L-187 P-4 Springhill |
| JONES, JONATHAN E & KRISTIN L | 3720900095 | L-95 P-2 Springhill |
| JONES, RICHARD P & JENNIFER L | 3710600061 | L-61 P-1 Springhill |
| JOY & WILLIAM LLC | 3720900109 | L-109 P-2 Springhill |
| JOY & WILLIAM LLC | 3710600014 | L-14 P-1 Springhill |
| JULIAN, LAURA N | 3720900080 | L-80 P-2 Springhill |
| KAPANDELOV, KOSTADIN E & DELLAPOSTA, AMY B | 3710600058 | L-58 P-1 Springhill |
| KARIMI, KARIMA & KRIMI, ZIA-UD-DIN & KARIMI, ADILA & KARIMI, MARYAM | 3710600043 | L-43 P-1 Springhill |
| KEAN, STEVEN T & JILL T | 3720900185 | L-185 P4 Springhill |
| KELLY, LEROY JR & ANA W | 3720900147 | L-147 P-3 Springhill |
| KOPINITZ, SEIGMOND G & ALICE A | 3720900094 | L-94 P-2 Springhill |
| KOPROWSKI, JASON S & KIMBERLEY L | 3720900075 | L-75 P-2 Springhill |
| KOVAL, CHARLES S II & ANNE E | 3720900071 | L-71 P-2 Springhill |
| KULLER, KENNETH A & YOSHIKAWA-KULLER, COURTNEY S | 3710600029 | L-29 P-1 Springhill |
| LADISON, TIMOTHY J | 3710600040 | L-40 P-1 Springhill |
| LAUREL, EDISON H & LORABEL F | 3710600007 | L-7 P-1 Springhill |
| LAWSON, SPENCER D & DANIELLE L | 3710600013 | L-13 P-1 Springhill |
| LISEE, TIMOTHY G & FRANCES E | 3720900150 | L-150 P-3&4 Springhill |
| LONG, CHRISTOPHER JARVIS & STACEY ANN | 3720900163 | L-163 P-3&4 Springhill |
| LOOFT-WILSON, ROBIN C & WILSON, CHRISTOPHER G | 3710600038 | L-38 P-1 Springhill |
| LOTTS, CHRISTOPHER M & MICHELLE M S | 3710600060 | L-60 P-1 Springhill |
| LUSBY, STEVEN K | 3720900190 | L-190 P-3&4 Springhill |
| LUTZ, GEORGE H & CAROL R | 3720900105 | L-105 P-2 Springhill |
| MAKI, R. & BARBARA, TRUSTEES, UNDER THE MAKI LIVING TRUST DATED NOVEMBER 20, 2008 | 3720900089 | L-89 P-2 Springhill |
| MARAKOS, ROBERT W & ZONIA L | 3720900135 | L-135 P-3 Springhill |
| MARRO, MAUREEN A | 3720900070 | L-70 P-2 Springhill |
| MARTIN, JOHN H & ANNA M | 3710600053 | L-53 P-1 Springhill |
| MAYS, JAMES J & ALESHIA L | 3710600063 | L-63 P-1 Springhill |
| MCCLURE, WILLIS J & JULIA D | 3710600008 | L-8 P-1 Springhill |
| MCDOWELL, CHRISTOPHER D & SATOKO | 3710600055 | L-55 P-1 Springhill |
| MEADOWS, JOE LEE JR | 3710600003 | L-3 P-1 Springhill |
| MEARS, MICHAEL J & MARTHA P | 3720900140 | L-140 P-3 Springhill |
| MILLER, FORREST C & BARBARA J | 3710600023 | L-23 P-1 Springhill |
| MILLER, TODD F & JENNIFER N | 3710600062 | L-62 P-1 Springhill |
| MILLS, JORDAN P | 3720900126 | L-126 P-3 Springhill |
| MONACO, MICHAEL P & SHARI | 3720900162 | L-162 P-4 Springhill |

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SPRINGHILL COMMUNITY HOMEOWNERS ASSOCIATION
EXHIBIT A

| <u>OWNER</u> | <u>MAP #</u> | <u>LEGAL DESCRIPTION</u> |
|---|--------------|--------------------------|
| MONTERO, JESSICA | 3720900181 | L-181 P-4 Springhill |
| MOORE, CHARLES T & SALLY E | 3710600082 | L-82 P-2 Springhill |
| MOORE, PATRICK K & THERESE E | 3720900158 | L-158 P-3&4 Springhill |
| MORAN, CATHERINE A & MAI, ANTHONY M | 3720900175 | L-175 P4 Springhill |
| MORGAN, KEVIN C & CHRISTY A | 3720900103 | L-103 P-2 Springhill |
| NAPIER, LEE P & LINDA F | 3710600032 | L-32 P-1 Springhill |
| NOSTRANT, CHRISTOPHER M & SYLVIA E | 3720900173 | L-173 P-4 Springhill |
| OBERTHAL, MARGARET A | 3710600039 | L-39 P-1 Springhill |
| OTT, KURTIS E & JANICE M | 3710600021 | L-21 P-1 Springhill |
| OTTO, MICHAEL J & BRENDA G | 3720900176 | L-176 P-4 Springhill |
| PAGE, CARL P & RASHIDA L | 3720900184 | L-184 P-3&4 Springhill |
| PALMER, ERIC S & LAUREL | 3720900121 | L-121 P-3 Springhill |
| PEREDES, MERY & LOPEZ, PERCY | 3720900133 | L-133 P-3&4 Springhill |
| PAYNE, JOHN F, TRUSTEE OF THE 2006 JOHN F PAYNE REVOCABLE TRUST DATED 8/18/2006 | 3710600016 | L-16 P-1 Springhill |
| PENINSULA DISTRICT BOARD OF MISSIONS | 3720900067 | L-67 P-2 Springhill |
| PERDUE, JAMES E & MARTHA | 3720900073 | L-73 P-2 Springhill |
| PETERSON, JAMI M & BRAYTON, RYAN W | 3710600026 | L-26 P-1 Springhill |
| PRESTON, DAVID W & LAURA M | 3720900130 | L-130 P-3&4 Springhill |
| PULIDO, SHARLENE B | 3720900141 | L-141 P-3 Springhill |
| REHM, KAREN G | 3710600047 | L-47 P-1 Springhill |
| REID, WALKER S & ELIZABETH ANN | 3710600002 | L-2 P-1 Springhill |
| RICHARDSON, DAVID L & KAREN W | 3720900156 | L-156 P-3&4 Springhill |
| RICHMOND, BRENDA S | 3720900142 | L-142 P-3&4 Springhill |
| RIVERA, LUIS II | 3720900154 | L-154 P-3 Springhill |
| ROBERTS, LORETTA J, TRUSTEE UNDER THE PROVISIONS OF THE AMENDED AND RESTATED REVOCABLE LIVING TRUST AGREEMENT OF LORETTA J. ROBERTS DATED MAY 17, 2004 | 3710600011 | L-11 P-1 Springhill |
| RODRIGUEZ, AUGUSTO DAVID & WANDA | 3710600042 | L-42 P-1 Springhill |
| RODRIGUEZ, MICKEY L | 3720900134 | L-134 P-3&4 Springhill |
| ROSENTHAL, MABLE R, TRUSTEE UNDER A TRUST AGREEMENT DATED THE 1ST DAY OF JULY, 1996, UNRECORDED AND IDENTIFIED AS THE MABLE R ROSENTHAL TRUST | 3720900137 | L-137 P-3&4 Springhill |
| ROUNTREE, THOMAS M & BRENDA A | 3720900093 | L-93 P-2 Springhill |
| RUSCUS, JOHN C & MONICA M | 3720900104 | L-104 P-2 Springhill |
| SABBAGH, AMIEL B | 3720900155 | L-155 P-3 Springhill |
| SACCO, GASPAR A | 3720900074 | L-74 P-2 Springhill |
| SANDANCER, L.L.C. | 3720900122 | L-122 P-3 Springhill |
| SAPORITO, SALVATORE J & MARILYN F | 3720900114 | L-114 P-3&4 Springhill |
| SAUNDERS, CARSON J & JENNIFER R | 3720900125 | L-125 P-3 Springhill |
| SCHMITT, ROBERT A & MICHELLE M | 3720900148 | L-148 P-3&4 Springhill |
| SCHULTZ, VINCENT P & DEBORAH R | 3720900065 | L-65 P-2 Springhill |
| SCHURZ, ERWIN & SANDRA L | 3720900108 | L-108 P-2 Springhill |
| SCIUBBA, ERIC P & KATHY L | 3720900101 | L-101 P-2 Springhill |
| SHARKEY, JAMES C & VIRGINIA M | 3710600019 | L-19 P-1 Springhill |

SPRINGHILL COMMUNITY HOMEOWNERS ASSOCIATION
EXHIBIT A

| <u>OWNER</u> | <u>MAP #</u> | <u>LEGAL DESCRIPTION</u> |
|--|--------------|---|
| SIGGINS, D HUGH & MCCLELLAN, PENELOPE J | 3720900178 | L-178 P-4 Springhill |
| SINCLAIR, NOEL M & TINA T | 3710600015 | L-15 P-1 Springhill |
| SMITH, FORREST KNIGHT | 3710600049 | L-49 P-1 Springhill |
| SPEED, ALFONSO S & KIMBERLY M | 3720900143 | L-143 P-3&4 Springhill |
| SPRINGHILL HOMEOWNERS ASSOCIATION INC. | 3710600001B | Open Space Parcel D P-1 Springhill |
| SPRINGHILL HOMEOWNERS ASSOCIATION INC. | 3710600001A | Open Space A,B,C Parcel 1 P-1 & Parcel D P-2 Springhill |
| SPRINGHILL II HOMEOWNERS ASSOCIATION INC. | 3720900001A | Open Space P-3&4 Springhill |
| STOUD, RICHARD J | 3720900157 | L-157 P-4 Springhill |
| SUBBERT, ERIKA R & CHRIS E | 3720900145 | L-145 P-3&4 Springhill |
| SUMLER, WILLIAM & RUTH N | 3720900076 | L-76 P-2 Springhill |
| SUTHERLAND, JOHN M & SHIRLEY M | 3720900123 | L-123 P-3&4 Springhill |
| TALNAGI, JOHN P & PATRICIA | 3720900168 | L-168 P-4 Springhill |
| THIBEAULT, DONALD G JR & CRYSTAL L | 3720900171 | L-171 P-4 Springhill |
| THOMAS, GEORGE M & BETTY C | 3720900177 | L-177 P-4 Springhill |
| TIESO, CAROL L | 3720900183 | L-183 P-4 Springhill |
| TISDALE, RICHARD D & TISDALE, SUSAN WOODCOCK | 3710600030 | L-30 P-1 Springhill |
| TREMBLAY, SEAN K & BETH M | 3720900151 | L-151 P-3 Springhill |
| TREVILLIAN, BARTON D & KUAN-YU | 3710600084 | L-84 P-2 Springhill |
| TURNAGE, MICHAEL C & DEBORAH D | 3710600083 | L-83 P-2 Springhill |
| VANDALL, AARON & MAGDALENA | 3720900124 | L-124 P-3 Springhill |
| VASILIU, DANIEL & OANA E. | 3720900068 | L-68 P-2 Springhill |
| AYLES, ALICE K | 3720900161 | L-161 P-4 Springhill |
| VEGA, RAFAEL & CRYSTAL L | 3720900188 | L-188 P-4 Springhill |
| WARREN, KENDELL R & ROBIN L | 3720900186 | L-186 P-4 Springhill |
| WATERS, CHAWN M & LAMBERT, LOUIS M | 3710600052 | L-52 P-1 Springhill |
| WERT, JOSEPH M & ANNE MARIE | 3720900085 | L-85 P-3&4 Springhill |
| WINTERS, PAULA M, TRUSTEE UNDER THE PAULA M WINTERS LIVING TRUST DATED JULY 20, 2007 | 3720900118 | L-118 P-3&4 Springhill |
| ZIRKLE, WILLIAM E & AMY E | 3710600035 | L-35 P-1 Springhill |

VIRGINIA: CITY OF WILLIAMSBURG & COUNTY OF JAMES CITY
This document was admitted to record on 12 Dec. 2011
at 3:29 AM/PM. The taxes imposed by Virginia Code
Section 58.1-801, 58.1-802 & 58.1-814 have been paid.

| STATE TAX | LOCAL TAX | ADDITIONAL TAX |
|-----------|-----------|----------------|
| \$ _____ | \$ _____ | \$ _____ |

TESTE: BETSY B. WOOLRIDGE, CLERK

BY: Betsy B. Woolridge Clerk

250925

EXHIBIT 9

ARTICLES OF MERGER
OF
SPRINGHILL HOMEOWNERS ASSOCIATION, INC.
AND
SPRINGHILL II HOMEOWNERS ASSOCIATION, INC.

Pursuant to Title 13.1, Chapter 10, Article 11 of the Code of Virginia, 1950, as amended, the undersigned do hereby submit the following Articles of Merger:

ARTICLE I
Plan of Merger

Springhill II Homeowners Association, Inc., a Virginia nonstock corporation ("Springhill II"), shall be merged with and into Springhill Homeowners Association, Inc., a Virginia nonstock corporation ("Springhill"), because the homeowners desire to have all phases of the homeowners association a part of one single Association.

Springhill shall survive the merger, and as of the effective date described in Article III herein, shall succeed to all of the assets and liabilities of Springhill II.

All Class B Membership of Springhill has ceased and been converted to Class A Membership as outlined in the Declaration of Covenants, Conditions and Restrictions of Springhill and all Class B Membership of Springhill II has ceased and been converted to Class A Membership as outlined in the Declaration of Covenants, Conditions and Restrictions of Springhill II.

There will be no alterations or amendments to or any restatement of the Articles of Incorporation or Bylaws of Springhill as a result of the merger.

ARTICLE II
Approval of Members

The Plan of Merger was submitted to the Members of Springhill by the Board of Directors in accordance with Chapter 10, Title 13.1 of the Code of Virginia. The number of Members entitled to vote and the number of Members voted for and against the Plan of Merger were as follows:

| <u>Members Entitled to Vote</u> | <u>Voted For</u> | <u>Voted Against</u> |
|-------------------------------------|----------------------|--------------------------|
| 34 | 29 | 0 |

The Plan of Merger was submitted to the Members of Springhill II by the Board of Directors in accordance with Chapter 10, Title 13.1 of the Code of Virginia. The number

of Members entitled to vote and the number of Members voted for and against the Plan of Merger were as follows:

| <u>Members Entitled to Vote</u> | <u>Voted For</u> | <u>Voted Against</u> |
|-------------------------------------|----------------------|--------------------------|
| 26 | 25 | 0 |

ARTICLE III
Effective Date

In accordance with the Plan of Merger, the effective time and date of the merger herein provided for will be that time and date specified on the Certificate of Merger issued by the Commonwealth of Virginia upon approval of these Articles of Merger.

DATED, this _____ day of _____, 1999.

Springhill Homeowners Association, Inc.

By: _____
Myrl L. Hairfield, President

Springhill II Homeowners Association, Inc.

By: _____
Myrl L. Hairfield, President



SCC720
(06/02)

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

ARTICLES OF MERGER

OF

SPRINGHILL HOMEOWNERS ASSOCIATION, INC.
AND
SPRINGHILL III COMMUNITY HOMEOWNERS ASSOCIATION, INC.

Pursuant to Title 13.1, Chapter 9, Article 12 of the Code of Virginia, hereby execute(s) the following articles of Merger:

ARTICLE ONE

Plan of Merger

The names of each corporation planning to merge are Springhill Homeowners Association, Inc., a Virginia nonstock corporation ("Springhill") and Springhill III Community Homeowners Association, Inc., a Virginia nonstock corporation ("Springhill III"). Springhill III shall be the surviving corporation though its name shall be amended to "Springhill Community Homeowners Association, Inc." if approved by the requisite membership vote.

Springhill III shall survive the merger and shall succeed to all assets and liabilities of Springhill. All Class B memberships of Springhill have ceased and been converted to Class A memberships. All class D memberships of Springhill III have ceased and been converted to Class A memberships. All members of the surviving corporation shall be Class A members.

If approved by a requisite vote of the members, the articles of incorporation of the surviving corporation shall be amended to change the name of the surviving corporation to "Springhill Community Homeowners Association, Inc." In the event this Plan of Merger is approved by the requisite vote of the memberships of Springhill and Springhill III though the amendment to the name of the surviving corporation is not approved by the requisite membership vote, no amendment shall be made to the articles of incorporation of Springhill III and the name of the surviving corporation shall remain "Springhill III Community Homeowners Association, Inc."

The effective date of the merger shall be that time and date specified on the Certificate of Merger issued by the Commonwealth of Virginia upon approval of articles of merger.

The Board of Directors of each Springhill and Springhill III may amend this Plan of Merger at any time prior to issuance of the Certificate of Merger subsequent to submission of the Plan of Merger to the memberships if such amendment does not (i) alter or change any of the terms and conditions of the Plan of Merger to the members of either Springhill or Springhill III, or (ii) alter or change any terms of the articles of incorporation of Springhill or Springhill III.

ARTICLE TWO

Approval of Members

The plan of Merger was submitted to the Members of Springhill Homeowners Association, Inc. by the board of directors in accordance with the provisions of Chapter 9 of Title 13.1 of the Code of Virginia. The number of members entitled to vote for and against the plan of Merger was as follows:

| Members Entitled To Vote | Voted For | Voted Against |
|--------------------------|-----------|---------------|
| 113 | 77 | 3 |

The plan of Merger was submitted to the Members of Springhill III Community Homeowners Association, Inc. by the board of directors in accordance with the provisions of Chapter 9 of Title 13.1 of the Code of Virginia. The number of members entitled to vote for and against the plan of Merger was as follows:

| Members Entitled To Vote | Voted For | Voted Against |
|--------------------------|-----------|---------------|
| 77 | 57 | 0 |

The Plan of Merger was passed by both associations.

The plan to amend the name of the surviving corporation was submitted to the Members of Springhill Homeowners Association, Inc. by the board of directors in accordance with the provisions of Chapter 9 of Title 13.1 of the Code of Virginia. The number of members entitled to vote for and against the plan to amend the name of the surviving corporation to "Springhill Community Homeowners Association, Inc." was as follows:

| Members Entitled To Vote | Voted For | Voted Against |
|--------------------------|-----------|---------------|
| 113 | 77 | 3 |

The plan to amend the name of the surviving corporation was submitted to the Members of Springhill III Community Homeowners Association, Inc. by the board of directors in accordance with the provisions of Chapter 9 of Title 13.1 of the Code of Virginia. The number of members entitled to vote for and against the plan to amend the name of the surviving corporation to "Springhill Community Homeowners Association, Inc." was as follows:

| Members Entitled To Vote | Voted For | Voted Against |
|--------------------------|-----------|---------------|
| 77 | 57 | 0 |

The amendment to change the name of the surviving association was passed by both associations

ARTICLE III

Effective Date

In accordance with the Plan of Merger, the effective time and date of the merger herein provided for will be that time and date specified on the Certificate of Merger issues by the Commonwealth of Virginia upon approval of these Articles of Merger

The undersigned Springhill Homeowners Association, Inc. President and the Springhill III Community Homeowners Association, Inc. President are *authorized to act on behalf of the merged corporations and* declare that the facts herein stated are true as of November 13, 2006.

(date)

Springhill Homeowners Association, Inc.

By: Vincent Schultz

Vincent Schultz, President

Springhill III Community Homeowners Association, Inc.

By: Kendell Warren

Kendell Warren, President

County of York, Commonwealth of Virginia
This foregoing instrument was acknowledged before me this 13th day of November, 2006 by Vincent Schultz and Kendell Warren.

JANE D. SMITH
Name of Notary

11-13-06
Date

365570
Seal Number

Jane D. Smith
Notary Signature

my Commission expires the 9th day of September, 2009

EXHIBIT A

COMMONWEALTH OF VIRGINIA



MARK C. CHRISTIE
CHAIRMAN

DORE V. MORRISON, JR.
COMMISSIONER

JUDITH WILLIAMS JAGDMANN
COMMISSIONER

JOEL H. PECK
CLERK OF THE COMMISSION
P.O. BOX 1197
RICHMOND, VIRGINIA 23218-1197

STATE CORPORATION COMMISSION
Office of the Clerk

December 6, 2006

BROOKS REAL ESTATE INC
312 B LIGHTFOOT ROAD
WILLIAMSBURG, VA 23188

RECEIVED
DEC 13 2006

BY:.....

RE: Springhill Community Homeowners Association, Inc.
ID: 0536373 - 4
DCN: 06-11-17-0039

Dear Customer:

This is your receipt for \$25.00, covering the fees for filing articles of merger with this office.

The effective date of the certificate of merger is December 6, 2006.

Each non-surviving entity:

SPRINGHILL HOMEOWNERS ASSOCIATION, INC.

is merged into Springhill Community Homeowners Association, Inc. (formerly SPRINGHILL III COMMUNITY ASSOCIATION, INC.).

If you have any questions, please call (804) 371-9733 or toll-free in Virginia, 1-866-722-2551.

Sincerely,

Handwritten signature of Joel H. Peck in black ink.

Joel H. Peck
Clerk of the Commission

MERGRcpt
MERGACPT
CIS0436

0536373 - 4

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, DECEMBER 6, 2006

The State Corporation Commission finds the accompanying articles submitted on behalf of
Springhill Community Homeowners Association, Inc.

comply with the requirements of law and confirms payment of all required fees. Therefore, it is
ORDERED that this

CERTIFICATE OF MERGER

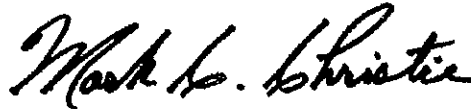
be issued and admitted to record with the articles of merger in the Office of the Clerk of the
Commission, effective December 6, 2006. Each of the following:

SPRINGHILL HOMEOWNERS ASSOCIATION, INC.

is merged into Springhill Community Homeowners Association, Inc. (formerly SPRINGHILL III
COMMUNITY ASSOCIATION, INC.), which continues to exist under the laws of VIRGINIA with
the name Springhill Community Homeowners Association, Inc., and the separate existence of
each non-surviving entity ceases.

STATE CORPORATION COMMISSION

By



Commissioner

MERGACPT
CIS0436
06-11-17-0039

THEODORE V. MORRISON, JR.
CHAIRMAN

MULLIHEN WILLIAMS MOORE
COMMISSIONER

CLINTON MILLER
COMMISSIONER

COMMONWEALTH OF VIRGINIA



JOEL H. PECK
CLERK OF THE COMMISSION
P.O. BOX 1197
RICHMOND, VIRGINIA 23218-1197

STATE CORPORATION COMMISSION

November 3, 1999

JAN KELLEY
600 THIMBLE SHOALS BLVD
PO BOX 12888
NEWPORT NEWS, VA 23612-2888

RE: SPRINGHILL HOMEOWNERS ASSOCIATION, INC.
ID: 0427931 - 1
DCN: 99-10-28-0112

Dear Customer:

This is your receipt for \$25.00 covering the fees for filing articles of merger with this office.

The effective date of the certificate of merger is November 3, 1999.

Non-surviving entities:

SPRINGHILL II HOMEOWNERS ASSOCIATION, INC.

are merged into SPRINGHILL HOMEOWNERS ASSOCIATION, INC..

If you have any questions, please call (804) 371-9733.

Sincerely,

A handwritten signature in black ink that reads "Joel H. Peck".

Joel H. Peck
Clerk of the Commission

MERGACPT
CIS0436

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION**

November 3, 1999

The State Corporation Commission finds the accompanying articles submitted on behalf of

SPRINGHILL HOMEOWNERS ASSOCIATION, INC.

to comply with the requirements of law. Therefore, it is ORDERED that this

CERTIFICATE OF MERGER

be issued and admitted to record with the articles in the office of the Clerk of the Commission.
Each of the following:

SPRINGHILL II HOMEOWNERS ASSOCIATION, INC.

is merged into SPRINGHILL HOMEOWNERS ASSOCIATION, INC., which continues to exist under the laws of VIRGINIA with the name SPRINGHILL HOMEOWNERS ASSOCIATION, INC.. The existence of each non-surviving entity ceases, according to the plan of merger.

The certificate is effective on November 3, 1999.

STATE CORPORATION COMMISSION

By



Commissioner

EXHIBIT 10

AMENDED BYLAWS
OF
SPRINGHILL COMMUNITY HOMEOWNERS ASSOCIATION, INC.

ARTICLE I
GENERAL

Section 1.1 Governance. These Bylaws provide for the governance of Springhill Community Homeowners Association, Inc., a Virginia nonstock corporation (the "Association").

Section 1.2. Compliance. Every Owner and all those entitled to occupy a Lot or any portion thereof shall comply with these Bylaws.

Section 1.3. Principal Office. The principal office of the Association shall be located at the Properties or at such other place as may be designated from time to time by the Board of Directors.

Section 1.4. Definitions. Except as expressly defined herein, all capitalized terms used shall have the respective meanings set forth in the Amended and Restated Declaration of Covenants, Conditions and Restrictions as recorded in the Circuit Court Clerk's Office for the City of Williamsburg and James City County, Virginia as Instrument Number 110019156 as the same may be amended and supplemented from time to time ("Declaration").

ARTICLE II
MEMBERS; VOTING RIGHTS

Section 2.1 Members. Every Owner of a Lot shall be a Member of the Association. Membership is appurtenant to and may not be separated from ownership of any Lot. Upon the recordation of a deed to any Lot, the membership of the selling Owner shall cease and the purchasing Owner shall become a Member of the Association.

Section 2.2 Classes of Membership. There shall be one (1) class of Membership which shall be all Owners of Lots who shall be Class A Members.

Section 2.3 Voting. Each Member is entitled to one vote for each Lot owned. When more than one person or entity is the record Owner of a Lot, the vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot. The Secretary shall prepare a list of Members entitled to vote to coincide with the date notice of the meeting is sent to the Members. Except as otherwise provided by provisions of the Governing Documents, the vote of the Members having a majority of the votes represented at any Duly Called

Meeting at which a quorum of one-tenth (1/10) of the Members is present shall be the decision of the Members and shall be binding on all Members.

Section 2.4. Voting in Person or By Proxy. Votes may be cast in person or by proxy. The proxy must be duly executed by or on behalf of an Owner. No proxy shall be revocable except by actual notice given by the Owner to the person presiding over the meeting. A proxy must be filed with the Secretary or other representative designated by the Board of Directors before the meeting begins. The Board of Directors may adopt procedures to permit an Owner to submit a proxy and or ballot electronically. When a Lot is owned by more than one person or entity, the Association shall deem a vote by one of the named Owners or a proxy signed and filed by one of the named Owners as a binding vote or proxy appertaining to the Lot. Appointment of a proxy is effective when received by the Secretary or other officer or agent authorized to tabulate votes. Unless otherwise stated therein, any proxy shall become void at the conclusion of the issue for which the proxy was provided.

Section 2.5. Suspension of Voting Rights. The Board of Directors may suspend the voting rights of any Member during any period in which such Member is in default in the payment of Assessments levied by the Association. A Member's voting rights may also be suspended after notice for a hearing for infraction of published Rules and Regulations or any violation of the Governing Documents. Upon payment of the delinquency or correction of the violation, the Member's voting rights shall automatically be restored.

ARTICLE III MEETINGS OF THE MEMBERS

Section 3.1 Annual Meetings. The annual meeting of the Members shall be held during the month of November to elect Directors and transact such other business as may come before the meeting. The Board of Directors shall determine the date, time and location of the Annual Meeting.

Section 3.2. Special Meetings. The President may call special meetings of the Members of the Association. The President or Secretary shall call a special meeting upon written request of a majority of the Directors, or upon written request of one-fourth (1/4) of the Members of the Association. Such written request shall state the purpose of the proposed meeting.

Section 3.3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, or a designee, at least fourteen (14) days in advance of any annual meeting but not more than sixty (60) days and at least seven (7) days in advance of any special meeting but not more than sixty (60) days. Notice may be (1) sent by first class mail to the address last appearing on the books of the Association, or

supplied by such Member for notice; (ii) hand-delivered to the Member's residence; or (iii) sent by electronic transmission to the address authorized and supplied by the Member. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

Section 3.4. Quorum. Except as provided otherwise in the Governing Documents, the quorum for a meeting of Members shall be the presence, in person or by proxy, of one-tenth (1/10) of the Members. If the required quorum is not present at any meeting, a majority vote of the Members attending the meeting shall have the power to adjourn the meeting from time to time, without notice other than an announcement at the meeting, until a quorum as aforesaid is present or represented by proxy. Members whose voting rights have been suspended shall not be counted toward the total membership present at any meeting of the Association at which a quorum is required.

Section 3.5. Conduct of Meetings. The President shall preside over the meetings of the Association and the Secretary or designee shall keep minutes of the meeting.

Section 3.6. Action without a Meeting. Any action required or permitted to be taken at a meeting of the Members may be taken without a meeting in accordance with Va. Code Ann. § 13.1-841 *et seq.*

ARTICLE IV BOARD OF DIRECTORS

Section 4.1. Number. The affairs of the Association shall be managed by its Board of Directors. The Board will consist of not fewer than five (5) nor more than seven (7) Directors. The number of Directors to serve for the ensuing term shall be established by the Board then serving, at the time it causes notice of the Annual Meeting to be provided to the Members. Notwithstanding the foregoing, the Board shall always consist of an odd number of Directors.

Section 4.2. Eligibility. Only one member of a household may serve on the Board at any one time. No Director may be elected to the Board or continue to serve on the Board if there is any financial obligation due the Association that is more than 30 days in arrears concerning the Lot owned or occupied by the Director. No Director may be elected to the Board or continue to serve on the Board if there is a violation of the Governing Documents concerning the Lot owned or occupied by the Director, and the violation has not been remedied in the time allowed for correction. Directors must be a Member of the Association, or the spouse of a Member residing in the household of the Member.

Section 4.3. Nominations. The Board will appoint and announce a Nominating Committee

at least seventy-five (75) days before the Annual Meeting. The Nominating Committee will consist of a Chairperson, who shall be a member of the Board, and two or more additional Members. The Nominating Committee will serve from the date of appointment until the close of the Annual Meeting. The Nominating Committee shall make as many nominations for election to the Board as it determines, in its discretion, but not fewer than the number of vacancies to be filled. All persons eligible for the Board who express an interest in serving on the Board or are recommended by another Member and consent to being nominated will be considered by the Nominating Committee. Nominations may be made from the floor at the Annual Meeting so long as the nominee consents to being nominated in person or in writing.

Section 4.4. Elections. Directors will be elected by the largest number of all votes cast at the Annual Meeting at which a quorum is present. Election will be by eligible Members' secret written ballots. Voting shall be as set forth in Section 2.4 above. Members will be ineligible to vote if their voting rights have been suspended and not restored pursuant to the Governing Documents. Members or their proxies may cast as many votes for each vacancy as they are entitled to exercise under the Governing Documents. Cumulative voting, i.e. casting all votes for one candidate, is prohibited. The Board will determine the form of all ballots and proxies, the deadline for returning ballots and proxies, and the date, time, and location of the election.

Section 4.5. Terms of Office. A Director's term is three (3) years. A Director will serve until the Annual Meeting at which his or her successor is elected.

Section 4.6. Compensation. A Director shall not be compensated for services rendered to the Association. However, upon written approval by the Board of Directors, a Director may be reimbursed for reasonable, ordinary and necessary expenses incurred in serving or acting as a Director, including reasonable expenses for education or continuing education in managing and operating a common interest community association.

Section 4.7. Resignations. A Director may resign at any time by giving written notice to the President or Vice President of the Association. A resignation is effective when the notice is delivered unless the notice specifies a later effective date. A Director's resignation is automatically effected if the Director becomes ineligible to serve under the Governing Documents.

Section 4.8. Vacancies Occurring Between Elections. In the event of death or resignation, the remaining Directors, even if less than a quorum, will appoint a successor, who will serve the remainder of that Director's term.

Section 4.9. Powers and Duties. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are by applicable law or the Governing Documents required or desirable to be exercised and done by the Association. If applicable, the Board of Directors may from time to time elect to

have the Association treated as a "homeowner's association" within the meaning of Section 528 of the Internal Revenue Code of 1986, as amended. In addition, the Board of Directors shall on behalf of the Association:

- (a) Prepare and adopt an annual budget to establish the annual assessments;
- (b) Include a sufficient amount in the annual budget to adequately fund the reserve account;
- (c) To the extent permitted by the Declaration and/or Virginia law, levy special assessments and assessments for reserves;
- (d) Determine any grace period for payment of assessments, fees, charges or dues; establish a late fee to be charged on unpaid assessments, fees, charges or dues which may be changed from time to time; and accelerate unpaid assessments, fees, charges or dues if any installment is delinquent.
- (e) Provide for the management, maintenance, operation, repair and replacement of the Common Areas, the improvements and facilities thereon, and other real estate or personal property as to which the Association has responsibility or which the Board of Directors determines to be in the best interests of the Association to maintain.
- (f) Designate, hire and dismiss the contractors or personnel necessary for the management, maintenance, operation, repair and replacement of the Common Areas, the improvements and facilities thereon, and other real estate or personal property as to which the Association has responsibility, and, where appropriate, provide for the compensation of such contractors or personnel and for the purchase of equipment, supplies and material to be used by such contractors or personnel in the performance of their duties.
- (g) Collect the assessments, fees, charges and dues from the Owners, deposit the proceeds in bank depositories designated by the Board of Directors and use the proceeds to carry out the functions and administration of the Association.
- (h) Establish, adopt, amend and enforce rules and regulations with respect to the use of the Common Areas and with respect to such other areas of responsibility assigned to the Association in the Governing Documents or by law; for the use of the Common Areas and establish fees for the use of Common Areas (such as storage lots); provided, however, that no such rules and regulations so adopted shall be in conflict with the Governing Documents and provided further that such rules and regulations shall not be construed so as to impair in any manner the lien of any Mortgage. Rules and regulations shall be reasonably published or distributed to the Owners.

(l) Open accounts in any federally insured bank or financial institution on behalf of the Association and designate the signatories thereon.

(j) Make, or contract for the making of, repairs, additions and improvements to or alterations of the Common Areas, or other areas of Association responsibility in accordance with the Governing Documents.

(k) Enforce by legal means the provisions of the Governing Documents and the rules and regulations promulgated pursuant thereto. Without limiting the generality of the foregoing, the Board of Directors may assess charges against any Member for any violation of the Governing Documents or rules and regulations, subject to the limitations provided in the Property Owners' Association Act (Va. Code Ann. § 55-508, et seq.).

(l) Obtain and carry insurance as provided in the Governing Documents, the cost of which shall be covered by assessments.

(m) Pay the cost of all authorized services rendered to the Association and not billed to Owners or otherwise provided for.

(n) Keep books with detailed accounts of the receipts and expenditures affecting the Association and the administration of the Common Areas and other areas of Association responsibility. All books and records shall be kept in an accurate and organized manner.

(o) Acquire, own, hold, improve, sell, lease, build upon, operate, maintain, convey, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association.

(p) Borrow money and with the assent of more than two-thirds (2/3) of the Members, mortgage, pledge, deed of trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

(q) Grant permits, licenses and easements under, through and over the Common Area for drainage, utilities, roads, access and such other purposes which are reasonably necessary for the ongoing development and operation of the Property or as deemed by the Board of Directors to be in the best interest of the Association.

® Appoint members of the Architectural Control Committee.

® Enter into shared use and/or maintenance agreements.

(s) Establish such committees with such powers and authority as it shall from

time to time deem appropriate.

(t) Do such other things and acts permitted by the Governing Documents and applicable law.

ARTICLE V MEETINGS OF THE BOARD OF DIRECTORS

Section 5.1. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and in such place and manner as shall be determined from time to time by a majority of the Directors provided, however, such meetings shall be held at least quarterly during each fiscal year. Such meetings shall be open to Members to the extent required by Virginia law.

Section 5.2. Special Meetings. Special meetings of the Board of Directors may be called by the President on two (2) business days' notice to each Director, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary on the written request of at least a majority of the Directors. Notice may be sent electronically or by mail to the address provided by the Director.

Section 5.3. Waiver of Notice. Any Director may at any time, in writing, waive notice of any meeting of the Board of Directors; and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall constitute a waiver of notice by him/her of the time, place and purpose of such meeting, unless the Director at the beginning of the meeting or promptly upon his/her arrival objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to any action taken at the meeting. If all Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 5.4. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business; and the vote of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 5.5. Conduct of Meeting. The President, or in the absence of the President, the Vice President, shall preside over all meetings of the Board of Directors; and the Secretary, or a designee shall keep a minutes book of the meetings, recording all resolutions adopted by the Board of Directors, and all transactions and proceedings occurring at such meetings.

Section 5.6. Action Without Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Directors shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the meetings of the Board of Directors. A written consent and the signing thereof may be accomplished by one or more electronic transmissions.

ARTICLE VI OFFICERS AND THEIR DUTIES

Section 6.1. Enumeration of Offices. The officers of the Association shall be a President, Vice President, Secretary and Treasurer, who shall at all times be members of the Board of Directors.

Section 6.2. Election of Officers. The officers shall be elected by the Board of Directors. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 6.3. Term. An officer of the Association shall hold office for one (1) year unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 6.4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 6.5. Resignation and Removal. The Board may remove any officer, with or without cause, by a majority vote of the Board. Any officer may resign after giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or the time specified therein. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Resignation by a director shall be deemed to be a resignation of any officer position held by the resigning director.

Section 6.6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 6.7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of any special offices.

Section 6.8. Compensation. No officer shall receive any compensation from the Association for acting as such, however, any officer may be reimbursed for actual expenses incurred

as such officer upon written approval by the Board.

Section 6.9. Duties. The duties of the officers are as follows:

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

(b) **Vice President.** The Vice President shall exercise the authority of the President in his or her absence, or if the office of President is vacant, and shall exercise and discharge such other duties as may be required of him or her by the Board.

(c) **Secretary.** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addressees; and shall perform such other duties as required by the Board, or are incident to the office of Secretary of a corporation organized under the Virginia Nonstock Corporation Act.

(d) **Treasurer.** The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books and accounts; cause a review of the Association books to be made by a bookkeeper at the completion of each fiscal year; cause an audit or review of the Association books to be made by a public accountant when determined necessary by the Board of Directors; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE VII COMMITTEES

Section 7.1. Architectural Review Committee. The Board of Directors shall appoint members to the Architectural Review Committee in accordance with this Article.

(a) *Organization, Power of Appointment and Renewal of Members. Committee Composition.* No ARC member shall be required to be an architect or to meet any other particular qualifications for membership. A majority of the ARC shall not simultaneously be members of the Board of Directors.

(b) *Appointment and Removal.* The right to appoint and remove all members of the ARC at any time, and the right to determine the terms of office, shall be and is hereby vested

solely in the Board of Directors, provided, however, that no member may be removed from the ARC by the Board of Directors except by the vote or written consent of two-thirds (2/3) of all the members of the Board of Directors.

(c) *Resignations.* Any member of the ARC may at any time resign from the Committee by giving written notice thereof to the Board of Directors, which then has the right to appoint Committee members.

(d) *Vacancies.* Vacancies on the ARC shall be filled by the Board of Directors.

(e) *Duties.* It shall be the duty of the ARC to consider and act upon any and all proposals or plans submitted to it pursuant to the terms hereof, to adopt Architectural Review Committee Rules, and to perform other duties imposed upon it by the Board or this Declaration.

(f) *Meetings and Compensation.* The ARC shall meet from time to time as necessary to perform its duties hereunder. The vote or written consent of a majority of members, at a duly called meeting, shall constitute the act of the ARC unless the unanimous decision of the ARC is required by any other provision of the Amended and Restated Declaration, Bylaws or Rules. The ARC shall keep and maintain a written record of all actions taken by it at such meeting. Members of the ARC shall not be entitled to compensation for their services.

Section 7.2. Committees. The Board of Directors shall establish any committee which it deems necessary to carry out the affairs of the Association. In addition, the Board shall approve and adopt committee charters, including all changes and updates, which describe and govern the purpose, function and duties of each committee. The Board of Directors shall approve all appointments and dismissals of committee members.

ARTICLE XIII BOOKS AND RECORDS; TECHNOLOGY

Section 8.1 Books and Records. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member subject to the provisions of the Virginia Property Owners' Association Act (Va. Code Ann. § 55-508 et seq.). The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at a reasonable cost.

Section 8.2 Use of Technology. The Association shall have the right to avail itself of new technologies, to the extent permitted by law, now or in the future, for notice, payment, signature, voting, consents or approvals required to be obtained under the Governing Documents or by law, provided that such use and/or process is a generally accepted business practice and is adopted by the Board of Directors

in conformance with Va. Code Ann. § 55-515.3.

ARTICLE IX
AMENDMENTS

Section 9.1. Amendment. These Bylaws may be amended, at an annual or special meeting of the Members, by the affirmative vote of a majority of Members, present in person or by proxy, at a meeting at which a quorum is present.

Section 9.2. Conflict. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

CERTIFICATION

I, the undersigned, do hereby certify that:

I am duly elected and acting Secretary of Springhill Community Homeowners Association, Inc., a Virginia nonstock corporation and the foregoing Bylaws constitute the Amended Bylaws of the Association, as duly adopted at a meeting of the Members at which a quorum of the Members were present. The total number of votes cast for and against the amendment was 157 votes in favor of the amendment and 9 votes against the amendment. The motion to amend was approved with 94.5% of the votes in person or by proxy voting in favor of the amendment.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 8th day of September, 2011.

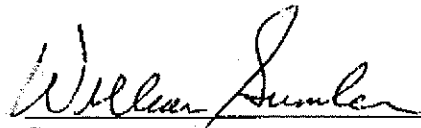

Secretary

EXHIBIT 11

RESOLUTION BY CONSENT OF THE BOARD OF DIRECTORS

The undersigned, being a majority of the Directors of Springhill Community Homeowners Association, Inc. (the "Association"), hereby consent to the adoption of the following resolution:

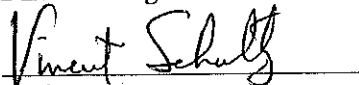
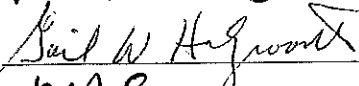
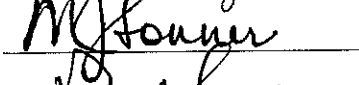
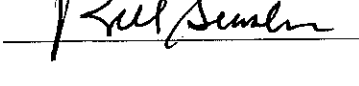
RESOLVED, that the Association desires to implement a policy for the collections of assessments and the handling of delinquent accounts. Accordingly, the following policy will supplement The Amended and Reinstated Declaration of Covenants, Conditions, and Restrictions of Springhill, Article V, Section 7 Effect of Non-Payment of General Assessment: Remedies of the Association.

Quarterly Assessments:

- a. Dues are payable on the 1st day of each calendar quarter.
- b. Dues not received at the offices of the managing agent by the 10th day of each quarter will be considered delinquent. Any Assessment not paid within thirty (30) days shall bear interest from the due date at the rate of twelve percent (12%) per annum and will be subject to a late fee in the amount of \$30.00 per month. (No late fees will apply to any account with a balance due that is less than the current quarterly dues assessment.)
- c. All accounts, upon reaching a delinquent balance of \$250.00 or more, will immediately be submitted for collection. The Homeowner will be responsible for all administrative and legal fees incurred by the Association in pursuing collection of the delinquent account.
- d. A returned check fee in the amount of \$35.00 will be applied for each check that is returned "unpaid", regardless of the reason. The managing agent will not redeposit returned checks.

RESOLVED, that each of the Officers and Directors of the corporation is hereby authorized to take such steps and perform such duties as they deem appropriate to implement this resolution.

BE IT FURTHER RESOLVED, that the foregoing resolution be deemed effective March 8, 2012.

| Director's Signature | Director's Printed Name/Title | Date |
|---|-------------------------------|----------|
|  | VINCENT SCHULTZ / President | 3/8/12 |
|  | GAIL W. HOLZWORTH | 3/8/12 |
|  | Margaret J. Forner | 3/8/12 |
|  | Bill Sumler | 3-8-2012 |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

Springhill Community Homeowners Association, Inc.
Complaint Procedure
Policy Resolution 2012-001

WHEREAS, in accordance with Va. Code Ann. § 55-530 E, Springhill Community Homeowners Association, Inc. (the "Association") is required to have a written process for resolving Association Complaints from members and citizens. The Association's Complaint Procedure shall conform to the requirements set forth in Va. Code Ann. § 55-530, the Common Interest Community Ombudsman Regulations (the "Regulations"), and the Association governing documents, which shall not be in conflict with Va. Code Ann. § 55-530 or the Regulations; and

WHEREAS, it is the intent of the Board of Directors to adopt a Complaint Procedure and Complaint Form that comply with Va. Code Ann. § 55-530, the Regulations, and the Association governing documents.

NOW THEREFORE, it is hereby RESOLVED that the Board of Directors of Springhill Community Homeowners Association, Inc. hereby adopts the following policy:

A. PROCESS FOR SUBMITTING AN ASSOCIATION COMPLAINT.

1. Members and citizens wishing to file an Association Complaint shall use the attached Complaint Form. All Association Complaints must be in writing.
2. An Association Complaint shall concern a matter regarding the action, inaction, or decision by the Board of Directors, managing agent, or the Association inconsistent with applicable laws and regulations.
3. The completed Complaint Form shall be delivered to the Association as follows:

Springhill Community Homeowners Association, Inc.
c/o Chesapeake Bay Management, Inc.
3705 Strawberry Plains Road, Suite C
Williamsburg, VA 23188

4. The Association shall provide written acknowledgment of receipt of the Complaint Form to the complainant within seven (7) days of receipt.
5. The complainant shall describe the nature of the Association Complaint, including dates, locations and persons involved. The complainant shall include references to the specific facts and circumstances at issue. The complainant must set forth the specific documents, provisions, statutes or regulations that support his/her Association Complaint, and provide copies of any specific documents referenced. The complainant shall describe the specific action or resolution

requested.

6. If the Association requires additional information that is necessary in order to continue processing the Association Complaint, the Association shall notify the complainant of the request within twenty-one (21) days of receipt of the completed Complaint Form. If the additional information is not received by the Association within ten (10) days of the Association's request, the Association shall send a letter notifying the complainant of the non-compliance, and close the Association Complaint.
7. Once the Association has received all of the requested information, the Association will schedule a date and time to consider the Association Complaint. Notice of the date, time, and location that the matter will be considered shall be sent to the complainant seven (7) days prior to the scheduled date.
8. After the Board of Directors makes its final determination, written notice shall be sent to the complainant within (7) seven days. The notice of final determination shall be dated as of the date of issuance and include specific citations to applicable Association governing documents, laws, or regulations that led to the final determination, as well as the registration number of the Association. If applicable, the name and license number of the common interest community manager shall also be provided.
9. The notice of final determination shall include the complainant's right to file a Notice of Final Adverse Decision with the Common Interest Community Board via the Common Interest Community Ombudsman and the applicable contact information.
10. A record of each Association Complaint filed with the association shall be maintained by the Association for one year after notice of the final determination is sent to the complainant.
11. Any correspondence required to be sent by the Association to the complainant, as set forth above, shall be hand delivered or mailed by registered or certified mail, return receipt requested, to the complainant at the address provided, or if agreed to by the complainant, by electronic means provided the Association retains sufficient proof of the electronic delivery.

B. NOTICE OF ADVERSE DECISION.

1. A complainant may file a notice of final adverse decision in accordance with Va. Code Ann. § 55-530 F concerning any final adverse decision that has been issued by the Association in response to an Association Complaint.
2. The notice shall be filed within 30 days of the date of the final adverse decision.

3. The notice shall be in writing on forms provided by the Office of the Common Interest Community Ombudsman. The notice shall include a copy of the Complaint Form, and supporting documentation, the final adverse decision, reference to the laws and regulations the final adverse decision may have violated, any supporting documentation related to the final adverse decision, and a copy of the Association's Complaint Procedure.
4. The notice shall be accompanied by a \$25 filing fee or a request for waiver.
5. The contact information for the Office of the Common Interest Community Ombudsman is as follows:

Heather Gillespie, Ombudsman
Department of Professional and Occupational Regulation
9960 Mayland Drive, Suite 400
Richmond, Virginia 23233-1463
Phone: 804-367-2941
Email: CICOmbudsman@dpor.virginia.gov

6. Upon receipt of the notice of final adverse decision from the complainant, along with the filing fee or a waiver of the filing fee approved by the Common Interest Community Board ("CIC Board"), the Office of the Common Interest Community Ombudsman shall provide written acknowledgment of receipt of the notice to the complainant and shall provide a copy of the written notice to the Association. The notice of adverse decision will not be reviewed until the filing fee has been received or a waiver of filing fee has been granted by the CIC Board.
7. Upon request, the Association shall provide information requested by the Office of the Common Interest Community Ombudsman within a reasonable time.
8. Upon review of the notice of final adverse decision in accordance with Va. Code Ann. § 55-530 G, if the Director of the Department of Professional and Occupational Regulation (the "Director") determines that the final adverse decision may be in conflict with laws or regulations governing common interest communities or interpretations thereof by the CIC Board, the Director may, in his sole discretion, provide the complainant and the Association with information concerning such laws or regulations governing common interest communities or interpretations thereof by the CIC Board.
9. The determination of whether the final adverse decision may be in conflict with laws or regulations governing common interest communities or interpretations thereof by the CIC Board shall be a matter within the sole discretion of the Director. Such decision is final and not subject to further review. As set forth in Va. Code Ann. 55-530 E, the determination of the Director shall not be binding

upon the complainant or the Association that made the final adverse decision.

C. NOTIFICATION OF COMPLAINT PROCEDURE.

1. The Complaint Procedure is available to all members of the Association and citizens upon request made to the Association's manager at Chesapeake Bay Management, Inc., 3705 Strawberry Plains Road, Ste. C, Williamsburg, VA 23188.
2. The Complaint Procedure shall be included as an attachment to the resale certificate or the association disclosure packet.

This Resolution is effective September 13, 2012.

Adopted at a meeting of the Board of Directors on September 13, 2012.

Vincent P. Schultz
President

10-11-12
Date

Attest:
William L. Linder
Secretary

10-11-2012
Date

COMPLAINT FORM

This form must be completed and signed to have your complaint processed by the Association.

Contact Information

Name of Complainant: _____

Address: _____

Telephone numbers: _____ (Home) _____ (Cell) _____ (Work)

Email address: _____

Preferred method of communication:

I request that you use my email address or

certified or registered mail, return receipt requested, to my address listed above.

Complaint

Please describe the nature of your complaint, including dates, locations and persons involved. You should include references to the specific facts and circumstances at issue. Please reference any specific documents, provisions, statutes or regulations that support your complaint. Please provide copies of any referenced documents or provisions of the documents. If the space below is insufficient, please attach a separate sheet of paper to this form.

Submission of Complaint

Submit your complaint and all attachments via US Mail or hand-delivery using the address below:

Springhill Community Homeowners Association, Inc.
c/o Chesapeake Bay Management, Inc.
3705 Strawberry Plains Road, Ste. C
Williamsburg, VA 23188

Processing of Complaint

The Association will acknowledge receipt of your complaint, in writing, within seven (7) days after receiving your complaint. If you do not receive acknowledgment of your complaint, please notify the Association immediately. If the Association requires any additional information to process your complaint, you will be notified in writing, within twenty-one (21) days of receipt of your completed Complaint Form. If the Association requests additional information you will have ten (10) days to deliver the additional information. The Board of Directors will notify you, in writing, of the date, time and location that your complaint will be considered. After final determination is made, written notice of the decision will be sent to you. All notices will be sent to you by electronic mail or mailed by registered or certified mail, return receipt requested, as you have selected above. If you did not select a preferred method of communication, notices will be mailed to you by registered or certified mail, return receipt requested.

Notice of Final Adverse Decision

Pursuant to Va. Code Ann. § 55-530F, you have the right to file a notice with the Common Interest Community Board (the "CIC Board") if you receive an Adverse decision from the Association. An Adverse decision means the final determination issued by the Association pursuant to the Association's Complaint Procedure that is opposite of, or does not provide for, either wholly or in part, the cure or corrective action sought by the complainant. In accordance with Va. Code Ann. § 55-530F, (i) your notice must be filed with the CIC Board within thirty (30) days of the date of the final adverse decision; (ii) your notice shall be in writing on forms provided by the Office of the Common Interest Community Ombudsman; (iii) your notice shall include copies of all records pertinent to the decision; and (iv) your notice shall be accompanied by a \$25.00 filing fee. Please note that the CIC Board may, for good cause shown, waive or refund the filing fee upon a finding that payment of the filing fee will cause undue financial hardship for the complainant. The notice shall be sent to the Common Interest Community Board, Department of Professional and Occupational Regulation, 9960 Mayland Drive, Richmond, VA 23233-1463. The phone number and email address for the Office of the Common Interest Community Board is (804) 367-8500 and cic@dpor.virginia.gov

Required Signature

_____ Date

_____ Printed Name

_____ Signature

THIS PAGE FOR ASSOCIATION USE ONLY

Date Complaint Received: _____

Signature and Printed Name of Person Receiving Complaint:

Signature

Printed Name

Date Acknowledgment Sent to Complainant: _____ by email by U.S. Mail

Signature and Printed Name of Person Sending Acknowledgment:

Signature

Printed Name

Date of Decision of Board of Directors: _____

Date When Decision Sent to Complainant: _____ by email by U.S. Mail

Signature and Printed Name of Person Sending Decision to Complainant:

Signature

Printed Name

Tarley Robinson, PLC
6/2012

**Springhill Community Homeowners Association, Inc.
Policy Resolution/Rules and Regulations for Springhill III**

WHEREAS, the Article IV, Section H, Land Use Classifications, Permitted Uses, Restrictions and Easements of the Declaration of Covenants, Conditions and Restrictions for Springhill III requires an Owner to keep all shrubs, trees, grass and plantings of every kind located on his Lot and in front of the line of the front of such Owner's house, or between the house and a street adjoining on the side of a Lot, neatly trimmed, properly cultivated and free of trash, weeds and other unsightly material; and

WHEREAS, Article IV, Section H, Land Use Classifications, Permitted Uses, Restrictions and Easements of the Declaration of Covenants, Conditions and Restrictions for Springhill III permits the Springhill Community Homeowners Association, Inc.(the "Association") to enter upon the Lot of an Owner to remedy any maintenance deficiency of the Owner in the event the Owner fails to do so, provided that such action is taken pursuant to a general policy approved by the Board of Directors of the Association; and

WHEREAS, pursuant to Va. Code Ann. § 55-513, the Board of Directors has the power to establish, adopt, and enforce rules and regulations with respect to use of the common areas and with respect to such other areas of responsibility assigned to the association by the Declaration; and

WHEREAS, it is in the best interest of the Association to adopt a general policy to permit the Association to remedy such maintenance deficiencies by an Owner, and it is in the best interest of the Association to establish, adopt and enforce rules and regulations with respect to Association responsibilities set forth in the Declaration.

NOW THEREFORE, it is hereby RESOLVED THAT the Board duly adopts the following policy:

Maintenance of Lawns, Plantings and Masonry

- A. Owner Responsibility. As set forth in the Declaration, an Owner shall keep all shrubs, trees, grass and plantings of every kind located on his Lot and in front of the line of the front of such Owner's house, or between the house and a street adjoining on the side of a Lot, neatly trimmed, properly cultivated and free of trash, weeds and other unsightly material.

- B. First Notice. If an Owner is not fulfilling his responsibility as set forth in the Declaration, then upon approval by the Board, the Manager shall send a letter to the Owner by certified and regular mail, setting forth the deficiency, the required cure of

the deficiency, and a reasonable deadline by which time the Owner must cure the deficiency.

- C. Final Notice. If the Owner fails to comply with the terms of the First Notice by the deadline, the Manager shall send a letter to the Owner, by certified and regular mail, notifying the Owner that the Association will cure the deficiency and the cost thereof will be assessed to the Owner.
- D. Invoice to Owner. After the Association has completed the work to cure the deficiency, the Manager shall send an invoice to the Owner by regular mail with payment of the invoice being due in 14 days. *certified and*
- E. Referral to Legal Counsel and Assessment of Charges. If payment in full is not received from the Owner within the 14 days referenced in the Invoice, the Board may direct the Manager to refer the account to legal counsel for immediate action, in which case, the following shall apply:
- I. Legal counsel is authorized, without further action of the Board, to proceed with a civil action for judgment against the Owner for the unpaid costs, attorney's fees and all additional costs of collection.
 - II. The Manager may proceed with assessing charges against the Owner for violation of the Declaration, pursuant to Virginia Code § 55-513 (B).
 - III. Before any such charges may be imposed, the Owner shall be given an opportunity to be heard and to be represented by counsel before the Board of Directors. Notice of a hearing, including the charges that may be imposed, shall be hand delivered or mailed by registered or certified mail, return receipt requested, to the Owner at the address of record with the Association at least 14 days prior to the hearing. Within seven days of the hearing, the hearing result shall be hand delivered or mailed by registered or certified mail, return receipt requested, to the Owner at the address of record with the association.
 - IV. The amount of any charges so assessed shall not be limited to the expense or damage to the Association caused by the violation, but shall not exceed \$50 for a single offense or \$10 per day for any offense of a continuing nature and shall be treated as an assessment against the Owner's Lot for the purposes of Va. Code Ann. § 55-516. However, the total charges for any offense of a continuing nature shall not be assessed for a period exceeding 90 days.

This Resolution is effective August 8, 2011.

Adopted at the meeting of the Board of Directors on August 8, 2011.

Kendall B. Warner
President

8/8/11
Date

Attested by:
Bill Sumner
Secretary

8-8-2011
Date

This Resolution is the property of the Board of Directors ("Board") of "Springhill Community Homeowners Association, Inc. This document may not be copied, edited, modified or reproduced without the Board's prior written permission. Original revision dated March 8, 2012.

**RESOLUTION of the Board of Directors
Of the
SPRINGHILL COMMUNITY HOMEOWNERS ASSOCIATION, INC.**

(Policy for Records Inspection and Cost Schedule)

WHEREAS, Section 55-510(D) of the Code of Virginia of The Virginia Property Owners' Association Act provides that associations shall establish a Policy for Records Inspection and a Cost Schedule; and

WHEREAS, a copy of this resolution shall be provided to all current Owners using the association's established reasonable, effective and free method, which is appropriate to the size and nature of the association and to all future owners by including the Resolution in resale disclosure packages prepared pursuant to section 55-509.5 of Virginia Code; and

WHEREAS, the Board of Directors of Springhill Community Homeowners Association, Inc. desires to create and establish a policy and procedure by which association members in good standing may access association books and records for predetermined fees in accordance with state and local regulations; and

THEREFORE, BE IT RESOLVED that the Board of Directors of the Association does hereby adopt the attached Policy for Records Inspections and Cost Schedule adopted by the Board of Directors of the Association on March 8, 2012.

IN WITNESS WHEREOF the Board of Directors of Springhill Community Homeowners Association, Inc. has set their hands on this 8th day of March, 2012.

Vincent Schultz
Director

VINCENT SCHULTZ, President
Director (print name)

Gail W Holzworth
Director

GAIL W. HOLZ WORTH
Director (print name)

M. Fonner
Director

Margaret J. Fonner
Director (print name)

Bill Sumler
Director

BILL SUMLER - SECRETARY
Director (print name)

Director

Director (print name)

Springhill Community Homeowners Association, Inc.

Policy for Records Inspections and Cost Schedule

Adopted by the Board of Directors of the Association on: March 8, 2017

1. In accordance with §55-510(D) of the Virginia Property Owners Association Act, prior to allowing inspection and/or providing copies of any books and records to a member of the Association who requested the same in accordance with the provisions of §55-510 and §13.1-933 of the Code of Virginia, as amended, the Association shall impose and collect a charge for both of the following:

a. for the labor costs associated with the Association's employees and/or agents complying with such copying and production:

- i. Administrative staff at \$25.00 per hour
- ii. Junior Manager at \$50.00 per hour
- iii. Senior Manager at \$75.00 per hour
- iv. Bookkeeper at \$35.00 per hour

b. for the costs of materials, \$.10 cents per page, for the cost of black and white copies, and \$.95 per page, for the cost of color copies. Copies of documents larger in width and/or length than standard (8 1/2 x 11) copy paper and/or legal-sized paper shall be charged at a rate that shall be determined by the Association in its discretion, but in no case shall the rate be greater than the actual copying cost thereof.

2. This cost schedule shall apply equally to all members of the Association in good standing and this schedule shall be provided to a requesting member at the time a request is made.

3. Inspection and/or copy services shall be commenced only after an owner has complied with the requirement of Section 55-510 B which requires that the request is for a proper purpose related to membership in the Association

4. The right of examination may be exercised only during business hours at the office of the association and upon at least five (5) days written notice reasonably identifying the purpose for the request and the specific books and records requested.

5. The furnishing of records is subject to the right of the Association to withhold certain records pursuant to Section 55-510(C) of the Act. The following records may be withheld from examination or copying by owners and contract purchasers:

a. drafts not yet incorporated into the owners' association's books and records or if such books and records concern;

b. personnel matters relating to specific, identified persons or a person's medical records;

c. contracts, leases, and other commercial transactions to purchase or provide goods or services, currently in or under negotiation;

d. Pending or probable litigation where there has been a specific threat of litigation from a party or the legal counsel of a party;

e. matters involving state or local administrative or other formal proceedings before a government tribunal for enforcement of the Declaration, Bylaws, Articles of Incorporation or rules and regulations;

f. communications with legal counsel which relates to subdivisions a through d or which is protected by the attorney-client privilege or the attorney work product doctrine;

g. disclosure of information in violation of law;

h. meeting minutes or other confidential records of an executive session of the executive organ;

i. documentation, correspondence or management or executive organ reports compiled for or on behalf of the owners' association or the executive organ by its agents or committees for consideration by the executive organ in executive session; and

j. individual owner or member files, other than those of the requesting owner, including any individual owner's files kept by or on behalf of the owners' association.

Springhill Community Homeowners Association, Inc.
Policy Resolution/Rules and Regulations for Springhill

WHEREAS, the Article VIII, Owner's Responsibility, Section 1, Mowing and Property Maintenance of the Amended and Restated Declaration of Covenants, Conditions and Restrictions of Springhill requires owners to keep all shrubs, trees, grass and plantings of every kind located on their Lots neatly trimmed, properly cultivated and free of trash, weeds and other unsightly material; and

WHEREAS, the Article VIII, Owner's Responsibility, Section 4, Association Action, if any owner shall fail to maintain such Owner's Lot as required by the Governing Documents, then the Board of Directors may, pursuant to resolution, give notice to the Owner of the condition identified, specifying generally the action to be taken to rectify that condition. Of the Owner fails to take the actions specified by the Board of Directors or to otherwise rectify the condition within thirty (30) days after the date the notice is given, or such other period as may be specified in the notice, if the circumstances warrant a different time period, the Board of Directors shall have the right, but not the obligation, to rectify that condition by taking such action or by causing such action to be taken as was specified in the notice; and

WHEREAS, pursuant to Va. Code Ann. 55-513, the Board of Directors has the power to establish, adopt, and enforce rules and regulations with respect to use of the common areas and with respect to such other areas of responsibility assigned to the association by the Declaration; and

WHEREAS, it is in the best interest of the Association to adopt a general policy to permit the Association to remedy such maintenance deficiencies by an Owner, and it is in the best interest of the Association to establish, adopt and enforce rules and regulations with respect to Association responsibilities set forth in the Declaration.

NOW THEREFORE, it is hereby RESOLVED THAT the Board duly adopts the following policy:

Mowing and Property Maintenance

- A. Owner Responsibility. As set forth in the Declaration, owners to keep all shrubs, trees, grass and plantings of every kind located on their Lots neatly trimmed, properly cultivated and free of trash, weeds and other unsightly material.
- B. First Notice. If an Owner is not fulfilling his responsibility as set forth in the Declaration, then upon approval by the Board, the Manager shall send a letter to the Owner by certified and regular mail, setting forth the deficiency, the required cure of the deficiency, and a reasonable deadline by which time the Owner must cure the deficiency.
- C. Final Notice. If the Owner fails to comply with the terms of the First Notice by the deadline, the Manager shall send a letter to the Owner, by certified and regular mail, notifying the Owner that the Association will cure the deficiency and the cost thereof will be assessed to the Owner.

- D. Invoice to Owner. After the Association has completed the work to cure the deficiency, the Manager shall send an invoice to the Owner by certified and regular mail with payment of the invoice being due in 14 days.
- E. Referral to Legal Counsel and Assessment of Charges. If payment in full is not received from the Owner within the 14 days referenced in the Invoice, the Board may direct the Manager to refer the account to legal counsel for immediate action, in which case, the following shall apply:
- I. Legal counsel is authorized, without further action of the Board, to proceed with a civil action for judgment against the Owner for the unpaid costs, attorney's fees and all additional costs of collection.
 - II. The Manager may proceed with assessing charges against the Owner for violation of the Declaration, pursuant to Virginia Code 55-513 (B).
 - III. Before any such charges may be imposed, the Owner shall be given an opportunity to be heard and to be represented by counsel before the Board of Directors. Notice of a hearing, including the charges that may be imposed, shall be hand delivered or mailed by registered or certified mail, return receipt requested, to the Owner at the address of record with the Association at least 14 days prior to the hearing. Within seven days of the hearing, the hearing result shall be hand delivered or mailed by register or certified mail, return receipt requested, to the Owner at the address of record with the association.
 - IV. The amount of any charges so assessed shall not be limited to the expense or damage to the Association caused by the violation, but shall not exceed \$50 for a single offense or \$10 per day for any offense of a continuing nature and shall be treated as an assessment against the Owner's Lot for the purposes of Va. Code Ann. 55-516. However, the total charges for any offense of a continuing nature shall not be assessed for a period exceeding 90 days.

This Resolution is effective April 12, 2012.

Adopted at the meeting of the Board of Directors on April 12, 2012.

Vincent Schultz
President

4-12-12
Date

Attested by:

Russ Sumler
Secretary

4-12-2012
Date

EXHIBIT 12

Right of Way Agreement

012360



VIRGINIA POWER

CCR 16-10-04

THIS RIGHT OF WAY AGREEMENT, is made and entered into this 28th day of July 19 94, by and between

SPRING HILL DEVELOPMENT CO., L.L.C.

("GRANTOR") and VIRGINIA ELECTRIC AND POWER COMPANY, a Virginia public service corporation, doing business in Virginia as Virginia Power, with its principal office in Richmond, Virginia ("GRANTEE").

RECITALS

WHEREAS, GRANTOR is developing a tract or tracts of land and intends to subdivide said tract into smaller lots thereof; and,

WHEREAS, GRANTEE desires to install facilities upon such land for the purpose of providing electricity to the buildings to be constructed upon each subdivided lot; and,

WHEREAS, GRANTEE's facilities will consist of a primary distribution line ("Primary Line") to be installed contemporaneously with the development of the tract or tracts of land; and,

WHEREAS, GRANTEE's facilities will also consist of a number of service lines, each of which such lines will connect the building or buildings constructed on each lot with the Primary Line ("Service Lateral"); and,

WHEREAS, the course and width of the easement for the Primary line can be specified herein; and,

WHEREAS, the course and width of the applicable easement for each Service Lateral is dependent upon the number of lots into which the tract or tracts are subdivided, the nature and location of the building or buildings actually constructed upon each such lot and cannot be specified until such time as each building is being constructed.

Initials: _____



VIRGINIA POWER

Right of Way Agreement

COR 16-10-04

WITNESSETH:

NOW, THEREFORE, because of the above Recitals which are incorporated herein and for and in consideration of the sum of One Dollar (\$1.00) cash in hand paid and other good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged:

1. GRANTOR grants and conveys unto GRANTEE, its successors and assigns the perpetual right, privilege and easement over, under, through and across the property described herein, for the purpose of transmitting and distributing electric power by one or more circuits; for its own telephone, television and other communication purposes; for lighting purposes; and for the attachment of the wires and facilities of any other public service company, including but not limited to the right to lay, construct, operate and maintain one or more lines of underground conduits and cables including, without limitation, one or more lighting supports and lighting fixtures as GRANTEE may from time to time determine, and all wires, conduits, cables, transformers, transformer enclosures, concrete pads, manholes, handholes, connection boxes, ground connections, meters, attachments, equipment, accessories and appurtenances desirable in connection therewith.

2. The easement granted herein for the Primary Line shall be fifteen
(15) feet in width at specified locations ("Designated Easement") and the easements granted herein for each Service Lateral shall extend at a presently unspecified width at an unspecified location on each lot ("Undesignated Easements") across the lands of GRANTOR, situated in James City County, Virginia, as more fully described on Plat No. 28-94-0089, which is attached to and made a part of this Right of Way Agreement; the location of the boundaries of said Designated Easement being shown in broken lines on said Plat, reference being made thereto for a more particular description thereof; and the location of such Undesignated Easements being at one location on each lot shown on such Plat, such location to be selected by GRANTEE, and extending from the Designated Easement to the proposed improvement on each such lot, the center line of which shall be determined by GRANTEE's facilities as actually installed.

3. All facilities constructed hereunder shall remain the property of GRANTEE. GRANTEE shall have the right to inspect, reconstruct, remove, repair, improve, relocate on the easement, and make such changes, alterations, substitutions, additions to or extensions of its facilities as GRANTEE may from time to time deem advisable.

4. GRANTEE shall have the right to keep the easement clear of all buildings, structures, trees, roots, undergrowth and other obstructions which would interfere with its exercise of the rights granted hereunder, including without limitation the right to trim, top, retrim, retop, cut and keep clear any trees or brush inside and

Initials: MMJ

Form No. 725-01 (Aug 81)
Formerly 720-001
Designated/Undesignated Easement
Page 2 of 12 Pages



VIRGINIA POWER

Right of Way Agreement

COR 16-10-04

outside the boundaries of the easement that may endanger the safe and proper operation of its facilities. All trees and limbs cut by GRANTEE shall remain the property of GRANTOR.

5. For the purpose of exercising the rights granted herein, GRANTEE shall have the right of ingress to and egress from this easement over such private roads as may now or hereafter exist on the property of GRANTOR. The right, however, is reserved to GRANTOR to shift, relocate, close or abandon such private roads at any time. If there are no public or private roads reasonably convenient to the easement, GRANTEE shall have such right of ingress and egress over the lands of GRANTOR that are adjacent to the easement. GRANTEE shall exercise such rights in such manner as shall occasion the least practicable damage and inconvenience to GRANTOR.

6. GRANTEE shall repair damage to roads, fences or other improvements outside the boundaries of the easement and shall repair or pay GRANTOR, at GRANTEE's option, for other damage done to GRANTOR's property outside the boundaries of the easement caused by GRANTEE in the process of the construction, inspection, and maintenance of GRANTEE's facilities, or in the exercise of its right of ingress and egress; provided GRANTOR gives written notice thereof to GRANTEE within sixty (60) days after such damage occurs.

7. GRANTOR, its successors and assigns, may use the easement for any reasonable purpose not inconsistent with the rights hereby granted, provided such use does not interfere with GRANTEE's exercise of any of its rights granted hereunder. GRANTOR shall not have the right to construct any building, structure, or other above ground obstruction on the easement; provided, however, GRANTOR may construct on the easement fences and below ground obstructions as long as said fences and below ground obstructions do not interfere with GRANTEE's exercise of any of its rights granted hereunder. In the event such use does interfere with GRANTEE's exercise of any of its rights granted hereunder, GRANTEE may, in its reasonable discretion, relocate such of its facilities as may be practicable to a new site designated by GRANTOR and acceptable to GRANTEE. In the event any such facilities are so relocated, GRANTOR shall reimburse GRANTEE for the costs thereof and convey to GRANTEE an equivalent easement at the new site.

8. GRANTEE shall have the right to assign or transfer, without limitation, to any public service company all or any part of the perpetual right, privilege and easement granted herein.

9. If there is an Exhibit A attached hereto, then the easement granted hereby shall additionally be subject to all terms and conditions contained therein provided said Exhibit A is executed and acknowledged by GRANTOR contemporaneously herewith and is recorded with and as a part of this Right of Way Agreement.

10. Whenever the context of this Right of Way Agreement so requires, the singular number shall mean the plural and the plural the singular.

Initials: MMH

Form No. 728-004 (Rev. 91)
 Company 728004
 Designated/Designated Easement
 Page 3 of 4 Pages

Right of Way Agreement



VIRGINIA POWER

COR 16-10-04

State of Virginia

City/County of Newport News

The foregoing instrument was acknowledged before me this 7th day of July

by Myrl L. Harfield

Devin S. Smith
Notary Public



My commission expires: 8/31/15

State of _____

City/County of _____

The foregoing instrument was acknowledged before me this _____

by _____

Notary Public

My commission expires: _____

State of _____

City/County of _____

The foregoing instrument was acknowledged before me this _____

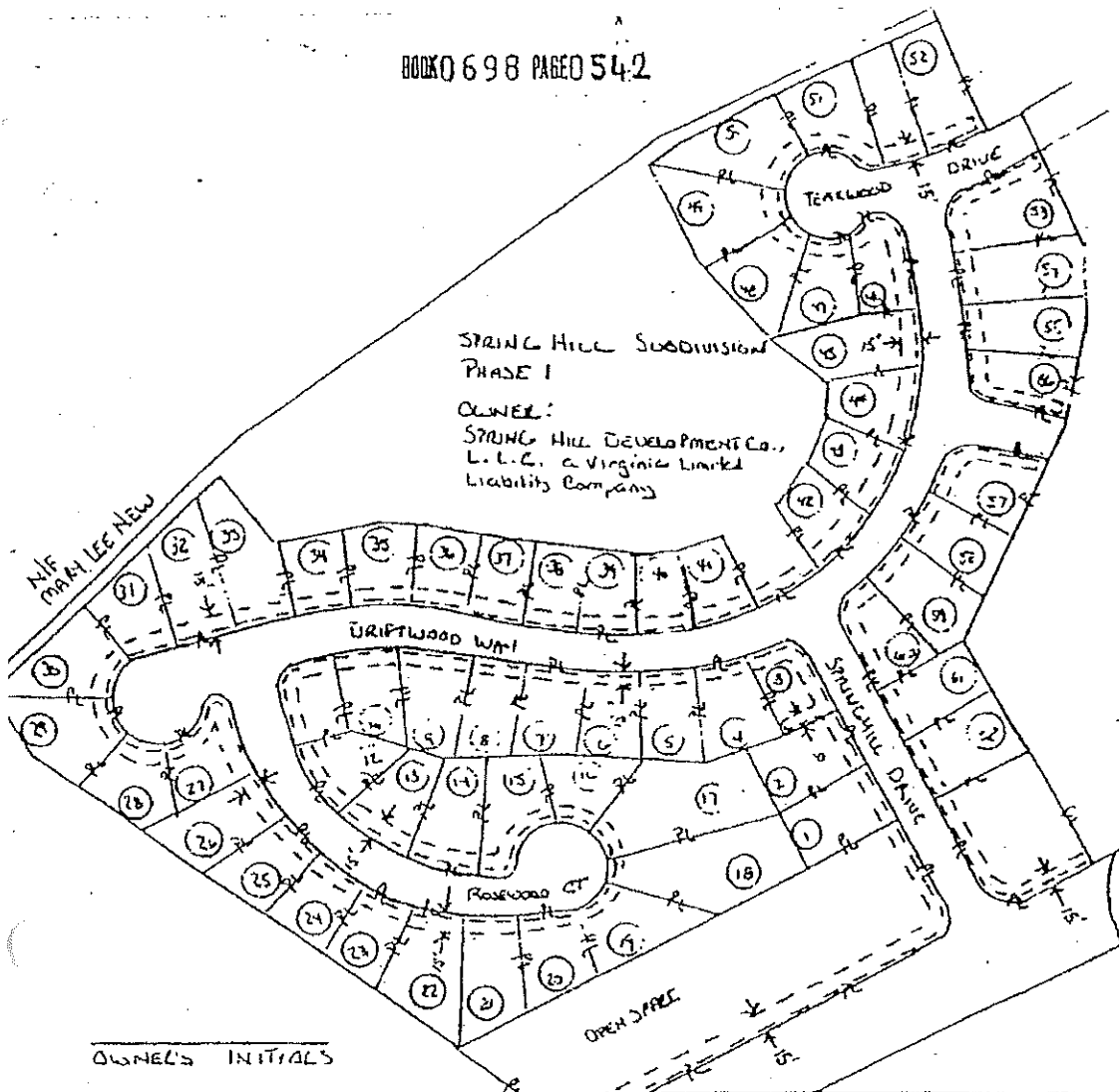
by _____

Notary Public

My commission expires: _____

SPRING HILL SUBDIVISION
PHASE I

OWNER:
SPRING HILL DEVELOPMENT CO.,
L.L.C. a Virginia Limited
Liability Company



OWNER'S INITIALS

Plat to Accompany
Right of Way Agreement

CCR 16

| | | |
|-------------------------------------|---------------------------|-------|
| Virginia Electric and Power Company | | |
| UNDERGROUND | | |
| District WILLIAMSBURG | | |
| District-Township-Borough | County-City | State |
| | JAMES CITY CO | VA |
| Office WILLIAMSBURG | Plat Number 28-94-0089 | |
| Estimate Number 28-406-00106 | Grid Number M1737 | |
| Date 7/1/64 By R. Smith | | |

gond

Location of Boundary Lines of Right of Way
15' 1/2' WIDTA
INDICATES PROPERTY LINE IS
RIGHT OF WAY BOUNDARY

P. 5 of 6

AFFIDAVIT

I, Myrl L. Hairfield, first being duly sworn, state as follows:

1. I am a Manager of Spring Hill Development Co., LLC
2. The Operating Agreement of the LLC dated September 28, 1993, has not been amended.
3. No member of the LLC has died, resigned or been expelled.
4. No member of the LLC is subject to a bankruptcy proceeding.
5. The LLC has not been dissolved.

Myrl L. Hairfield
 Myrl L. Hairfield

STATE OF VIRGINIA
 CITY OF Newport News

Sworn and subscribed to before me in my jurisdiction aforesaid
 this 7 day of July, 1994

Oliver S. Frank
 Notary Public



VIRGINIA - City of Williamsburg and County of James City

In the presence of My commission expires of the
 City of Williamsburg and County of James City
2 of July 19 94 RW
Witness presented with certificate and
 admitted to record to 114 Clerk
 Teste: Helena S. V. Clerk
 by Helena S. V.
 Deputy Clerk

8/31/95

P. 60FL

PLAT 698-542
 DB

EXHIBIT 13

BURIED CABLE

This Deed of Easement, made this 18th day of May, 1994, between THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY OF VIRGINIA, hereinafter called "GRANTEE" and Springhill Development Company, LLC - c/o Langley and McDonald, P.C. 201 Packets Court, Williamsburg, Virginia 23185

successors or assigns hereinafter called "GRANTOR".

WITNESSETH

Received of THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY OF VIRGINIA One Dollar (\$1.00) in consideration of which the undersigned hereby grant and convey unto said Company, its successors, assigns, lessees and agents, a right of way and easement to construct, operate, maintain, replace and remove a communication system consisting of such buried cables, buried wires, posts, terminals, location markers, and other appurtenances, as the grantees may from time to time require, upon under, across, and over the land which the undersigned own or in which the undersigned have any interest; said land being located in the District of Berkeley, County of James City, and State of Virginia, and upon, under, along and over the roads, streets and highways adjoining the said land, together with the following rights: Of ingress and egress over, under and across the lands of the undersigned to and from said systems for the purpose of exercising the rights herein granted; to open and close fences, cut down and keep cut down all trees and undergrowth within feet of said system: and to carry in said system the wires, cables, circuits and appurtenances of any other Company; including all electric wires. Said easement being located and described on said land as follows:

Springhill Phase I - a ten (10') foot easement as shown on Exhibit "A" which is attached hereto and made a part hereof.

Witness _____ hand and seal this _____ day of _____, 19____.

SPRINGHILL Developments Co. LLC
by Maryl L. Hanfield, manager (Seal)
Grantor

Grantor (Seal)

State of Virginia, County of James City,

To Wit:

I, Dianne H. McClanahan, a Notary Public of the State of Virginia in and for the County of James City aforesaid, do hereby certify that Maryl L. Hanfield

whose name Maryl L. Hanfield signed to the within writing bearing date on the 25th day of May, 1994 has acknowledged the same before me in my County and State aforesaid.

Given under my hand 25th this May day of May, 1994.

Dianne H. McClanahan
Notary Public

My commission expires ~~October~~ 31st day of October, 1996.

State of Virginia, _____ of _____,

To Wit:

I, _____, a _____ of the State of Virginia in and for the _____ aforesaid, do hereby certify that _____

whose name _____ signed to the within writing bearing date on the _____ day of _____, 19____ has acknowledged the same before me in my _____ and State aforesaid.

VIRGINIA: City of Williamsburg and County of James City, to WIT:

In the Clerk's office of the _____
City of Williamsburg and County of James City

My commission expires 13 day of June, 1994. This 13th day of _____, 19____.

_____ as presented with certificate annexed and admitted to record at 9:18 o'clock

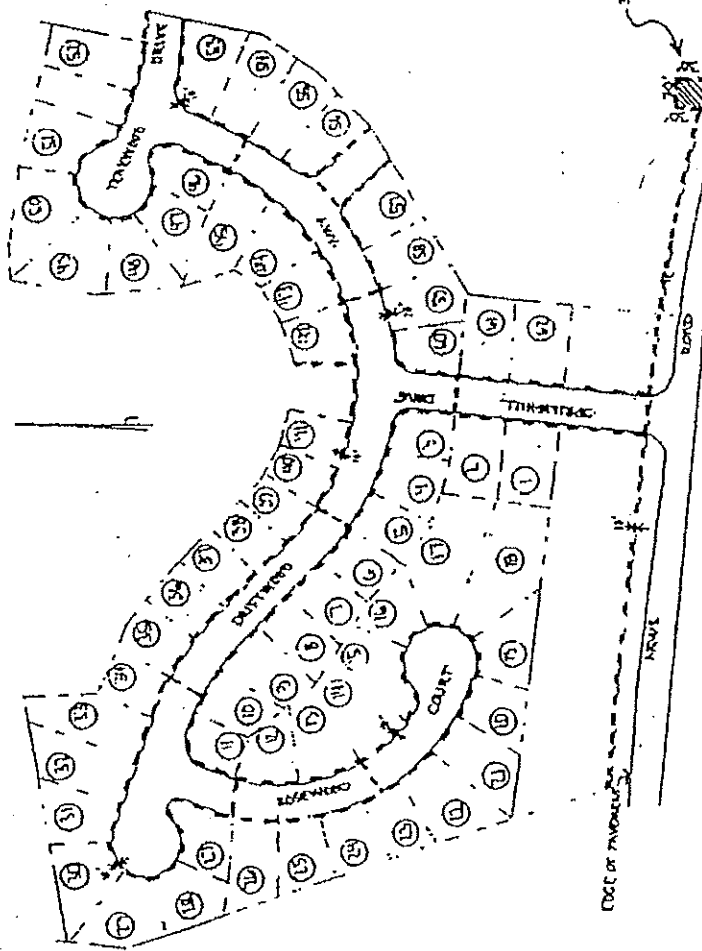
Tells: Helena S. Williams
Deputy Clerk

PLAT RECORDED IN
BK. NO. 692 PAGE 83

BOOK 0692 PAGE 0836

STRAUGHILL
PHASE I

EXHIBIT "A"



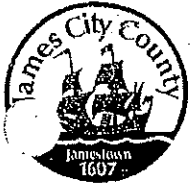
| |
|------------------------------------|
| THE ENGINEER AND SURVEYOR |
| FRANK W. MC BRIDE |
| DISTRICT OF COLUMBIA |
| CITY OF WASHINGTON |
| PERMIT NO. DC 55501572 |
| PROPOSED DEVELOPMENT DATE 11/16/19 |

NOT TO SCALE

15' = 1" (1/4" = 15')

PLAN TO ACCOMPANY
BY SURVEY

EXHIBIT 14



DEVELOPMENT MANAGEMENT

101-E MOUNTS BAY ROAD, P.O. BOX 8784, WILLIAMSBURG, VIRGINIA 23187-8784
(757) 253-6671

ENVIRONMENTAL DIVISION
(757) 253-6670
ENVIRON@JAMES-CITY.VA.US

PLANNING
(757) 253-6685
PLANNING@JAMES-CITY.VA.US

COUNTY ENGINEER
(757) 253-6678

E-MAIL: devtman@james-city.va.us
FAX: (757) 259-4032

MOSQUITO CONTROL
(757) 259-4116

January 4, 2007

RE: Notification of Resource Protection Area (RPA)

Dear Property Owner:

James City County has an extensive amount of water and wetland resources; environmental features that play a vital role in James City County's effort to protect the Chesapeake Bay. These features, as well as a 100-foot buffer area adjacent to and extending landward from them, are protected by the County's Chesapeake Bay Preservation Ordinance and are collectively called the Resource Protection Area (RPA).

RPAs are comprised of lands that have an intrinsic water quality value or are sensitive to development impact, which may degrade the quality of state waters. Examples of RPAs are tidal shores, tidal wetlands, nontidal wetlands, and perennial streams.

County records indicate that an RPA may be located on property you own in James City County. The James City County Property Information website can be consulted to view the potential RPA on your property. The following web address will take you to the property information site: <http://regis.state.va.us/jcc/public/ieprop.htm> It is important for you to know that these protected RPAs are to remain in their undisturbed natural state by ordinance (Chapter 23 of the James City County Code.) The following web address will take you to the county code site: <http://www.iccegov.com/government/county-attorney/county-code.html> Prior to removing any vegetation from the RPA, contact the James City County Environmental Division at (757) 253-6670. The Division will provide guidance regarding your inquiries.

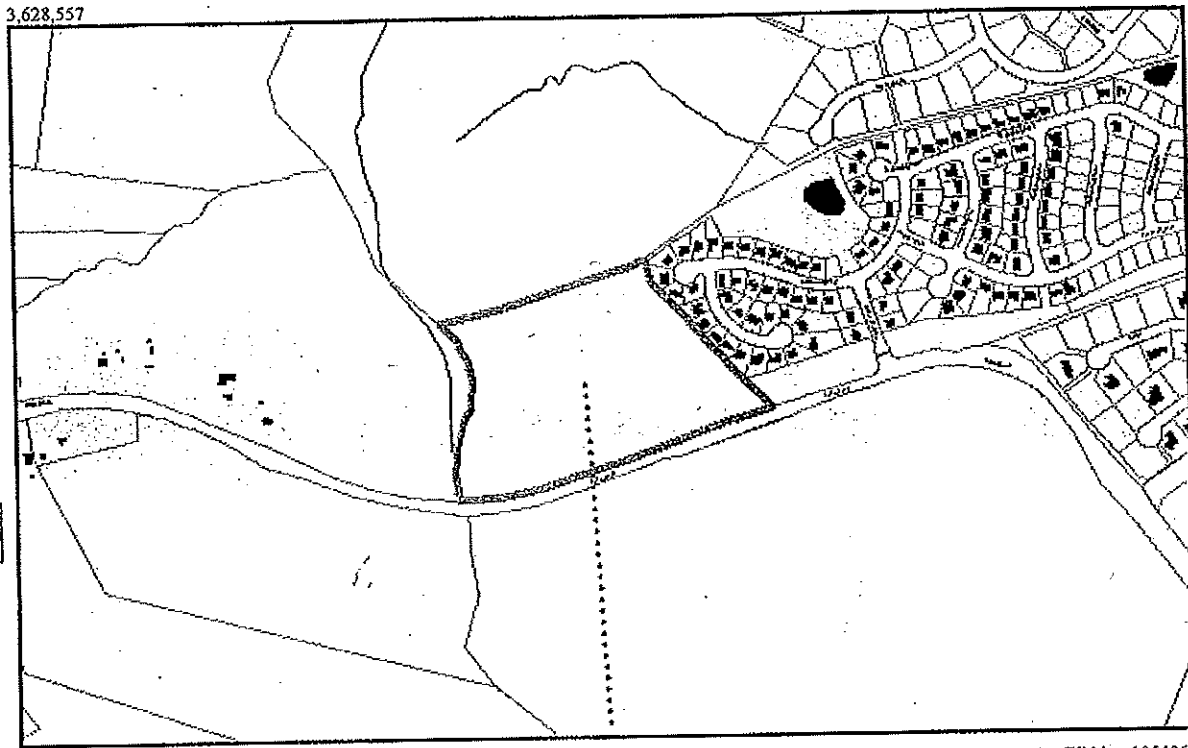
This letter is intended to be official notification that this resource may exist on your property. This information should be disclosed to any future purchaser of your property. In order for the Ordinance to be successful, we ask all present owners to be sure to disclose to future owners that an RPA exists on the property. With your help, we can protect the Bay by preserving these important and sensitive buffer systems.

Sincerely,

Darryl E. Cook

Darryl E. Cook
Environmental Director

James City County, VA



3,628,557

3,628,557
11,979,405

N

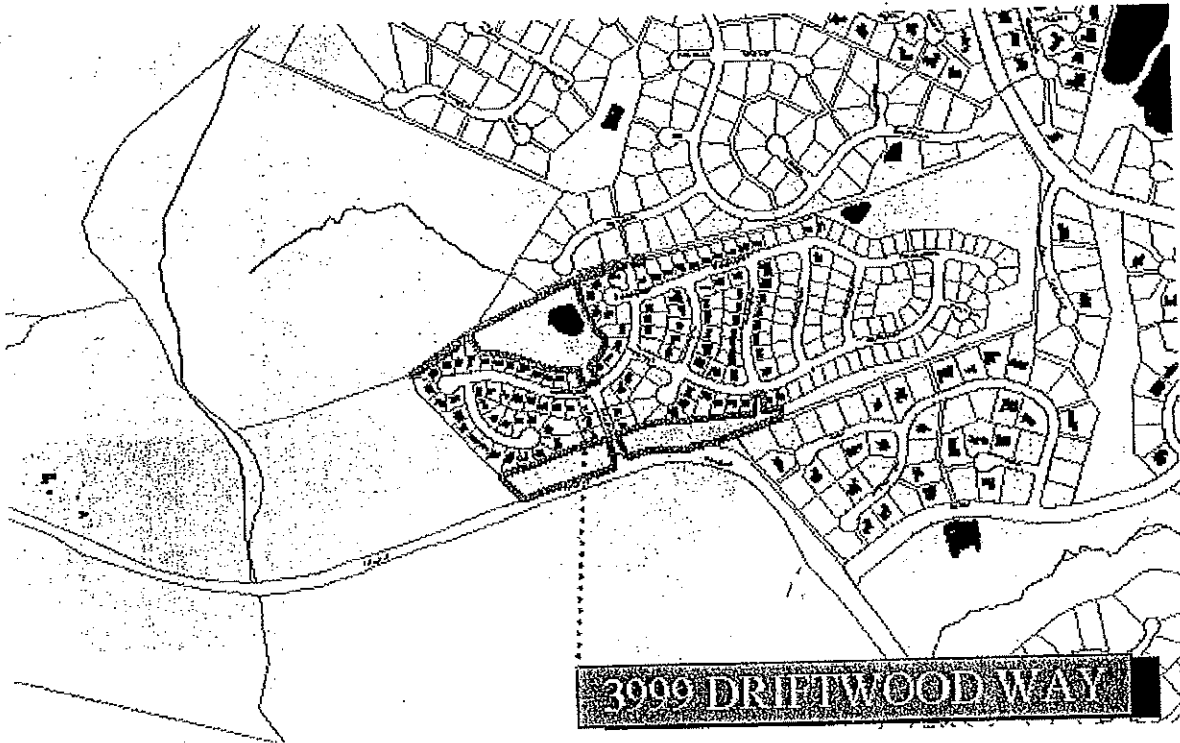
Map Width = 185486'
11,983,670

Print Page

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| | | | |
|-------------------------------------|--------------------------------------|------------------------------|------------------------------------|
| Parcel ID | 371060001B | RPC Number | 15544 |
| Owner | SPRINGHILL HOMEOWNERS ASSOCIATION, I | Property Address | |
| Neighborhood Name | | Legal Description | OPEN SPACE PARCEL D P-1 SPRINGHILL |
| Acres | 19.520 | Land Value (7/1/2006) | \$0 |
| Improvement Value (7/1/2006) | \$0 | Total Value (7/1/2006) | \$0 |
| Election District | Powhatan | VA House District | 96 |
| Census Tract # | 802.01 | Polling Place | Greensprings Chapel |
| Voting Precinct | Powhatan C | Elementary School | D. J. Montague |
| Middle School | James Blair | High School | Jamestown |
| Primary Service Area | Yes | Agricultural & Forestal Dist | |
| Agricultural & Forestal Dist Number | | Zoning | R2 |
| Improvement Size | nbsp; | Year Built | |

James City County, VA



3,628,972
11,980,885

Map Width = 5797
11,986,844

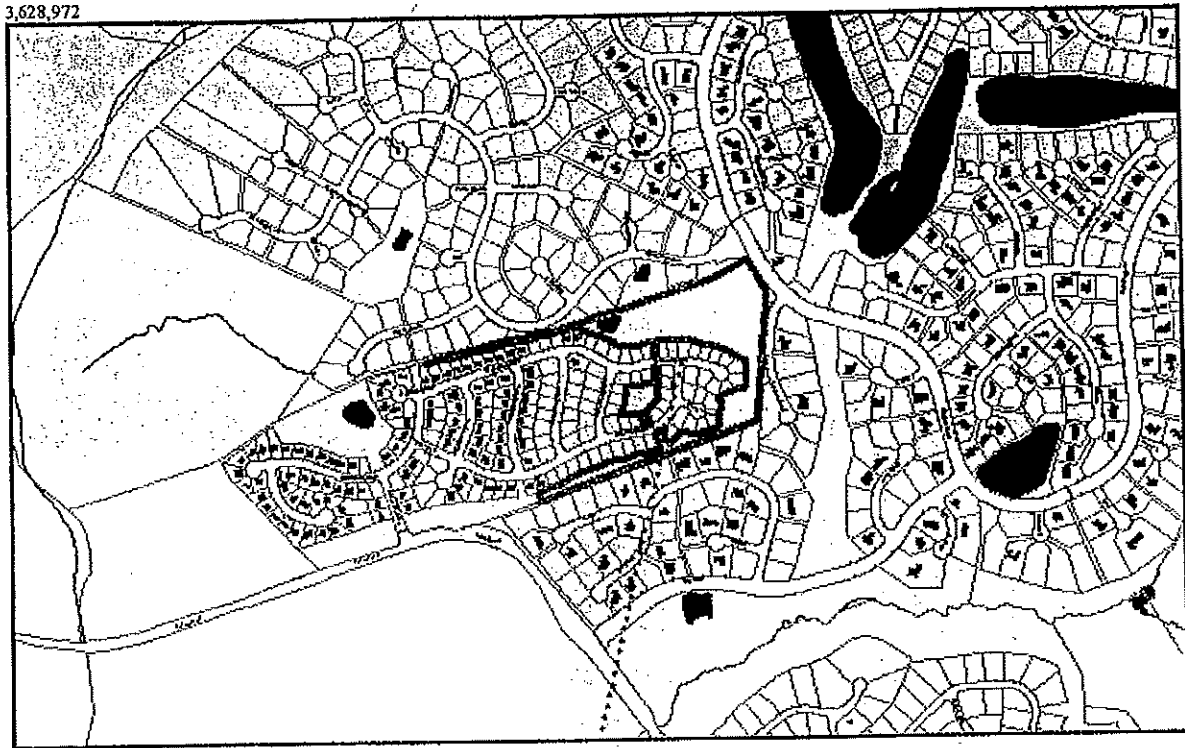


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| | | | |
|-------------------------------------|--------------------------------------|------------------------------|---|
| Parcel ID | 371060001A | RPC Number | 15543 |
| Owner | SPRINGHILL HOMEOWNERS ASSOCIATION, I | Property Address | 3999 DRIFTWOOD WAY |
| Neighborhood Name | | Legal Description | OPEN SPACE A,B,C PARCEL 1 P-1 & PARCEL D P-2 SPRINGHILL |
| Acres | 8.596 | Land Value (7/1/2006) | \$0 |
| Improvement Value (7/1/2006) | \$0 | Total Value (7/1/2006) | \$0 |
| Election District | Powhatan | VA House District | 96 |
| Census Tract # | 802.01 | Polling Place | Greensprings Chapel |
| Voting Precinct | Powhatan C | Elementary School | D. J. Montague |
| Middle School | James Blair | High School | Jamestown |
| Primary Service Area | Yes | Agricultural & Forestal Dist | |
| Agricultural & Forestal Dist Number | | Zoning | R2 |
| Improvement Size | nbsp; | Year Built | |

James City County, VA



3,628,972

3,628,972

11,980,885

N

Map Width = 5797

11,986,844

Print Page

Close Page

| | | | |
|-------------------------------------|--------------------------------------|------------------------------|-------------------------------|
| Parcel ID | 3720900001A | RPC Number | 24241 |
| Owner | SPRINGHILL II HOMEOWNERS ASSOCIATION | Property Address | |
| Neighborhood Name | | Legal Description | OPEN SPACE P-3 & 4 SPRINGHILL |
| Acres | 11.272 | Land Value (7/1/2006) | \$0 |
| Improvement Value (7/1/2006) | \$0 | Total Value (7/1/2006) | \$0 |
| Election District | Powhatan | VA House District | 96 |
| Census Tract # | 802.01 | Polling Place | Greensprings Chapel |
| Voting Precinct | Powhatan C | Elementary School | D. J. Montague |
| Middle School | James Blair | High School | Jamesstown |
| Primary Service Area | Yes | Agricultural & Forestal Dist | |
| Agricultural & Forestal Dist Number | | Zoning | R2 |
| Improvement Size | When | Year Built | |

VIRGINIA: CITY OF WILLIAMSBURG & COUNTY OF JAMES CITY

This document was admitted to record on 19 March 07

at 9:58 AM/PM. The taxes imposed by Virginia Code section 58.1-801, 58.1-802 & 58.1-814 have been paid.

STATE TAX LOCAL TAX ADDITIONAL TAX

\$ _____ \$ _____ \$ _____
 TESTE: BETSY B. WOOLRIDGE, CLERK

BY Betsy B Woolridge Clerk

COMMONWEALTH OF VIRGINIA



OFFICIAL RECEIPT
WILLIAMSBURG/JAMES CITY COUNTY CIRCUIT
DEED RECEIPT

DATE: 03/19/07 TIME: 09:58:08 ACCOUNT: B30CLR070007B77 RECEIPT: 07000012220
CASHIER: CHR REG: WD45 TYPE: DEC PAYMENT: FULL PAYMENT
INSTRUMENT : 070007B77 BODY: PAGE: RECORDED: 03/19/07 AT 09:58
GRANTOR: SPRINGHILL HOMEOWNERS ASSOCIATION INC EX: N LOC: CO
GRANTEE: SPRINGHILL III COMMUNITY ASSOCIATION INC EX: N PCT: 100%
AND ADDRESS :
RECEIVED OF : SPRINGHILL COMMUNITY HOA DATE OF DEED: 08/24/06
CHECK: \$55.00
DESCRIPTION 1: SPRINGHILL COMMUNITY HOMEOWNERS ASSOCIATION PAGES: 104
2: INC RANES: 0
CONSIDERATION: .00 A/VAL: .00 MAF:
PIN:
301 DEEDS 48.50 145 VSLF 1.50
106 TECHNOLOGY TRST FND 5.00
TENDERED : 55.00
AMOUNT PAID: 55.00
CHANGE AMT : .00

CLERK OF COURT: BETSY B. WOOLRIDGE

Jg. Brown
EW - Brook Real Estate

EXHIBIT 15

Reserve Advisors

This Report contains intellectual property developed by Reserve Advisors, Inc. specific to this engagement and can not be reproduced or distributed to those who conduct reserve studies without the written consent of Reserve Advisors, Inc. See the Professional Service Conditions of the Proposal and this Report for details concerning the use of this Report.

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Corporate Office: 1.800.221.9882

Florida Office: 1.800.980.9881

July 23, 2009

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North Carolina
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Ohio
Oklahoma
Oregon
Pennsylvania
Rhode Island
South Carolina
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Texas
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Virginia
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West Virginia
Wisconsin
Canada

**Springhill Homeowners Association, Inc.
Williamsburg, Virginia**

EXECUTIVE SUMMARY

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Precision 20/20 Full Reserve Study* of Springhill Homeowners Association, Inc. (Springhill) located in Williamsburg, Virginia and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, April 21, 2009. This Reserve Study is a budget planning tool that identifies the current status of the reserve fund and a stable and equitable Reserve Funding Plan to offset the anticipated future major common area expenditures.

This study is in compliance with and exceeds the standards set forth by Community Associations Institute (CAI) and the Association of Professional Reserve Analysts (APRA) fulfilling the requirements of a "Full Reserve Study." For brevity, we use the term Reserve Study herein. A Reserve Study comprises two parts:

Physical Analysis

- Component Inventory
- Condition Assessment
- Estimated Useful Life, Remaining Useful Life and Replacement Cost

Financial Analysis

- Fund Status
- Funding Plan

Exhibit B presents the numerical data of the Physical and Financial Analyses.

Reserve Advisors, Inc.
Final Report

Springhill Homeowners Association, Inc. is a planned unit development which is responsible for the common elements shared by 190 single family homes. The Association was built from 1994 to 1995. The development contains concrete drainage swales, two ponds and traffic signs. We identify 7 major common elements that are likely to require capital repair or replacement during the next 30 years.

The projected cash status of the reserve fund, as of December 31, 2009, as provided by Management and the Board is \$2,500. If the Association were to continue to fund reserves at its 2009 budgeted amount of \$1,527, the reserve fund would incur a potential shortage by 2013.

The Funding Goal of this Reserve Study is to keep the reserve balance above an adequate, not excessive threshold when reserves are needed the most due to one or more years of significant expenditures. Our recommended Funding Plan recognizes this threshold or critical point in 2014.

Springhill can fund capital repairs and replacements in any combination of the following:

- 1) Special assessments or increases in the operating budget during years when the shortages occur
- 2) Loans using borrowed capital for major replacement projects
- 3) Level monthly reserve assessments annually adjusted upward for inflation to increase reserves to fund the expected major future expenditures

We do not advocate special assessments or loans unless near term circumstances dictate otherwise. Although loans provide a gradual method of funding a replacement, the costs are higher than if the Association were to accumulate reserves ahead of the actual replacement. Interest earnings on reserves also accumulate in this process of saving or reserving for future

Reserve Advisors, Inc.
Final Report

replacements, thereby defraying the amount of gradual reserve collections. We advocate the third method of *Level Monthly Reserve Assessments* with relatively minor annual adjustments. The method ensures that homeowners pay their "fair share" of the weathering and aging of the commonly owned property each year. Level reserve assessments preserve the property and enhance the resale value of the homes.

This Reserve Study applies the Cash Flow Method to compute the Reserve Funding Plan. The Reserve Funding Plan determines adequate, not excessive, Reserve Contributions through a 30-year Cash Flow Analysis that incorporates the current reserve funds, future interest earned, and projected Reserve Expenditures.

The Reserve Expenditures reflect current and future *local* costs of replacement, projected earned interest, the average annual fund balances and anticipated inflation. Sources for *local* costs of replacement include our proprietary database, historical costs and published sources, i.e., R.S. Means, Incorporated.

We identified the anticipated Reserve Expenditures for Reserve Components during the next 30 years as either near term or long term. *Near term* expenditures relate to capital needs from now through 2014, the next five years beyond this current fiscal year. These *near term* expenditures comprise \$39,948, or sixteen percent (16.0%), of the next 30 years of **Exhibit B Reserve Expenditures**. Expenditures within the next five years are more important when compared with the future needs of Springhill and tend to govern the amounts of recommended Reserve Contributions. The current Reserve Expenditures relate primarily to replacement of the wood deck and traffic signs.

Reserve Advisors, Inc.
Final Report

The Association budgeted \$1,527 for Reserve Contributions in 2009. We recommend that the Association budget annual phased increases in Reserve Contributions of \$2,000 from 2010 through 2014. By 2015, the Association will have fully funded for replacement of the traffic signage. Therefore, the Association may anticipate a *decrease* in the annual Reserve Contribution to \$6,000. Beginning in 2016, the Association can budget less significant increases in reserve funding, that in part consider the effects of inflation through 2039, the limit of this study's Cash Flow Analysis. The initial adjustment in Reserve Contributions of \$2,000 represents about a three percent (2.5%) adjustment in the 2009 operating budget of \$80,944 and is equivalent to an average quarterly increase of \$2.64 per unit owner. These contributions are necessary to maintain a Reserve Fund for the major expenditures as identified in **Exhibit B**. **Exhibit B Reserve Funding Plan** enumerates the details regarding recommended annual Reserve Contributions and projected year end reserve balances.

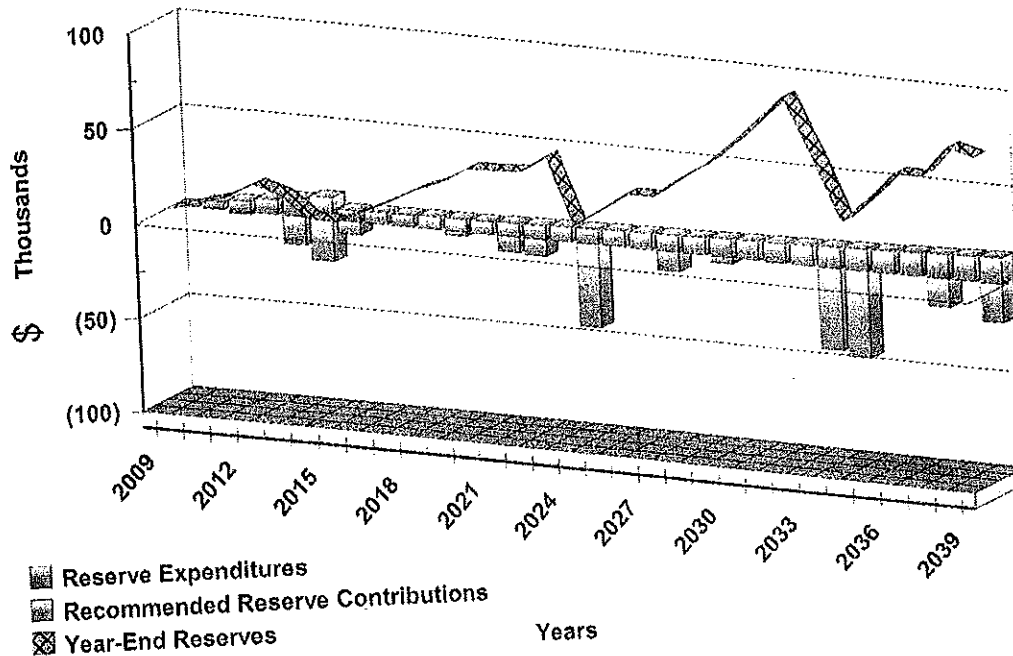
Based on the investigation and analysis as detailed in the accompanying narrative, we recommend the following Reserve Funding Plan (Reserve Contributions) to offset the anticipated future Reserve Expenditures of the subject Reserve Components during the next 30 years.

Reserve Advisors, Inc.
Final Report

Recommended Reserve Contributions

| Year | \$ | Year | \$ | Year | \$ |
|------|--------|------|-------|------|--------|
| 2010 | 3,527 | 2020 | 7,100 | 2030 | 10,300 |
| 2011 | 5,527 | 2021 | 7,400 | 2031 | 10,700 |
| 2012 | 7,527 | 2022 | 7,700 | 2032 | 11,100 |
| 2013 | 9,527 | 2023 | 8,000 | 2033 | 11,500 |
| 2014 | 11,527 | 2024 | 8,300 | 2034 | 11,900 |
| 2015 | 6,000 | 2025 | 8,600 | 2035 | 12,300 |
| 2016 | 6,200 | 2026 | 8,900 | 2036 | 12,800 |
| 2017 | 6,400 | 2027 | 9,200 | 2037 | 13,300 |
| 2018 | 6,600 | 2028 | 9,500 | 2038 | 13,800 |
| 2019 | 6,800 | 2029 | 9,900 | 2039 | 14,300 |

Recommended Reserve Funding Plan
Springhill Homeowners
Association, Inc.

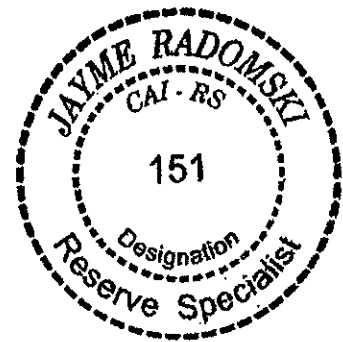


Ongoing Board reviews and an Update of this Reserve Study in two- to three- years are necessary to ensure an equitable funding plan since a Reserve Study is a snapshot in time. Many variables change after the study is conducted that may result in significant homeowner overfunding or underfunding the reserve account. Examples include deferred or accelerated projects based on Board discretion, interest rate changes on reserve investments and *local* construction inflation rate changes. We have not investigated any liabilities against the property.

Respectfully submitted on July 23, 2009 by
RESERVE ADVISORS, INC.



Jayme R. Radomski, PRA¹, RS², Director of Quality Assurance
Reference #: 090284
Visual Inspection and Report by: Christopher C. DeWall



¹ PRA (Professional Reserve Analyst) is the professional designation of the Association of Professional Reserve Analysts. Learn more about APRA at <http://www.apra-usa.com>.

² RS (Reserve Specialist) is the reserve provider professional designation of the Community Associations Institute (CAI) representing America's more than 300,000 condominium, cooperative and homeowners associations.

**Reserve Advisors, Inc.
Final Report**

NARRATIVE REPORT

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Precision 20/20 Full Reserve Study* of certain property exhibited to us as that of

Springhill Homeowners Association, Inc.

Williamsburg, Virginia

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, April 21, 2009.

Reserves for replacement are the amounts of money required for future expenditures to repair or replace Reserve Components that wear out before the entire facility or project wears out. Reserving funds for future repair or replacement of the Reserve Components is also one of the most reliable ways of protecting the value of the property's infrastructure and marketability.

This Reserve Study uses a 30-year Cash Flow Analysis to project and illustrate the Reserve Funding Plan. National standards³ require a Reserve Component to have a "predictable remaining Useful Life." Estimating Remaining Useful Lives and Reserve Expenditures beyond 30 years is often indeterminate and may involve more than one life cycle for a particular Reserve Component. Construction inflation can also vary greatly over many years.

³ Identified in the APRA "Standards - Terms and Definitions" and the CAI "Terms and Definitions".

Manner of Report Presentation

Our report comprises an Executive Summary, Narrative, Conclusion, Supplementary Information, Definitions and Exhibits. The Executive Summary identifies the property, fiscal considerations, recommended reserve funding and projections concerning reserve funding. The Narrative sets forth the nature and extent of the investigation and includes the following sections:

- Manner of Report Presentation
- Considerations and Methodology
- Identification of Reserve Components
- Condition Assessment
- Explanation of the Exhibits
- Conclusion
- Supplementary Information for Financial Statements

Supplementary Information for Financial Statements contains significant unaudited information from the Reserve Expenditures about Reserve Component categories and estimated current and future replacement costs. Definitions contains terms and definitions used throughout this Reserve Study and the industry. Exhibits A, B, C, D and E contain pertinent information relating to the analysis.

Exhibit A Photographs documents the conditions of various property components as of the date of our visual inspection, April 21, 2009. The Condition Assessment contains references to these photographs.

Exhibit B presents two tables. The first table Reserve Expenditures includes the Reserve Component Inventory, Reserve Expenditures, estimates of future costs and anticipated times of

Reserve Advisors, Inc.
Final Report

replacements during the next 30 years. The second table Reserve Funding Plan includes Reserve Contributions for the next 30 years based on Reserve Expenditures.

Exhibit C Reserve Funding Graphs contains two graphs and one pie chart. The graph Recommended Reserve Funding Plan shows the future fund balances based on the anticipated Reserve Expenditures and recommended annual Reserve Contributions during the next 30 years. The second graph Reserve Balances compares the recommended year end amounts of accumulated reserves with the potential shortage of reserves if the Association were to continue contributing to reserves at its current budgeted amount for the next 30 years. The pie chart Estimated Future Reserve Expenditures illustrates the relative importance of Reserve Expenditures and relative funding during the next 30 years.

Exhibit D describes Assumptions of the Reserve Study of how we collect and analyze data. The statement of Professional Service Conditions identifies the general manner of professional services provided, as stated in the original authorized Confirmation of Services for this Reserve Study.

Exhibit E Credentials contains the Qualifications of the Firm, Responsible Advisor and Review Coordinator, and resources we use in our analysis, i.e., published sources of cost data.

Considerations and Methodology

This Reserve Study is in compliance with and exceeds the standards set forth by Community Associations Institute (CAI) and the Association of Professional Reserve Analysts (APRA) fulfilling the requirements of a "Full Reserve Study." For brevity, we use the term Reserve Study herein. We considered the following factors in our analysis:

The Cash Flow Method to compute the 30-year Reserve Funding Plan

The identification of individual Reserve Components with their anticipated year of replacement as detailed in **Exhibit B Reserve Expenditures**

Local⁴ costs of material, equipment and labor

The current and future costs of replacement for the Reserve Components

The costs of removal of the worn out elements as part of the cost of replacement

Local economic conditions and a historical perspective to arrive at our estimate of long term future inflation for *construction costs* in Williamsburg, Virginia at an annual inflation rate of 3.8%

The past and current maintenance practices of Springhill and their effects on remaining useful lives

The Funding Plan excludes necessary operating budget expenditures. It is our understanding that the current operating budget and future operating budgets will provide for the ongoing normal maintenance of Reserve Components or property elements unless specifically identified in the *Reserve Component Inventory of Exhibit B Reserve Expenditures*. Springhill should continue to include these costs of maintenance in the operating budget.

The anticipated effects of appreciation of the reserves over time in accord with an anticipated future return or yield on investment of your cash equivalent assets at an annual rate of 3.8% (We did not consider the costs, if any, of Federal and State Taxes on income derived from interest and/or dividend income)

**Reserve Advisors, Inc.
Final Report**

Interest rates on reserve savings are declining or steady in concert with the U.S. Treasury and Federal Reserve rates. No significant differences exist in the savings rates of one, two or three-year CDs. Without significant differences in these savings rates, shorter term investments are the choice of many investors. We recommend consultation with a professional investment adviser before investing reserves to determine an appropriate investment strategy to maximize a safe return on reserve savings.

Updates to this Reserve Study will continue to monitor historical facts and trends concerning the external market conditions. The following table summarizes rates of inflation and key rates for government securities, generally considered as safe investment alternatives.

| Interest Rate and Inflation Data | | | | | | | | |
|--|------------|-----------------------------------|------------|------------|------------|-----------------------------------|------------|------------|
| Actual = (A) | 2007:4 (A) | 2008:1 (A) | 2008:2 (A) | 2008:3 (A) | 2008:4 (A) | 2009:1 (A) | 2009:2 (A) | 2009:2 (E) |
| Federal Funds | 4.25% | 2.25% | 2.25% | 2.25% | 1.00% | 0.25% | 0.25% | 0.25% |
| 90-Day Treasury Bill | 3.00 | 1.25 | 1.15 | 1.10 | 0.15 | 0.25 | 0.25 | 0.25 |
| 1-Year Treasury Bill | 3.10 | 1.60 | 1.60 | 1.60 | 1.10 | 0.95 | 0.90 | 0.90 |
| 10-Year Treasury Note | 4.05 | 3.35 | 3.65 | 3.60 | 3.20 | 2.75 | 2.84 | 2.90 |
| 30-Year Treasury Bond | 4.50 | 4.15 | 4.40 | 4.20 | 3.70 | 3.70 | 3.70 | 3.75 |
| Consumer Price Index | 4.30 | 4.00 | 4.00 | 5.40 | 0.04 | 0.00 | 0.01 | 0.02 |
| <u>National Market Savings Rates</u> | 0.75% | for Money Market Savings | | | 2.40% | for 3-Year Certificate of Deposit | | |
| | 2.30% | for 1-Year Certificate of Deposit | | | 2.50% | for 5-Year Certificate of Deposit | | |
| Estimated Long Term Yield Rate for Reserve Savings | | | | | 3.8% | | | |
| Estimated Long Term Inflation Rate for Future Capital Expenditures . | | | | | 3.8% | | | |

With localized exceptions, the inflation rate for construction materials and labor are trending higher in a sustained manner. Isolated or regional markets of greater construction (development) activity may experience slightly greater rates of inflation for both construction materials and labor.

Reserve Advisors, Inc.
Final Report

Identification of Reserve Components

Springhill Homeowners Association, Inc. is a planned unit development which is responsible for the common elements shared by 190 single family homes. The Association was built from 1994 to 1995. The development contains concrete drainage swales, two ponds and traffic signs. We identify 7 major common elements that are likely to require capital repair or replacement during the next 30 years.

Our investigation included Reserve Components or property elements as set forth in your Declaration. Our analysis began by segregating the property elements into several areas of responsibility for repair and replacement. We derived these segregated classes of property from our review of the information provided to us and through conversations with Management and the Board. These five classes of property include:

- 1) Reserve Components
- 2) Long-Lived Property Elements
- 3) Operating Budget Funded Repairs and Replacements
- 4) Property Maintained by Homeowners
- 5) Property Maintained by Others

We advise that the Board conduct an annual review of these classes of property to confirm its policy concerning the manner of funding, i.e., from reserves or the operating budget. The following pages briefly describe these five classes.

Reserve Advisors, Inc.
Final Report

Reserve Components are defined as property elements with: 1) Association responsibility; 2) limited Useful Life expectancies; 3) predictable Remaining Useful Life expectancies; and 4) a replacement cost above a minimum threshold.

The Reserve Components comprise 7 line items likely to require Reserve Expenditures during the next 30 years. **Exhibit B Reserve Expenditures** details this first class of property which we summarize as follows:

- Bridges, Wood
- Concrete Drainage Swales
- Deck, Wood
- Pond, Aerator
- Ponds, Dredging
- Signage, Replacements
- Signage, Paint Finishes

In addition to the Reserve Components listed above, we list the following Long-Lived Property Elements, defined as those items without predictable Remaining Useful Life expectancies:

- Concrete Overflow Drain
- Concrete Pond Inlet
- Electrical Systems
- Irrigation System (2007)

Long-Lived Property Elements (without predictable Remaining Useful Lives) may require infrequent repairs due to abuse, normal wear and tear or unknown construction defects. Springhill should fund the cost of these infrequent replacements from the operating budget. Funding untimely or unexpected replacements from reserves will necessitate adjustments to future Reserve Contributions. An update of this Reserve Study will help determine the merits of adjusting the Reserve Funding Plan.

Reserve Advisors, Inc.
Final Report

The operating budget provides money for the repair and replacement of certain Reserve Components. Operating Budget Funded Repairs and Replacements relate to:

- General Maintenance to the Common Elements
- Expenditures less than \$1,000 (*These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.*)
- Irrigation System, Controller
- Landscape
- Paint Finishes, Touch Up
- Other Repairs normally funded through the Operating Budget

Certain items have been designated as the responsibility of the homeowner to repair or replace. Property Maintained by Homeowners relates to unit:

- Homes and Lots

Certain items have been designated as the responsibility of others to repair or replace. Property Maintained by Others relates to unit:

- Asphalt Pavement Streets (Virginia Department of Transportation)
- Light Poles and Fixtures (Dominion Electric Company)

Condition Assessment

The Condition Assessment of this *Precision 20/20 Full Reserve Study* includes *Enhanced Solutions and Procedures (ESP)* for select significant components. These narratives describe the Reserve Components, document specific problems and conditions, and may include detailed solutions and procedures for necessary capital repairs and replacements for the benefit of current and future board members. We advise the Board use this information to help define the scope and procedures for repair or replacement when soliciting bids or proposals from contractors. *However, the Report in whole or part is not and should not be used as a design specification or design engineering service.*

Reserve Advisors, Inc.
Final Report

Bridges, Wood - The Association maintains five wood bridges throughout the property. The bridges are in fair condition at an age of approximately 15 years. We note wood deterioration and exposed nails. Page 1 of **Exhibit A Photographs** depicts these conditions. Wood structures exposed to weather have a useful life of 15- to 20-years. We recommend Springhill budget for their replacement by 2013 and budget for paint applications and repairs through the operating budget. The Association should anticipate a subsequent replacement of the wood bridges by 2033. We depict this information on Line Item 4.101 of **Exhibit B Reserve Expenditures**.

Concrete Drainage Swales, Partial Replacements - Concrete drainage swales line the ditches of Springhill. These swales comprise 8,800 linear feet and are in good condition overall. We note areas of concrete settlement and deterioration. Page 2 of **Exhibit A Photographs** depicts these conditions. This application of concrete has a useful life of up to 65 years although premature deterioration of isolated areas of concrete is common. Inclement weather, inadequate subsurface preparation and improper concrete mixtures or finishing techniques can result in premature deterioration such as settlement, chips, cracks and spalls. Variable conditions like these result in the need to plan for periodic partial replacements of the drainage swales throughout the next 30 years. We estimate that up to 2,650 linear feet of swales, or thirty percent (30%) of the total, will require replacement in the next 30 years. We depict this information on Line Item 4.161 of **Exhibit B Reserve Expenditures**.

Deck, Wood - The Association is responsible for the replacement of a wood deck which comprises a total of 350 square feet. The deck is in fair to poor overall condition at an age of approximately 15 years. We note deterioration and exposed nails, as shown on Page 3 of

Reserve Advisors, Inc.
Final Report

Exhibit A Photographs. Wood deck materials treated with a protective finish have useful lives of 15- to 20-years with proper maintenance. Proper maintenance should include the following activities funded through the operating budget:

- Annual inspections to identify and correct any unsafe conditions
- Securing of loose fasteners and replacement of deteriorated fasteners
- Replacement of deteriorated wood components
- Power washing with an algaecide and application of a sealer

The rates and types of deterioration are not uniform due to the nature of wood. Replacement is normally an ongoing process which eventually leads to a complete replacement for economic or aesthetic reasons. We recommend the Association anticipate replacement of the deck by 2013 and again by 2033. We depict this information on Line Item 4.162 of **Exhibit B Reserve Expenditures.**

Ponds - The Association maintains two ponds located behind Driftwood Way and Teakwood Drive. Management and the Board report problems with algae blooms at the pond behind Teakwood Drive. We include the following solutions and procedures as a summary of the minimum requirements for successful pond management for present and future board members.

The use of small pumps, motors and aerators circulate pond water and increase the amount of entrained oxygen in the water, increase water quality and reduce algae growths. Springhill utilizes an aerator at the pond behind Driftwood Way. The aerator is in good condition at an age of two years. The aerator has a useful life of 10- to 15-years. Based on its age and

Reserve Advisors, Inc.
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condition, we recommend the Association anticipate its replacement by 2022 and 2037. Line Item 4.700 of **Exhibit B Reserve Expenditures** notes our estimate of future costs and anticipated times of replacements.

The gradual build-up of natural debris, including tree leaves, branches and silt, may eventually change the topography of areas of the pond. Dredging of a pond becomes necessary if this accumulation alters the quality of the pond water. Dredging is the optimal but also the most capital intensive method of pond management. Excavation equipment used for dredging includes clamshells, draglines and suction pipe lines. Dredging can also include shoreline regrading. Regrading includes removal of collapsed and eroded soil, and redefining the shoreline.

The ponds comprise approximately 2,800 square yards of water surface area. Based on the visual condition of the ponds, adjacent deciduous trees and visibly apparent erosion around the ponds, we recommend the Association anticipate the need to dredge the ponds. For reserve budgeting purposes, we estimate the need to dredge approximately thirty percent (30%) of the surface area an average depth of one yard. However, the actual volume of material to dredge may vary dependent upon an invasive analysis at the time of dredging. We conservatively recommend that the Association budget for this variable but probable activity by 2024. The time and cost of this maintenance activity may vary. However, we judge the amount shown on Line Item 4.710 of **Exhibit B Reserve Expenditures** sufficient to budget appropriate reserves.

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The times and costs of these replacement and maintenance activities may vary. However, the estimated expenditures detailed in **Exhibit B Reserve Expenditures** are sufficient to budget appropriate reserves.

Signage, Replacements - The Association maintains traffic signs throughout the community and an entrance sign. These signs are in fair condition at an age of approximately 15 years. The functional useful life of these signs is from 15- to 20-years. The community signs contribute to the overall aesthetic appearance to owners and potential buyers. Replacement of community signs is often predicated upon the desire to "update" the perceived identity of the community rather than for utilitarian concerns. Therefore, the specific times for the replacement of the signs is discretionary. We recommend the Association plan to replace the signs by 2014 and again by 2034. We note this information on Line Item 4.810 of **Exhibit B Reserve Expenditures**.

Signage, Paint Finishes - Periodic application of a protective finish of paint or stain is an essential maintenance activity to maintain the physical appearance and integrity of the signs. The finish is in fair overall condition. We note paint finish deterioration and growth on the signs. Page 5 of **Exhibit A Photographs** depicts these conditions. The useful life of protective paint finishes in Williamsburg is from four- to six-years. Management informs us the Association plans to paint the signs in 2009. We recommend the Association budget for the next paint finish application by 2019. Springhill should budget subsequent applications and associated replacements every five years thereafter except when replacement occurs. We depict this information on Line Item 4.813 of **Exhibit B Reserve Expenditures**.

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Reserve Study Update - An ongoing review by the Board and an Update of this Reserve Study in two- to three- years are necessary to ensure an equitable funding plan since a Reserve Study is a snapshot in time. Many variables change after the study is conducted that may result in significant homeowner overfunding or underfunding the reserve account. Variables that may affect the Reserve Funding Plan include, but are not limited to:

- Deferred or accelerated capital projects based on Board discretion
- Changes in the interest rates on reserve investments
- Changes in the *local* construction inflation rate
- Additions and deletions to the Reserve Component Inventory
- The presence or absence of maintenance programs
- Unusually mild or extreme weather conditions
- Technological advancements

Periodic updates incorporate these variable changes since the last Reserve Study or Update.

The Association can expense the fee for an Update with site visit from the reserve account. This fee is included in the Reserve Funding Plan. We base this budgetary amount on updating the same property components and quantities of this Reserve Study report. Budgeting for an Update demonstrates the Board's objective to continue fulfilling its fiduciary responsibility to maintain the commonly owned property and to fund reserves appropriately.

Explanation of the Exhibits

Exhibit A Photographs documents the conditions of various property components as of the date of our visual inspection, April 21, 2009. The previous section, Condition Assessment, contains several references to these photographs.

Exhibit B Reserve Expenditures and Reserve Funding Plan covers a 30-year period. Information about the Reserve Components and Expenditures for the most relevant next 20 years (2009 through 2029) is found on a convenient 11- by 17-inch foldout spreadsheet. The remaining ten years (2030 through 2039) follow in a concise 8½- by 11-inch table. Data for each Reserve Component is presented on a single row with columns of information as follows:

- Line Items are included for reference purposes
- Total Quantities are the total anticipated quantity for replacement during the next 30 years (*this is not necessarily the "total" quantity maintained by the Association as this quantity may represent more than one Useful Life cycle or a partial replacement*)
- Per Phase Quantities are the anticipated quantity for each replacement event
- Units clarify the unit of measure used to quantify the elements
- Reserve Component Inventory identifies each Reserve Component
- The Estimated First Year of Replacement is included to help the Association understand the priority of future Reserve Expenditures
- Results of the Life Analysis show both the total Useful Life and Remaining Useful Life for each Reserve Component
- Unit Cost is the cost per unit we used to calculate the per phase cost
- The 2009 Cost of Replacement Per Phase is the per phase cost in today's dollars
- The Total Future Costs of Replacement is the total cost for all phases of replacement during the next 30 years and *includes* the effects of inflation at a 3.8% annual percentage rate
- The remaining columns in Reserve Expenditures 11- by 17-inch foldout spreadsheet present the estimated future inflated costs for each for the next 20 years

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- The remaining ten years of future Reserve Expenditures from years 2030 to 2039 follow in a concise 8½- by 11-inch table


Exhibit B Reserve Funding Plan includes the Cash Flow Analysis and recommended Reserve Contributions for the next 30 years based on the Reserve Expenditures and a 3.8% annual percentage rate earned on the average annual fund balances. The specific information found on the last 11- by 17-inch foldout spreadsheet includes:

- Reserves at Beginning of Year
- Recommended Reserve Contribution (positive cash flow)
- Estimated Interest Earned
- Anticipated Expenditures (negative cash flow)
- Anticipated Reserves at Year End
- Predicted Reserves (based on current funding levels)

Exhibit C Reserve Funding Graphs contains two graphs and a pie chart based on the numerical data found in the Reserve Funding Plan. The graphs illustrate our recommendations and observations pertaining to reserve balances, recommended annual Reserve Contributions and Reserve Expenditures during the next 30 years.

The graph Recommended Reserve Funding Plan shows the following data points:

-- -- Recommended Reserve Balances that are the result of expenditures as matched against existing reserves and contributions to reserves

 Recommended Reserve Contributions or additional assessment that increase reserves

 Reserve Expenditures

The second Reserve Funding Graph titled Reserve Balances compares the recommended year-end amounts of reserves with the potential shortage of reserves if the Association were to

Reserve Advisors, Inc.
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continue contributing to reserves at its current budgeted amount for the next 30 years. The potential shortages are based on matching the estimated future Reserve Expenditures against existing reserves and current annual amounts of Reserve Contributions. This second graph answers the hypothetical question of when a shortfall in reserves could occur if there were no change in the annual budget of Reserve Contributions.

The pie chart Estimated Future Reserve Expenditures illustrates the relative importance of the Reserve Expenditures and relative funding during the next 30 years. Springhill can regard reserve needs for these expenditures as requiring a similar allocation of existing reserves and future Reserve Contributions.

Exhibit D describes Assumptions of the Reserve Study of how we collect and analyze data. The statement of Professional Service Conditions identifies the general manner of professional services provided, as stated in the original authorized Confirmation of Services for this Reserve Study.

Exhibit E Credentials contains the Qualifications of the Firm, Responsible Advisor and Review Coordinator. Theodore J. Salgado and John P. Poehlmann are the Principals of Reserve Advisors, Inc., Christopher C. DeWall conducted the visual inspection of Springhill Homeowners Association, Inc. and Anthony W. Krupka served as Review Coordinator for this Reserve Study.

CONCLUSION

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Precision 20/20 Full Reserve Study* of Springhill Homeowners Association, Inc. (Springhill) located in Williamsburg, Virginia and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, April 21, 2009. This Reserve Study is a budget planning tool that identifies the current status of the reserve fund and a stable and equitable Reserve Funding Plan to offset the anticipated future major common area expenditures.

We identified the anticipated Reserve Expenditures for Reserve Components during the next 30 years as either near term or long term. *Near term* expenditures relate to capital needs from now through 2014, the next five years beyond this current fiscal year. These *near term* expenditures comprise \$39,948, or sixteen percent (16.0%), of the next 30 years of **Exhibit B Reserve Expenditures**. Expenditures within the next five years are more important when compared with the future needs of Springhill and tend to govern the amounts of recommended Reserve Contributions. The current Reserve Expenditures relate primarily to replacement of the wood deck and traffic signs.

The Association budgeted \$1,527 for Reserve Contributions in 2009. We recommend that the Association budget annual phased increases in Reserve Contributions of \$2,000 from 2010 through 2014. By 2015, the Association will have fully funded for replacement of the traffic signage. Therefore, the Association may anticipate a *decrease* in the annual Reserve Contribution to \$6,000. Beginning in 2016, the Association can budget less significant increases in reserve funding, that in part consider the effects of inflation through 2039, the limit of this

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study's Cash Flow Analysis. The initial adjustment in Reserve Contributions of \$2,000 represents about a three percent (2.5%) adjustment in the 2009 operating budget of \$80,944 and is equivalent to an average quarterly increase of \$2.64 per unit owner. These contributions are necessary to maintain a Reserve Fund for the major expenditures as identified in **Exhibit B**. **Exhibit B Reserve Funding Plan** enumerates the details regarding recommended annual Reserve Contributions and projected year end reserve balances.

Based on the investigation and analysis as detailed in the accompanying narrative, we recommend the following Reserve Contributions to fund the expected expenditures of the subject Reserve Components during the next 30 years.

Recommended Reserve Contributions

| Year | \$ | Year | \$ | Year | \$ |
|------|--------|------|-------|------|--------|
| 2010 | 3,527 | 2020 | 7,100 | 2030 | 10,300 |
| 2011 | 5,527 | 2021 | 7,400 | 2031 | 10,700 |
| 2012 | 7,527 | 2022 | 7,700 | 2032 | 11,100 |
| 2013 | 9,527 | 2023 | 8,000 | 2033 | 11,500 |
| 2014 | 11,527 | 2024 | 8,300 | 2034 | 11,900 |
| 2015 | 6,000 | 2025 | 8,600 | 2035 | 12,300 |
| 2016 | 6,200 | 2026 | 8,900 | 2036 | 12,800 |
| 2017 | 6,400 | 2027 | 9,200 | 2037 | 13,300 |
| 2018 | 6,600 | 2028 | 9,500 | 2038 | 13,800 |
| 2019 | 6,800 | 2029 | 9,900 | 2039 | 14,300 |

The Reserve Funding Plan recommends 2039 year end accumulated reserves of approximately \$71,000. We judge this amount of accumulated reserves in 2039 desirable or necessary in consideration of the age, size and complexity of the property. These future needs,

Reserve Advisors, Inc.
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although beyond the limit of the Cash Flow Analysis of this Reserve Study, are reflected in the amount of accumulated 2039 year end reserves.

An ongoing review by the Board and an Update of this Reserve Study in two- to three- years are necessary to ensure a continued equitable funding plan since a Reserve Study is a snapshot in time. Many variables change after the Reserve Study is conducted that may result in significant homeowner overfunding or underfunding. Examples include deferred or accelerated capital projects based on Board discretion, changes in the interest rates on reserve investments; and changes in the *local* construction inflation rate.

SUPPLEMENTARY INFORMATION FOR FINANCIAL STATEMENTS

The *Audit and Accounting Guide for Common Interest Realty Associations* presents recommendations on Supplementary Information on Future Major Repairs and Replacements in end of fiscal year Audits of Financial Statements for community associations⁵. Accountants use discretion and judgment on how to present the Supplementary Information on Future Major Repairs and Replacements. However, the Supplementary Information on Future Major Repairs and Replacements often references and includes excerpts from our Reserve Studies. The following table excerpts significant unaudited information from the Reserve Expenditures about Reserve Component categories and estimated current and future replacement costs based on inflation at an annual rate of 3.8%.

Unaudited Supplemental Information on Future Major Repairs and Replacements

| <i>Reserve Component Categories</i> | <i>Total Current Replacement Costs</i> | <i>Total Future or Inflated Replacement Costs</i> | <i>% of Total Future Replacements</i> | <i>Component of Projected 2009 YE Fund Balance</i> |
|-------------------------------------|--|---|---------------------------------------|--|
| Concrete Drainage Swales | \$26,500 | \$53,952 | 21.6% | \$540 |
| Ponds | \$34,800 | \$65,542 | 26.3% | \$656 |
| Signage | \$44,700 | \$82,980 | 33.2% | \$831 |
| Other Elements | \$25,700 | \$45,979 | 18.4% | \$460 |
| Reserve Study Update | \$1,200 | \$1,200 | 0.5% | \$12 |
| <i>Totals</i> | <i>\$132,900</i> | <i>\$249,653</i> | <i>100%</i> | <i>\$2,500</i> |

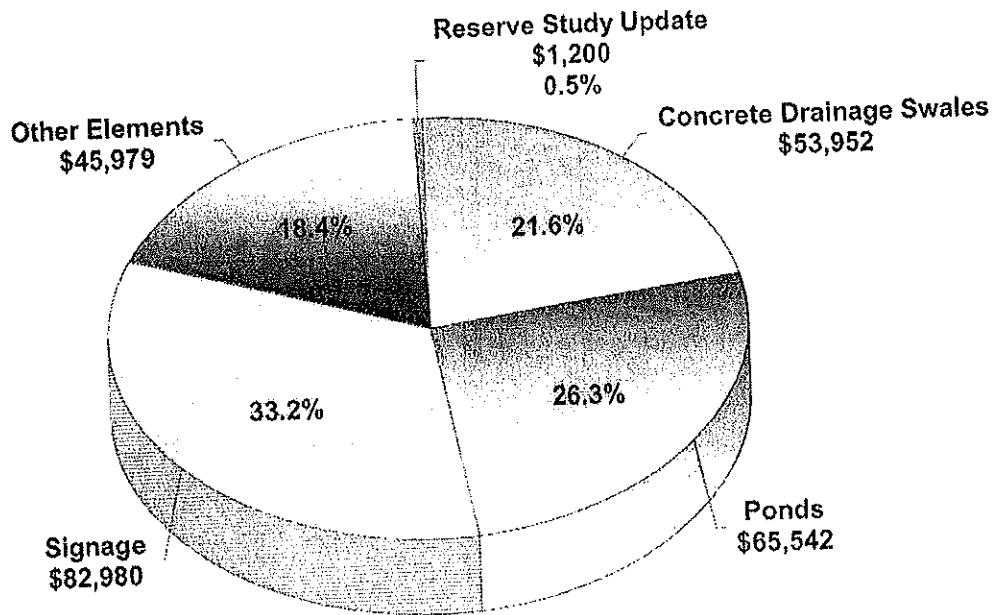
The information included in the table above may be included as part of the Supplementary Information on Future Major Repairs and Replacements. *However, Reserve Advisors, Inc. does not certify that the information in the table will fully satisfy the recommendations of the AICPA guideline.*

⁵ American Institute of Certified Public Accountants (AICPA) *Audit and Accounting Guide - Common Interest Realty Associations*; American Institute of Certified Public Accountants, Inc.; 2003

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The most important category of Reserve Components noted in **Exhibit B Reserve Expenditures** is the Signage. The following chart illustrates the relative importance of the Reserve Expenditures and relative funding during the next 30 years.

**Future Expenditures Relative Cost Illustration
Springhill Homeowners
Association, Inc.**



Reserve Advisors, Inc.
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DEFINITIONS¹

Cash Flow Method - A method of calculating Reserve Contributions where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different Reserve Funding Plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

Current Cost of Replacement - That amount required today derived from the quantity of a *Reserve Component* and its unit cost to replace or repair a Reserve Component using the most current technology and construction materials, duplicating the productive utility of the existing property at current local market prices for materials, labor and manufactured equipment, contractors' overhead, profit and fees, but without provisions for building permits, overtime, bonuses for labor or premiums for material and equipment. We include removal and disposal costs in the cost of replacement where applicable.

Funding Goal - The stated purpose of this Reserve Study to determine the adequate, not excessive, future annual, reasonable *Reserve Contributions* to fund future *Reserve Expenditures*.

Future Cost of Replacement - *Reserve Expenditure* derived from the inflated current cost of replacement or current cost of replacement as defined above, with consideration given to the effects of inflation on local market rates for materials, labor and equipment.

Long-Lived Property Component - Property component of Association responsibility not likely to require capital repair or replacement during the next 30 years with an unpredictable remaining Useful Life beyond the next 30 years.

Remaining Useful Life - The estimated remaining functional or useful time in years of a *Reserve Component* based on its age, condition and maintenance.

Reserve Component - Property elements with: 1) Association responsibility; 2) limited Useful Life expectancies; 3) predictable Remaining Useful Life expectancies; and 4) a replacement cost above a minimum threshold.

Reserve Component Inventory - Line Items in **Exhibit B Reserve Expenditures** that identify a *Reserve Component*.

Reserve Contribution - An amount of money set aside or *Reserve Assessment* contributed to a *Reserve Fund* for future *Reserve Expenditures* to repair or replace *Reserve Components*.

Reserve Expenditure - *Future Cost of Replacement* of a *Reserve Component*.

Reserve Fund Status - The accumulated amount of reserves in dollars at a given point in time, i.e., at year end.

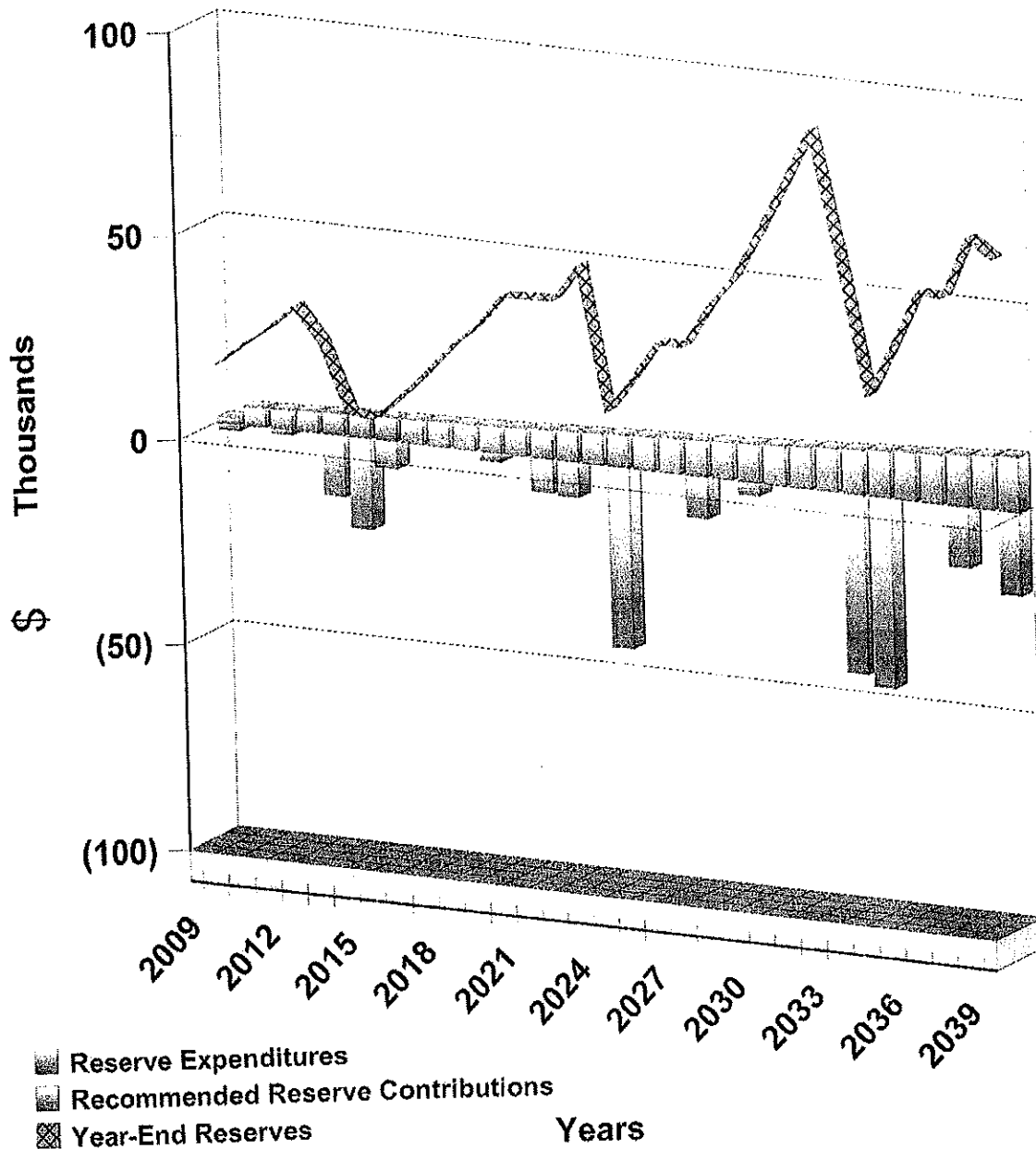
Reserve Funding Plan - The portion of the Reserve Study identifying the *Cash Flow Analysis* and containing the recommended Reserve Contributions and projected annual expenditures, interest earned and reserve balances.

Reserve Study - A budget planning tool that identifies the current status of the reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures.

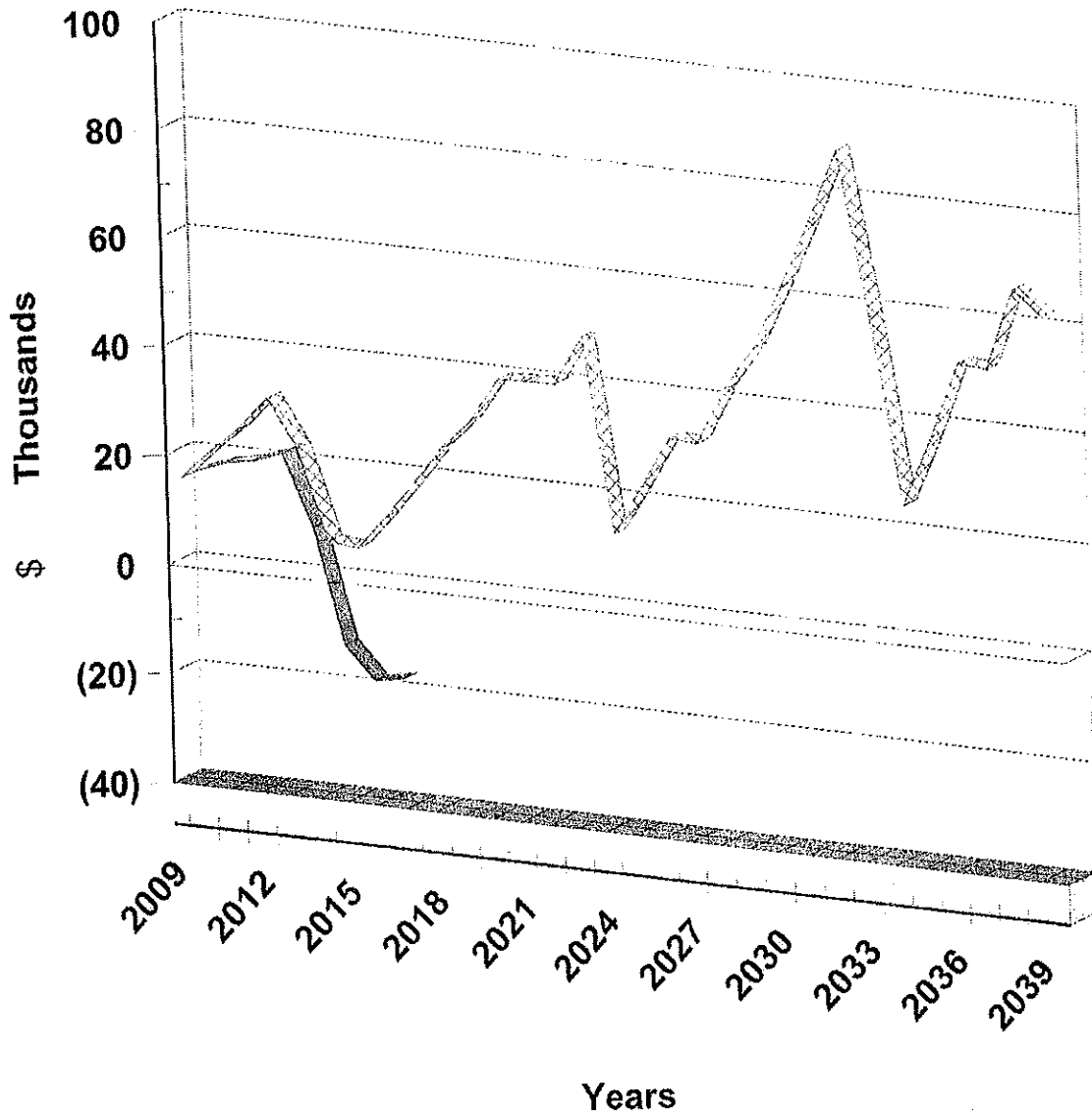
Useful Life - The anticipated total time in years that a *Reserve Component* is expected to serve its intended function in its present application or installation.

¹ Definitions are derived from the standards set forth by the Community Associations Institute (CAI) representing America's 286,000 condominium and homeowners associations and cooperatives, and the Association of Professional Reserve Analysts,

Recommended Reserve Funding Plan Springhill Homeowners Association, Inc.

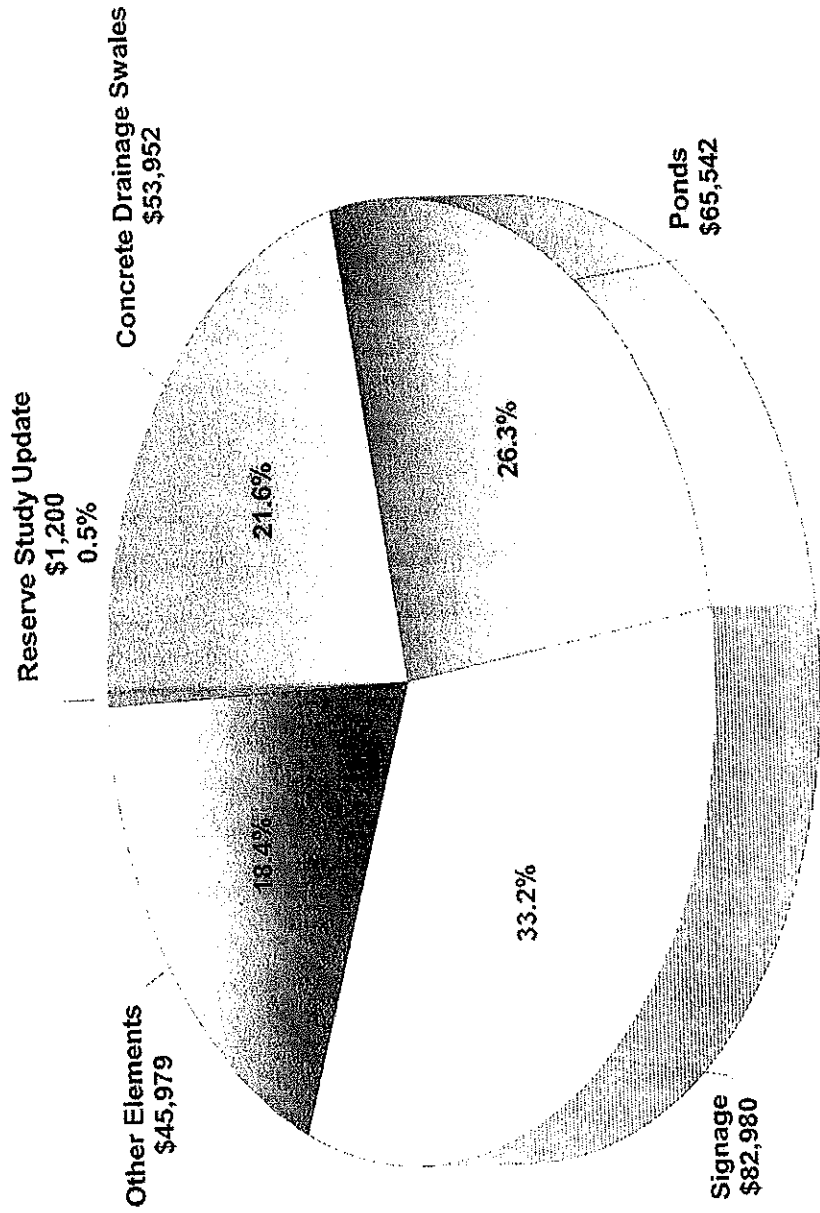


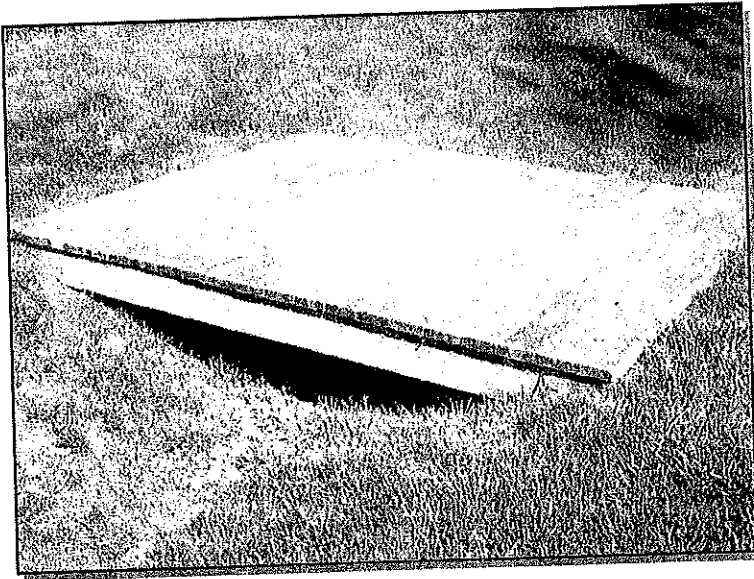
Reserve Balances Springhill Homeowners Association, Inc.



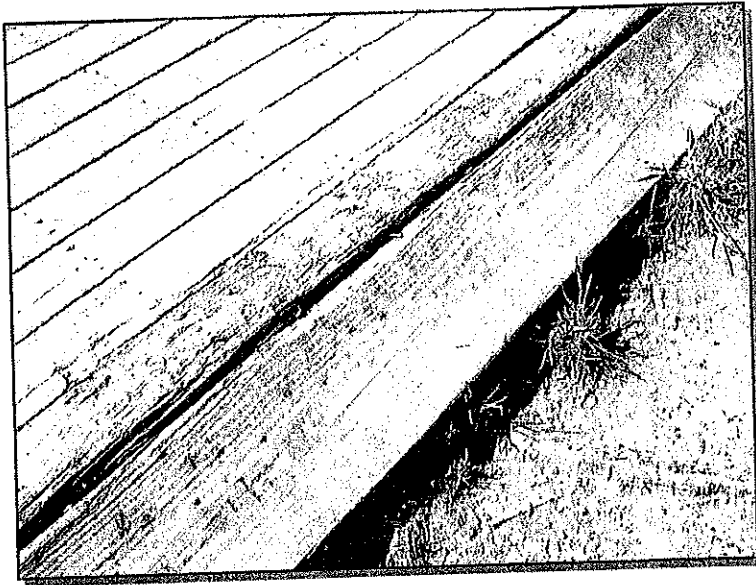
- ▨ Year-End Reserve Balances Using Recommended Funding
- ▣ Potential Year-End Reserve Balances Using Historical Funding

Future Expenditures Relative Cost Illustration Springhill Homeowners Association, Inc.

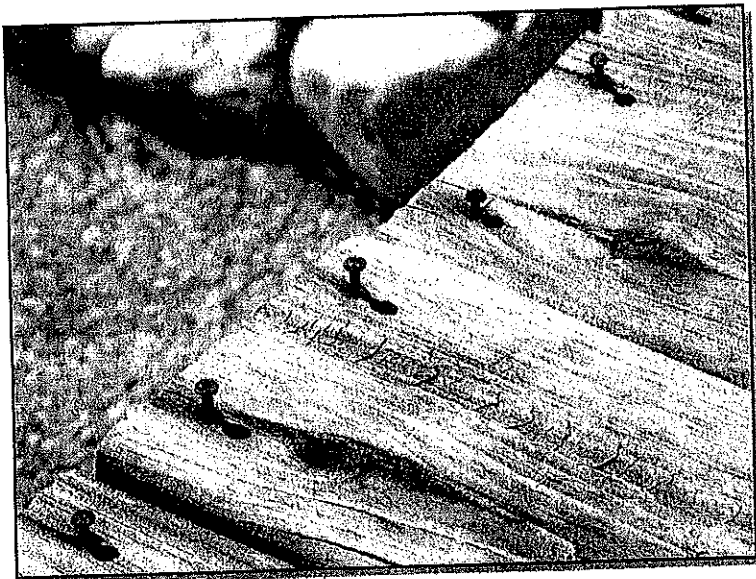




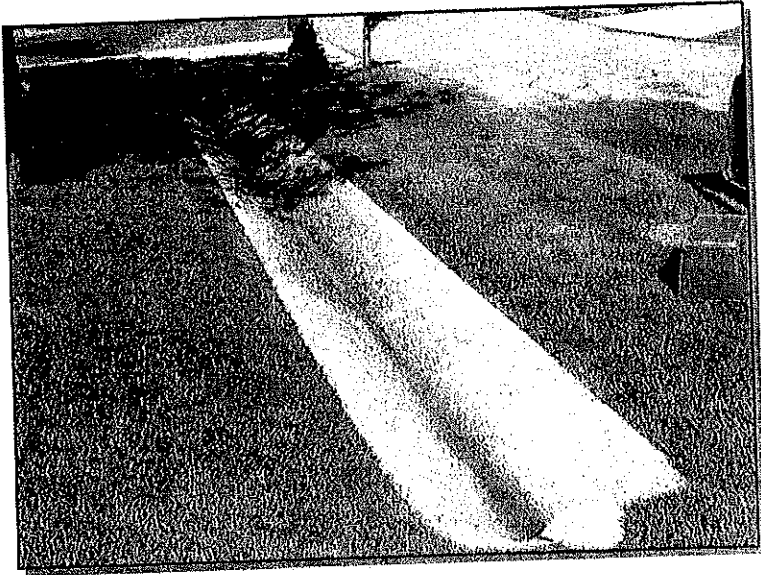
Typical wood bridge



Wood bridge deterioration



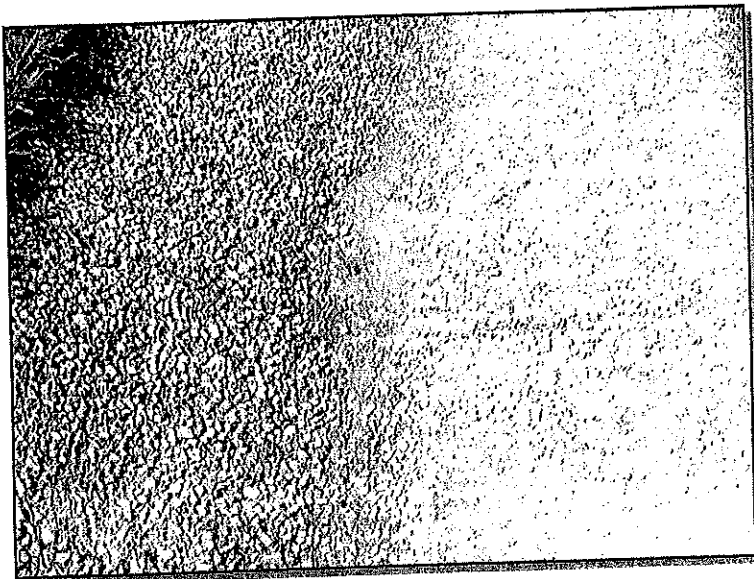
Exposed nails



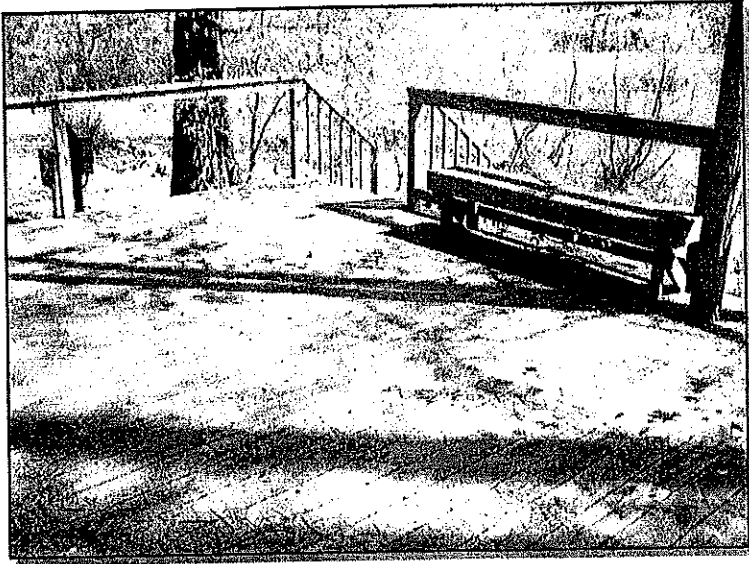
Typical concrete drainage swale



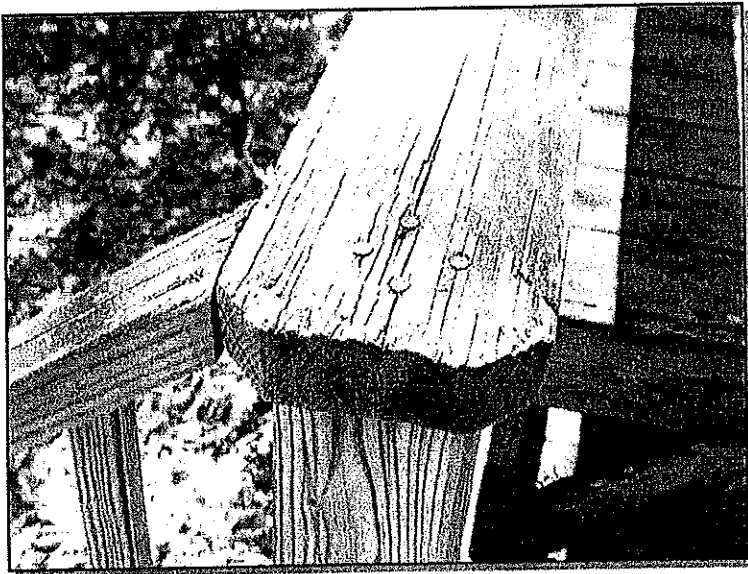
Concrete drainage swale
settlement



Exposed aggregate deterioration



Wood deck



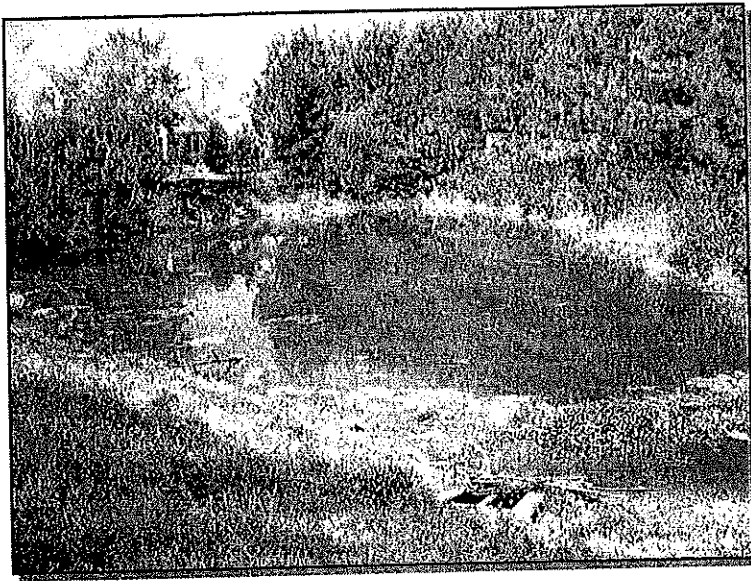
Wood deck deterioration



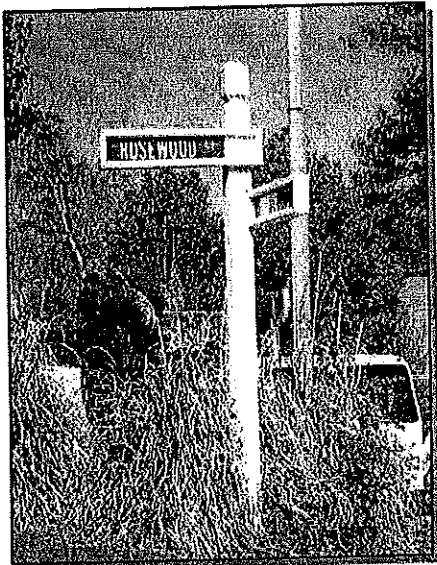
Exposed nails



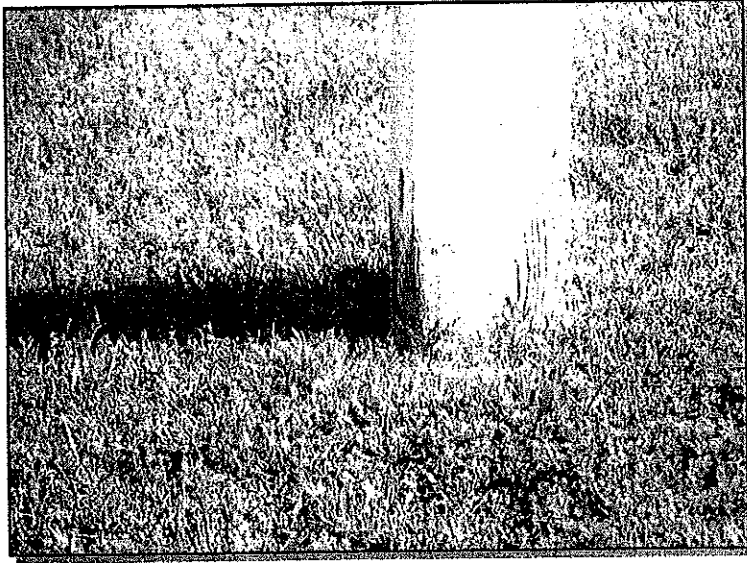
Pond behind Driftwood Way



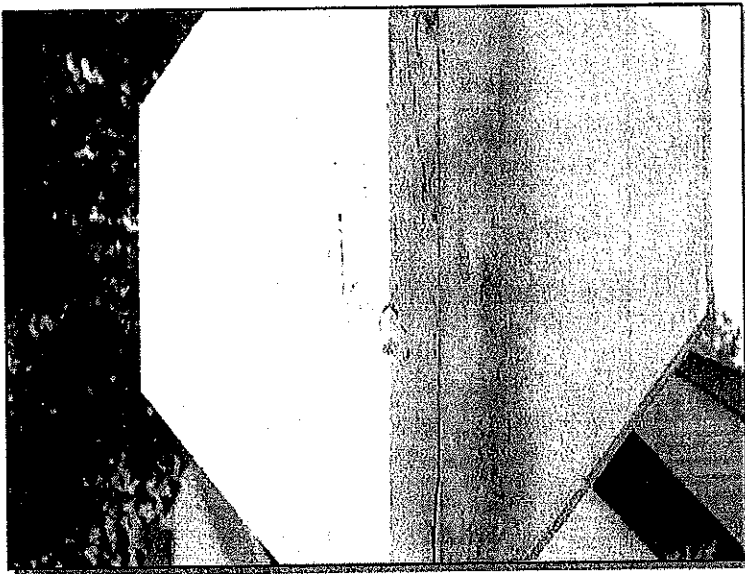
Pond behind Teakwood Drive



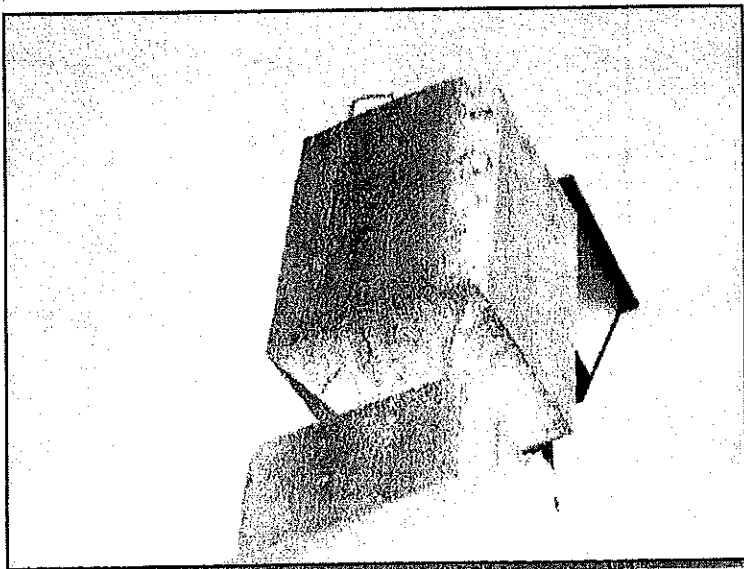
Typical street signs



Street sign post deterioration



Paint finish deterioration



Paint finish deterioration and growth

EXHIBIT 16

**SPRINGHILL COMMUNITY HOMEOWNERS ASSOCIATION INC.
BOARD OF DIRECTORS MEETING**

May 8, 2014

**3705 STRAWBERRY PLAINS RD SUITE C
WILLIAMSBURG, VA 23188**

MEMBERS PRESENT

VINCENT SCHULTZ - PRESIDENT
CHUCK MOORE - VICE PRESIDENT
RENEE DALLMAN – DIRECTOR
TERRIE MOORE – DIRECTOR
PATRICIA BARBER – Via telephone
JENNIFER SMITH - ASSOCIATION MANAGER

Members absent – Bill Sumler & Brian Crowley

CALL TO ORDER

A quorum was established. The meeting was called to order at 8:16 PM. Meeting started late due to waiting on a quorum of Board members to be present.

HOMEOWNER'S FORUM

No homeowners present.

Motion to adopt the agenda as written. Motion seconded and passed.

Motion to approve the April 2014 minutes. Motion seconded and passed.

Motion to accept April 2014 Treasurer's Report. Motion seconded and passed.

Jen presented the Management Report. Motion to accept. Motion seconded and passed.

UNFINISHED BUSINESS

Further discussion on ways to improve the entrance area. Hortus America is a local landscape design company who can assist the Board with a landscape plan. They have requested a copy of the original development plans that will greatly assist them with drawing up a new landscape plan for Springhill and save the HOA money. Jen will visit the County offices to get a copy of the plans.

Final replacement street/traffic signs were ordered from Wright Signs according to Jen.

LandTech completed the common area survey, although there are questions about some of the stakes.

Leo's presented a proposal to install different plants at the entrance. Jen asked to forward Shanda's original email to the Board with color photos of the proposed plants to be used.

NEW BUSINESS

Motion to accept the 2013 financial review completed by DesRoches & Company. Motion seconded. Motion passed.

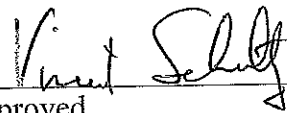
The Board entered into Executive Session at 8:30 pm to discuss delinquent assessments and homeowner requests.

The Board re-convened in Open Session at 8:55 pm.

EXECUTIVE SESSION VOTES

1. Motion to waive late fees as long as the owner stays current on upcoming assessments for the next 12 months. Motion seconded and passed.
2. Motion to waive late fees as long as the owner stays current on upcoming assessments during the term of the payment plan; owner to pay \$50 per month until paid in full. Failure to adhere to payment plan will result in resurrection of collections activity by the attorney. Motion seconded and passed.
3. Motion to waive late fees on the condition the owner stays current on assessments for the next 12 months; owner's request to waive attorney's fees and court costs denied. If the owner accepts this offer and pays the balance in full, it will stop all collections activity. Failure to accept offer will result in resurrection of collections activity by the attorney. Motion seconded and passed.
4. Motion to waive all small A/R balances less than \$30. Motion seconded and passed.

The meeting was adjourned at 9:00 pm.



Approved

6-12-14
Date

SPRINGHILL COMMUNITY HOMEOWNERS ASSOCIATION INC.
BOARD OF DIRECTORS MEETING
April 10, 2014
3705 STRAWBERRY PLAINS RD SUITE C
WILLIAMSBURG, VA 23188

MEMBERS PRESENT

VINCENT SCHULTZ - PRESIDENT
CHUCK MOORE - VICE PRESIDENT
RENEE DALLMAN – DIRECTOR
TERRIE MOORE - DIRECTOR
JENNIFER SMITH - ASSOCIATION MANAGER

Members absent – Bill Sumler, Patricia Barber & Brian Crowley

CALL TO ORDER

A quorum was established. The meeting was called to order at 7:19 PM. Meeting started late due to waiting on a quorum of Board members to be present.

HOMEOWNER'S FORUM

No homeowners present.

Motion to adopt the agenda as written. Motion seconded and passed.

Motion to approve the March 2014 minutes. Motion seconded and passed.

Motion to accept February and March 2014 Treasurer's Report. Motion seconded and passed.

Jen presented the Management Report. Motion to accept. Motion seconded and passed.

UNFINISHED BUSINESS

Further discussion on ways to improve the entrance area. Jen presented an estimate from Rosenbaum Fence to install a 3 foot open slat picket fence at the entrance. The Board will look at other fence style options and ask Rosenbaum to re-bid, including extending the fence up Springhill Drive as the original fence was installed.

Jen will contact Wright Signs to have two other signs replaced that are in poor condition.

Jen presented a proposal from Land Tech to survey the common areas at the entrance, and two other common areas behind and beside homes on Teakwood Drive. Motion to approve the proposal for \$850. Motion seconded and passed.

Jen presented CD investment options from several local banks. Motion to place \$5,000 into a CD at Bank of Hampton Roads for 13 months at .85%. Motion seconded and passed.

NEW BUSINESS

Jen gave an update on the status of the reserve study.

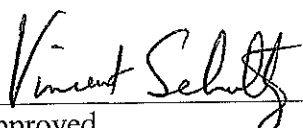
The Board entered into Executive Session at 8:40 pm to discuss delinquent assessments.

The Board re-convened in Open Session at 9:05 pm.

EXECUTIVE SESSION VOTES

There were no items discussed in Executive Session that required a vote of the Board.

The meeting was adjourned at 9:05 pm.



Approved

5-8-14
Date

SPRINGHILL COMMUNITY HOMEOWNERS ASSOCIATION INC.
BOARD OF DIRECTORS MEETING
March 13, 2014
3705 STRAWBERRY PLAINS RD SUITE C
WILLIAMSBURG, VA 23188

MEMBERS PRESENT

VINCENT SCHULTZ - PRESIDENT
CHUCK MOORE - VICE PRESIDENT
PATRICIA BARBER – DIRECTOR
RENEE DALLMAN – DIRECTOR
TERRIE MOORE - DIRECTOR
JENNIFER SMITH - ASSOCIATION MANAGER

Members absent – Bill Sumler & Brian Crowley

CALL TO ORDER

A quorum was established. The meeting was called to order at 6:30 PM.

HOMEOWNER'S FORUM

No homeowners present.

Motion to adopt the agenda as written. Motion seconded and passed.

Motion to approve the February 2014 minutes. Motion seconded and passed.

The February 2014 Treasurer's Report was tabled.

Jen presented the Management Report. Motion to accept. Motion seconded and passed.

UNFINISHED BUSINESS

Further discussion on ways to improve the entrance area.

Jen tasked to get a price to survey the common areas at the entrance, behind 4312 Teakwood and the open area beside Terrie's house.

NEW BUSINESS

A CD at Towne Bank has matured. Motion to have further analysis performed by CBM to find the best rates. Motion passed and seconded. The Board will decide at the next meeting. In the meantime, the CD funds will be placed into the replacement reserve money market account.

The Board entered into Executive Session at 7:11 pm to discuss delinquent assessments and contracts/proposals.

The Board re-convened in Open Session at 7:17pm.

EXECUTIVE SESSION VOTES

1. Motion to approve the contract from Reserve Advisors to perform the reserve study. Motion seconded and passed.

The meeting was adjourned at 7:51 PM.

Vincent Schultz
Approved

5-8-14
Date

**SPRINGHILL COMMUNITY HOMEOWNERS ASSOCIATION INC.
BOARD OF DIRECTORS MEETING**

February 20, 2014

**3705 STRAWBERRY PLAINS RD SUITE C
WILLIAMSBURG, VA. 23188**

MEMBERS PRESENT

VINCENT SCHULTZ - PRESIDENT
CHUCK MOORE - VICE PRESIDENT
BRIAN CROWLEY - DIRECTOR
PATRICIA BARBER – DIRECTOR
RENEE DALLMAN – DIRECTOR
TERRIE MOORE - DIRECTOR
JENNIFER SMITH - ASSOCIATION MANAGER

Members absent – Bill Sumler

CALL TO ORDER

A quorum was established. The meeting was called to order at 7:05 PM.

HOMEOWNER'S FORUM

No homeowners present.

Renee motioned to adopt the agenda with the addition of 'Meetings' added under New Business. Chuck seconded. Motion passed.

Patricia motioned to approve the October 2013 minutes. Chuck seconded. Motion passed.

Renee motioned to approve the January 2014 minutes. Terrie seconded. Motion passed.

Jen presented the 1/31/14 Treasurer's Report. Brian motioned to accept. Terrie seconded. Motion passed.

Jen presented the Management Report. Chuck motioned to accept. Brian seconded. Motion passed.

UNFINISHED BUSINESS

Further discussion on ways to improve the entrance area.

Brian motioned to accept the proposal from Wright Signs to replace the 'children at play' and other miscellaneous sign posts throughout the community, to be paid from the replacement reserve. Terrie seconded. The 'buckle up' sign at the entrance will be installed on the stop sign post.

NEW BUSINESS

Renee motioned to purchase another bench to be installed on the sunny side of the big pond. Patricia seconded. Motion passed.

The topic of current meeting date and time was discussed. It was decided the Board would go back to meeting on the 2nd Thursday of the month during Bill's absence, meetings to start at 6:30pm instead of 7:00pm.


The Board entered into Executive Session at 8:03pm to discuss delinquent assessments and contracts/proposals.

The Board re-convened in Open Session at 8:13pm.

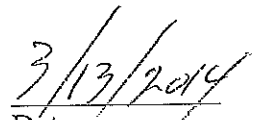
EXECUTIVE SESSION VOTES

1. Chuck motioned to allow the homeowner to pay the late fees over 4 months, on the condition they remain current on all assessments for 12 months. Renee seconded. Motion passed.
2. Terrie motioned to waive the late fees if the account is paid in full by 4/7/14. Renee seconded. Motion passed.
3. The Board declined the proposals from Solitude Lake Management to install an LED light pack onto the fountain and to stock the pond with minnows.

The meeting was adjourned at 8:17 PM.



Approved



Date

SPRINGHILL COMMUNITY HOMEOWNERS ASSOCIATION INC.
BOARD OF DIRECTORS MEETING
January 23, 2014
3705 STRAWBERRY PLAINS RD SUITE C
WILLIAMSBURG, VA. 23188

MEMBERS PRESENT

VINCENT SCHULTZ - PRESIDENT
CHUCK MOORE - VICE PRESIDENT
BRIAN CROWLEY - DIRECTOR
PATRICIA BARBER - DIRECTOR
RENEE DALLMAN - DIRECTOR
JENNIFER SMITH - ASSOCIATION MANAGER

Members absent – Bill Sumler and Terrie Moore

CALL TO ORDER

A quorum was established. The meeting was called to order at 6:37 PM.

A motion was made to go into Executive Session to conduct formal hearings, consider legal matters, review delinquent assessments and review proposals. Motion seconded and passed.

The Board re-convened in Open Session at 7:20 PM.

HOMEOWNER'S FORUM

No homeowners present.

ITEM # 1–Chuck motioned to give the homeowner 15 days to correct the violation or non-compliance charges of \$10 per day begin on the 16th day. Patricia seconded. Motion passed.

ITEM # 2 - Chuck motioned to give the homeowner until April 30th to correct the violation or non-compliance charges of \$10 per day begin the next day. Renee seconded. Motion passed.

ITEM # 3 – Chuck motioned to take no action since the violation was corrected prior to the hearing. Patricia seconded. Motion passed.

ITEM # 4 – Chuck motioned to give the homeowner until April 30th to correct the violation or non-compliance charges of \$10 per day begin the next day. Renee seconded. Motion passed.

ITEM # 5 – Brian motioned to approve a payment plan of \$100 per month, on the condition the homeowner stays current on all future assessments. All payments to be made by certified funds only.

If the homeowner obeys the payment plan, then all soft costs (late fees and interest) will be waived. The homeowner must pay all hard costs (attorney's fees, court costs, etc). The first payment will be due April 1st. Renee seconded. Motion passed.

ITEM # 6 – Brian motioned to accept the landscaping proposal from Leo's Landcare. Renee seconded. Motion passed.

ITEM #.7 – Chuck motioned to accept the proposal from Solitude to perform the fountain oil and seals change maintenance. Patricia seconded. Motion passed with one nay vote.

Chuck motioned to adopt the agenda with the addition of "Net Income Transfer" added under New Business. Patricia seconded. Motion passed.

There were no minutes to approve in Bill's absence. Jen will draft the October 2013 minutes based on her notes.

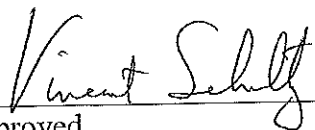
Jen presented the 12/31/13 Treasurer's Report. Patricia motioned to accept. Chuck seconded. Motion passed.

Jen presented the Management Report. Chuck motioned to accept. Patricia seconded. Motion passed.

The CD placement item was tabled to the next meeting to see if rates are better for a \$10k investment versus \$5k.

Chuck motioned to ratify the email vote taken to transfer \$18,000 in 2013 net operating income to the replacement reserve account. Patricia seconded. Motion passed.

The meeting was adjourned at 8:37 PM.



Approved

2/20/14
Date

**SPRINGHILL COMMUNITY HOMEOWNERS ASSOCIATION INC.
BOARD OF DIRECTORS MEETING
OCTOBER 10, 2013
CHESAPEAKE MANAGEMENT OFFICE
3705 STRAWBERRY PLAINS RD SUITE C
WILLIAMSBURG, VA. 23188**

MEMBERS PRESENT

VINCENT SCHULTZ - PRESIDENT
CHUCK MOORE - VICE PRESIDENT
PATRICIA BARBER - DIRECTOR
TERRY MOORE - DIRECTOR
JENNIFER SMITH - ASSOCIATION MANAGER

CALL TO ORDER

A quorum was established. The meeting was called to order at 6:55 PM. Patricia motioned to go into Executive Session for the purpose of due process hearings, legal issues/updates and a homeowner request. Terrie seconded. Motion passed.

The Board re-convened in Open Session at 7:25 PM.

EXECUTIVE SESSION VOTES

1. Patricia motioned to give the homeowner until 10/31/13 to correct the violation or charges of \$10 per day will begin on 11/1/13. Terrie seconded. Motion passed.
2. Patricia motioned to take no action since the violation was corrected prior to the meeting. Terrie seconded. Motion passed.
3. Patricia motioned to take no action since the violation was corrected prior to the meeting. Terrie seconded. Motion passed.
4. Patricia motioned to take no action since the violation was corrected prior to the meeting. Terrie seconded. Motion passed.

5. Patricia motioned to take no action since the violation was corrected prior to the meeting. Terrie seconded. Motion passed.

6. Terrie motioned to give the homeowner until 10/31/13 to correct the violation, after confirming the home is still occupied. If the violation is not corrected by 10/31/13, charges of \$10 per day will begin on 11/1/13. Patricia seconded. Motion passed.

7. Patricia motioned to give the homeowner until 10/31/13 to correct the violation or charges of \$10 per day will begin on 11/1/13. Terrie seconded. Motion passed.

8. Patricia motioned to take no action since the violation was corrected prior to the meeting. Terrie seconded. Motion passed.

9. Patricia motioned to take no action since the violation was corrected prior to the meeting. Terrie seconded. Motion passed.

10. Patricia motioned to approve the architectural review request. Terrie seconded. Motion passed. Vince will notify the ARC Chair.

There were no other items discussed in Executive Session which required a vote of the Board.

Chuck motioned to adopt the agenda. Terrie seconded. Motion passed.

Terrie motioned to approve the September 2013 minutes. Patricia seconded. Motion passed.

PRESIDENT'S REPORT

Vince reported that he attempted to exterminate the yellow jacket nest under the Driftwood bridge. He had difficulty lifting the bridge on his own. He will attempt again when he has help.

Vince also reported the positive comments that have been received on the new street signs.

Vince will prepare a newsletter prior to the Annual Meeting.

Vince will prepare a Power Point presentation for the Annual Meeting.

TREASURER'S REPORT

Jen provided the September 2013 financial statements. Chuck motioned to accept the report. Terrie seconded. Motion passed.

MANAGING AGENT'S REPORT

Chuck motioned to accept the report. Patricia seconded. Motion passed.

UNFINISHED BUSINESS

Entrance Improvements: Jen tasked to follow up with James River Grounds about the crepe myrtle tree to be replaced.

Street Sign Project: Vince motioned to have the remaining 8 signs installed per Wright Sign's proposal. Chuck seconded. Motion passed.

2014 Budget: The Board reviewed three budget options. After lengthy discussion, Vince motioned to adopt the 2014 budget with a 5% assessment increase. Terrie seconded. Motion passed.

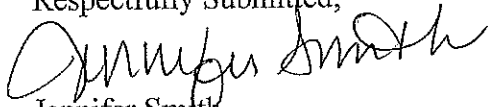
NEW BUSINESS

Mailbox Numbers: Discussion.

The Board also discussed the need for community Rules and Regulations.

The meeting was adjourned at 9:04 PM.

Respectfully Submitted;



Jennifer Smith
Managing Agent

EXHIBIT 17

Springhill Community Homeowner's Association

c/o Chesapeake Bay Management
3705 Strawberry Plains Road, Suite C
Williamsburg, VA 23188
(757) 706-3019/Fax (757) 345-6532

FRIENDLY REMINDER

July 09, 2014

Margaret A. Oberthal Estate
c/o Joyce Oberthal, Executor
271 Raven Terrace
Williamsburg VA 23185-7013

RE: 3985 Driftwood Way

Dear Springhill Owner or Resident,

Helping to keep the Springhill community an attractive and a great place to live, as well as protecting the investment that has been made in our homes is important. To achieve these values, the Board of Directors must ensure that the community maintains the standards that are established in our covenants.

As part of this process, the Chesapeake Bay Management (CBM) company periodically drives through the community to note any issues of concern that they observe to help ensure the standards of the governing documents are being maintained.
Please store your recycling container away from view of the street and neighboring properties.

To help refresh your memory of the applicable section of the covenants, here is the excerpt we are referring to concerning the above condition:

As stated in the Amended and Restated Declaration of the Covenants, Conditions and Restrictions of Springhill, Article VII, Section 6: "All trash cans and other trash receptacles shall be kept in a clean and sanitary condition in the garage, in the rear of the dwelling unit, or in an enclosure or screening approved by the ARC. No accumulation or storage of litter, refuse, bulk materials or other trash of any kind shall be permitted on any Lot. The Board of Directors, in its sole discretion, may contract with a refuse collection service and may require Owners to subscribe to a specific refuse collection service. Each Owner agrees that the costs and expenses associated with such a service shall be included in the annual budget and assessed pursuant to Article V, herein. No incinerators shall be kept or maintained on any Lot."

If we are in error, or this issue has already been rectified, please notify us by e-mail, phone, or fax as soon as possible. If the issue still exists, please be considerate of your neighbors and correct the issue within seven (7) days from the date of this letter. If there are extenuating circumstances that prevent you from correcting this issue, please notify us immediately so we can work together and help you come up with a written plan to rectify the situation. We will present your written response to the Board of Directors for their concurrence and discussion. You also have the right to appeal this notification to the Board.

Thank you for your prompt attention in this matter and for appreciating our common interests in helping to keep the Springhill community an attractive and a great place to live, and protecting the investment that we have made in our homes.

If I can provide any additional information or assistance, please contact me at 757-706-3019 or via email at jsmith@1cbm.com

Sincerely,



Jennifer Smith, CMCA®, AMS®
Managing Agent

cc: Owner File