BRAECRE-01 RLYNCH

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 3/15/2019

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

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

PRODUCER	CONTACT NAME:	
Beskin-Divers Insurance Group, Inc. 300 Southport Circle Virginia Beach, VA 23452	PHONE (A/C, No, Ext): (757) 497-1041	FAX (A/C, No): (757) 497-4086
	E-MAIL ADDRESS: insurance@beskindivers.com	

INSURED	INSURER(S) AFFORDING COVERAGE	NAIC #
Braemar Creek @ Greenspring c/o Community Group 4808 Courthouse St., Ste 205 Williamsburg, VA 23188	INSURER A : American Alternative Insurance Corp.	19720
	INSURER B : FHM Insurance Company	10699
	INSURER C :	
	INSURER D :	
	INSURER E :	
	INSURER F :	

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

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$ 2,000,000
	CLAIMS-MADE X OCCUR			CAU507886-2	3/1/2019	3/1/2020	DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 1,000,000
	X D&O						MED EXP (Any one person)	$ 5,000
							PERSONAL & ADV INJURY	$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$ 2,000,000
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB CLAIMS-MADE						AGGREGATE	$
	DED RETENTION $							$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N						PER STATUTE OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	N / A		WC306-0026252-2019	2/6/2019	2/6/2020	E.L. EACH ACCIDENT	$ 100,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$ 100,000
							E.L. DISEASE - POLICY LIMIT	$ 500,000
A	Building			CAU507886-2	3/1/2019	3/1/2020	See Notes	
A	Fidleity/Crime			CAU507886-2	3/1/2019	3/1/2020	$2,000,000	

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

CERTIFICATE HOLDER

Braemar Creek at Greenspring

CANCELLATION

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

AUTHORIZED REPRESENTATIVE

Rachel Lynch

© 1988-2015 ACORD CORPORATION. All rights reserved.
The ACORD name and logo are registered marks of ACORD

AGENCY CUSTOMER ID: BRAECRE-01 RLYNCH

LOC #: 0

ADDITIONAL REMARKS SCHEDULE

AGENCY	NAMED INSURED
Beskin-Divers Insurance Group, Inc.	Braemar Creek @ Greenspring c/o Community Group 4808 Courthouse St., Ste 205 Williamsburg, VA 23188
POLICY NUMBER SEE PAGE 1	
CARRIER: SEE PAGE 1 / NAIC CODE: SEE P 1	EFFECTIVE DATE: SEE PAGE 1

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,

FORM NUMBER: ACORD 25 FORM TITLE: Certificate of Liability Insurance

Certificate of Liability Remarks
Building and Structures Limit of Insurance - Guaranteed Replacement Cost
Ratable Limit $53,620,000
AOP Deductible $5,000
Vaulation - Guaranteed Replacement Cost
Special Perils including wind / hail coverage
Ordinance or Law Coverage Applies
Equipment Break Down Included
282 Total Units
$10,000 water damage deductible
Severability of Interest Included
Property manager is an insured on the fidelity/crime policy

© 2008 ACORD CORPORATION. All rights reserved.

The ACORD name and logo are registered marks of ACORD

ASSOCIATION INSURANCE REQUIREMENTS

Bra[illegible] @ Greenspring Plantation Condo Assoc
ate 02/15/2019
licy AU5078861

ATTENTION INSURANCE AGENT OR COMPANY

We are servicing a loan secured by a Unit insured under an Association insurance policy writter through your company. The investor for this loan requires that we obtain a copy of the Associatio Master Policy, including all endorsements and amendments, in order to confirm that the polic complies with the following listed requirements.

Fo[illegible]minium, Planned Urban Development (PUD), or Co-operative (Co-op) Association Policy listed above, ple[illegible] the requirements that are included in the Association Master Policy.

#	[illegible]	No	N/A	Compliance Requirement
1.	☒	☐		The policy maintains a "master or blanket type of insurance policy."
2.	☒	☐		The insurance premium must be paid "as a common expense."
3.	☒	☐		The policy must insure all "general and limited common elements."
4.	☒	☐		The policy is one of the following types: Single Entity, All In/All Inclusive, or Bare Walls.
5.	☒	☐		The policy includes coverage for Fire and other Perils normally covered unde the extended coverage endorsement or that are included under an "all risk" "broad form" coverage form.
6.	☒	☐		The Insurance carriers comply with the following financial rating requirements: ☒ AM Best rating of "B" or better; or ☐ Demotech rating of "A" or better; or ☐ Standard and Poor's rating of "BBB" or better
The following endorsements are included (Items 7 to 13):				
7.	☐	☒		An Inflation Guard Endorsement, when it can be obtained.
8.	☒	☐		A Building Ordinance or Law Endorsement to protect against additional los costs associated with compliance to any building, zoning, or land-use law when it can be obtained.
9.	☒	☐		A Steam Boiler and Machinery Coverage Endorsement, if the project h central heating or cooling with coverage for at least $2 million or the insurab value of the building housing the boiler or machinery. A separate stand-alo boiler and machinery coverage may also comply.
10.	☒	☐	☐	The policy must include one of the following: a) An Extended Replacement Cost or Guaranteed Replacement Cost c Replacement Cost Endorsement b) An Agreed Amount Endorsement or Agreed Value Option which waive the requirements for coinsurance c) Other evidence that the amount of coverage is at least equal to 100% of the insurable replacement cost coverage of the project improvements

[illegible]ect h
[illegible] insural
[illegible]nd-alo

#	Yes	No	N/A	Compliance Requirement
11.	☒	☐		A Special Condominium Endorsement which provides a) That Trust Agreements will be recognized b) Subrogation rights against Unit Owners is waived. c) Insurance will not be prejudiced by acts or omissions of individual Un Owners not under control of the Homeowners Association (HOA) d) Insurance is primary even if a Unit Owner has coverage for the sam loss.
12.				For Future Use.
13.				For Future Use.
14.	☒	☐		The maximum deductible under an Association Master or Condominium, Co-op PUD or Townhome project policy is 5% of the policy face amount, unless a higher maximum is required by state law.
15.	☒	☐		The Named Insured on the policy for each Property type should reflect th following: a) Condominium - Insurance policies for Condominium projects shou show the HOA as the Named Insured. If the Condominium's leg documents permit, the policy can specify an authorized representative the HOA, including its insurance trustee, as the Named Insured. b) PUD/Townhome - All insurance policies for the PUD common areas ar elements must show the HOA as the Named Insured. c) Co-op - All insurance policies for Co-op projects must show the Co-op Corporation as the Named Insured.
16.	☐	☒		The policy must also contain the following for each Property type: a) Condominium - The "loss-payable" clause should show the HOA or th insurance trustee as a trustee for each Unit Owner and the holder of th mortgage loan for each unit. The mortgage clause must name mortgagee either Fannie Mae or the servicers. When a servicer is nam as the mortgagee, its name should be followed by the phrase Successors and Assigns." b) PUD/Townhome - The mortgage clause must name as mortgagee eith Fannie Mae or the servicers. When a servicer is named as the mortgagee, its name should be followed by the phrase, "Its Successors and Assigns." c) Co-op - The mortgage clause must name as mortgagee either Fanni Mae or the servicers. When a servicer is named as the mortgagee, it name should be followed by the phrase, "Its Successors and Assigns."
17.	☒	☐		The policy provides for a Notice of Cancellation or Substantial Change in Polic Conditions to be provided to the HOA and mortgagees on the policy at least days prior to the cancel or change. Notice of Cancellation or Substant Change in Policy Conditions must be

#	Yes	No	N/A	Compliance Requirement
				provided to HOA and mortgagees as follows: a) Condominium/PUD/Townhome - On Condominium and PUD policies, a least 10 days prior to the cancel or change. Special cancellatio requirements for association policies for non-affiliated associations mu meet the additional cancellation requirements listed above. b) Co-op - The insurance policy for a Co-op project should provide for least 30 days notice to servicers if the policy is cancelled or not renewe or if any other change that adversely affects Fannie Mae's interests made, except that 10 days' notice must be provided to the co-op proj or its insurance trustee before the insurer can cancel or substantia modify the Fidelity insurance coverage..
18.	☐	☐		Does this policy cover multiple unaffiliated condominium associations? *Affiliated projects include those that are under the same master association share the use of common facilities that are either owned individually or as pa of a master association/development. Multiple condominium or PUD projec that do not have one of these characteristics, but are managed by the sam management company, are not considered to be affiliated projects.*
19.				For Future Use.
20.				For Future Use.
21.				For Future Use.
22.				For Future use.
23.				For Future Use.
24.				For Future use.
25				For Future use.
26.				For Future use.

In addition to the requirements listed above, please provide the following information:

#	Yes	No	N/A	Compliance Requirement
27.	☒	☐	☐	The policy contains comprehensive General Liability Insurance coverage covering the entire project in an amount not less than $1 million for bodily injury and property damage for any one occurrence.
28.	☒	☐	☐	The policy contains blanket Fidelity Insurance for anyone who handles funds held or administered by the HOA or Co-op Corporation in an amount greater than or equal to $5000.00.
29.	☐	☒	■	The policy contains coverage for unit-interior improvements.

Please forward this completed form, along with a full copy of the Association Master Policy, to the address below.

NatGen
PO BOX 164519
FORT WORTH TX 76161

Insurance Company Beskin Divers Insurance Group
Policy Number CAVSD78806-2
Effective Date 3/01/19
Expiration Date 3/01/20
Agent Signature Rachel Lynch

Agent Rachel Lynch
Address 300 Southport Cir
VA Beach, VA 23452
Phone 757-497-1041
Email rachel.Lynch@BeskinDivers.com

Your assistance is greatly appreciated. Once this information is received, the Unit Owner's insurance recor will be updated.

If you have any questions concerning this request, please contact our insurance customer servic department Toll Free at (866) 299-4783.

COMMONWEALTH of VIRGINIA

Department of Professional and Occupational Regulation
9960 Mayland Drive, Suite 400, Richmond, VA 23233
Telephone: (804) 367-8500

EXPIRES ON
02-29-2020

NUMBER
0550007768

COMMON INTEREST COMMUNITY BOARD
COMMON INTEREST COMMUNITY ASSOCIATION REGISTRATION

BRAEMAR CREEK AT GREENSPRINGS PLANTATION
CONDO ASSOCIATION INC
BEVERLY FRANTZ
COMMUNITY GROUP, INC.
3901 WESTERRE PKWY STE 100
HENRICO, VA 23233

DPOR

Mary Broz-Vaughan, Acting Director

Status can be verified at http://www.dpor.virginia.gov

(SEE REVERSE SIDE FOR PRIVILEGES AND INSTRUCTIONS)

DPOR-LIC (02/2017)

(DETACH HERE)

DPOR COMMONWEALTH of VIRGINIA
Department of Professional and Occupational Regulation

COMMON INTEREST COMMUNITY BOARD
COMMON INTEREST COMMUNITY ASSOCIATION REGISTRATION
NUMBER: 0550007768 EXPIRES: 02-29-2020

BRAEMAR CREEK AT GREENSPRINGS PLANTATION CONDO
ASSOCIATION INC
BEVERLY FRANTZ
COMMUNITY GROUP, INC.
3901 WESTERRE PKWY STE 100
HENRICO, VA 23233

(FOLD)

Status can be verified at http://www.dpor.virginia.gov

DPOR-PC (02/2017)

UNAUDITED

Balance Sheet Report
Braemar Creek @ Greensprings Plantation
As of December 31, 2018

	Balance Dec 31, 2018	Balance Nov 30, 2018	Change
Assets			
Operating Funds			
1000 - Cash-PPB DDA#0013	21,436.17	11,603.31	9,832.86
1100 - MM-PPB Operating Reserve	16,127.18	16,123.97	3.21
1101 - MM-PPB Replacement Reserve	251,688.59	237,617.62	14,070.97
1105 - Morgan Stanley	1,160,870.10	1,160,109.90	760.20
Total Operating Funds	**1,450,122.04**	**1,425,454.80**	**24,667.24**
Accounts Receivable			
1500 - Net HO Past Due/(Prepaids)	(7,014.35)	(13,939.02)	6,924.67
1530 - Allowance for Doubtful accounts	(5,464.24)	(5,464.24)	0.00
Total Accounts Receivable	**(12,478.59)**	**(19,403.26)**	**6,924.67**
Total Assets	**1,437,643.45**	**1,406,051.54**	**31,591.91**
Liabilities			
Accounts Payable			
2000 - A/P Vendors	15,156.66	0.00	15,156.66
2036 - A/P-Community Group, Inc.	35.00	35.00	0.00
2043 - A/P Ins Claim 2706 Glen Nevis Trace	1,661.72	0.00	1,661.72
2044 - AP Insurance Claim 3106 Arran Thistle	(1,800.55)	(1,800.55)	0.00
2050 - Resident Refunds	126.00	268.70	(142.70)
Total Accounts Payable	**15,178.83**	**(1,496.85)**	**16,675.68**
Total Liabilities	**15,178.83**	**(1,496.85)**	**16,675.68**
Owners' Equity			
Reserves			
3000 - Retained Earnings	(32,576.98)	(32,576.98)	0.00
3102 - Replacement Reserves Common	239,735.77	238,723.77	1,012.00

Balance Sheet Report
Braemar Creek @ Greensprings Plantation
As of December 31, 2018

	Balance Dec 31, 2018	Balance Nov 30, 2018	Change
Owners' Equity			
Reserves			
3104 - Replacement Reserves 10 Plex	694,436.56	686,666.56	7,770.00
3106 - Replacement Reserves 6 Plex	472,558.00	467,693.00	4,865.00
3188 - Interest Reserves	36,386.85	33,955.56	2,431.29
3216 - Operating Reserves	28,986.49	28,746.49	240.00
3456 - Morgan Stanley Net Market Value Change	(14,630.46)	(13,193.55)	(1,436.91)
Total Reserves	**1,424,896.23**	**1,410,014.85**	**14,881.38**
Total Owners' Equity	**1,424,896.23**	**1,410,014.85**	**14,881.38**
Net Income / (Loss)	**(2,431.61)**	**(2,466.46)**	**34.85**
Total Liabilities and Equity	**1,437,643.45**	**1,406,051.54**	**31,591.91**

REPLACEMENT RESERVE REPORT FY 2018
BRAEMAR CREEK AT GREENSPRINGS PLANTATION

REPLACEMENT RESERVE REPORT FY 2018
BRAEMAR CREEK AT GREENSPRINGS PLANTATION

millerdodson ASSOCIATES Capital Reserve Consultants

Community Management by:

ASSOCIA COMMUNITY GROUP

Ms. Beverly Frantz

50 Braemar Creek
Williamsburg, VA 23188
757.345.6400
bfrantz@communitygroup.com

Consultant:

millerdodson ASSOCIATES Capital Reserve Consultants

2661 Riva Road, Suite 1023
Annapolis, MD 21401
410.268.0479
800.850.2835

MillerDodson.com

INTENTIONALLY LEFT BLANK

REPLACEMENT RESERVE REPORT

BRAEMAR CREEK AT GREENSPRINGS PLANTATION

WILLIAMSBURG, VIRGINIA
November 4, 2017
Revised March 23, 2018

Description. Braemar Creek at Greensprings Plantation is a condominium association located in Williamsburg, Virginia. Braemar Creek began construction in 2004 and was completed in 2015. The community now consists of nineteen 10-plex buildings and 16 townhome buildings with 282 units. The survey examined the common elements of the property, including:

- Asphalt drives and parking.
- Concrete sidewalks, steps, and curb and gutter.
- Stone masonry piers, metal fencing, and railings.
- Tennis court, playground, swimming pool, and community building.
- Building exteriors and common interior areas.

Level of Service. This study has been performed as a Level 2 Update with Site Visit/On-Site Review as defined under the National Reserve Study Standards that have been adopted by the Community Associations Institute. As such, the component inventory is based on the study that was performed in 2013 with a 2014 revision by Miller Dodson Associates. The inventory was adjusted to reflect changes as provided by the Community Manager or adjustments were made based on the site visit and visual inspection performed by the Analyst. The included fund status and funding plan have been developed from analysis of the adjusted inventory.

Section A

General Analysis

Section B

10-Plex Analysis

Section C

Townhouse Analysis

Section D

Condition Assessment

Appendix

Accounting Summary - CF1
Component Method - CM1

Overview, Standard Terms, and Definitions

Video Answers to Frequently Asked Questions

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

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

- **Inventory of Items Owned by the Association.** Section B lists the Projected Replacements of the commonly owned items that require periodic replacement using funding from Replacement Reserves. The Replacement Reserve Inventory also provides information about excluded items, which are items whose replacements are not scheduled for funding from Replacement Reserves.

- **Condition of Items Owned by the Association.** Section B includes our estimates of the normal economic life and the remaining economic life for the projected replacements. Section C provides a year-by-year listing of the projected replacements. Section D provides additional detail for items that are unique or deserving of attention because of their condition or the manner in which they have been treated in this study.

- **Financial Plan.** The Association has a fiduciary responsibility to protect the appearance, value, and safety of the property and it is therefore essential the Association have a financial plan that provides funding for the projected replacements. In conformance with American Institute of Certified Public Accountant guidelines, Section A, Replacement Reserve Analysis evaluates the current funding of Replacement Reserves as reported by the Association and recommends annual funding of Replacement Reserves by the Cash Flow Method. Section A, Replacement Reserve Analysis includes graphic and tabular presentations of the Association's current funding and the recommended funding based on the Cash Flow Method. An Executive Summary of these calculations is provided on Page A1. The alternative Component Method of funding is provided in the Appendix.

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

- The Request for Proposal submitted and executed by the Association.

- Miller - Dodson performed a visual evaluation on 16 November 2017 to determine a remaining useful life and replacement cost for the commonly owned elements of this facility.

- This study contains additional recommendations to address inflation for the Cash Flow Method only. For this recommendation, Miller - Dodson uses the Producers Price Index (PPI), which gauges inflation in manufacturing and construction. Please see page A5 for further details.

To-Scale Drawings. Site and building plans were not used in the development of this study. Site plans for Greensprings Condominiums by Simmons Engineering, Inc. and dated August 1, 2001 were used as the basis for establishing the quantities of asphalt pavement, concrete sidewalk, concrete curb and gutter and storm water drainage facilities when the original study was developed. Building plans by Ben Adderholdt, Architect, dated December 15, 2003 were used as the basis of building roofing, siding trim and recreational amenities when the original study was developed.
We recommend the Association assemble and maintain a library of site and building plans of the entire facility. Record drawings should be scanned into an electronic format for safe storage and ease of distribution. Upon request for a nominal fee, Miller - Dodson can provide scanning services.

Current Funding. This reserve study has been prepared for Fiscal Year 2018 covering the period from January 1, 2018 to December 31, 2018. The Replacement Reserves on deposit as of November 27, 2017 are reported to be $1,254,059. The planned contribution for the fiscal year is $14,460 for the General; $93,240 for the 10-plex; and $58,380 for the Townhomes. This results in a Reserve Fund balance at the start of the fiscal year as follows:

November 27, 2017 balance	$1,254,059
2 months contribution	$2,410
Planned expenditures	$0
FY 2018 opening balance	$1,256,469

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

Acknowledgement. Miller - Dodson Associates would like to acknowledge the assistance and input of the Community Manager, Ms. Beverly Frantz who provided very helpful insight into the current operations of the property.

Analyst's Credentials. Mr. Philip Pointon holds a Bachelors Degree in Architecture from Virginia Polytechnic Institute and State University and a Masters Degree from Old Dominion University in Engineering Management and is a graduate of the Army Management Staff College. He has been a Registered Professional Architect in the States of Virginia and Hawaii since 1990 and has served in many design, management, and construction capacities as an architect since 1987. Mr. Pointon is a Reserve Specialist as accredited by the Community Association Institute for Miller - Dodson Associates.

Respectfully submitted,

millerdodson ASSOCIATES | Capital Reserve Consultants

Philip Pointon

Philip Pointon, Architect, RS, LEED AP
Reserve Specialist

INTENTIONALLY LEFT BLANK

EXECUTIVE SUMMARY

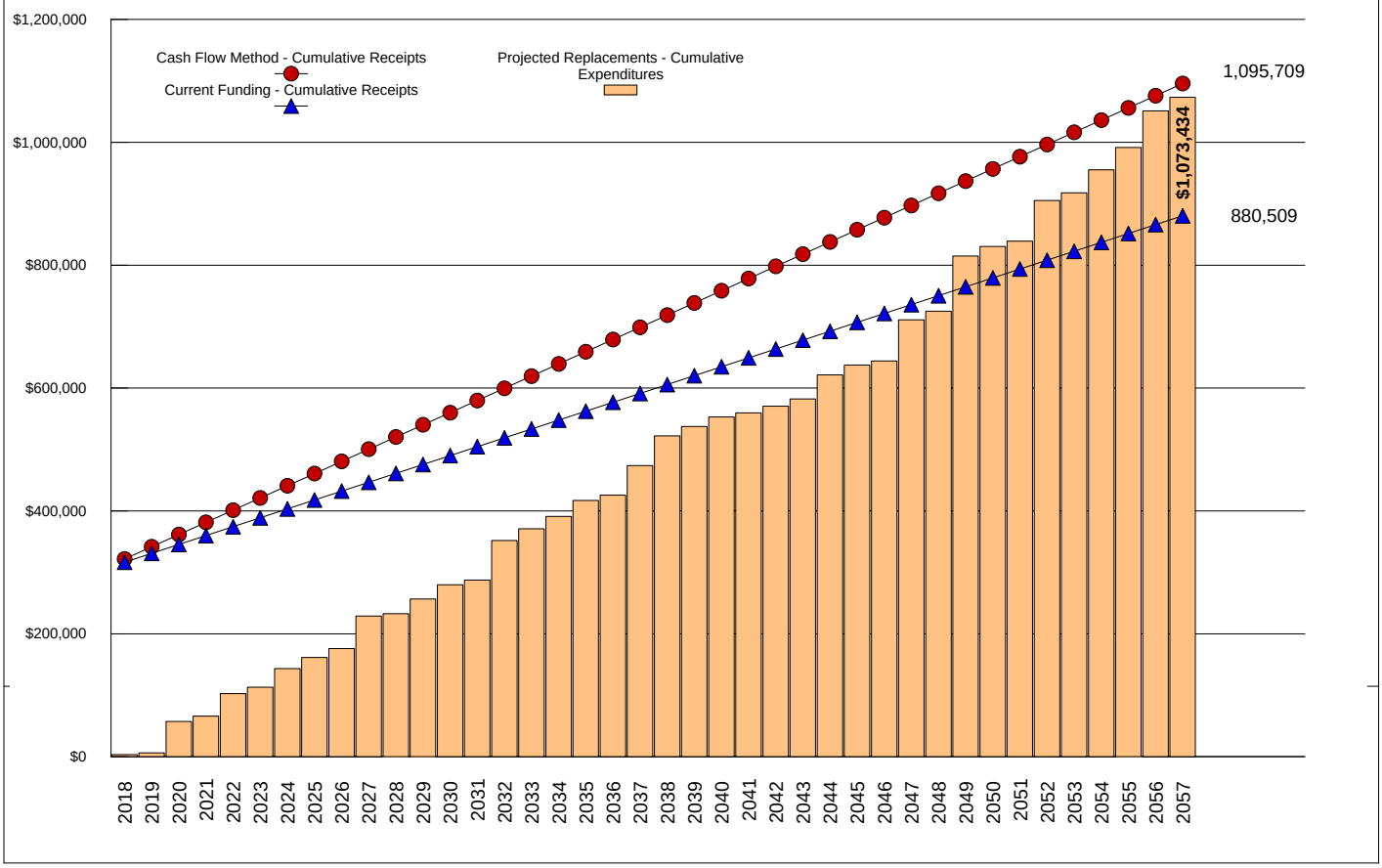
The Braemar Creek - General Replacement Reserve Analysis uses the Cash Flow Method (CFM) to calculate Replacement Reserve funding for the periodic replacement of the 68 Projected Replacements identified in the Replacement Reserve Inventory.

$19,840 **RECOMMENDED REPLACEMENT RESERVE FUNDING FOR THE STUDY YEAR, 2018**
$5.86 Per unit (average), minimum monthly funding of Replacement Reserves

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

Braemar Creek - General reports a Starting Balance of $302,109 and Annual Funding totaling $14,460. Current funding is inadequate to fund the $1,073,434 of Projected Replacements scheduled in the Replacement Reserve Inventory over the 40-year Study Period. See Page A3 for a more detailed evaluation.

#1 - Cumulative Replacement Reserve Funding and Expenditures Graph



The Current Funding Objective as calculated by the Component Method (Fully Funded) is $175,875 making the reserve account 171.8% funded. See the Appendix for more information on this method.

This Level II study is based on information provided by the Property Manager and reflects the current conditions observed on site and all of the completed construction of units and site improvements.

REPLACEMENT RESERVE ANALYSIS - GENERAL INFORMATION

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

2018 | **STUDY YEAR**

The Association reports that their accounting year begins on January 1, and the Study Year, the first year evaluated by the Replacement Reserve Analysis, begins on January 1, 2018.

40 Years | **STUDY PERIOD**

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

$302,109 | **STARTING BALANCE**

The Association reports Replacement Reserves on Deposit totaling $302,109 at the start of the Study Year.

Level Two | **LEVEL OF SERVICE**

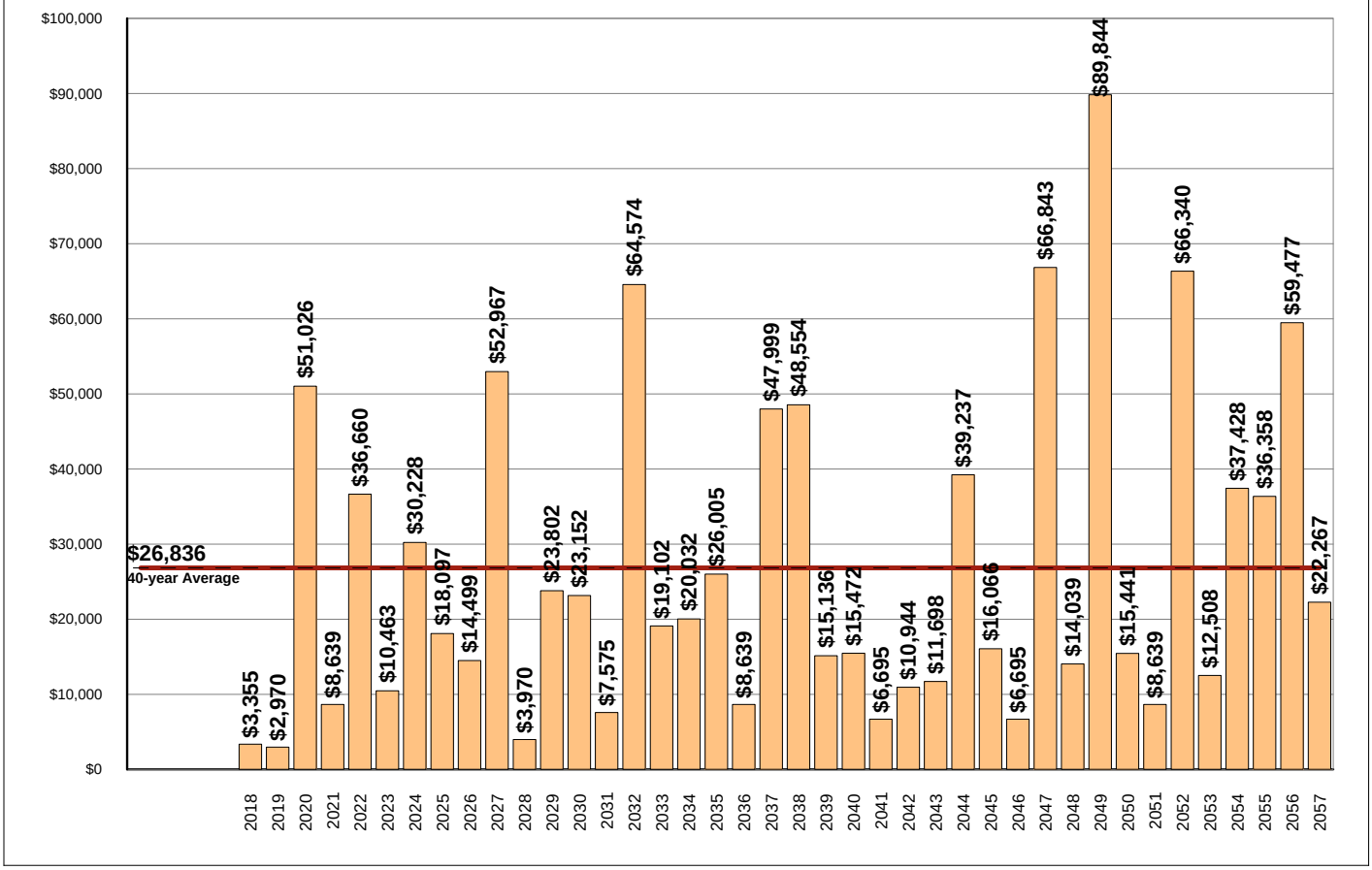
The Replacement Reserve Inventory has been developed in compliance with the National Reserve Study Standards for a Level Two Study, as defined by the Community Associations Institute (CAI).

$1,073,434 | **REPLACEMENT RESERVE INVENTORY - PROJECTED REPLACEMENTS**

The Braemar Creek - General Replacement Reserve Inventory identifies 68 items that will require periodic replacement, that are to be funded from Replacement Reserves. We estimate the cost of these replacements will be $1,073,434 over the 40-year Study Period. The Projected Replacements are divided into 11 major categories starting on Page B3. Pages B1-B2 provide detailed information on the Replacement Reserve Inventory.

#2 - Annual Expenditures for Projected Replacements Graph

This graph shows annual expenditures for Projected Replacements over the 40-year Study Period. The red line shows the average annual expenditure of $26,836. Section C provides a year by year Calender of these expenditures.



UPDATING

UPDATING OF THE FUNDING PLAN

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

UPDATING OF THE REPLACEMENT RESERVE STUDY

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

ANNUAL EXPENDITURES AND CURRENT FUNDING

The annual expenditures that comprise the $1,073,434 of Projected Expenditures over the 40-year Study Period and the impact of the Association continuing to fund Replacement Reserves at the current level are detailed in Table 3.

#3 - Table of Annual Expenditures and Current Funding Data - Years 1 through 40

Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Starting Balance	$302,109									
Projected Replacements	($3,355)	($2,970)	($51,026)	($8,639)	($36,660)	($10,463)	($30,228)	($18,097)	($14,499)	($52,967)
Annual Deposit	$14,460	$14,460	$14,460	$14,460	$14,460	$14,460	$14,460	$14,460	$14,460	$14,460
End of Year Balance	$313,214	$324,704	$288,138	$293,959	$271,759	$275,756	$259,989	$256,352	$256,313	$217,805
Cumulative Expenditures	($3,355)	($6,325)	($57,351)	($65,990)	($102,650)	($113,113)	($143,340)	($161,437)	($175,936)	($228,904)
Cumulative Receipts	$316,569	$331,029	$345,489	$359,949	$374,409	$388,869	$403,329	$417,789	$432,249	$446,709
Year	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**
Projected Replacements	($3,970)	($23,802)	($23,152)	($7,575)	($64,574)	($19,102)	($20,032)	($26,005)	($8,639)	($47,999)
Annual Deposit	$14,460	$14,460	$14,460	$14,460	$14,460	$14,460	$14,460	$14,460	$14,460	$14,460
End of Year Balance	$228,295	$218,954	$210,262	$217,147	$167,033	$162,392	$156,820	$145,275	$151,096	$117,556
Cumulative Expenditures	($232,874)	($256,675)	($279,827)	($287,402)	($351,976)	($371,077)	($391,109)	($417,114)	($425,753)	($473,753)
Cumulative Receipts	$461,169	$475,629	$490,089	$504,549	$519,009	$533,469	$547,929	$562,389	$576,849	$591,309
Year	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**	**2045**	**2046**	**2047**
Projected Replacements	($48,554)	($15,136)	($15,472)	($6,695)	($10,944)	($11,698)	($39,237)	($16,066)	($6,695)	($66,843)
Annual Deposit	$14,460	$14,460	$14,460	$14,460	$14,460	$14,460	$14,460	$14,460	$14,460	$14,460
End of Year Balance	$83,462	$82,786	$81,774	$89,539	$93,055	$95,817	$71,040	$69,434	$77,199	$24,816
Cumulative Expenditures	($522,307)	($537,443)	($552,915)	($559,610)	($570,554)	($582,252)	($621,489)	($637,555)	($644,250)	($711,093)
Cumulative Receipts	$605,769	$620,229	$634,689	$649,149	$663,609	$678,069	$692,529	$706,989	$721,449	$735,909
Year	**2048**	**2049**	**2050**	**2051**	**2052**	**2053**	**2054**	**2055**	**2056**	**2057**
Projected Replacements	($14,039)	($89,844)	($15,441)	($8,639)	($66,340)	($12,508)	($37,428)	($36,358)	($59,477)	($22,267)
Annual Deposit	$14,460	$14,460	$14,460	$14,460	$14,460	$14,460	$14,460	$14,460	$14,460	$14,460
End of Year Balance	$25,237	($50,147)	($51,128)	($45,307)	($97,187)	($95,235)	($118,202)	($140,100)	($185,117)	($192,925)
Cumulative Expenditures	($725,132)	($814,976)	($830,417)	($839,056)	($905,396)	($917,904)	($955,331)	($991,689)	($1,051,166)	($1,073,434)
Cumulative Receipts	$750,369	$764,829	$779,289	$793,749	$808,209	$822,669	$837,129	$851,589	$866,049	$880,509

EVALUATION OF CURRENT FUNDING

The evaluation of Current Funding (Starting Balance of $302,109 & annual funding of $14,460), is done in today's dollars with no adjustments for inflation or interest earned on Replacement Reserves. The evaluation assumes Replacement Reserves will only be used for the 68 Projected Replacements identified in the Replacement Reserve Inventory and that the Association will continue Annual Funding of $14,460 throughout the 40-year Study Period.

Annual Funding of $14,460 is approximately 73 percent of the $19,840 recommended Annual Funding calculated by the Cash Flow Method for 2018, the Study Year.
Evaluation of the 68 Projected Replacements calculates an average annual expenditure over the next 40 years of $26,836. Annual funding of $14,460 is 54 percent of the average annual expenditure.
Our calculations identify funding shortfalls in 9 years of the Study Period with the initial shortfall in 2049. The largest shortfall, $-192,925, occurs in 2057. All shortfalls can be seen and evaluated in Table 3 above.

In summary, Current Funding as reported by the Association and shown above, does not provide adequate funding for the $1,073,434 of Projected Replacements scheduled in the Replacement Reserve Inventory over the Study Period.

CASH FLOW METHOD FUNDING

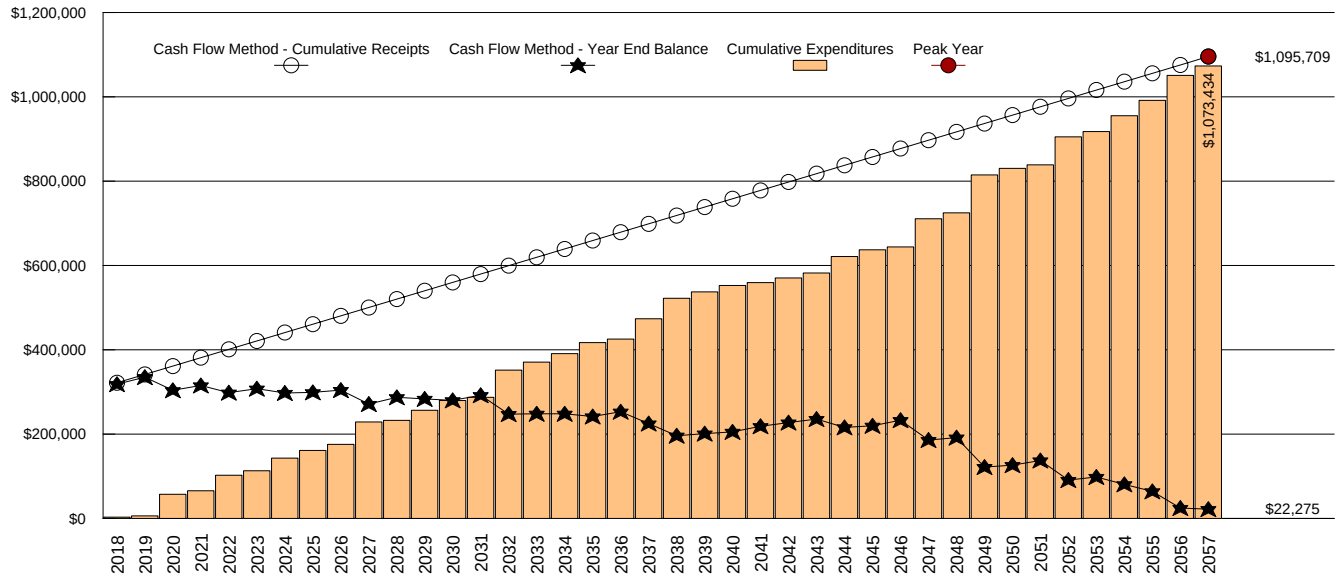
$19,840 **RECOMMENDED REPLACEMENT RESERVE FUNDING FOR 2018**

$5.86 Per unit (average), minimum monthly funding of Replacement Reserves

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

- Peak Years. The First Peak Year occurs in 2057 with Replacement Reserves on Deposit dropping to the Reserves on Deposit dropping to the Minimum Balance after the completion of $1,073,434 of Projected Replacement Recommended annual funding of $19,840 remains constant throughout the entire 40-year Study Period.
- Minimum Balance. The calculations assume a Minimum Balance of $22,275 in Replacement Reserves. This is approx. 10 months of average expenditures based on the $26,836, 40-year average annual expenditure.
- Cash Flow Method Study Period. Cash Flow Method calculates funding for $1,073,434 of expenditures over the 40-year Study Period. It does not include funding for any projects beyond 2057 and in 2057, the end of year balance will always be the Minimum Balance.

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



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

Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Starting Balance	$302,109									
Projected Replacements	($3,355)	($2,970)	($51,026)	($8,639)	($36,660)	($10,463)	($30,228)	($18,097)	($14,499)	($52,967)
Annual Deposit	$19,840	$19,840	$19,840	$19,840	$19,840	$19,840	$19,840	$19,840	$19,840	$19,840
End of Year Balance	$318,594	$335,464	$304,278	$315,479	$298,659	$308,036	$297,649	$299,392	$304,733	$271,605
Cumulative Expenditures	$3,355	$6,325	$57,351	$65,990	$102,650	$113,113	$143,340	$161,437	$175,936	$228,904
Cumulative Receipts	$321,949	$341,789	$361,629	$381,469	$401,309	$421,149	$440,989	$460,829	$480,669	$500,509

Year	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Projected Replacements	($3,970)	($23,802)	($23,152)	($7,575)	($64,574)	($19,102)	($20,032)	($26,005)	($8,639)	($47,999)
Annual Deposit	$19,840	$19,840	$19,840	$19,840	$19,840	$19,840	$19,840	$19,840	$19,840	$19,840
End of Year Balance	$287,475	$283,514	$280,202	$292,467	$247,733	$248,471	$248,279	$242,114	$253,315	$225,156
Cumulative Expenditures	($232,874)	($256,675)	($279,827)	($287,402)	($351,976)	($371,077)	($391,109)	($417,114)	($425,753)	($473,753)
Cumulative Receipts	$520,349	$540,189	$560,029	$579,869	$599,709	$619,549	$639,389	$659,229	$679,069	$698,909

Year	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
Projected Replacements	($48,554)	($15,136)	($15,472)	($6,695)	($10,944)	($11,698)	($39,237)	($16,066)	($6,695)	($66,843)
Annual Deposit	$19,840	$19,840	$19,840	$19,840	$19,840	$19,840	$19,840	$19,840	$19,840	$19,840
End of Year Balance	$196,442	$201,146	$205,514	$218,659	$227,555	$235,697	$216,300	$220,074	$233,219	$186,215
Cumulative Expenditures	($522,307)	($537,443)	($552,915)	($559,610)	($570,554)	($582,252)	($621,489)	($637,555)	($644,250)	($711,093)
Cumulative Receipts	$718,749	$738,589	$758,429	$778,269	$798,109	$817,949	$837,789	$857,629	$877,469	$897,309

Year	2048	2049	2050	2051	2052	2053	2054	2055	2056	1st Peak - 2057
Projected Replacements	($14,039)	($89,844)	($15,441)	($8,639)	($66,340)	($12,508)	($37,428)	($36,358)	($59,477)	($22,267)
Annual Deposit	$19,840	$19,840	$19,840	$19,840	$19,840	$19,840	$19,840	$19,840	$19,840	$19,840
End of Year Balance	$192,017	$122,013	$126,412	$137,613	$91,113	$98,445	$80,857	$64,339	$24,702	$22,275
Cumulative Expenditures	($725,132)	($814,976)	($830,417)	($839,056)	($905,396)	($917,904)	($955,331)	($991,689)	($1,051,166)	($1,073,434)
Cumulative Receipts	$917,149	$936,989	$956,829	$976,669	$996,509	$1,016,349	$1,036,189	$1,056,029	$1,075,869	$1,095,709

INFLATION ADJUSTED FUNDING

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

$19,840 2018 - CASH FLOW METHOD RECOMMENDED FUNDING

The 2018 Study Year calculations have been made using current replacement costs (see Page B2), modified by the Analyst for any project specific conditions.

$20,484 2019 - INFLATION ADJUSTED FUNDING

A new analysis calculates 2019 funding based on three assumptions;

- Replacement Reserves on Deposit totaling $318,594 on January 1, 2019.
- All 2018 Projected Replacements listed on Page C2 accomplished at a cost to Replacement Reserves less than $3,355.
- Construction Cost Inflation of 2.30 percent in 2018.

The $20,484 inflation adjusted funding in 2019 is a 3.25 percent increase over the non-inflation adjusted 2019 funding of $19,840.

$21,159 2020 - INFLATION ADJUSTED FUNDING

A new analysis calculates 2020 funding based on three assumptions;

- Replacement Reserves on Deposit totaling $336,040 on January 1, 2020.
- All 2019 Projected Replacements listed on Page C2 accomplished at a cost to Replacement Reserves less than $3,038.
- Construction Cost Inflation of 2.30 percent in 2019.

The $21,159 inflation adjusted funding in 2020 is a 6.65 percent increase over the non-inflation adjusted 2020 funding of $19,840.

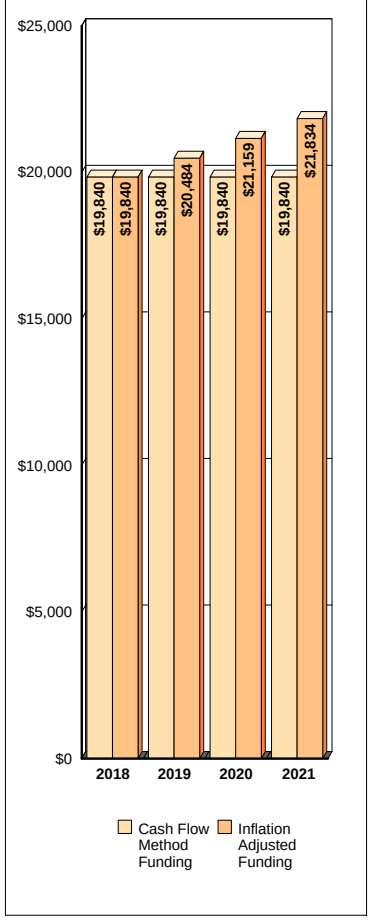
$21,834 2021 - INFLATION ADJUSTED FUNDING

A new analysis calculates 2021 funding based on three assumptions;

- Replacement Reserves on Deposit totaling $303,799 on January 1, 2021.
- All 2020 Projected Replacements listed on Page C2 accomplished at a cost to Replacement Reserves less than $53,400.
- Construction Cost Inflation of 2.30 percent in 2020.

The $21,834 inflation adjusted funding in 2021 is a 10.05 percent increase over the non-inflation adjusted funding of $19,840.

#6 - Inflation Adjusted Funding



YEAR FIVE & BEYOND

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

INFLATION ADJUSTMENT

Prior to approving a budget based upon the 2019, 2020 and 2021 inflation adjusted funding calculations above, the 2.30 percent base rate of inflation used in our calculations should be compared to rates published by the Bureau of Labor Statistics. If there is a significant discrepancy (over 1 percent), contact Miller Dodson + Associates prior to using the Inflation Adjusted Funding.

INTEREST ON RESERVES

The recommended funding calculations do not account for interest earned on Replacement Reserves.
In 2018, based on a 1.00 percent interest rate, we estimate the Association may earn $3,100 on an average balance of $310,351, $3,270 on an average balance of $327,317 in 2019, and $3,196 on $319,919 in 2020. The Association may elect to use these funds to reduce annual funding.

REPLACEMENT RESERVE STUDY - SUPPLEMENTAL COMMENTS

- Braemar Creek - General has 282 units. The type of property is a Condominium Association.
- The Cash Flow Method calculates the minimum annual funding necessary to prevent Replacement Reserves from dropping below the Minimum Balance. Failure to fund at least the recommended levels may result in funding not being available for the Projected Replacements listed in the Replacement Reserve Inventory.
- The accuracy of the Replacement Reserve Analysis is dependent upon expenditures from Replacement Reserves being made ONLY for the 68 Projected Replacements specifically listed in the Replacement Reserve Inventory. The inclusion/exclusion of items from the Replacement Reserve Inventory is discussed on Page B1.
- The starting balance is calculated from data provided by the Manager but is pending information from an audit to determine current balance for the General, 10-plex and Townhomes analyses. 3.23.2018 Acctual balance provided by Board.

REPLACEMENT RESERVE INVENTORY
GENERAL INFORMATION

Braemar Creek - General - Replacement Reserve Inventory identifies 123 items. Two types of items are identified, Projected Replacements and Excluded Items:

- PROJECTED REPLACEMENTS. 68 of the items are Projected Replacements and the periodic replacements of these items are scheduled for funding from Replacement Reserves. The Projected Replacements have an estimated one-time replacement cost of $445,495. Replacements totaling $1,073,434 are scheduled in the Replacement Reserve Inventory over the 40-year Study Period.

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

- EXCLUDED ITEMS. 55 of the items are Excluded Items, and expenditures for these items are NOT scheduled for funding from Replacement Reserves. The accuracy of the calculations made in the Replacement Reserve Analysis is dependent on expenditures NOT being made for Excluded Items. The Excluded Items are listed in the Replacement Reserve Inventory to identify specific items and categories of items that are not to be funded from Replacement Reserves. There are multiple categories of items that are typically excluded from funding by Replacement Reserves, including but not limited to:

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

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

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

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

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

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

- CATEGORIES. The 123 items included in the Braemar Creek - General Replacement Reserve Inventory are divided into 11 major categories. Each category is printed on a separate page, Pages B3 to B12.

- LEVEL OF SERVICE. This Replacement Reserve Inventory has been developed in compliance with the standards established for a Level Two - Update (with site visit and on-site review), as defined by the National Reserve Study Standards, established in 1998 by Community Associations Institute, which states:

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

REPLACEMENT RESERVE INVENTORY - GENERAL INFORMATION (cont'd)

- INVENTORY DATA. Each of the 68 Projected Replacements listed in the Replacement Reserve Inventory includes the following data:

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

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

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

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

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

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

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

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

  Each of the 55 Excluded Items includes the Item Description, Units, and Number of Units. Many of the Excluded Items are listed as a 'Lump Sum' with a quantity of 1. For the Excluded Items, this indicates that all of the items identified by the 'Item Description' are excluded from funding by Replacement Reserves.

- REVIEW OF EXPENDITURES. This Replacement Reserve Study should be reviewed by an accounting professional representing the Association prior to implementation.

- PARTIAL FUNDING. Items may have been included in the Replacement Reserve Inventory at less than 100 percent of their full quantity and/or replacement cost. This is done on items that will never be replaced in their entirety, but which may require periodic replacements over an extended period of time. The assumptions that provide the basis for any partial funding are noted in the Comments section.

- REMAINING ECONOMIC LIFE GREATER THAN 40 YEARS. The calculations do not include funding for initial replacements beyond 40 years. These replacements are included in this Study for tracking and evaluation. They should be included for funding in future Studies, when they enter the 40-year window.

SITE COMPONENTS
PROJECTED REPLACEMENTS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
1	Asphalt pavement, seal coat	sf	12,354	$0.20	6	8	$2,471
2	Asphalt pavement, edge milling	sf	4,941	$0.51	18	2	$2,520
3	Asphalt pavement, overlay	sf	12,354	$2.06	18	2	$25,478
4	Entrance signage, refurbish	ls	1	$2,677.00	10	7	$2,677
5	Entrance signage, replace	ls	1	$4,098.00	30	17	$4,098
6	Entry feature, masonry piers, refurbish	ea	6	$495.00	15	1	$2,970
7	Entry feature, masonry piers, replace	ea	6	$1,829.00	45	31	$10,974
8	Entrance area accent lighting	ls	1	$880.00	8	5	$880
9	Irrigation, partial	ls	1	$1,944.00	3	3	$1,944
10	Irrigation, partial	ls	1	$5,895.00	5	3	$5,895
11	Sanitary lateral allowance	ls	1	$950.00	15	10	$950
12	Water lateral allowance	ls	1	$1,290.00	15	10	$1,290
13	Pole lights, LED's	ls	1	$7,009.64	15	15	$7,010

SITE COMPONENTS - Replacement Costs - Subtotal $69,156

SITE COMPONENTS
COMMENTS

- We have assumed that the Association will replace the asphalt pavement by the installation of a 2 inch thick overlay. The pavement will need to be milled prior to the installation of the overlay. Milling and the cost of minor repairs (5 to 10 percent of the total area) to the base materials and bearing soils beneath the pavement are included in the cost shown above.
- 3.23.2018 Per Board Direction adjust Asphalt cost to 30468 in total, add Pole LED's.
- Entrance area accent lighting was added in 2013. Some was replaced in 2013.
- Entrance signage letters were replaced in 2013 and value above is based on reported cost.
- 2017. The Manager requested an allowance be added for the sanitary and water lateral to Clubhouse.
- 2017. Pavement was seal coated in 2017.
- 2017. The gate at the trash compactor was installed in 2016 & is added to the inventory per the Manager.

SITE COMPONENT (cont.)
PROJECTED REPLACEMENTS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
14	Concrete curb & gutter (20%)	ft	195	$35.50	36	2	$6,908
15	Concrete curb & gutter (20%)	ft	195	$35.50	36	20	$6,923
16	Concrete curb & gutter (20%)	ft	195	$35.50	36	38	$6,923
17	Concrete sidewalk (6%)	sf	245	$9.55	6	2	$2,343

SITE COMPONENT (cont.) - Replacement Costs - Subtotal $23,096

SITE COMPONENT (cont.)
COMMENTS

- For concrete components and other roadway shoulder work, we have assumed that the Association will conduct concrete component replacement projects in conjunction with the asphalt pavement and other concrete or right-of-way replacement projects.

BUILDING EXTERIOR & INTERIORS (Club House)

PROJECTED REPLACEMENTS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
18	Shingle asphalt/fiberglass	sf	1,800	$4.65	25	12	$8,370
19	Gutter & downspout, 5" aluminum	lf	160	$6.60	25	12	$1,056
20	Fascia & soffits	ls	1	$2,890.00	25	12	$2,890
21	Siding & trim, premium	ls	1	$4,490.00	35	22	$4,490
22	Brick & stone veneer, repoint	ls	1	$3,355.00	15	none	$3,355
23	Painted Wood Trellis	ls	1	$1,670.00	15	2	$1,670
24	Exterior Lighting	ls	1	$1,075.00	15	2	$1,075
25	Exterior Windows	ls	1	$6,490.00	35	22	$6,490
26	Exterior Doors	ls	1	$3,880.00	35	222	$3,880
27	Interior Finishes	ls	1	$4,100.00	15	5	$4,100
28	Decor, window treatments	ls	1	$2,390.00	15	2	$2,390
29	Appliances	ls	1	$2,455.00	20	5	$2,455
30	Furniture, partial	ls	1	$1,950.00	12	2	$1,950
31	Furniture, partial	ls	1	$3,975.00	18	7	$3,975
32	Casework, counters	ls	1	$3,765.00	30	15	$3,765
33	Fitness room carpet	ls	1	$3,075.00	10	7	$3,075
34	Laptop	ls	1	$800.00	5	3	$800
35	Plumbing Fixtures	ls	1	$4,200.00	25	12	$4,200
36	Interior Lighting	ls	1	$2,190.00	25	12	$2,190
37	Heat Pump	ea	2	$2,690.00	24	11	$5,380
38	Heat Pump Compressor	ea	2	$2,095.00	12	2	$4,190
39	Security camera and software	ea	1	$2,990.00	12	8	$2,990
40	Proximity card readers	ea	6	$1,880.00	10	6	$11,280
	BUILDING EXTERIOR & INTERIORS (Club House) - Replacement Costs - Subtotal						$86,016

BUILDING EXTERIOR & INTERIORS (Club House)

COMMENTS

- 2017. The Manager requested the normal life of the appliances, furniture, cabinets and casework be increased as there is relatively little use of this facility.

- A security camera was added at the clubhouse in 2012 and the above value is based on reported costs.
- Proximity card readers have been added to the clubhouse and pool entrance in 2011.

- 2017. The exercise room carpet was installed in 2014.
- 2017. A laptop was added in 2016 and is included per the Manager.

RECREATIONAL AMENITIES
PROJECTED REPLACEMENTS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
41	Swimming Pool - Shell	sf	1,100	$69.00	45	31	$75,900
42	Swimming Pool - Coping	ft	180	$48.00	15	14	$8,640
43	Swimming Pool - Waterline Tile	lf	180	$35.00	15	14	$6,300
44	Swimming Pool - fiberglass liner	sf	1,600	$18.55	20	14	$29,680
45	Swimming Pool - Paver Deck (reset)	sf	500	$12.55	15	4	$6,275
46	Swimming Pool - Fence	lf	380	$29.55	25	11	$11,229
47	Swimming Pool - Pump, 5.0	ea	1	$2,502.00	10	2	$2,502
48	Swimming Pool - Filter System	ea	2	$3,290.00	20	9	$6,580
49	Swimming Pool - Electrical Panel	ea	1	$1,990.00	30	22	$1,990
50	Pool Furniture & Umbrellas	ls	1	$11,323.36	10	9	$11,323
51	Pool House - Roof	sf	250	$4.65	25	11	$1,163
52	Pool House - Siding & Trim	sf	1,440	$8.55	35	21	$12,312
53	Pool House - Doors & Frames	sf	4	$885.00	25	11	$3,540
54	Pool House - Plumbing Fixtures	ls	1	$16.00	30	19	$16
55	Pool House - Tile Floor	sf	200	$12.45	25	11	$2,490
56	Tennis Court - Asphalt Base	sf	7,200	$3.35	20	9	$24,120
57	Tennis Court - Color Coat	sf	7,200	$1.25	5	4	$9,000
58	Tennis Court - Fencing (42-inch)	lf	60	$23.95	20	6	$1,437
59	Tennis Court - Fencing (10-foot)	lf	330	$29.65	20	6	$9,785
60	Tot lot fence, 42" aluminum	ls	1	$2,650.00	20	17	$2,650
61	Tot lot	ea	1	$19,095.00	15	4	$19,095
62	Picnic tables	ea	2	$1,145.00	15	4	$2,290
				RECREATIONAL AMENITIES - Replacement Costs - Subtotal			$248,316

RECREATIONAL AMENITIES
COMMENTS

- We have assumed that the project to replace the pool deck will include the replacement of the plumbing and electrical systems installed beneath the pavement.

- The picnic tables are showing significant deterioration.
- The BBQ grilles are excluded.
- The aluminum fence was added to the tot lot in 2013 and the value shown is based on cost.
- The mulch and border around the tot lot are excluded.
- 2017. Normal and remaining life of picnic tables was reduced based on current condition.
- 2017. The tennis court color coat was replaced in 2016.
- 2017. Pool furniture has been added as requested and was replaced in 2017.
- 3.23.2018 Per Board Direction revised Pool furniture cost.

EXERCISE EQUIPMENT

PROJECTED REPLACEMENTS AND EXCLUDED ITEMS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
63	Treadmill (2011)	ea	2	$4,185.00	10	7	$8,370
64	Elliptical trainer (2014)	ea	1	$3,512.00	10	6	$3,512
	Kettlebell set	ea	1				EXCLUDED
65	TRX Suspension	ea	1	$1,730.00	10	10	$1,730
	Weight/Incline Bench	ea	1				EXCLUDED
66	Recumbant bike (2014)	ea	1	$2,270.00	10	6	$2,270
67	Security camera in fitness room	ea	1	$1,033.00	10	5	$1,033
68	Upright stationary bike (2013)	ea	1	$1,995.00	10	5	$1,995

EXERCISE EQUIPMENT - Replacement Costs - Subtotal $18,910

EXERCISE EQUIPMENT

COMMENTS

- Clubhouse exercise equipment was not included in the previous study. The Manager has reuested it be added to this 2014 update. The items listed above are anticipated to be acquired in 2013 or 2014 and the values shown are based on current estimates provided.
- The two treadmills were replaced in 2011 and the value indicated is based on reported cost.
- 2017. The kettle bell and incline bench are no longer present and have been excluded.
- 2017. A camera was installed in the fitness room in 2013.
- 2017. An elliptical and recumbant bike were added in 2014.

VALUATION EXCLUSIONS
EXCLUDED ITEMS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
	Street Signage	ls	1				EXCLUDED
	Miscellaneous signage	ls	1				EXCLUDED
	Mailboxes	ls	1				EXCLUDED
	BBQ grilles	ls	1				EXCLUDED
	Tot lot mulch surfacing	ls	1				EXCLUDED
	Tot lot border	ls	1				EXCLUDED
	Tennis court posts and nets	ls	1				EXCLUDED
	Handrails at club house steps	ls	1				EXCLUDED
	Toilet accessories in the pool house	ls	1				EXCLUDED
	Toilet accessories in the club house	ls	1				EXCLUDED
	Fire extinguisher cabinet	ls	1				EXCLUDED
	Emergency lighting, exit light, etc.	ls	1				EXCLUDED

VALUATION EXCLUSIONS
COMMENTS

- Valuation Exclusions. For ease of administration of the Replacement Reserves and to reflect accurately how Replacement Reserves are administered, items with a dollar value less than $1,000.00 have not been scheduled for funding from Replacement Reserves. Examples of items excluded from funding by Replacement Reserves by this standard are listed above.

- The list above exemplifies exclusions by the cited standard(s) and is not intended to be comprehensive.

- Additional landscape accent lights were installed at entrance in 2013 and have been moved to the inventory.

LONG-LIFE EXCLUSIONS
EXCLUDED ITEMS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
	Building foundation(s)	ls	1				EXCLUDED
	Concrete floor slabs (interior)	ls	1				EXCLUDED
	Wall, floor, & roof structure	ls	1				EXCLUDED
	Exterior brick veneer	ls	1				EXCLUDED
	Exterior stone veneer	ls	1				EXCLUDED
	Fiberglass columns	ls	1				EXCLUDED
	Fire protection/security systems	ls	1				EXCLUDED
	Common element electrical services	ls	1				EXCLUDED
	Electrical wiring	ls	1				EXCLUDED
	Water piping at common facilities	ls	1				EXCLUDED
	Waste piping at common facilities	ls	1				EXCLUDED
	Gas services at common facilities	ls	1				EXCLUDED

LONG-LIFE EXCLUSIONS
COMMENTS

- Long Life Exclusions. Components that when properly maintained, can be assumed to have a life equal to the property as a whole, are normally excluded from the Replacement Reserve Inventory. Examples of items excluded from funding by Replacement Reserves by this standard are listed above.

- Exterior masonry is generally assumed to have an unlimited economic life but periodic repointing is required and we have included this for funding in the Replacement Reserve Inventory.

- The list above exemplifies exclusions by the cited standard(s) and is not intended to be comprehensive.

UNIT IMPROVEMENTS EXCLUSIONS

EXCLUDED ITEMS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
	Domestic water pipes serving one unit	ls	1				EXCLUDED
	Sanitary sewers serving one unit	ls	1				EXCLUDED
	Electrical wiring serving one unit	ls	1				EXCLUDED
	Cable TV service serving one unit	ls	1				EXCLUDED
	Telephone service serving one unit	ls	1				EXCLUDED
	Gas service serving one unit	ls	1				EXCLUDED
	Driveway on an individual lot	ls	1				EXCLUDED
	Apron on an individual lot	ls	1				EXCLUDED
	Dwelling Unit components	ls	1				EXCLUDED

UNIT IMPROVEMENTS EXCLUSIONS

COMMENTS

- Unit improvement Exclusions. We understand that the elements of the project that relate to a single unit are the responsibility of that unit owner. Examples of items excluded from funding by Replacement Reserves by this standard are listed above.

- The list above exemplifies exclusions by the cited standard(s) and is not intended to be comprehensive.

UTILITY EXCLUSIONS
EXCLUDED ITEMS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
	Primary electric feeds	ls	1				EXCLUDED
	Electric transformers	ls	1				EXCLUDED
	Cable TV systems and structures	ls	1				EXCLUDED
	Telephone cables and structures	ls	1				EXCLUDED
	Gas mains and meters	ls	1				EXCLUDED
	Water mains and meters	ls	1				EXCLUDED
	Sanitary sewers	ls	1				EXCLUDED
	Sewage pumping stations	ls	1				EXCLUDED

UTILITY EXCLUSIONS
COMMENTS

- Utility Exclusions. Many improvements owned by utility companies are on property owned by the Association. We have assumed that repair, maintenance, and replacements of these components will be done at the expense of the appropriate utility company. Examples of items excluded from funding Replacement Reserves by this standard are listed above.

- The list above exemplifies exclusions by the cited standard(s) and is not intended to be comprehensive.

MAINTENANCE AND REPAIR EXCLUSIONS

EXCLUDED ITEMS

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

MAINTENANCE AND REPAIR EXCLUSIONS

COMMENTS

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

PROJECTED ANNUAL REPLACEMENTS
GENERAL INFORMATION

CALENDAR OF ANNUAL REPLACEMENTS. The 68 Projected Replacements in the Braemar Creek - General Replacement Reserve Inventory whose replacement is scheduled to be funded from Replacement Reserves are broken down on a year-by-year basis, beginning on Page C2.

REPLACEMENT RESERVE ANALYSIS AND INVENTORY
POLICIES, PROCEDURES, AND ADMINISTRATION

- REVISIONS. Revisions will be made to the Replacement Reserve Analysis and Replacement Reserve Inventory in accordance with the written instructions of the Board of Directors. No additional charge is incurred for the first revision, if requested in writing within three months of the date of the Replacement Reserve Study. It is our policy to provide revisions in electronic (Adobe PDF) format only.
- TAX CODE. The United States Tax Code grants favorable tax status to a common interest development (CID) meeting certain guidelines for their Replacement Reserve. If a CID files their taxes as a 'Corporation' on Form 1120 (IRC Section 277), these guidelines typically require maintenance activities, partial replacements, minor replacements, capital improvements, and one-time only replacements to be excluded from Reserves. A CID cannot co-mingle planning for maintenance activities with capital replacement activities in the Reserves (Revenue Ruling 75-370). Funds for maintenance activities and capital replacements activities must be held in separate accounts. If a CID files taxes as an "Exempt Homeowners Association" using Form 1120H (IRC Section 528), the CID does not have to segregate these activities. However, because the CID may elect to change their method of filing from year to year within the Study Period, we advise using the more restrictive approach. We further recommend that the CID consult with their Accountant and consider creating separate and independent accounts and reserves for large maintenance items, such as painting.
- CONFLICT OF INTEREST. Neither Miller - Dodson Associates nor the Reserve Analyst has any prior or existing relationship with this Association which would represent a real or perceived conflict of interest.
- RELIANCE ON DATA PROVIDED BY THE CLIENT. Information provided by an official representative of the Association regarding financial, physical conditions, quality, or historical issues is deemed reliable.
- INTENT. This Replacement Reserve Study is a reflection of the information provided by the Association and the visual evaluations of the Analyst. It has been prepared for the sole use of the Association and is not for the purpose of performing an audit, quality/forensic analyses, or background checks of historical records.
- PREVIOUS REPLACEMENTS. Information provided to Miller - Dodson Associates regarding prior replacements is considered to be accurate and reliable. Our visual evaluation is not a project audit or quality inspection.
- EXPERIENCE WITH FUTURE REPLACEMENTS. The Calendar of Annual Projected Replacements, lists replacements we have projected to occur over the next thirty years, begins on Page C2. Actual experience in replacing the items may differ significantly from the cost estimates and time frames shown because of conditions beyond our control. These differences may be caused by maintenance practices, inflation, variations in pricing and market conditions, future technological developments, regulatory actions, acts of God, and luck. Some items may function normally during our visual evaluation and then fail without notice.
- REVIEW OF THE REPLACEMENT RESERVE STUDY. For this study to be effective, it should be reviewed by the Braemar Creek - General Board of Directors, those responsible for the management of the items included in the Replacement Reserve Inventory, and the accounting professionals employed by the Association.

PROJECTED REPLACEMENTS - YEARS ONE TO FIFTEEN

Item	2018 - STUDY YEAR	$
22	Brick & stone veneer, repoin	$3,355
	Total Scheduled Replacements	$3,355

Item	2019 - YEAR 2	$
6	Entry feature, masonry piers	$2,970
	Total Scheduled Replacements	$2,970

Item	2020 - YEAR 3	$
2	Asphalt pavement, edge mill	$2,520
3	Asphalt pavement, overlay	$25,478
14	Concrete curb & gutter (20%	$6,908
17	Concrete sidewalk (6%)	$2,343
23	Painted Wood Trellis	$1,670
24	Exterior Lighting	$1,075
28	Decor, window treatments	$2,390
30	Furniture, partial	$1,950
38	Heat Pump Compressor	$4,190
47	Swimming Pool - Pump, 5.0	$2,502
	Total Scheduled Replacements	$51,026

Item	2021 - YEAR 4	$
9	Irrigation, partial	$1,944
10	Irrigation, partial	$5,895
34	Laptop	$800
	Total Scheduled Replacements	$8,639

Item	2022 - YEAR 5	$
45	Swimming Pool - Paver Dec	$6,275
57	Tennis Court - Color Coat	$9,000
61	Tot lot	$19,095
62	Picnic tables	$2,290
	Total Scheduled Replacements	$36,660

Item	2023 - YEAR 6	$
8	Entrance area accent lightin	$880
27	Interior Finishes	$4,100
29	Appliances	$2,455
67	Security camera in fitness rc	$1,033
68	Upright stationary bike (201	$1,995
	Total Scheduled Replacements	$10,463

Item	2024 - YEAR 7	$
9	Irrigation, partial	$1,944
40	Proximity card readers	$11,280
58	Tennis Court - Fencing (42-i	$1,437
59	Tennis Court - Fencing (10-f	$9,785
64	Elliptical trainer (2014)	$3,512
66	Recumbant bike (2014)	$2,270
	Total Scheduled Replacements	$30,228

Item	2025 - YEAR 8	$
4	Entrance signage, refurbish	$2,677
31	Furniture, partial	$3,975
33	Fitness room carpet	$3,075
63	Treadmill (2011)	$8,370
	Total Scheduled Replacements	$18,097

Item	2026 - YEAR 9	$
1	Asphalt pavement, seal coat	$2,471
10	Irrigation, partial	$5,895
17	Concrete sidewalk (6%)	$2,343
34	Laptop	$800
39	Security camera and softwa	$2,990
	Total Scheduled Replacements	$14,499

Item	2027 - YEAR 10	$
9	Irrigation, partial	$1,944
48	Swimming Pool - Filter Syste	$6,580
50	Pool Furniture & Umbrellas	$11,323
56	Tennis Court - Asphalt Base	$24,120
57	Tennis Court - Color Coat	$9,000
	Total Scheduled Replacements	$52,967

Item	2028 - YEAR 11	$
11	Sanitary lateral allowance	$950
12	Water lateral allowance	$1,290
65	TRX Suspension	$1,730
	Total Scheduled Replacements	$3,970

Item	2029 - YEAR 12	$
37	Heat Pump	$5,380
46	Swimming Pool - Fence	$11,229
51	Pool House - Roof	$1,163
53	Pool House - Doors & Frame	$3,540
55	Pool House - Tile Floor	$2,490
	Total Scheduled Replacements	$23,802

Item	2030 - YEAR 13	$
9	Irrigation, partial	$1,944
18	Shingle asphalt/fiberglass	$8,370
19	Gutter & downspout, 5" alum	$1,056
20	Fascia & soffits	$2,890
35	Plumbing Fixtures	$4,200
36	Interior Lighting	$2,190
47	Swimming Pool - Pump, 5.0	$2,502
	Total Scheduled Replacements	$23,152

Item	2031 - YEAR 14	$
8	Entrance area accent lightin	$880
10	Irrigation, partial	$5,895
34	Laptop	$800
	Total Scheduled Replacements	$7,575

Item	2032 - YEAR 15	$
1	Asphalt pavement, seal coat	$2,471
17	Concrete sidewalk (6%)	$2,343
30	Furniture, partial	$1,950
38	Heat Pump Compressor	$4,190
42	Swimming Pool - Coping	$8,640
43	Swimming Pool - Waterline	$6,300
44	Swimming Pool - fiberglass l	$29,680
57	Tennis Court - Color Coat	$9,000
	Total Scheduled Replacements	$64,574

PROJECTED REPLACEMENTS - YEARS SIXTEEN TO THIRTY

Item	2033 - YEAR 16	$
9	Irrigation, partial	$1,944
13	Pole lights, LED's	$7,010
22	Brick & stone veneer, repoin	$3,355
32	Casework, counters	$3,765
67	Security camera in fitness ro	$1,033
68	Upright stationary bike (201	$1,995
	Total Scheduled Replacements	$19,102

Item	2034 - YEAR 17	$
6	Entry feature, masonry piers	$2,970
40	Proximity card readers	$11,280
64	Elliptical trainer (2014)	$3,512
66	Recumbant bike (2014)	$2,270
	Total Scheduled Replacements	$20,032

Item	2035 - YEAR 18	$
4	Entrance signage, refurbish	$2,677
5	Entrance signage, replace	$4,098
23	Painted Wood Trellis	$1,670
24	Exterior Lighting	$1,075
28	Decor, window treatments	$2,390
33	Fitness room carpet	$3,075
60	Tot lot fence, 42" aluminum	$2,650
63	Treadmill (2011)	$8,370
	Total Scheduled Replacements	$26,005

Item	2036 - YEAR 19	$
9	Irrigation, partial	$1,944
10	Irrigation, partial	$5,895
34	Laptop	$800
	Total Scheduled Replacements	$8,639

Item	2037 - YEAR 20	$
45	Swimming Pool - Paver Dec	$6,275
50	Pool Furniture & Umbrellas	$11,323
54	Pool House - Plumbing Fixtu	$16
57	Tennis Court - Color Coat	$9,000
61	Tot lot	$19,095
62	Picnic tables	$2,290
	Total Scheduled Replacements	$47,999

Item	2038 - YEAR 21	$
1	Asphalt pavement, seal coat	$2,471
2	Asphalt pavement, edge mill	$2,520
3	Asphalt pavement, overlay	$25,478
15	Concrete curb & gutter (20%	$6,923
17	Concrete sidewalk (6%)	$2,343
27	Interior Finishes	$4,100
39	Security camera and softwa	$2,990
65	TRX Suspension	$1,730
	Total Scheduled Replacements	$48,554

Item	2039 - YEAR 22	$
8	Entrance area accent lightin	$880
9	Irrigation, partial	$1,944
52	Pool House - Siding & Trim	$12,312
	Total Scheduled Replacements	$15,136

Item	2040 - YEAR 23	$
21	Siding & trim, premium	$4,490
25	Exterior Windows	$6,490
47	Swimming Pool - Pump, 5.0	$2,502
49	Swimming Pool - Electrical F	$1,990
	Total Scheduled Replacements	$15,472

Item	2041 - YEAR 24	$
10	Irrigation, partial	$5,895
34	Laptop	$800
	Total Scheduled Replacements	$6,695

Item	2042 - YEAR 25	$
9	Irrigation, partial	$1,944
57	Tennis Court - Color Coat	$9,000
	Total Scheduled Replacements	$10,944

Item	2043 - YEAR 26	$
11	Sanitary lateral allowance	$950
12	Water lateral allowance	$1,290
29	Appliances	$2,455
31	Furniture, partial	$3,975
67	Security camera in fitness ro	$1,033
68	Upright stationary bike (201	$1,995
	Total Scheduled Replacements	$11,698

Item	2044 - YEAR 27	$
1	Asphalt pavement, seal coat	$2,471
17	Concrete sidewalk (6%)	$2,343
30	Furniture, partial	$1,950
38	Heat Pump Compressor	$4,190
40	Proximity card readers	$11,280
58	Tennis Court - Fencing (42-i	$1,437
59	Tennis Court - Fencing (10-f	$9,785
64	Elliptical trainer (2014)	$3,512
66	Recumbant bike (2014)	$2,270
	Total Scheduled Replacements	$39,237

Item	2045 - YEAR 28	$
4	Entrance signage, refurbish	$2,677
9	Irrigation, partial	$1,944
33	Fitness room carpet	$3,075
63	Treadmill (2011)	$8,370
	Total Scheduled Replacements	$16,066

Item	2046 - YEAR 29	$
10	Irrigation, partial	$5,895
34	Laptop	$800
	Total Scheduled Replacements	$6,695

Item	2047 - YEAR 30	$
8	Entrance area accent lightin	$880
42	Swimming Pool - Coping	$8,640
43	Swimming Pool - Waterline	$6,300
48	Swimming Pool - Filter Syste	$6,580
50	Pool Furniture & Umbrellas	$11,323
56	Tennis Court - Asphalt Base	$24,120
57	Tennis Court - Color Coat	$9,000
	Total Scheduled Replacements	$66,843

PROJECTED REPLACEMENTS - YEARS THIRTY-ONE TO FORTY-FIVE

Item	2048 - YEAR 31	$
9	Irrigation, partial	$1,944
13	Pole lights, LED's	$7,010
22	Brick & stone veneer, repoin	$3,355
65	TRX Suspension	$1,730
	Total Scheduled Replacements	$14,039

Item	2049 - YEAR 32	$
6	Entry feature, masonry piers	$2,970
7	Entry feature, masonry piers	$10,974
41	Swimming Pool - Shell	$75,900
	Total Scheduled Replacements	$89,844

Item	2050 - YEAR 33	$
1	Asphalt pavement, seal coat	$2,471
17	Concrete sidewalk (6%)	$2,343
23	Painted Wood Trellis	$1,670
24	Exterior Lighting	$1,075
28	Decor, window treatments	$2,390
39	Security camera and softwa	$2,990
47	Swimming Pool - Pump, 5.0	$2,502
	Total Scheduled Replacements	$15,441

Item	2051 - YEAR 34	$
9	Irrigation, partial	$1,944
10	Irrigation, partial	$5,895
34	Laptop	$800
	Total Scheduled Replacements	$8,639

Item	2052 - YEAR 35	$
44	Swimming Pool - fiberglass l	$29,680
45	Swimming Pool - Paver Dec	$6,275
57	Tennis Court - Color Coat	$9,000
61	Tot lot	$19,095
62	Picnic tables	$2,290
	Total Scheduled Replacements	$66,340

Item	2053 - YEAR 36	$
27	Interior Finishes	$4,100
37	Heat Pump	$5,380
67	Security camera in fitness rc	$1,033
68	Upright stationary bike (201	$1,995
	Total Scheduled Replacements	$12,508

Item	2054 - YEAR 37	$
9	Irrigation, partial	$1,944
40	Proximity card readers	$11,280
46	Swimming Pool - Fence	$11,229
51	Pool House - Roof	$1,163
53	Pool House - Doors & Fram	$3,540
55	Pool House - Tile Floor	$2,490
64	Elliptical trainer (2014)	$3,512
66	Recumbant bike (2014)	$2,270
	Total Scheduled Replacements	$37,428

Item	2055 - YEAR 38	$
4	Entrance signage, refurbish	$2,677
8	Entrance area accent lightin	$880
18	Shingle asphalt/fiberglass	$8,370
19	Gutter & downspout, 5" alum	$1,056
20	Fascia & soffits	$2,890
33	Fitness room carpet	$3,075
35	Plumbing Fixtures	$4,200
36	Interior Lighting	$2,190
60	Tot lot fence, 42" aluminum	$2,650
63	Treadmill (2011)	$8,370
	Total Scheduled Replacements	$36,358

Item	2056 - YEAR 39	$
1	Asphalt pavement, seal coat	$2,471
2	Asphalt pavement, edge mill	$2,520
3	Asphalt pavement, overlay	$25,478
10	Irrigation, partial	$5,895
14	Concrete curb & gutter (20%	$6,908
16	Concrete curb & gutter (20%	$6,923
17	Concrete sidewalk (6%)	$2,343
30	Furniture, partial	$1,950
34	Laptop	$800
38	Heat Pump Compressor	$4,190
	Total Scheduled Replacements	$59,477

Item	2057 - YEAR 40	$
9	Irrigation, partial	$1,944
50	Pool Furniture & Umbrellas	$11,323
57	Tennis Court - Color Coat	$9,000
	Total Scheduled Replacements	$22,267

Item	2058 (beyond Study Period)	$
11	Sanitary lateral allowance	$950
12	Water lateral allowance	$1,290
65	TRX Suspension	$1,730
	Total Scheduled Replacements	$3,970

Item	2059 (beyond Study Period)	$
	No Scheduled Replacements	

Item	2060 (beyond Study Period)	$
9	Irrigation, partial	$1,944
47	Swimming Pool - Pump, 5.0	$2,502
	Total Scheduled Replacements	$4,446

Item	2061 (beyond Study Period)	$
10	Irrigation, partial	$5,895
31	Furniture, partial	$3,975
34	Laptop	$800
	Total Scheduled Replacements	$10,670

Item	2062 (beyond Study Period)	$
1	Asphalt pavement, seal coat	$2,471
17	Concrete sidewalk (6%)	$2,343
39	Security camera and softwa	$2,990
42	Swimming Pool - Coping	$8,640
43	Swimming Pool - Waterline	$6,300
57	Tennis Court - Color Coat	$9,000
	Total Scheduled Replacements	$31,744

CASH FLOW METHOD ACCOUNTING SUMMARY

This Braemar Creek - General - Cash Flow Method Accounting Summary is an attachment to the Braemar Creek - General - Replacement Reserve Study dated Revised March 23, 2018 and is for use by accounting and reserve professionals experienced in Association funding and accounting principles. This Summary consists of four reports, the 2018, 2019, and 2020 Cash Flow Method Category Funding Reports (3) and a Three-Year Replacement Funding Report.

- CASH FLOW METHOD CATEGORY FUNDING REPORT, 2018, 2019, and 2020. Each of the 68 Projected Replacements listed in the Braemar Creek - General Replacement Reserve Inventory has been assigned to one of 5 categories. The following information is summarized by category in each report:
  - Normal Economic Life and Remaining Economic Life of the Projected Replacements.
  - Cost of all Scheduled Replacements in each category.
  - Replacement Reserves on Deposit allocated to the category at the beginning and end of the report period.
  - Cost of Projected Replacements in the report period.
  - Recommended Replacement Reserve Funding allocated to the category during the report period as calculated by the Cash Flow Method.

- THREE-YEAR REPLACEMENT FUNDING REPORT. This report details the allocation of the $302,109 Beginning Balance (at the start of the Study Year) and the $59,520 of additional Replacement Reserve Funding in 2018 through 2020 (as calculated in the Replacement Reserve Analysis) to each of the 68 Projected Replacements listed in the Replacement Reserve Inventory. These allocations have been made using Chronological Allocation, a method developed by Miller Dodson Associates, Inc., and discussed below. The calculated data includes:
  - Identification and estimated cost of each Projected Replacement scheduled in years 2018 through 2020.
  - Allocation of the $302,109 Beginning Balance to the Projected Replacements by Chronological Allocation.
  - Allocation of the $59,520 of additional Replacement Reserve Funding recommended in the Replacement Reserve Analysis in years 2018 through 2020, by Chronological Allocation.

- CHRONOLOGICAL ALLOCATION. Chronological Allocation assigns Replacement Reserves to Projected Replacements on a "first come, first serve" basis in keeping with the basic philosophy of the Cash Flow Method. The Chronological Allocation methodology is outlined below.
  - The first step is the allocation of the $302,109 Beginning Balance to the Projected Replacements in the Study Year. Remaining unallocated funds are next allocated to the Projected Replacements in subsequent years in chronological order until the total of Projected Replacements in the next year is greater than the unallocated funds. Projected Replacements in this year are partially funded with each replacement receiving percentage funding. The percentage of funding is calculated by dividing the unallocated funds by the total of Projected Replacements in the partially funded year.

    At Braemar Creek - General the Beginning Balance funds all Scheduled Replacements in the Study Year through 2031 and provides partial funding (23%) of replacements scheduled in 2032.
  - The next step is the allocation of the $19,840 of 2018 Cash Flow Method Reserve Funding calculated in the Replacement Reserve Analysis. These funds are first allocated to fund the partially funded Projected Replacements and then to subsequent years in chronological order as outlined above.

    At Braemar Creek - General the Beginning Balance and the 2018 Replacement Reserve Funding, funds replacements through 2031 and partial funds (53.5%) replacements in 2032.
  - Allocations of the 2019 and 2020 Reserve Funding are done using the same methodology.
  - The Three-Year Replacement Funding Report details component by component allocations made by Chronological Allocation.

2018 - CASH FLOW METHOD CATEGORY FUNDING REPORT

Each of the 68 Projected Replacements included in the Braemar Creek - General Replacement Reserve Inventory has been assigned to one of the 5 categories listed in TABLE CF1 below. This calculated data is a summary of data provided in the Three-Year Replacement Funding Report and Replacement Reserve Inventory. The accuracy of this data is dependent upon many factors including the following critical financial data:

- A Beginning Balance of $302,109 as of the first day of the Study Year, January 1, 2018.
- Total reserve funding (including the Beginning Balance) of $321,949 in the Study Year.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.
- All Projected Replacements scheduled in the Replacement Reserve Inventory in 2018 being accomplished in 2018 at a cost of $3,355.

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

2018 - CASH FLOW METHOD CATEGORY FUNDING - TABLE CF1

CATEGORY	NORMAL ECONOMIC LIFE	REMAINING ECONOMIC LIFE	ESTIMATED REPLACEMENT COST	2018 BEGINNING BALANCE	2018 RESERVE FUNDING	2018 PROJECTED REPLACEMENTS	2018 END OF YEAR BALANCE
SITE COMPONENTS	3 to 45 years	1 to 31 years	$69,156	$66,139	$759		$66,898
SITE COMPONENT (cont.)	6 to 36 years	2 to 38 years	$23,096	$12,128	$720		$12,848
BUILDING EXTERIOR & INTERIORS (Club H	5 to 35 years	0 to 222 years	$86,016	$70,389	$1,886	($3,355)	$68,921
RECREATIONAL AMENITIES	5 to 45 years	2 to 31 years	$248,316	$134,543	$16,474		$151,017
EXERCISE EQUIPMENT	3 to 10 years	0 to 10 years	$18,910	$18,910			$18,910

2019 - CASH FLOW METHOD CATEGORY FUNDING REPORT

Each of the 68 Projected Replacements included in the Braemar Creek - General Replacement Reserve Inventory has been assigned to one of the 5 categories listed in TABLE CF2 below. This calculated data is a summary of data provided in the Three-Year Replacement Funding Report and Replacement Reserve Inventory. The accuracy of this data is dependent upon many factors including the following critical financial data:

- Replacement Reserves on Deposit totaling $318,594 on January 1, 2019.
- Total reserve funding (including the Beginning Balance) of $341,789 from 2018 through 2019.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.
- All Projected Replacements scheduled in the Replacement Reserve Inventory in 2019 being accomplished in 2019 at a cost of $2,970.

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

2019 - CASH FLOW METHOD CATEGORY FUNDING - TABLE CF2

CATEGORY	NORMAL ECONOMIC LIFE	REMAINING ECONOMIC LIFE	ESTIMATED REPLACEMENT COST	2019 BEGINNING BALANCE	2019 RESERVE FUNDING	2019 PROJECTED REPLACEMENTS	2019 END OF YEAR BALANCE
SITE COMPONENTS	3 to 45 years	0 to 30 years	$69,156	$66,898	$759	($2,970)	$64,687
SITE COMPONENT (cont.)	6 to 36 years	1 to 37 years	$23,096	$12,848	$720		$13,568
BUILDING EXTERIOR & INTERIORS (Club H	5 to 35 years	1 to 221 years	$86,016	$68,921	$1,886		$70,807
RECREATIONAL AMENITIES	5 to 45 years	1 to 30 years	$248,316	$151,017	$16,474		$167,492
EXERCISE EQUIPMENT	3 to 10 years	4 to 9 years	$18,910	$18,910			$18,910

2020 - CASH FLOW METHOD CATEGORY FUNDING REPORT

Each of the 68 Projected Replacements included in the Braemar Creek - General Replacement Reserve Inventory has been assigned to one of the 5 categories listed in TABLE CF3 below. This calculated data is a summary of data provided in the Three-Year Replacement Funding Report and Replacement Reserve Inventory. The accuracy of this data is dependent upon many factors including the following critical financial data:

- Replacement Reserves on Deposit totaling $335,464 on January 1, 2020.
- Total Replacement Reserve funding (including the Beginning Balance) of $361,629 from 2018 to 2020.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.
- All Projected Replacements scheduled in the Replacement Reserve Inventory in 2020 being accomplished in 2020 at a cost of $51,026.

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

2020 - CASH FLOW METHOD CATEGORY FUNDING - TABLE CF3

CATEGORY	NORMAL ECONOMIC LIFE	REMAINING ECONOMIC LIFE	ESTIMATED REPLACEMENT COST	2020 BEGINNING BALANCE	2020 RESERVE FUNDING	2020 PROJECTED REPLACEMENTS	2020 END OF YEAR BALANCE
SITE COMPONENTS	3 to 45 years	0 to 29 years	$69,156	$64,687	$4,915	($27,998)	$41,604
SITE COMPONENT (cont.)	6 to 36 years	0 to 36 years	$23,096	$13,568	$370	($9,251)	$4,686
BUILDING EXTERIOR & INTERIORS (Club H	5 to 35 years	0 to 220 years	$86,016	$70,807	$4,567	($11,275)	$64,099
RECREATIONAL AMENITIES	5 to 45 years	0 to 29 years	$248,316	$167,492	$8,459	($2,502)	$173,448
EXERCISE EQUIPMENT	3 to 10 years	3 to 8 years	$18,910	$18,910	$1,530		$20,440

CASH FLOW METHOD - THREE-YEAR REPLACEMENT FUNDING REPORT

TABLE CF4 below details the allocation of the $302,109 Beginning Balance, as reported by the Association and the $59,520 of Replacement Reserve Funding calculated by the Cash Flow Method from 2018 to 2020, to the 68 Projected Replacements listed in the Replacement Reserve Inventory. These allocations have been made by Chronological Allocation, a method developed by Miller Dodson Associates, Inc., and outlined on Page CF1. The accuracy of the allocations is dependent upon many factors including the following critical financial data:

- Replacement Reserves on Deposit totaling $302,109 on January 1, 2018.
- Replacement Reserves on Deposit totaling $318,594 on January 1, 2019.
- Replacement Reserves on Deposit totaling $335,464 on January 1, 2020.
- Total Replacement Reserve funding (including the Beginning Balance) of $361,629 from 2018 to 2020.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.
- All Projected Replacements scheduled in the Replacement Reserve Inventory from 2018 to 2020 being accomplished as scheduled in the Replacement Reserve Inventory at a cost of $57,351.

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

CASH FLOW METHOD - THREE-YEAR REPLACEMENT FUNDING - TABLE CF4

Item #	Description of Projected Replacement	Estimated Replacement Costs	Allocation of Beginning Balance	2018 Reserve Funding	2018 Projected Replacements	2018 End of Year Balance	2019 Reserve Funding	2019 Projected Replacements	2019 End of Year Balance	2020 Reserve Funding	2020 Projected Replacements	2020 End of Year Balance
	SITE COMPONENTS											
1	Asphalt pavement, seal coat	2,471	3,034	759		3,793	759		4,552	390		4,942
2	Asphalt pavement, edge milling	2,520	2,520			2,520			2,520		(2,520)	
3	Asphalt pavement, overlay	25,478	25,478			25,478			25,478		(25,478)	
4	Entrance signage, refurbish	2,677	2,677			2,677			2,677			2,677
5	Entrance signage, replace	4,098										
6	Entry feature, masonry piers, refurbish	2,970	2,970			2,970		(2,970)				
7	Entry feature, masonry piers, replace	10,974										
8	Entrance area accent lighting	880	1,760			1,760			1,760			1,760
9	Irrigation, partial	1,944	7,776			7,776			7,776	982		8,758
10	Irrigation, partial	5,895	17,685			17,685			17,685			17,685
11	Sanitary lateral allowance	950	950			950			950			950
12	Water lateral allowance	1,290	1,290			1,290			1,290			1,290
13	Pole lights, LED's	7,010								3,542		3,542
	SITE COMPONENT (cont.)											
14	Concrete curb & gutter (20%)	6,908	6,908			6,908			6,908		(6,908)	
15	Concrete curb & gutter (20%)	6,923										
16	Concrete curb & gutter (20%)	6,923										
17	Concrete sidewalk (6%)	2,343	5,220	720		5,939	720		6,659	370	(2,343)	4,686
	BUILDING EXTERIOR & INTERIOI											
18	Shingle asphalt/fiberglass	8,370	8,370			8,370			8,370			8,370
19	Gutter & downspout, 5" aluminum	1,056	1,056			1,056			1,056			1,056
20	Fascia & soffits	2,890	2,890			2,890			2,890			2,890
21	Siding & trim, premium	4,490										
22	Brick & stone veneer, repoint	3,355	3,355		(3,355)					1,695		1,695
23	Painted Wood Trellis	1,670	1,670			1,670			1,670		(1,670)	
24	Exterior Lighting	1,075	1,075			1,075			1,075		(1,075)	
25	Exterior Windows	6,490										
26	Exterior Doors	3,880										
27	Interior Finishes	4,100	4,100			4,100			4,100			4,100
28	Decor, window treatments	2,390	2,390			2,390			2,390		(2,390)	
29	Appliances	2,455	2,455			2,455			2,455			2,455
30	Furniture, partial	1,950	2,394	599		2,993	599		3,592	308	(1,950)	1,950
31	Furniture, partial	3,975	3,975			3,975			3,975			3,975
32	Casework, counters	3,765								1,903		1,903
33	Fitness room carpet	3,075	3,075			3,075			3,075			3,075
34	Laptop	800	2,400			2,400			2,400			2,400
35	Plumbing Fixtures	4,200	4,200			4,200			4,200			4,200
36	Interior Lighting	2,190	2,190			2,190			2,190			2,190
37	Heat Pump	5,380	5,380			5,380			5,380			5,380
38	Heat Pump Compressor	4,190	5,144	1,287		6,432	1,287		7,719	661	(4,190)	4,190
39	Security camera and software	2,990	2,990			2,990			2,990			2,990

CASH FLOW METHOD - THREE-YEAR REPLACEMENT FUNDING - TABLE CF4 cont'd

Item #	Description of Projected Replacement	Estimated Replacement Costs	Allocation of Beginning Balance	2018 Reserve Funding	2018 Projected Replacements	2018 End of Year Balance	2019 Reserve Funding	2019 Projected Replacements	2019 End of Year Balance	2020 Reserve Funding	2020 Projected Replacements	2020 End of Year Balance
40	Proximity card readers	11,280	11,280			11,280			11,280			11,280
	RECREATIONAL AMENITIES											
41	Swimming Pool - Shell	75,900										
42	Swimming Pool - Coping	8,640	1,968	2,655		4,622	2,655		7,277	1,363		8,640
43	Swimming Pool - Waterline Tile	6,300	1,435	1,936		3,370	1,936		5,306	994		6,300
44	Swimming Pool - fiberglass liner	29,680	6,760	9,119		15,879	9,119		24,998	4,682		29,680
45	Swimming Pool - Paver Deck (reset)	6,275	6,275			6,275			6,275			6,275
46	Swimming Pool - Fence	11,229	11,229			11,229			11,229			11,229
47	Swimming Pool - Pump, 5.0	2,502	5,004			5,004			5,004		(2,502)	2,502
48	Swimming Pool - Filter System	6,580	6,580			6,580			6,580			6,580
49	Swimming Pool - Electrical Panel	1,990										
50	Pool Furniture & Umbrellas	11,323	11,323			11,323			11,323			11,323
51	Pool House - Roof	1,163	1,163			1,163			1,163			1,163
52	Pool House - Siding & Trim	12,312										
53	Pool House - Doors & Frames	3,540	3,540			3,540			3,540			3,540
54	Pool House - Plumbing Fixtures	16										
55	Pool House - Tile Floor	2,490	2,490			2,490			2,490			2,490
56	Tennis Court - Asphalt Base	24,120	24,120			24,120			24,120			24,120
57	Tennis Court - Color Coat	9,000	20,050	2,765		22,815	2,765		25,580	1,420		27,000
58	Tennis Court - Fencing (42-inch)	1,437	1,437			1,437			1,437			1,437
59	Tennis Court - Fencing (10-foot)	9,785	9,785			9,785			9,785			9,785
60	Tot lot fence, 42" aluminum	2,650										
61	Tot lot	19,095	19,095			19,095			19,095			19,095
62	Picnic tables	2,290	2,290			2,290			2,290			2,290
	EXERCISE EQUIPMENT											
63	Treadmill (2011)	8,370	8,370			8,370			8,370			8,370
64	Elliptical trainer (2014)	3,512	3,512			3,512			3,512			3,512
65	TRX Suspension	1,730	1,730			1,730			1,730			1,730
66	Recumbant bike (2014)	2,270	2,270			2,270			2,270			2,270
67	Security camera in fitness room	1,033	1,033			1,033			1,033	522		1,555
68	Upright stationary bike (2013)	1,995	1,995			1,995			1,995	1,008		3,003

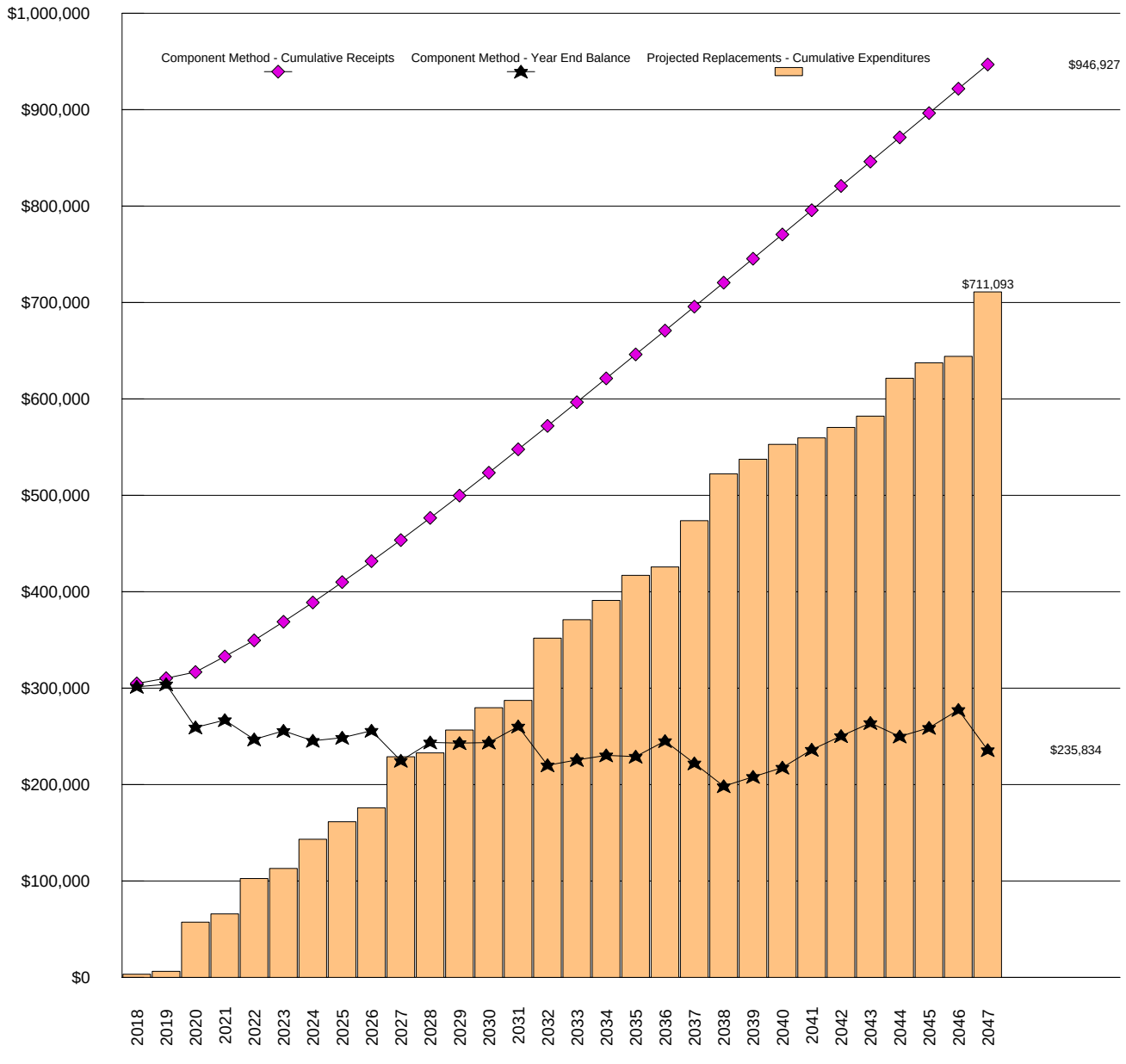
COMPONENT METHOD

$2,810 **COMPONENT METHOD RECOMMENDED ANNUAL FUNDING OF REPLACEMENT RESERVES IN THE STUDY YEAR, 2018.**

$0.83 Per unit (average), recommended monthly funding of Replacement Reserves

General. The Component Method (also referred to as the Full Funded Method) is a very conservative mathematical model developed by HUD in the early 1980s. Each of the 68 Projected Replacements listed in the Replacement Reserve Inventory is treated as a separate account. The Beginning Balance is allocated to each of the individual accounts, as is all subsequent funding of Replacement Reserves. These funds are "locked" in these individual accounts and are not available to fund other Projected Replacements. The calculation of Recommended Annual Funding of Replacement Reserves is a multi-step process outlined in more detail on Page CM2.

Component Method - Cumulative Receipts and Expenditures Graph



COMPONENT METHOD (cont'd)

- Current Funding Objective. A Current Funding Objective is calculated for each of the Projected Replacements listed in the Replacement Reserve Inventory. Replacement Cost is divided by the Normal Economic Life to determine the nominal annual contribution. The Remaining Economic Life is then subtracted from the Normal Economic Life to calculate the number of years that the nominal annual contribution should have been made. The two values are then multiplied to determine the Current Funding Objective. This is repeated for each of the 68 Projected Replacements. The total, $175,875, is the Current Funding Objective.

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

- Funding Percentage. The Funding Percentage is calculated by dividing the Beginning Balance ($302,109) by the Current Funding Objective ($175,875). At Braemar Creek - General the Funding Percentage is 171.8%

- Allocation of the Beginning Balance. The Beginning Balance is divided among the 68 Projected Replacements in the Replacement Reserve Inventory. The Current Funding Objective for each Projected Replacement is multiplied by the Funding Percentage and these funds are then "locked" into the account of each item.

  If we relate this calculation back to our fence example, it means that the Association has not accumulated $800 in Reserves (the Funding Objective), but rather at 171.8 percent funded, there is $1,374 in the account for the fence.

- Annual Funding. The Recommended Annual Funding of Replacement Reserves is then calculated for each Projected Replacement. The funds allocated to the account of the Projected Replacement are subtracted from the Replacement Cost. The result is then divided by the number of years until replacement, and the result is the annual funding for each of the Projected Replacements. The sum of these is $2,810, the Component Method Recommended Annual Funding of Replacement Reserves in the Study Year (2018).

  In our fence example, the $1,374 in the account is subtracted from the $1,000 Total Replacement Cost and divided by the 2 years that remain before replacement, resulting in an annual deposit of $-187. Next year, the deposit remains $-187, but in the third year, the fence is replaced and the annual funding adjusts to $100.

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

Component Method Data - Years 1 through 30

Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Beginning balance	$302,109									
Recommended annual funding	$2,810	$5,442	$6,366	$16,246	$16,649	$19,296	$19,967	$21,239	$21,691	$21,888
Expenditures	$3,355	$2,970	$51,026	$8,639	$36,660	$10,463	$30,228	$18,097	$14,499	$52,967
Year end balance	$301,564	$304,036	$259,376	$266,983	$246,972	$255,804	$245,544	$248,686	$255,878	$224,799
Cumulative Expenditures	$3,355	$6,325	$57,351	$65,990	$102,650	$113,113	$143,340	$161,437	$175,936	$228,904
Cumulative Receipts	$304,919	$310,361	$316,726	$332,973	$349,622	$368,917	$388,884	$410,124	$431,815	$453,702
Year	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Recommended annual funding	$22,990	$23,044	$23,778	$24,274	$24,274	$24,629	$24,737	$24,737	$24,813	$24,813
Expenditures	$3,970	$23,802	$23,152	$7,575	$64,574	$19,102	$20,032	$26,005	$8,639	$47,999
Year end balance	$243,819	$243,061	$243,688	$260,386	$220,087	$225,614	$230,319	$229,051	$245,225	$222,038
Cumulative Expenditures	$232,874	$256,675	$279,827	$287,402	$351,976	$371,077	$391,109	$417,114	$425,753	$473,753
Cumulative Receipts	$476,692	$499,736	$523,515	$547,789	$572,062	$596,691	$621,428	$646,165	$670,978	$695,791
Year	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
Recommended annual funding	$24,813	$24,912	$25,061	$25,193	$25,193	$25,193	$25,193	$25,193	$25,193	$25,193
Expenditures	$48,554	$15,136	$15,472	$6,695	$10,944	$11,698	$39,237	$16,066	$6,695	$66,843
Year end balance	$198,298	$208,073	$217,662	$236,160	$250,409	$263,904	$249,859	$258,986	$277,484	$235,834
Cumulative Expenditures	$522,307	$537,443	$552,915	$559,610	$570,554	$582,252	$621,489	$637,555	$644,250	$711,093
Cumulative Receipts	$720,604	$745,516	$770,577	$795,770	$820,963	$846,155	$871,348	$896,541	$921,734	$946,927

COMPONENT METHOD ACCOUNTING SUMMARY

This Braemar Creek - General - Component Method Accounting Summary is an attachment to the Braemar Creek - General - Replacement Reserve Study dated Revised March 23, 2018 and is for use by accounting and reserve professionals experienced in Association funding and accounting principles. This Summary consists of four reports, the 2018, 2019, and 2020 Component Method Category Funding Reports (3) and a Three-Year Replacement Funding Report.

- COMPONENT METHOD CATEGORY FUNDING REPORT, 2018, 2019, and 2020. Each of the 68 Projected Replacements listed in the Braemar Creek - General Replacement Reserve Inventory has been assigned to one of 5 categories. The following information is summarized by category in each report:
  - Normal Economic Life and Remaining Economic Life of the Projected Replacements.
  - Cost of all Scheduled Replacements in each category.
  - Replacement Reserves on Deposit allocated to the category at the beginning and end of the report period.
  - Cost of Projected Replacements in the report period.
  - Recommended Replacement Reserve Funding allocated to the category during the report period as calculated by the Component Method.
- THREE-YEAR REPLACEMENT FUNDING REPORT. This report details the allocation of the $302,109 Beginning Balance (at the start of the Study Year) and the $14,617 of additional Replacement Reserve funding from 2018 to 2020 (as calculated in the Replacement Reserve Analysis) to each of the 68 Projected Replacements listed in the Replacement Reserve Inventory. These allocations have been made using the Component Method as outlined in the Replacement Reserve Analysis.
  The calculated data includes:
  - Identification and estimated cost of each Projected Replacement schedule in years 2018 through 2020.
  - Allocation of the $302,109 Beginning Balance to the Projected Replacements by the Component Method.
  - Allocation of the $14,617 of additional Replacement Reserve Funding recommended in the Replacement Reserve Analysis in years 2018 through 2020, by the Component Method.

2018 - COMPONENT METHOD CATEGORY FUNDING REPORT

Each of the 68 Projected Replacements included in the Braemar Creek - General Replacement Reserve Inventory has been assigned to one of the 5 categories listed in TABLE CM1 below. This calculated data is a summary of data provided in the Three-Year Replacement Funding Report and Replacement Reserve Inventory. The accuracy of this data is dependent upon many factors including the following critical financial data:

- A Beginning Balance of $302,109 as of the first day of the Study Year, January 1, 2018.
- Total reserve funding (including the Beginning Balance) of $304,919 in the Study Year.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.
- All Projected Replacements scheduled in the Replacement Reserve Inventory in 2018 being accomplished in 2018 at a cost of $3,355.

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

2018 - COMPONENT METHOD CATEGORY FUNDING - TABLE CM1

CATEGORY	NORMAL ECONOMIC LIFE	REMAINING ECONOMIC LIFE	ESTIMATED REPLACEMENT COST	2018 BEGINNING BALANCE	2018 RESERVE FUNDING	2018 PROJECTED REPLACEMENTS	2018 END OF YEAR BALANCE
SITE COMPONENTS	3 to 45 years	1 to 31 years	$69,156	$57,109	($1,928)		$55,180
SITE COMPONENT (cont.)	6 to 36 years	2 to 38 years	$23,096	$17,845	($942)		$16,903
BUILDING EXTERIOR & INTERIORS (Club H	5 to 35 years	0 to 222 years	$86,016	$69,658	($1,789)	$3,355	$64,513
RECREATIONAL AMENITIES	5 to 45 years	2 to 31 years	$248,316	$149,562	$6,067		$155,629
EXERCISE EQUIPMENT	3 to 10 years	0 to 10 years	$18,910	$7,936	$1,402		$9,338

2019 - COMPONENT METHOD CATEGORY FUNDING REPORT

Each of the 68 Projected Replacements included in the Braemar Creek - General Replacement Reserve Inventory has been assigned to one of the 5 categories listed in TABLE CM2 below. This calculated data is a summary of data provided in the Three-Year Replacement Funding Report and Replacement Reserve Inventory. The accuracy of this data is dependent upon many factors including the following critical financial data:

- Replacement Reserves on Deposit totaling $301,564 on January 1, 2019.
- Total reserve funding (including the Beginning Balance) of $310,361 from 2018 through 2019.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.
- All Projected Replacements scheduled in the Replacement Reserve Inventory in 2019 being accomplished in 2019 at a cost of $2,970.

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

2019 - COMPONENT METHOD CATEGORY FUNDING - TABLE CM2

CATEGORY	NORMAL ECONOMIC LIFE	REMAINING ECONOMIC LIFE	ESTIMATED REPLACEMENT COST	2019 BEGINNING BALANCE	2019 RESERVE FUNDING	2019 PROJECTED REPLACEMENTS	2019 END OF YEAR BALANCE
SITE COMPONENTS	3 to 45 years	0 to 30 years	$69,156	$55,180	($1,928)	$2,970	$50,282
SITE COMPONENT (cont.)	6 to 36 years	1 to 37 years	$23,096	$16,903	($942)		$15,961
BUILDING EXTERIOR & INTERIORS (Club H	5 to 35 years	1 to 221 years	$86,016	$64,513	$842		$65,356
RECREATIONAL AMENITIES	5 to 45 years	1 to 30 years	$248,316	$155,629	$6,067		$161,697
EXERCISE EQUIPMENT	3 to 10 years	4 to 9 years	$18,910	$9,338	$1,402		$10,740

2020 - COMPONENT METHOD CATEGORY FUNDING REPORT

Each of the 68 Projected Replacements included in the Braemar Creek - General Replacement Reserve Inventory has been assigned to one of the 5 categories listed in TABLE CM3 below. This calculated data is a summary of data provided in the Three-Year Replacement Funding Report and Replacement Reserve Inventory. The accuracy of this data is dependent upon many factors including the following critical financial data:

- Replacement Reserves on Deposit totaling $304,036 on January 1, 2020.
- Total Replacement Reserve funding (including the Beginning Balance) of $316,726 from 2018 to 2020.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.
- All Projected Replacements scheduled in the Replacement Reserve Inventory in 2020 being accomplished in 2020 at a cost of $51,026.

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

2020 - COMPONENT METHOD CATEGORY FUNDING - TABLE CM3

CATEGORY	NORMAL ECONOMIC LIFE	REMAINING ECONOMIC LIFE	ESTIMATED REPLACEMENT COST	2020 BEGINNING BALANCE	2020 RESERVE FUNDING	2020 PROJECTED REPLACEMENTS	2020 END OF YEAR BALANCE
SITE COMPONENTS	3 to 45 years	0 to 29 years	$69,156	$50,282	($1,005)	$27,998	$21,280
SITE COMPONENT (cont.)	6 to 36 years	0 to 36 years	$23,096	$15,961	($942)	$9,251	$5,768
BUILDING EXTERIOR & INTERIORS (Club H	5 to 35 years	0 to 220 years	$86,016	$65,356	$842	$11,275	$54,923
RECREATIONAL AMENITIES	5 to 45 years	0 to 29 years	$248,316	$161,697	$6,067	$2,502	$165,262
EXERCISE EQUIPMENT	3 to 10 years	3 to 8 years	$18,910	$10,740	$1,402		$12,143

COMPONENT METHOD - THREE-YEAR REPLACEMENT FUNDING REPORT

TABLE CM4 below details the allocation of the $302,109 Beginning Balance, as reported by the Association and the $14,617 of Replacement Reserve Funding calculated by the Cash Flow Method from 2018 to 2020, to the 68 Projected Replacements listed in the Replacement Reserve Inventory. These allocations have been made by Chronological Allocation, a method developed by Miller Dodson Associates, Inc., and outlined on Page CF1. The accuracy of the allocations is dependent upon many factors including the following critical financial data:

- Replacement Reserves on Deposit totaling $302,109 on January 1, 2018.
- Replacement Reserves on Deposit totaling $301,564 on January 1, 2019.
- Replacement Reserves on Deposit totaling $304,036 on January 1, 2020.
- Total Replacement Reserve funding (including the Beginning Balance) of $316,726 from 2018 to 2020.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.
- All Projected Replacements scheduled in the Replacement Reserve Inventory from 2018 to 2020 being accomplished as scheduled in the Replacement Reserve Inventory at a cost of $57,351.

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

COMPONENT METHOD - THREE-YEAR REPLACEMENT FUNDING - TABLE CM4

Item #	Description of Projected Replacement	Estimated Replacement Costs	Allocation of Beginning Balance	2018 Reserve Funding	2018 Projected Replacements	2018 End of Year Balance	2019 Reserve Funding	2019 Projected Replacements	2019 End of Year Balance	2020 Reserve Funding	2020 Projected Replacements	2020 End of Year Balance
	SITE COMPONENTS											
1	Asphalt pavement, seal coat	2,471		275		275	275		549	275		824
2	Asphalt pavement, edge milling	2,520	3,607	(362)		3,245	(362)		2,882	(362)	(2,520)	
3	Asphalt pavement, overlay	25,478	36,470	(3,664)		32,806	(3,664)		29,142	(3,664)	(25,478)	
4	Entrance signage, refurbish	2,677	920	220		1,139	220		1,359	220		1,579
5	Entrance signage, replace	4,098	2,816	71		2,887	71		2,958	71		3,029
6	Entry feature, masonry piers, refurbish	2,970	4,421	(726)		3,696	(726)	(2,970)		198		198
7	Entry feature, masonry piers, replace	10,974	5,446	173		5,618	173		5,791	173		5,964
8	Entrance area accent lighting	880	378	84		462	84		545	84		629
9	Irrigation, partial	1,944		486		486	486		972	486		1,458
10	Irrigation, partial	5,895	2,025	967		2,993	967		3,960	967		4,928
11	Sanitary lateral allowance	950	435	47		482	47		529	47		576
12	Water lateral allowance	1,290	591	64		654	64		718	64		782
13	Pole lights, LED's	7,010		438		438	438		876	438		1,314
	SITE COMPONENT (cont.)											
14	Concrete curb & gutter (20%)	6,908	10,878	(1,323)		9,555	(1,323)		8,231	(1,323)	(6,908)	
15	Concrete curb & gutter (20%)	6,923	4,955	94		5,048	94		5,142	94		5,236
16	Concrete curb & gutter (20%)	6,923		178		178	178		355	178		533
17	Concrete sidewalk (6%)	2,343	2,012	110		2,123	110		2,233	110	(2,343)	
	BUILDING EXTERIOR & INTERIOI											
18	Shingle asphalt/fiberglass	8,370	6,901	113		7,014	113		7,127	113		7,240
19	Gutter & downspout, 5" aluminum	1,056	871	14		885	14		899	14		913
20	Fascia & soffits	2,890	2,383	39		2,422	39		2,461	39		2,500
21	Siding & trim, premium	4,490	2,644	80		2,725	80		2,805	80		2,885
22	Brick & stone veneer, repoint	3,355	5,763	(2,408)	(3,355)		224		224	224		447
23	Painted Wood Trellis	1,670	2,295	(208)		2,087	(208)		1,878	(208)	(1,670)	
24	Exterior Lighting	1,075	1,477	(134)		1,343	(134)		1,209	(134)	(1,075)	
25	Exterior Windows	6,490	3,822	116		3,938	116		4,054	116		4,170
26	Exterior Doors	3,880		17		17	17		35	17		52
27	Interior Finishes	4,100	4,226	(21)		4,205	(21)		4,184	(21)		4,163
28	Decor, window treatments	2,390	3,284	(298)		2,986	(298)		2,688	(298)	(2,390)	
29	Appliances	2,455	2,952	(83)		2,869	(83)		2,786	(83)		2,703
30	Furniture, partial	1,950	2,512	(187)		2,325	(187)		2,137	(187)	(1,950)	
31	Furniture, partial	3,975	3,793	23		3,816	23		3,839	23		3,861
32	Casework, counters	3,765	3,018	47		3,065	47		3,111	47		3,158
33	Fitness room carpet	3,075	1,056	252		1,309	252		1,561	252		1,813
34	Laptop	800	275	131		406	131		537	131		669
35	Plumbing Fixtures	4,200	3,463	57		3,520	57		3,576	57		3,633
36	Interior Lighting	2,190	1,806	30		1,835	30		1,865	30		1,894
37	Heat Pump	5,380	4,621	63		4,684	63		4,747	63		4,811
38	Heat Pump Compressor	4,190	5,398	(403)		4,995	(403)		4,593	(403)	(4,190)	
39	Security camera and software	2,990	1,284	190		1,474	190		1,663	190		1,853

COMPONENT METHOD - THREE-YEAR REPLACEMENT FUNDING - TABLE CM4 cont'd

Item #	Description of Projected Replacement	Estimated Replacement Costs	Allocation of Beginning Balance	2018 Reserve Funding	2018 Projected Replacements	2018 End of Year Balance	2019 Reserve Funding	2019 Projected Replacements	2019 End of Year Balance	2020 Reserve Funding	2020 Projected Replacements	2020 End of Year Balance
40	Proximity card readers	11,280	5,813	781		6,594	781		7,375	781		8,156
	RECREATIONAL AMENITIES											
41	Swimming Pool - Shell	75,900	37,664	1,195		38,859	1,195		40,054	1,195		41,249
42	Swimming Pool - Coping	8,640		576		576	576		1,152	576		1,728
43	Swimming Pool - Waterline Tile	6,300		420		420	420		840	420		1,260
44	Swimming Pool - fiberglass liner	29,680	12,746	1,129		13,875	1,129		15,004	1,129		16,133
45	Swimming Pool - Paver Deck (reset)	6,275	7,186	(182)		7,004	(182)		6,822	(182)		6,639
46	Swimming Pool - Fence	11,229	10,030	100		10,130	100		10,230	100		10,330
47	Swimming Pool - Pump, 5.0	2,502	3,008	(169)		2,840	(169)		2,671	(169)	(2,502)	
48	Swimming Pool - Filter System	6,580	5,651	93		5,744	93		5,837	93		5,930
49	Swimming Pool - Electrical Panel	1,990	798	52		849	52		901	52		953
50	Pool Furniture & Umbrellas	11,323		1,132		1,132	1,132		2,265	1,132		3,397
51	Pool House - Roof	1,163	1,038	10		1,049	10		1,059	10		1,069
52	Pool House - Siding & Trim	12,312	7,855	203		8,058	203		8,260	203		8,463
53	Pool House - Doors & Frames	3,540	3,162	31		3,194	31		3,225	31		3,257
54	Pool House - Plumbing Fixtures	16	9	0		10	0		10	0		10
55	Pool House - Tile Floor	2,490	2,224	22		2,246	22		2,268	22		2,291
56	Tennis Court - Asphalt Base	24,120	20,716	340		21,056	340		21,397	340		21,737
57	Tennis Court - Color Coat	9,000		1,800		1,800	1,800		3,600	1,800		5,400
58	Tennis Court - Fencing (42-inch)	1,437	1,604	(24)		1,581	(24)		1,557	(24)		1,533
59	Tennis Court - Fencing (10-foot)	9,785	10,925	(163)		10,762	(163)		10,599	(163)		10,436
60	Tot lot fence, 42" aluminum	2,650	455	122		577	122		699	122		821
61	Tot lot	19,095	21,867	(554)		21,313	(554)		20,758	(554)		20,204
62	Picnic tables	2,290	2,622	(66)		2,556	(66)		2,489	(66)		2,423
	EXERCISE EQUIPMENT											
63	Treadmill (2011)	8,370	2,876	687		3,562	687		4,249	687		4,936
64	Elliptical trainer (2014)	3,512	1,810	243		2,053	243		2,296	243		2,539
65	TRX Suspension	1,730		157		157	157		315	157		472
66	Recumbant bike (2014)	2,270	1,170	157		1,327	157		1,484	157		1,641
67	Security camera in fitness room	1,033	710	54		764	54		818	54		871
68	Upright stationary bike (2013)	1,995	1,371	104		1,475	104		1,579	104		1,683

EXECUTIVE SUMMARY

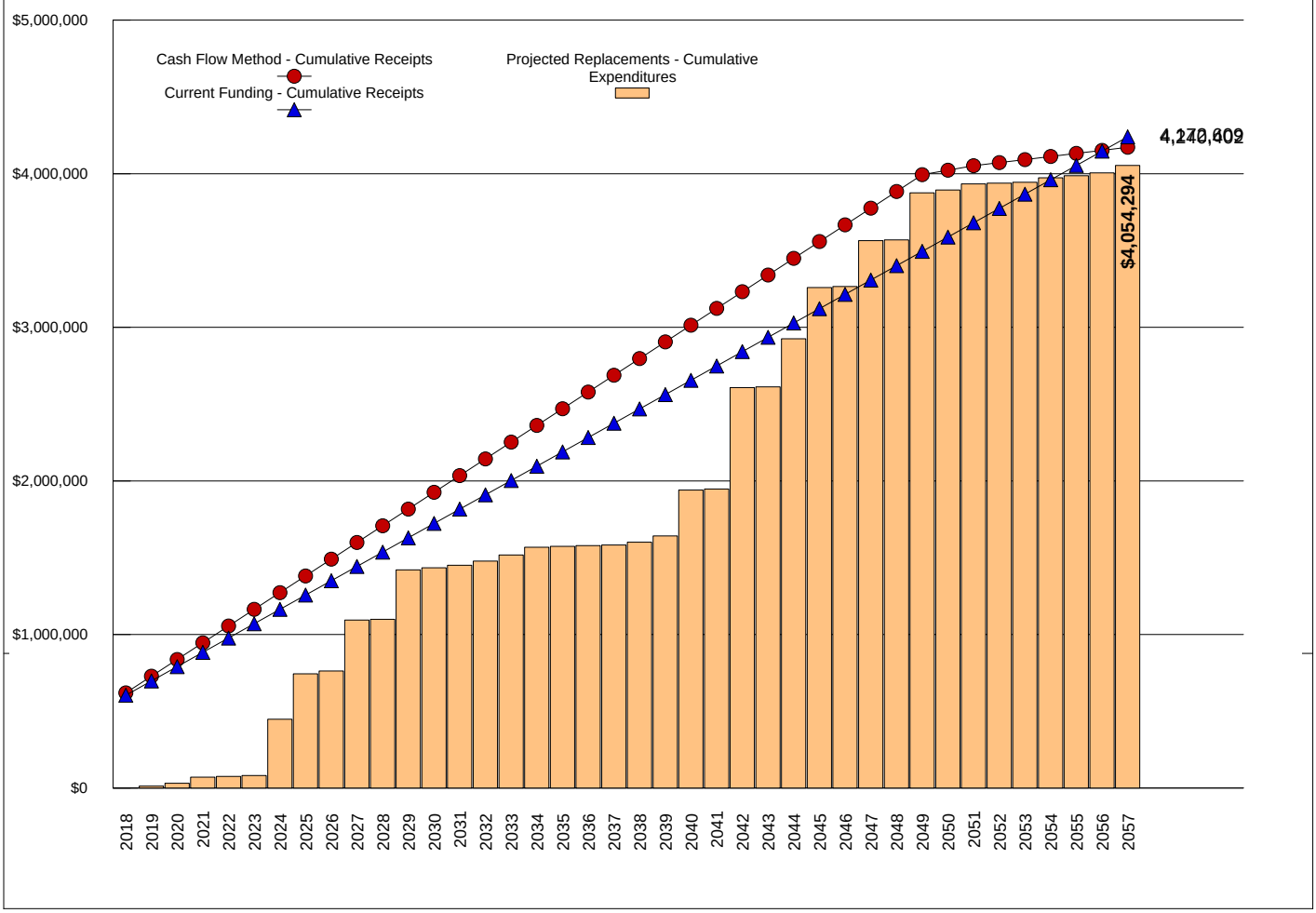
The Braemar Creek - Ten Plex Replacement Reserve Analysis uses the Cash Flow Method (CFM) to calculate Replacement Reserve funding for the periodic replacement of the 29 Projected Replacements identified in the Replacement Reserve Inventory.

$108,844 **RECOMMENDED REPLACEMENT RESERVE FUNDING FOR THE STUDY YEAR, 2018**
$47.74 Per unit (average), minimum monthly funding of Replacement Reserves

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

Braemar Creek - Ten Plex reports a Starting Balance of $510,802 and Annual Funding totaling $93,240. Current funding is inadequate to fund the $4,054,294 of Projected Replacements scheduled in the Replacement Reserve Inventory over the 40-year Study Period. See Page A3 for a more detailed evaluation.

#1 - Cumulative Replacement Reserve Funding and Expenditures Graph



The Current Funding Objective as calculated by the Component Method (Fully Funded) is $1,000,152 making the reserve account 51.1% funded. See the Appendix for more information on this method.

REPLACEMENT RESERVE ANALYSIS - GENERAL INFORMATION

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

2018 | **STUDY YEAR**

The Association reports that their accounting year begins on January 1, and the Study Year, the first year evaluated by the Replacement Reserve Analysis, begins on January 1, 2018.

40 Years | **STUDY PERIOD**

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

$510,802 | **STARTING BALANCE**

The Association reports Replacement Reserves on Deposit totaling $510,802 at the start of the Study Year.

Level Two | **LEVEL OF SERVICE**

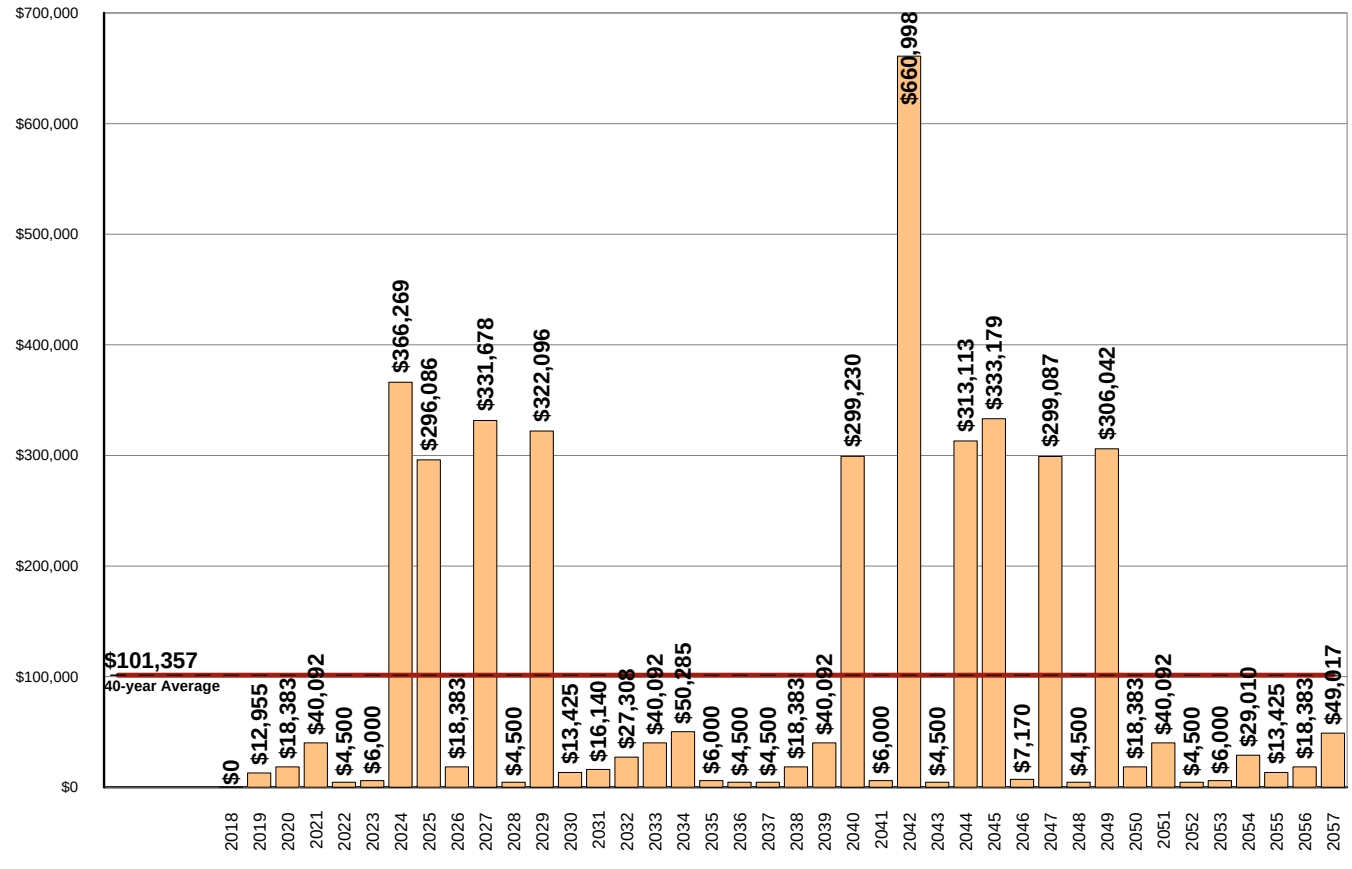
The Replacement Reserve Inventory has been developed in compliance with the National Reserve Study Standards for a Level Two Study, as defined by the Community Associations Institute (CAI).

$4,054,294 | **REPLACEMENT RESERVE INVENTORY - PROJECTED REPLACEMENTS**

The Braemar Creek - Ten Plex Replacement Reserve Inventory identifies 29 items that will require periodic replacement, that are to be funded from Replacement Reserves. We estimate the cost of these replacements will be $4,054,294 over the 40-year Study Period. The Projected Replacements are divided into 7 major categories starting on Page B3. Pages B1-B2 provide detailed information on the Replacement Reserve Inventory.

#2 - Annual Expenditures for Projected Replacements Graph

This graph shows annual expenditures for Projected Replacements over the 40-year Study Period. The red line shows the average annual expenditure of $101,357. Section C provides a year by year Calender of these expenditures.



UPDATING

UPDATING OF THE FUNDING PLAN

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

UPDATING OF THE REPLACEMENT RESERVE STUDY

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

ANNUAL EXPENDITURES AND CURRENT FUNDING

The annual expenditures that comprise the $4,054,294 of Projected Expenditures over the 40-year Study Period and the impact of the Association continuing to fund Replacement Reserves at the current level are detailed in Table 3.

#3 - Table of Annual Expenditures and Current Funding Data - Years 1 through 40

Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Starting Balance	$510,802									
Projected Replacements		($12,955)	($18,383)	($40,092)	($4,500)	($6,000)	($366,269)	($296,086)	($18,383)	($331,678)
Annual Deposit	$93,240	$93,240	$93,240	$93,240	$93,240	$93,240	$93,240	$93,240	$93,240	$93,240
End of Year Balance	$604,042	$684,327	$759,184	$812,332	$901,072	$988,312	$715,283	$512,437	$587,294	$348,856
Cumulative Expenditures		($12,955)	($31,338)	($71,430)	($75,930)	($81,930)	($448,199)	($744,285)	($762,668)	($1,094,346)
Cumulative Receipts	$604,042	$697,282	$790,522	$883,762	$977,002	$1,070,242	$1,163,482	$1,256,722	$1,349,962	$1,443,202
Year	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**
Projected Replacements	($4,500)	($322,096)	($13,425)	($16,140)	($27,308)	($40,092)	($50,285)	($6,000)	($4,500)	($4,500)
Annual Deposit	$93,240	$93,240	$93,240	$93,240	$93,240	$93,240	$93,240	$93,240	$93,240	$93,240
End of Year Balance	$437,596	$208,741	$288,556	$365,656	$431,588	$484,736	$527,691	$614,931	$703,671	$792,411
Cumulative Expenditures	($1,098,846)	($1,420,941)	($1,434,366)	($1,450,506)	($1,477,814)	($1,517,906)	($1,568,191)	($1,574,191)	($1,578,691)	($1,583,191)
Cumulative Receipts	$1,536,442	$1,629,682	$1,722,922	$1,816,162	$1,909,402	$2,002,642	$2,095,882	$2,189,122	$2,282,362	$2,375,602
Year	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**	**2045**	**2046**	**2047**
Projected Replacements	($18,383)	($40,092)	($299,230)	($6,000)	($660,998)	($4,500)	($313,113)	($333,179)	($7,170)	($299,087)
Annual Deposit	$93,240	$93,240	$93,240	$93,240	$93,240	$93,240	$93,240	$93,240	$93,240	$93,240
End of Year Balance	$867,268	$920,416	$714,426	$801,666	$233,908	$322,648	$102,775	($137,163)	($51,093)	($256,940)
Cumulative Expenditures	($1,601,574)	($1,641,666)	($1,940,896)	($1,946,896)	($2,607,894)	($2,612,394)	($2,925,507)	($3,258,685)	($3,265,855)	($3,564,942)
Cumulative Receipts	$2,468,842	$2,562,082	$2,655,322	$2,748,562	$2,841,802	$2,935,042	$3,028,282	$3,121,522	$3,214,762	$3,308,002
Year	**2048**	**2049**	**2050**	**2051**	**2052**	**2053**	**2054**	**2055**	**2056**	**2057**
Projected Replacements	($4,500)	($306,042)	($18,383)	($40,092)	($4,500)	($6,000)	($29,010)	($13,425)	($18,383)	($49,017)
Annual Deposit	$93,240	$93,240	$93,240	$93,240	$93,240	$93,240	$93,240	$93,240	$93,240	$93,240
End of Year Balance	($168,200)	($381,002)	($306,145)	($252,997)	($164,257)	($77,017)	($12,787)	$67,028	$141,885	$186,108
Cumulative Expenditures	($3,569,442)	($3,875,484)	($3,893,867)	($3,933,959)	($3,938,459)	($3,944,459)	($3,973,469)	($3,986,894)	($4,005,277)	($4,054,294)
Cumulative Receipts	$3,401,242	$3,494,482	$3,587,722	$3,680,962	$3,774,202	$3,867,442	$3,960,682	$4,053,922	$4,147,162	$4,240,402

EVALUATION OF CURRENT FUNDING

The evaluation of Current Funding (Starting Balance of $510,802 & annual funding of $93,240), is done in today's dollars with no adjustments for inflation or interest earned on Replacement Reserves. The evaluation assumes Replacement Reserves will only be used for the 29 Projected Replacements identified in the Replacement Reserve Inventory and that the Association will continue Annual Funding of $93,240 throughout the 40-year Study Period.

Annual Funding of $93,240 is approximately 86 percent of the $108,844 recommended Annual Funding calculated by the Cash Flow Method for 2018, the Study Year.
Evaluation of the 29 Projected Replacements calculates an average annual expenditure over the next 40 years of $101,357. Annual funding of $93,240 is 92 percent of the average annual expenditure.
Our calculations identify funding shortfalls in 10 years of the Study Period with the initial shortfall in 2045. The largest shortfall, $-381,002, occurs in 2049. All shortfalls can be seen and evaluated in Table 3 above.

In summary, Current Funding as reported by the Association and shown above, does not provide adequate funding for the $4,054,294 of Projected Replacements scheduled in the Replacement Reserve Inventory over the Study Period.

CASH FLOW METHOD FUNDING

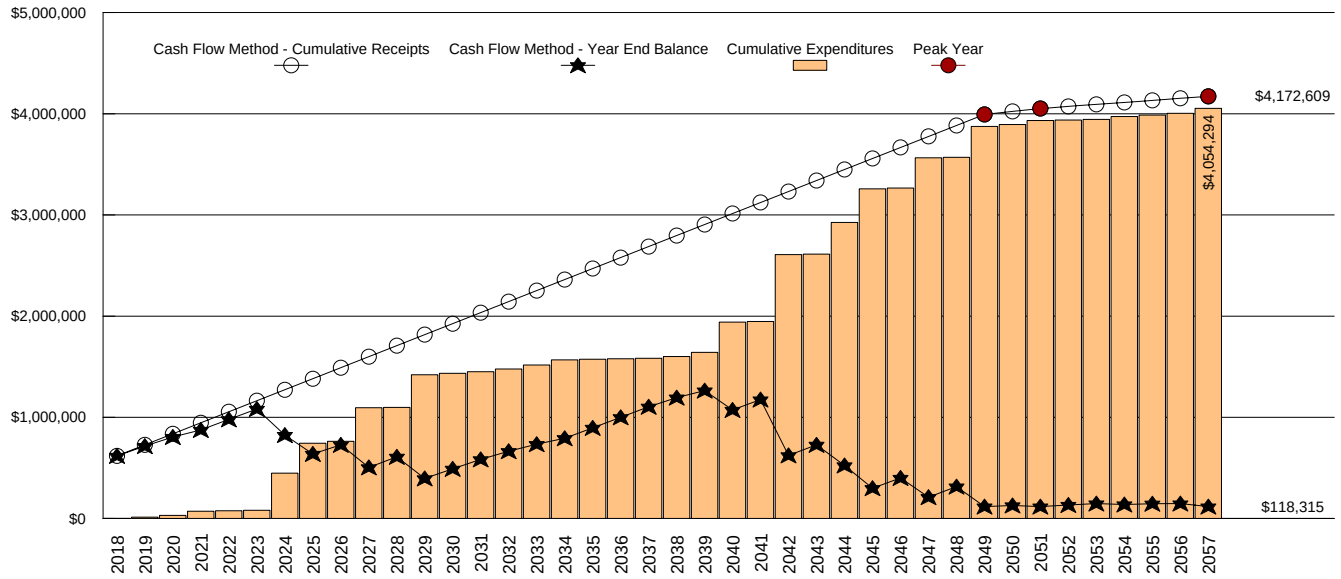
$108,844 **RECOMMENDED REPLACEMENT RESERVE FUNDING FOR 2018**

$47.74 Per unit (average), minimum monthly funding of Replacement Reserves

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

- Peak Years. The First Peak Year occurs in 2049 with Replacement Reserves on Deposit dropping to the Minimum Balance after the completion of $3,875,484 of replacements from 2018 to 2049. Recommended funding declines from $108,844 in 2049 to $29,238 in 2050. Peak Years are identified in Chart 4 and Table 5.
- Minimum Balance. The calculations assume a Minimum Balance of $118,315 in Replacement Reserves. This is approx. 14 months of average expenditures based on the $101,357, 40-year average annual expenditure.
- Cash Flow Method Study Period. Cash Flow Method calculates funding for $4,054,294 of expenditures over the 40-year Study Period. It does not include funding for any projects beyond 2057 and in 2057, the end of year balance will always be the Minimum Balance.

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



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

Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Starting Balance	$510,802									
Projected Replacements		($12,955)	($18,383)	($40,092)	($4,500)	($6,000)	($366,269)	($296,086)	($18,383)	($331,678)
Annual Deposit	$108,844	$108,844	$108,844	$108,844	$108,844	$108,844	$108,844	$108,844	$108,844	$108,844
End of Year Balance	$619,646	$715,534	$805,995	$874,746	$979,090	$1,081,934	$824,509	$637,267	$727,727	$504,893
Cumulative Expenditures		$12,955	$31,338	$71,430	$75,930	$81,930	$448,199	$744,285	$762,668	$1,094,346
Cumulative Receipts	$619,646	$728,489	$837,333	$946,177	$1,055,020	$1,163,864	$1,272,708	$1,381,551	$1,490,395	$1,599,239

Year	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Projected Replacements	($4,500)	($322,096)	($13,425)	($16,140)	($27,308)	($40,092)	($50,285)	($6,000)	($4,500)	($4,500)
Annual Deposit	$108,844	$108,844	$108,844	$108,844	$108,844	$108,844	$108,844	$108,844	$108,844	$108,844
End of Year Balance	$609,237	$395,985	$491,404	$584,107	$665,643	$734,394	$792,953	$895,797	$1,000,141	$1,104,484
Cumulative Expenditures	($1,098,846)	($1,420,941)	($1,434,366)	($1,450,506)	($1,477,814)	($1,517,906)	($1,568,191)	($1,574,191)	($1,578,691)	($1,583,191)
Cumulative Receipts	$1,708,082	$1,816,926	$1,925,770	$2,034,613	$2,143,457	$2,252,300	$2,361,144	$2,469,988	$2,578,831	$2,687,675

Year	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
Projected Replacements	($18,383)	($40,092)	($299,230)	($6,000)	($660,998)	($4,500)	($313,113)	($333,179)	($7,170)	($299,087)
Annual Deposit	$108,844	$108,844	$108,844	$108,844	$108,844	$108,844	$108,844	$108,844	$108,844	$108,844
End of Year Balance	$1,194,945	$1,263,696	$1,073,310	$1,176,154	$624,000	$728,343	$524,074	$299,739	$401,413	$211,170
Cumulative Expenditures	($1,601,574)	($1,641,666)	($1,940,896)	($1,946,896)	($2,607,894)	($2,612,394)	($2,925,507)	($3,258,685)	($3,265,855)	($3,564,942)
Cumulative Receipts	$2,796,519	$2,905,362	$3,014,206	$3,123,050	$3,231,893	$3,340,737	$3,449,581	$3,558,424	$3,667,268	$3,776,112

Year	2048	1st Peak - 2049	2050	2nd Peak - 2051	2052	2053	2054	2055	2056	3rd Peak - 2057
Projected Replacements	($4,500)	($306,042)	($18,383)	($40,092)	($4,500)	($6,000)	($29,010)	($13,425)	($18,383)	($49,017)
Annual Deposit	$108,844	$108,844	$29,238	$29,238	$20,056	$20,056	$20,056	$20,056	$20,056	$20,056
End of Year Balance	$315,513	$118,315	$129,170	$118,315	$133,871	$147,927	$138,973	$145,604	$147,276	$118,315
Cumulative Expenditures	($3,569,442)	($3,875,484)	($3,893,867)	($3,933,959)	($3,938,459)	($3,944,459)	($3,973,469)	($3,986,894)	($4,005,277)	($4,054,294)
Cumulative Receipts	$3,884,955	$3,993,799	$4,023,037	$4,052,274	$4,072,330	$4,092,386	$4,112,442	$4,132,498	$4,152,553	$4,172,609

INFLATION ADJUSTED FUNDING

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

$108,844 2018 - CASH FLOW METHOD RECOMMENDED FUNDING

The 2018 Study Year calculations have been made using current replacement costs (see Page B2), modified by the Analyst for any project specific conditions.

$111,807 2019 - INFLATION ADJUSTED FUNDING

A new analysis calculates 2019 funding based on three assumptions;

- Replacement Reserves on Deposit totaling $619,646 on January 1, 2019.
- No Expenditures from Replacement Reserves in 2018.
- Construction Cost Inflation of 2.30 percent in 2018.

The $111,807 inflation adjusted funding in 2019 is a 2.72 percent increase over the non-inflation adjusted 2019 funding of $108,844.

$114,929 2020 - INFLATION ADJUSTED FUNDING

A new analysis calculates 2020 funding based on three assumptions;

- Replacement Reserves on Deposit totaling $718,199 on January 1, 2020.
- All 2019 Projected Replacements listed on Page C2 accomplished at a cost to Replacement Reserves less than $13,253.
- Construction Cost Inflation of 2.30 percent in 2019.

The $114,929 inflation adjusted funding in 2020 is a 5.59 percent increase over the non-inflation adjusted 2020 funding of $108,844.

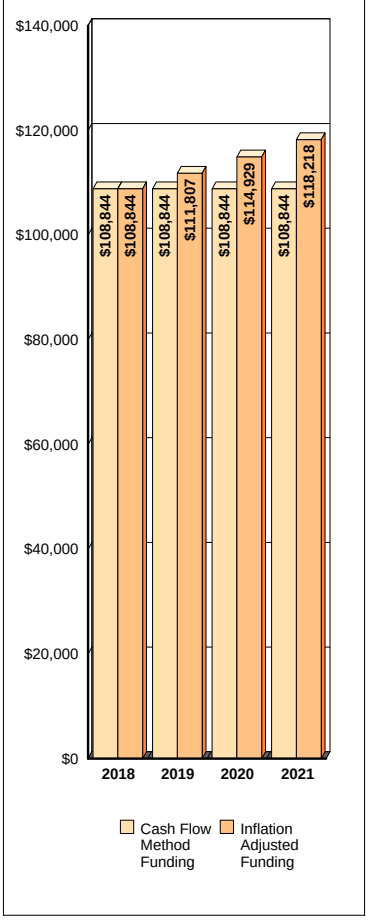
$118,218 2021 - INFLATION ADJUSTED FUNDING

A new analysis calculates 2021 funding based on three assumptions;

- Replacement Reserves on Deposit totaling $813,890 on January 1, 2021.
- All 2020 Projected Replacements listed on Page C2 accomplished at a cost to Replacement Reserves less than $19,239.
- Construction Cost Inflation of 2.30 percent in 2020.

The $118,218 inflation adjusted funding in 2021 is a 8.61 percent increase over the non-inflation adjusted funding of $108,844.

#6 - Inflation Adjusted Funding



YEAR FIVE & BEYOND

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

INFLATION ADJUSTMENT

Prior to approving a budget based upon the 2019, 2020 and 2021 inflation adjusted funding calculations above, the 2.30 percent base rate of inflation used in our calculations should be compared to rates published by the Bureau of Labor Statistics. If there is a significant discrepancy (over 1 percent), contact Miller Dodson + Associates prior to using the Inflation Adjusted Funding.

INTEREST ON RESERVES

The recommended funding calculations do not account for interest earned on Replacement Reserves.
In 2018, based on a 1.00 percent interest rate, we estimate the Association may earn $5,647 on an average balance of $565,224, $6,683 on an average balance of $668,923 in 2019, and $7,653 on $766,045 in 2020. The Association may elect to use these funds to reduce annual funding.

REPLACEMENT RESERVE STUDY - SUPPLEMENTAL COMMENTS

- Braemar Creek - Ten Plex has 190 units. The type of property is a Condominium Association.
- The Cash Flow Method calculates the minimum annual funding necessary to prevent Replacement Reserves from dropping below the Minimum Balance. Failure to fund at least the recommended levels may result in funding not being available for the Projected Replacements listed in the Replacement Reserve Inventory.
- The accuracy of the Replacement Reserve Analysis is dependent upon expenditures from Replacement Reserves being made ONLY for the 29 Projected Replacements specifically listed in the Replacement Reserve Inventory. The inclusion/exclusion of items from the Replacement Reserve Inventory is discussed on Page B1.
- This analysis uses a $0 starting balance and $93,240 annual contribution pending instruction from the Manager. 3 .23.2018 Per Board direction revise starting balance.

REPLACEMENT RESERVE INVENTORY
GENERAL INFORMATION

Braemar Creek - Ten Plex - Replacement Reserve Inventory identifies 73 items. Two types of items are identified, Projected Replacements and Excluded Items:

- PROJECTED REPLACEMENTS. 29 of the items are Projected Replacements and the periodic replacements of these items are scheduled for funding from Replacement Reserves. The Projected Replacements have an estimated one-time replacement cost of $2,366,307. Replacements totaling $4,054,294 are scheduled in the Replacement Reserve Inventory over the 40-year Study Period.

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

- EXCLUDED ITEMS. 44 of the items are Excluded Items, and expenditures for these items are NOT scheduled for funding from Replacement Reserves. The accuracy of the calculations made in the Replacement Reserve Analysis is dependent on expenditures NOT being made for Excluded Items. The Excluded Items are listed in the Replacement Reserve Inventory to identify specific items and categories of items that are not to be funded from Replacement Reserves. There are multiple categories of items that are typically excluded from funding by Replacement Reserves, including but not limited to:

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

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

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

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

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

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

- CATEGORIES. The 73 items included in the Braemar Creek - Ten Plex Replacement Reserve Inventory are divided into 7 major categories. Each category is printed on a separate page, Pages B3 to B9.

- LEVEL OF SERVICE. This Replacement Reserve Inventory has been developed in compliance with the standards established for a Level Two - Update (with site visit and on-site review), as defined by the National Reserve Study Standards, established in 1998 by Community Associations Institute, which states:

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

REPLACEMENT RESERVE INVENTORY - GENERAL INFORMATION (cont'd)

- INVENTORY DATA. Each of the 29 Projected Replacements listed in the Replacement Reserve Inventory includes the following data:

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

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

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

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

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

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

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

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

  Each of the 44 Excluded Items includes the Item Description, Units, and Number of Units. Many of the Excluded Items are listed as a 'Lump Sum' with a quantity of 1. For the Excluded Items, this indicates that all of the items identified by the 'Item Description' are excluded from funding by Replacement Reserves.

- REVIEW OF EXPENDITURES. This Replacement Reserve Study should be reviewed by an accounting professional representing the Association prior to implementation.

- PARTIAL FUNDING. Items may have been included in the Replacement Reserve Inventory at less than 100 percent of their full quantity and/or replacement cost. This is done on items that will never be replaced in their entirety, but which may require periodic replacements over an extended period of time. The assumptions that provide the basis for any partial funding are noted in the Comments section.

- REMAINING ECONOMIC LIFE GREATER THAN 40 YEARS. The calculations do not include funding for initial replacements beyond 40 years. These replacements are included in this Study for tracking and evaluation. They should be included for funding in future Studies, when they enter the 40-year window.

SITE IMPROVEMENTS (10 PLEX AREA)

PROJECTED REPLACEMENTS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
1	Asphalt Pavement - mill & overlay	sf	177,960	$1.70	18	6	$302,532
2	Asphalt Pavement - Seal Coat	sf	177,960	$0.20	6	3	$35,592
3	Asphalt Pavement - Edge Milling	sf	44,490	$0.35	18	6	$15,572
4	Mail boxes	ea	190	$129.00	25	11	$24,510
5	Site lighting, fixtures (shoe box)	ea	19	$445.00	15	1	$8,455
6	Site lighting, poles	ea	19	$1,495.00	30	16	$28,405
7	Site lighting, fixtures (LED)	ea	6	$445.00	15	13	$2,670
8	Site lighting, poles	ea	6	$1,495.00	30	13	$8,970
9	Concrete curb & gutter (20%)	ft	1,230	$35.50	36	6	$43,665
10	Concrete curb & gutter (20%)	ft	1,230	$35.50	36	24	$43,665
11	Concrete curb & gutter (20%)	ft	1,230	$35.50	36	42	$43,665
12	Concrete sidewalk (3%)	sf	1,297	$9.55	6	2	$12,383

SITE IMPROVEMENTS (10 PLEX AREA) - Replacement Costs - Subtotal $570,084

SITE IMPROVEMENTS (10 PLEX AREA)

COMMENTS

- We have assumed that the Association will replace the asphalt pavement by the installation of a 2 inch thick overlay. The pavement will need to be milled prior to the installation of the overlay. Milling and the cost of minor repairs (5 to 10 percent of the total area) to the base materials and bearing soils beneath the pavement are included in the cost shown above.
- For concrete components and other roadway shoulder work, we have assumed that the Association will conduct concrete component replacement projects in conjunction with the asphalt pavement and other concrete or right-of-way replacement projects.
- The number of site lighting poles and fixtures is revised per quantities on site (2013).
- 2017. Approx. 6 of the site lights have been replaced with new LED fixtures.

10 PLEX BUILDING EXTERIORS
PROJECTED REPLACEMENTS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
13	Exterior Siding & Trim (33%)	sf	39,037	$7.55	35	22	$294,730
14	Fiberglass Shingle Roof (33%)	sf	53,815	$4.65	20	7	$250,242
15	Metal Roof (33%)	sf	790	$1.90	40	27	$1,501
16	Fencing (33%)	lf	345	$25.88	25	12	$8,925
17	Alum gutter & downspout (33%)	lf	6,080	$6.80	20	7	$41,344
18	Exterior Siding & Trim (33%)	sf	39,037	$7.55	35	24	$294,730
19	Fiberglass Shingle Roof (33%)	sf	53,815	$4.65	20	9	$250,242
20	Metal Roof (33%)	sf	790	$1.90	40	29	$1,501
21	Fencing (33%)	lf	345	$25.88	25	14	$8,925
22	Alum gutter & downspout (33%)	lf	6,080	$6.80	20	9	$41,344
23	Exterior Siding & Trim (33%)	sf	39,037	$7.55	35	26	$294,730
24	Fiberglass Shingle Roof (33%)	sf	53,815	$4.65	20	11	$250,242
25	Metal Roof (33%)	sf	790	$1.90	40	31	$1,501
26	Fencing (33%)	lf	345	$25.88	25	16	$8,925
27	Alum gutter & downspout (33%)	lf	6,080	$6.80	20	11	$41,344
28	Roofing vent boot flashings (partial)	ls	1	$1,500.00	3	2	$1,500
29	Low slope porch roofs (partial)	ea	3	$1,500.00	1	1	$4,500
					10 PLEX BUILDING EXTERIORS - Replacement Costs - Subtotal		$1,796,223

10 PLEX BUILDING EXTERIORS
COMMENTS

- Inventory quantities have been divided into 3 equal portions and spread over a period of time to reflect the various ages of units completed and under construction.
- The Manager reports that several roof flashing boots are being replaced each year and we have added an allowance for partial replacement based on the average cost and quantity for the past few years.
- Vinyl railings shown in previous inventory have been deleted (2013).
- 2017. There are 38 low slope porch roofs that have begun to be replaced at a rate of 3 per year.
- 2017. Gutters and downspouts have been added as requested by the Owner.
- 3.23.2018 Per Board direction change roof replacement to 4500. for all.

VALUATION EXCLUSIONS

EXCLUDED ITEMS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
	Miscellaneous signage	ls	1				EXCLUDED

VALUATION EXCLUSIONS

COMMENTS

- Valuation Exclusions. For ease of administration of the Replacement Reserves and to reflect accurately how Replacement Reserves are administered, items with a dollar value less than $1,000.00 have not been scheduled for funding from Replacement Reserves. Examples of items excluded from funding by Replacement Reserves by this standard are listed above.

- The list above exemplifies exclusions by the cited standard(s) and is not intended to be comprehensive.

LONG-LIFE EXCLUSIONS
EXCLUDED ITEMS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
	Building foundation(s)	ls	1				EXCLUDED
	Concrete floor slabs (interior)	ls	1				EXCLUDED
	Wall, floor, & roof structure	ls	1				EXCLUDED
	Exterior brick veneer	ls	1				EXCLUDED
	Exterior stone veneer	ls	1				EXCLUDED
	Fire protection/security systems	ls	1				EXCLUDED
	Common element electrical services	ls	1				EXCLUDED
	Electrical wiring	ls	1				EXCLUDED
	Water piping at common facilities	ls	1				EXCLUDED
	Waste piping at common facilities	ls	1				EXCLUDED
	Gas services at common facilities	ls	1				EXCLUDED

LONG-LIFE EXCLUSIONS
COMMENTS

- Long Life Exclusions. Components that when properly maintained, can be assumed to have a life equal to the property as a whole, are normally excluded from the Replacement Reserve Inventory. Examples of items excluded from funding by Replacement Reserves by this standard are listed above.

- Exterior masonry is generally assumed to have an unlimited economic life but periodic repointing is required and we have included this for funding in the Replacement Reserve Inventory.

- The list above exemplifies exclusions by the cited standard(s) and is not intended to be comprehensive.

UNIT IMPROVEMENTS EXCLUSIONS

EXCLUDED ITEMS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
	Domestic water pipes serving one unit	ls	1				EXCLUDED
	Sanitary sewers serving one unit	ls	1				EXCLUDED
	Electrical wiring serving one unit	ls	1				EXCLUDED
	Cable TV service serving one unit	ls	1				EXCLUDED
	Telephone service serving one unit	ls	1				EXCLUDED
	Gas service serving one unit	ls	1				EXCLUDED
	Driveway on an individual lot	ls	1				EXCLUDED
	Apron on an individual lot	ls	1				EXCLUDED
	Unit windows	ls	1				EXCLUDED
	Unit doors	ls	1				EXCLUDED
	Unit deck, patio, and/or balcony	ls	1				EXCLUDED
	Unit interior	ls	1				EXCLUDED
	Unit HVAC	ls	1				EXCLUDED

UNIT IMPROVEMENTS EXCLUSIONS

COMMENTS

- Unit improvement Exclusions. We understand that the elements of the project that relate to a single unit are the responsibility of that unit owner. Examples of items excluded from funding by Replacement Reserves by this standard are listed above.

- The list above exemplifies exclusions by the cited standard(s) and is not intended to be comprehensive.

UTILITY EXCLUSIONS
EXCLUDED ITEMS

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

UTILITY EXCLUSIONS
COMMENTS

- Utility Exclusions. Many improvements owned by utility companies are on property owned by the Association. We have assumed that repair, maintenance, and replacements of these components will be done at the expense of the appropriate utility company. Examples of items excluded from funding Replacement Reserves by this standard are listed above.

- The list above exemplifies exclusions by the cited standard(s) and is not intended to be comprehensive.

MAINTENANCE AND REPAIR EXCLUSIONS

EXCLUDED ITEMS

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

MAINTENANCE AND REPAIR EXCLUSIONS

COMMENTS

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

Intentionally Left Blank

PROJECTED ANNUAL REPLACEMENTS
GENERAL INFORMATION

CALENDAR OF ANNUAL REPLACEMENTS. The 29 Projected Replacements in the Braemar Creek - Ten Plex Replacement Reserve Inventory whose replacement is scheduled to be funded from Replacement Reserves are broken down on a year-by-year basis, beginning on Page C2.

REPLACEMENT RESERVE ANALYSIS AND INVENTORY
POLICIES, PROCEDURES, AND ADMINISTRATION

- REVISIONS. Revisions will be made to the Replacement Reserve Analysis and Replacement Reserve Inventory in accordance with the written instructions of the Board of Directors. No additional charge is incurred for the first revision, if requested in writing within three months of the date of the Replacement Reserve Study. It is our policy to provide revisions in electronic (Adobe PDF) format only.
- TAX CODE. The United States Tax Code grants favorable tax status to a common interest development (CID) meeting certain guidelines for their Replacement Reserve. If a CID files their taxes as a 'Corporation' on Form 1120 (IRC Section 277), these guidelines typically require maintenance activities, partial replacements, minor replacements, capital improvements, and one-time only replacements to be excluded from Reserves. A CID cannot co-mingle planning for maintenance activities with capital replacement activities in the Reserves (Revenue Ruling 75-370). Funds for maintenance activities and capital replacements activities must be held in separate accounts. If a CID files taxes as an "Exempt Homeowners Association" using Form 1120H (IRC Section 528), the CID does not have to segregate these activities. However, because the CID may elect to change their method of filing from year to year within the Study Period, we advise using the more restrictive approach. We further recommend that the CID consult with their Accountant and consider creating separate and independent accounts and reserves for large maintenance items, such as painting.
- CONFLICT OF INTEREST. Neither Miller - Dodson Associates nor the Reserve Analyst has any prior or existing relationship with this Association which would represent a real or perceived conflict of interest.
- RELIANCE ON DATA PROVIDED BY THE CLIENT. Information provided by an official representative of the Association regarding financial, physical conditions, quality, or historical issues is deemed reliable.
- INTENT. This Replacement Reserve Study is a reflection of the information provided by the Association and the visual evaluations of the Analyst. It has been prepared for the sole use of the Association and is not for the purpose of performing an audit, quality/forensic analyses, or background checks of historical records.
- PREVIOUS REPLACEMENTS. Information provided to Miller - Dodson Associates regarding prior replacements is considered to be accurate and reliable. Our visual evaluation is not a project audit or quality inspection.
- EXPERIENCE WITH FUTURE REPLACEMENTS. The Calendar of Annual Projected Replacements, lists replacements we have projected to occur over the next thirty years, begins on Page C2. Actual experience in replacing the items may differ significantly from the cost estimates and time frames shown because of conditions beyond our control. These differences may be caused by maintenance practices, inflation, variations in pricing and market conditions, future technological developments, regulatory actions, acts of God, and luck. Some items may function normally during our visual evaluation and then fail without notice.
- REVIEW OF THE REPLACEMENT RESERVE STUDY. For this study to be effective, it should be reviewed by the Braemar Creek - Ten Plex Board of Directors, those responsible for the management of the items included in the Replacement Reserve Inventory, and the accounting professionals employed by the Association.

PROJECTED REPLACEMENTS - YEARS ONE TO FIFTEEN

Item	2018 - STUDY YEAR	$
	No Scheduled Replacements	

Item	2019 - YEAR 2	$
5	Site lighting, fixtures (shoe b	$8,455
29	Low slope porch roofs (partia	$4,500
	Total Scheduled Replacements	$12,955

Item	2020 - YEAR 3	$
12	Concrete sidewalk (3%)	$12,383
28	Roofing vent boot flashings (	$1,500
29	Low slope porch roofs (partia	$4,500
	Total Scheduled Replacements	$18,383

Item	2021 - YEAR 4	$
2	Asphalt Pavement - Seal Co	$35,592
29	Low slope porch roofs (partia	$4,500
	Total Scheduled Replacements	$40,092

Item	2022 - YEAR 5	$
29	Low slope porch roofs (partia	$4,500
	Total Scheduled Replacements	$4,500

Item	2023 - YEAR 6	$
28	Roofing vent boot flashings (	$1,500
29	Low slope porch roofs (partia	$4,500
	Total Scheduled Replacements	$6,000

Item	2024 - YEAR 7	$
1	Asphalt Pavement - mill & ov	$302,532
3	Asphalt Pavement - Edge M	$15,572
9	Concrete curb & gutter (20%	$43,665
29	Low slope porch roofs (partia	$4,500
	Total Scheduled Replacements	$366,269

Item	2025 - YEAR 8	$
14	Fiberglass Shingle Roof (33'	$250,242
17	Alum gutter & downspout (3:	$41,344
29	Low slope porch roofs (partia	$4,500
	Total Scheduled Replacements	$296,086

Item	2026 - YEAR 9	$
12	Concrete sidewalk (3%)	$12,383
28	Roofing vent boot flashings (	$1,500
29	Low slope porch roofs (partia	$4,500
	Total Scheduled Replacements	$18,383

Item	2027 - YEAR 10	$
2	Asphalt Pavement - Seal Co	$35,592
19	Fiberglass Shingle Roof (33'	$250,242
22	Alum gutter & downspout (3:	$41,344
29	Low slope porch roofs (partia	$4,500
	Total Scheduled Replacements	$331,678

Item	2028 - YEAR 11	$
29	Low slope porch roofs (partia	$4,500
	Total Scheduled Replacements	$4,500

Item	2029 - YEAR 12	$
4	Mail boxes	$24,510
24	Fiberglass Shingle Roof (33'	$250,242
27	Alum gutter & downspout (3:	$41,344
28	Roofing vent boot flashings (	$1,500
29	Low slope porch roofs (partia	$4,500
	Total Scheduled Replacements	$322,096

Item	2030 - YEAR 13	$
16	Fencing (33%)	$8,925
29	Low slope porch roofs (partia	$4,500
	Total Scheduled Replacements	$13,425

Item	2031 - YEAR 14	$
7	Site lighting, fixtures (LED)	$2,670
8	Site lighting, poles	$8,970
29	Low slope porch roofs (partia	$4,500
	Total Scheduled Replacements	$16,140

Item	2032 - YEAR 15	$
12	Concrete sidewalk (3%)	$12,383
21	Fencing (33%)	$8,925
28	Roofing vent boot flashings (	$1,500
29	Low slope porch roofs (partia	$4,500
	Total Scheduled Replacements	$27,308

PROJECTED REPLACEMENTS - YEARS SIXTEEN TO THIRTY

Item	2033 - YEAR 16	$
2	Asphalt Pavement - Seal Co	$35,592
29	Low slope porch roofs (parti	$4,500
	Total Scheduled Replacements	$40,092

Item	2034 - YEAR 17	$
5	Site lighting, fixtures (shoe b	$8,455
6	Site lighting, poles	$28,405
26	Fencing (33%)	$8,925
29	Low slope porch roofs (parti	$4,500
	Total Scheduled Replacements	$50,285

Item	2035 - YEAR 18	$
28	Roofing vent boot flashings	$1,500
29	Low slope porch roofs (parti	$4,500
	Total Scheduled Replacements	$6,000

Item	2036 - YEAR 19	$
29	Low slope porch roofs (parti	$4,500
	Total Scheduled Replacements	$4,500

Item	2037 - YEAR 20	$
29	Low slope porch roofs (parti	$4,500
	Total Scheduled Replacements	$4,500

Item	2038 - YEAR 21	$
12	Concrete sidewalk (3%)	$12,383
28	Roofing vent boot flashings	$1,500
29	Low slope porch roofs (parti	$4,500
	Total Scheduled Replacements	$18,383

Item	2039 - YEAR 22	$
2	Asphalt Pavement - Seal Co	$35,592
29	Low slope porch roofs (parti	$4,500
	Total Scheduled Replacements	$40,092

Item	2040 - YEAR 23	$
13	Exterior Siding & Trim (33%)	$294,730
29	Low slope porch roofs (parti	$4,500
	Total Scheduled Replacements	$299,230

Item	2041 - YEAR 24	$
28	Roofing vent boot flashings	$1,500
29	Low slope porch roofs (parti	$4,500
	Total Scheduled Replacements	$6,000

Item	2042 - YEAR 25	$
1	Asphalt Pavement - mill & ov	$302,532
3	Asphalt Pavement - Edge M	$15,572
10	Concrete curb & gutter (20%	$43,665
18	Exterior Siding & Trim (33%)	$294,730
29	Low slope porch roofs (parti	$4,500
	Total Scheduled Replacements	$660,998

Item	2043 - YEAR 26	$
29	Low slope porch roofs (parti	$4,500
	Total Scheduled Replacements	$4,500

Item	2044 - YEAR 27	$
12	Concrete sidewalk (3%)	$12,383
23	Exterior Siding & Trim (33%)	$294,730
28	Roofing vent boot flashings	$1,500
29	Low slope porch roofs (parti	$4,500
	Total Scheduled Replacements	$313,113

Item	2045 - YEAR 28	$
2	Asphalt Pavement - Seal Co	$35,592
14	Fiberglass Shingle Roof (33	$250,242
15	Metal Roof (33%)	$1,501
17	Alum gutter & downspout (3	$41,344
29	Low slope porch roofs (parti	$4,500
	Total Scheduled Replacements	$333,179

Item	2046 - YEAR 29	$
7	Site lighting, fixtures (LED)	$2,670
29	Low slope porch roofs (parti	$4,500
	Total Scheduled Replacements	$7,170

Item	2047 - YEAR 30	$
19	Fiberglass Shingle Roof (33	$250,242
20	Metal Roof (33%)	$1,501
22	Alum gutter & downspout (3	$41,344
28	Roofing vent boot flashings	$1,500
29	Low slope porch roofs (parti	$4,500
	Total Scheduled Replacements	$299,087

PROJECTED REPLACEMENTS - YEARS THIRTY-ONE TO FORTY-FIVE

Item	2048 - YEAR 31	$
29	Low slope porch roofs (parti	$4,500
	Total Scheduled Replacements	$4,500

Item	2049 - YEAR 32	$
5	Site lighting, fixtures (shoe b	$8,455
24	Fiberglass Shingle Roof (33	$250,242
25	Metal Roof (33%)	$1,501
27	Alum gutter & downspout (3	$41,344
29	Low slope porch roofs (parti	$4,500
	Total Scheduled Replacements	$306,042

Item	2050 - YEAR 33	$
12	Concrete sidewalk (3%)	$12,383
28	Roofing vent boot flashings	$1,500
29	Low slope porch roofs (parti	$4,500
	Total Scheduled Replacements	$18,383

Item	2051 - YEAR 34	$
2	Asphalt Pavement - Seal Co	$35,592
29	Low slope porch roofs (parti	$4,500
	Total Scheduled Replacements	$40,092

Item	2052 - YEAR 35	$
29	Low slope porch roofs (parti	$4,500
	Total Scheduled Replacements	$4,500

Item	2053 - YEAR 36	$
28	Roofing vent boot flashings	$1,500
29	Low slope porch roofs (parti	$4,500
	Total Scheduled Replacements	$6,000

Item	2054 - YEAR 37	$
4	Mail boxes	$24,510
29	Low slope porch roofs (parti	$4,500
	Total Scheduled Replacements	$29,010

Item	2055 - YEAR 38	$
16	Fencing (33%)	$8,925
29	Low slope porch roofs (parti	$4,500
	Total Scheduled Replacements	$13,425

Item	2056 - YEAR 39	$
12	Concrete sidewalk (3%)	$12,383
28	Roofing vent boot flashings	$1,500
29	Low slope porch roofs (parti	$4,500
	Total Scheduled Replacements	$18,383

Item	2057 - YEAR 40	$
2	Asphalt Pavement - Seal Co	$35,592
21	Fencing (33%)	$8,925
29	Low slope porch roofs (parti	$4,500
	Total Scheduled Replacements	$49,017

Item	2058 (beyond Study Period)	$
29	Low slope porch roofs (parti	$4,500
	Total Scheduled Replacements	$4,500

Item	2059 (beyond Study Period)	$
26	Fencing (33%)	$8,925
28	Roofing vent boot flashings	$1,500
29	Low slope porch roofs (parti	$4,500
	Total Scheduled Replacements	$14,925

Item	2060 (beyond Study Period)	$
1	Asphalt Pavement - mill & o	$302,532
3	Asphalt Pavement - Edge M	$15,572
9	Concrete curb & gutter (20%	$43,665
11	Concrete curb & gutter (20%	$43,665
29	Low slope porch roofs (parti	$4,500
	Total Scheduled Replacements	$409,934

Item	2061 (beyond Study Period)	$
7	Site lighting, fixtures (LED)	$2,670
8	Site lighting, poles	$8,970
29	Low slope porch roofs (parti	$4,500
	Total Scheduled Replacements	$16,140

Item	2062 (beyond Study Period)	$
12	Concrete sidewalk (3%)	$12,383
28	Roofing vent boot flashings	$1,500
29	Low slope porch roofs (parti	$4,500
	Total Scheduled Replacements	$18,383

CASH FLOW METHOD ACCOUNTING SUMMARY

This Braemar Creek - Ten Plex - Cash Flow Method Accounting Summary is an attachment to the Braemar Creek - Ten Plex - Replacement Reserve Study dated Revised March 23, 2018 and is for use by accounting and reserve professionals experienced in Association funding and accounting principles. This Summary consists of four reports, the 2018, 2019, and 2020 Cash Flow Method Category Funding Reports (3) and a Three-Year Replacement Funding Report.

- CASH FLOW METHOD CATEGORY FUNDING REPORT, 2018, 2019, and 2020. Each of the 29 Projected Replacements listed in the Braemar Creek - Ten Plex Replacement Reserve Inventory has been assigned to one of 2 categories. The following information is summarized by category in each report:
  - Normal Economic Life and Remaining Economic Life of the Projected Replacements.
  - Cost of all Scheduled Replacements in each category.
  - Replacement Reserves on Deposit allocated to the category at the beginning and end of the report period.
  - Cost of Projected Replacements in the report period.
  - Recommended Replacement Reserve Funding allocated to the category during the report period as calculated by the Cash Flow Method.

- THREE-YEAR REPLACEMENT FUNDING REPORT. This report details the allocation of the $510,802 Beginning Balance (at the start of the Study Year) and the $326,531 of additional Replacement Reserve Funding in 2018 through 2020 (as calculated in the Replacement Reserve Analysis) to each of the 29 Projected Replacements listed in the Replacement Reserve Inventory. These allocations have been made using Chronological Allocation, a method developed by Miller Dodson Associates, Inc., and discussed below. The calculated data includes:
  - Identification and estimated cost of each Projected Replacement scheduled in years 2018 through 2020.
  - Allocation of the $510,802 Beginning Balance to the Projected Replacements by Chronological Allocation.
  - Allocation of the $326,531 of additional Replacement Reserve Funding recommended in the Replacement Reserve Analysis in years 2018 through 2020, by Chronological Allocation.

- CHRONOLOGICAL ALLOCATION. Chronological Allocation assigns Replacement Reserves to Projected Replacements on a "first come, first serve" basis in keeping with the basic philosophy of the Cash Flow Method. The Chronological Allocation methodology is outlined below.
  - The first step is the allocation of the $510,802 Beginning Balance to the Projected Replacements in the Study Year. Remaining unallocated funds are next allocated to the Projected Replacements in subsequent years in chronological order until the total of Projected Replacements in the next year is greater than the unallocated funds. Projected Replacements in this year are partially funded with each replacement receiving percentage funding. The percentage of funding is calculated by dividing the unallocated funds by the total of Projected Replacements in the partially funded year.

    At Braemar Creek - Ten Plex the Beginning Balance funds all Scheduled Replacements in the Study Year through 2024 and provides partial funding (21%) of replacements scheduled in 2025.
  - The next step is the allocation of the $108,844 of 2018 Cash Flow Method Reserve Funding calculated in the Replacement Reserve Analysis. These funds are first allocated to fund the partially funded Projected Replacements and then to subsequent years in chronological order as outlined above.

    At Braemar Creek - Ten Plex the Beginning Balance and the 2018 Replacement Reserve Funding, funds replacements through 2024 and partial funds (57.9%) replacements in 2025.
  - Allocations of the 2019 and 2020 Reserve Funding are done using the same methodology.
  - The Three-Year Replacement Funding Report details component by component allocations made by Chronological Allocation.

2018 - CASH FLOW METHOD CATEGORY FUNDING REPORT

Each of the 29 Projected Replacements included in the Braemar Creek - Ten Plex Replacement Reserve Inventory has been assigned to one of the 2 categories listed in TABLE CF1 below. This calculated data is a summary of data provided in the Three-Year Replacement Funding Report and Replacement Reserve Inventory. The accuracy of this data is dependent upon many factors including the following critical financial data:

- A Beginning Balance of $510,802 as of the first day of the Study Year, January 1, 2018.
- Total reserve funding (including the Beginning Balance) of $619,646 in the Study Year.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.

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

2018 - CASH FLOW METHOD CATEGORY FUNDING - TABLE CF1

CATEGORY	NORMAL ECONOMIC LIFE	REMAINING ECONOMIC LIFE	ESTIMATED REPLACEMENT COST	2018 BEGINNING BALANCE	2018 RESERVE FUNDING	2018 PROJECTED REPLACEMENTS	2018 END OF YEAR BALANCE
SITE IMPROVEMENTS (10 PLEX AREA)	6 to 36 years	1 to 42 years	$570,084	$418,199			$418,199
10 PLEX BUILDING EXTERIORS	1 to 40 years	1 to 31 years	$1,796,223	$92,603	$108,844		$201,447

2019 - CASH FLOW METHOD CATEGORY FUNDING REPORT

Each of the 29 Projected Replacements included in the Braemar Creek - Ten Plex Replacement Reserve Inventory has been assigned to one of the 2 categories listed in TABLE CF2 below. This calculated data is a summary of data provided in the Three-Year Replacement Funding Report and Replacement Reserve Inventory. The accuracy of this data is dependent upon many factors including the following critical financial data:

- Replacement Reserves on Deposit totaling $619,646 on January 1, 2019.
- Total reserve funding (including the Beginning Balance) of $728,489 from 2018 through 2019.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.
- All Projected Replacements scheduled in the Replacement Reserve Inventory in 2019 being accomplished in 2019 at a cost of $12,955.

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

2019 - CASH FLOW METHOD CATEGORY FUNDING - TABLE CF2

CATEGORY	NORMAL ECONOMIC LIFE	REMAINING ECONOMIC LIFE	ESTIMATED REPLACEMENT COST	2019 BEGINNING BALANCE	2019 RESERVE FUNDING	2019 PROJECTED REPLACEMENTS	2019 END OF YEAR BALANCE
SITE IMPROVEMENTS (10 PLEX AREA)	6 to 36 years	0 to 41 years	$570,084	$418,199		($8,455)	$409,744
10 PLEX BUILDING EXTERIORS	1 to 40 years	0 to 30 years	$1,796,223	$201,447	$108,844	($4,500)	$305,790

2020 - CASH FLOW METHOD CATEGORY FUNDING REPORT

Each of the 29 Projected Replacements included in the Braemar Creek - Ten Plex Replacement Reserve Inventory has been assigned to one of the 2 categories listed in TABLE CF3 below. This calculated data is a summary of data provided in the Three-Year Replacement Funding Report and Replacement Reserve Inventory. The accuracy of this data is dependent upon many factors including the following critical financial data:

- Replacement Reserves on Deposit totaling $715,534 on January 1, 2020.
- Total Replacement Reserve funding (including the Beginning Balance) of $837,333 from 2018 to 2020.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.
- All Projected Replacements scheduled in the Replacement Reserve Inventory in 2020 being accomplished in 2020 at a cost of $18,383.

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

2020 - CASH FLOW METHOD CATEGORY FUNDING - TABLE CF3

CATEGORY	NORMAL ECONOMIC LIFE	REMAINING ECONOMIC LIFE	ESTIMATED REPLACEMENT COST	2020 BEGINNING BALANCE	2020 RESERVE FUNDING	2020 PROJECTED REPLACEMENTS	2020 END OF YEAR BALANCE
SITE IMPROVEMENTS (10 PLEX AREA)	6 to 36 years	0 to 40 years	$570,084	$409,744	$20,396	($12,383)	$417,756
10 PLEX BUILDING EXTERIORS	1 to 40 years	0 to 29 years	$1,796,223	$305,790	$88,448	($6,000)	$388,238

CASH FLOW METHOD - THREE-YEAR REPLACEMENT FUNDING REPORT

TABLE CF4 below details the allocation of the $510,802 Beginning Balance, as reported by the Association and the $326,531 of Replacement Reserve Funding calculated by the Cash Flow Method from 2018 to 2020, to the 29 Projected Replacements listed in the Replacement Reserve Inventory. These allocations have been made by Chronological Allocation, a method developed by Miller Dodson Associates, Inc., and outlined on Page CF1. The accuracy of the allocations is dependent upon many factors including the following critical financial data:

- Replacement Reserves on Deposit totaling $510,802 on January 1, 2018.
- Replacement Reserves on Deposit totaling $619,646 on January 1, 2019.
- Replacement Reserves on Deposit totaling $715,534 on January 1, 2020.
- Total Replacement Reserve funding (including the Beginning Balance) of $837,333 from 2018 to 2020.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.
- All Projected Replacements scheduled in the Replacement Reserve Inventory from 2018 to 2020 being accomplished as scheduled in the Replacement Reserve Inventory at a cost of $31,338.

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

CASH FLOW METHOD - THREE-YEAR REPLACEMENT FUNDING - TABLE CF4

Item #	Description of Projected Replacement	Estimated Replacement Costs	Allocation of Beginning Balance	2018 Reserve Funding	2018 Projected Replacements	2018 End of Year Balance	2019 Reserve Funding	2019 Projected Replacements	2019 End of Year Balance	2020 Reserve Funding	2020 Projected Replacements	2020 End of Year Balance
	SITE IMPROVEMENTS (10 PLEX A											
1	Asphalt Pavement - mill & overlay	302,532	302,532			302,532			302,532			302,532
2	Asphalt Pavement - Seal Coat	35,592	35,592			35,592			35,592	8,012		43,604
3	Asphalt Pavement - Edge Milling	15,572	15,572			15,572			15,572			15,572
4	Mail boxes	24,510										
5	Site lighting, fixtures (shoe box)	8,455	8,455			8,455		(8,455)				
6	Site lighting, poles	28,405										
7	Site lighting, fixtures (LED)	2,670										
8	Site lighting, poles	8,970										
9	Concrete curb & gutter (20%)	43,665	43,665			43,665			43,665			43,665
10	Concrete curb & gutter (20%)	43,665										
11	Concrete curb & gutter (20%)	43,665										
12	Concrete sidewalk (3%)	12,383	12,383			12,383			12,383	12,383	(12,383)	12,383
	10 PLEX BUILDING EXTERIORS											
13	Exterior Siding & Trim (33%)	294,730										
14	Fiberglass Shingle Roof (33%)	250,242	52,910	91,991		144,901	91,991		236,892	13,350		250,242
15	Metal Roof (33%)	1,501										
16	Fencing (33%)	8,925										
17	Alum gutter & downspout (33%)	41,344	8,742	15,198		23,940	15,198		39,138	2,206		41,344
18	Exterior Siding & Trim (33%)	294,730										
19	Fiberglass Shingle Roof (33%)	250,242								56,333		56,333
20	Metal Roof (33%)	1,501										
21	Fencing (33%)	8,925										
22	Alum gutter & downspout (33%)	41,344								9,307		9,307
23	Exterior Siding & Trim (33%)	294,730										
24	Fiberglass Shingle Roof (33%)	250,242										
25	Metal Roof (33%)	1,501										
26	Fencing (33%)	8,925										
27	Alum gutter & downspout (33%)	41,344										
28	Roofing vent boot flashings (partial)	1,500	3,000			3,000			3,000	1,500	(1,500)	3,000
29	Low slope porch roofs (partial)	4,500	27,951	1,654		29,606	1,654	(4,500)	26,760	5,753	(4,500)	28,013

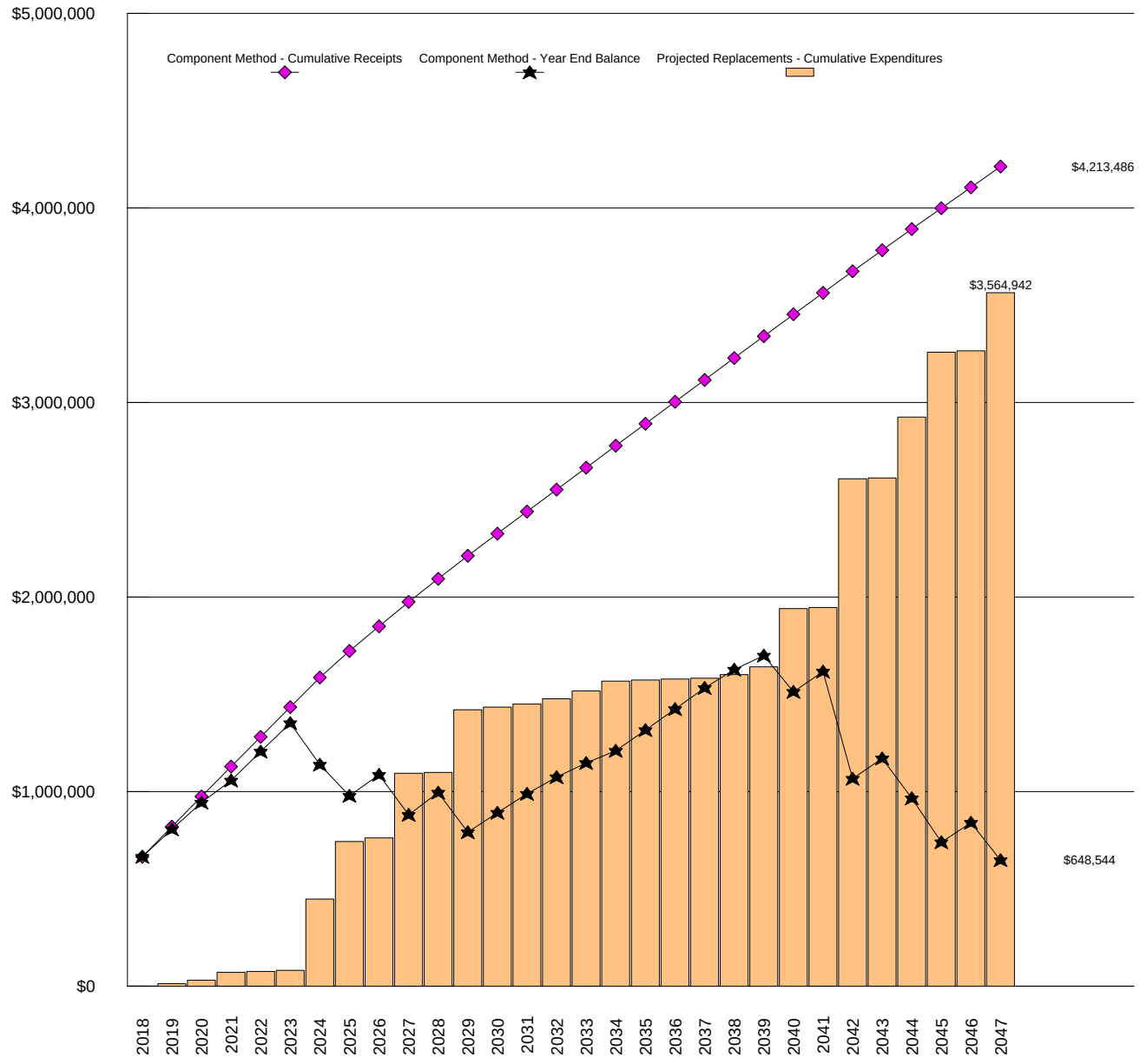
COMPONENT METHOD

$154,605 **COMPONENT METHOD RECOMMENDED ANNUAL FUNDING OF REPLACEMENT RESERVES IN THE STUDY YEAR, 2018.**

$67.81 Per unit (average), recommended monthly funding of Replacement Reserves

General. The Component Method (also referred to as the Full Funded Method) is a very conservative mathematical model developed by HUD in the early 1980s. Each of the 29 Projected Replacements listed in the Replacement Reserve Inventory is treated as a separate account. The Beginning Balance is allocated to each of the individual accounts, as is all subsequent funding of Replacement Reserves. These funds are "locked" in these individual accounts and are not available to fund other Projected Replacements. The calculation of Recommended Annual Funding of Replacement Reserves is a multi-step process outlined in more detail on Page CM2.

Component Method - Cumulative Receipts and Expenditures Graph



COMPONENT METHOD (cont'd)

- Current Funding Objective. A Current Funding Objective is calculated for each of the Projected Replacements listed in the Replacement Reserve Inventory. Replacement Cost is divided by the Normal Economic Life to determine the nominal annual contribution. The Remaining Economic Life is then subtracted from the Normal Economic Life to calculate the number of years that the nominal annual contribution should have been made. The two values are then multiplied to determine the Current Funding Objective. This is repeated for each of the 29 Projected Replacements. The total, $1,000,152, is the Current Funding Objective.

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

- Funding Percentage. The Funding Percentage is calculated by dividing the Beginning Balance ($510,802) by the Current Funding Objective ($1,000,152). At Braemar Creek - Ten Plex the Funding Percentage is 51.1%

- Allocation of the Beginning Balance. The Beginning Balance is divided among the 29 Projected Replacements in the Replacement Reserve Inventory. The Current Funding Objective for each Projected Replacement is multiplied by the Funding Percentage and these funds are then "locked" into the account of each item.

  If we relate this calculation back to our fence example, it means that the Association has not accumulated $800 in Reserves (the Funding Objective), but rather at 51.1 percent funded, there is $409 in the account for the fence.

- Annual Funding. The Recommended Annual Funding of Replacement Reserves is then calculated for each Projected Replacement. The funds allocated to the account of the Projected Replacement are subtracted from the Replacement Cost. The result is then divided by the number of years until replacement, and the result is the annual funding for each of the Projected Replacements. The sum of these is $154,605, the Component Method Recommended Annual Funding of Replacement Reserves in the Study Year (2018).

  In our fence example, the $409 in the account is subtracted from the $1,000 Total Replacement Cost and divided by the 2 years that remain before replacement, resulting in an annual deposit of $296. Next year, the deposit remains $296, but in the third year, the fence is replaced and the annual funding adjusts to $100.

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

Component Method Data - Years 1 through 30

Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Beginning balance	$510,802									
Recommended annual funding	$154,605	$154,605	$155,063	$154,053	$152,602	$152,602	$152,602	$136,556	$125,856	$125,856
Expenditures		$12,955	$18,383	$40,092	$4,500	$6,000	$366,269	$296,086	$18,383	$331,678
Year end balance	$665,407	$807,058	$943,737	$1,057,698	$1,205,800	$1,352,402	$1,138,735	$979,205	$1,086,677	$880,855
Cumulative Expenditures		$12,955	$31,338	$71,430	$75,930	$81,930	$448,199	$744,285	$762,668	$1,094,346
Cumulative Receipts	$665,407	$820,013	$975,075	$1,129,128	$1,281,730	$1,434,332	$1,586,934	$1,723,489	$1,849,345	$1,975,200

Year	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Recommended annual funding	$118,722	$118,722	$113,447	$113,286	$113,112	$112,996	$112,996	$112,560	$112,560	$112,560
Expenditures	$4,500	$322,096	$13,425	$16,140	$27,308	$40,092	$50,285	$6,000	$4,500	$4,500
Year end balance	$995,077	$791,704	$891,726	$988,872	$1,074,676	$1,147,580	$1,210,292	$1,316,851	$1,424,911	$1,532,970
Cumulative Expenditures	$1,098,846	$1,420,941	$1,434,366	$1,450,506	$1,477,814	$1,517,906	$1,568,191	$1,574,191	$1,578,691	$1,583,191
Cumulative Receipts	$2,093,923	$2,212,645	$2,326,092	$2,439,378	$2,552,490	$2,665,486	$2,778,482	$2,891,042	$3,003,602	$3,116,161

Year	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
Recommended annual funding	$112,560	$112,560	$112,560	$110,410	$110,410	$108,501	$108,501	$107,280	$107,272	$107,272
Expenditures	$18,383	$40,092	$299,230	$6,000	$660,998	$4,500	$313,113	$333,179	$7,170	$299,087
Year end balance	$1,627,147	$1,699,614	$1,512,944	$1,617,354	$1,066,766	$1,170,767	$966,155	$740,256	$840,358	$648,544
Cumulative Expenditures	$1,601,574	$1,641,666	$1,940,896	$1,946,896	$2,607,894	$2,612,394	$2,925,507	$3,258,685	$3,265,855	$3,564,942
Cumulative Receipts	$3,228,721	$3,341,280	$3,453,840	$3,564,250	$3,674,660	$3,783,161	$3,891,661	$3,998,941	$4,106,214	$4,213,486

COMPONENT METHOD ACCOUNTING SUMMARY

This Braemar Creek - Ten Plex - Component Method Accounting Summary is an attachment to the Braemar Creek - Ten Plex - Replacement Reserve Study dated Revised March 23, 2018 and is for use by accounting and reserve professionals experienced in Association funding and accounting principles. This Summary consists of four reports, the 2018, 2019, and 2020 Component Method Category Funding Reports (3) and a Three-Year Replacement Funding Report.

- COMPONENT METHOD CATEGORY FUNDING REPORT, 2018, 2019, and 2020. Each of the 29 Projected Replacements listed in the Braemar Creek - Ten Plex Replacement Reserve Inventory has been assigned to one of 2 categories. The following information is summarized by category in each report:
  - Normal Economic Life and Remaining Economic Life of the Projected Replacements.
  - Cost of all Scheduled Replacements in each category.
  - Replacement Reserves on Deposit allocated to the category at the beginning and end of the report period.
  - Cost of Projected Replacements in the report period.
  - Recommended Replacement Reserve Funding allocated to the category during the report period as calculated by the Component Method.
- THREE-YEAR REPLACEMENT FUNDING REPORT. This report details the allocation of the $510,802 Beginning Balance (at the start of the Study Year) and the $464,273 of additional Replacement Reserve funding from 2018 to 2020 (as calculated in the Replacement Reserve Analysis) to each of the 29 Projected Replacements listed in the Replacement Reserve Inventory. These allocations have been made using the Component Method as outlined in the Replacement Reserve Analysis.
  The calculated data includes:
  - Identification and estimated cost of each Projected Replacement schedule in years 2018 through 2020.
  - Allocation of the $510,802 Beginning Balance to the Projected Replacements by the Component Method.
  - Allocation of the $464,273 of additional Replacement Reserve Funding recommended in the Replacement Reserve Analysis in years 2018 through 2020, by the Component Method.

2018 - COMPONENT METHOD CATEGORY FUNDING REPORT

Each of the 29 Projected Replacements included in the Braemar Creek - Ten Plex Replacement Reserve Inventory has been assigned to one of the 2 categories listed in TABLE CM1 below. This calculated data is a summary of data provided in the Three-Year Replacement Funding Report and Replacement Reserve Inventory. The accuracy of this data is dependent upon many factors including the following critical financial data:

- A Beginning Balance of $510,802 as of the first day of the Study Year, January 1, 2018.
- Total reserve funding (including the Beginning Balance) of $665,407 in the Study Year.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.

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

2018 - COMPONENT METHOD CATEGORY FUNDING - TABLE CM1

CATEGORY	NORMAL ECONOMIC LIFE	REMAINING ECONOMIC LIFE	ESTIMATED REPLACEMENT COST	2018 BEGINNING BALANCE	2018 RESERVE FUNDING	2018 PROJECTED REPLACEMENTS	2018 END OF YEAR BALANCE
SITE IMPROVEMENTS (10 PLEX AREA)	6 to 36 years	1 to 42 years	$570,084	$152,356	$53,686		$206,041
10 PLEX BUILDING EXTERIORS	1 to 40 years	1 to 31 years	$1,796,223	$358,446	$100,920		$459,366

2019 - COMPONENT METHOD CATEGORY FUNDING REPORT

Each of the 29 Projected Replacements included in the Braemar Creek - Ten Plex Replacement Reserve Inventory has been assigned to one of the 2 categories listed in TABLE CM2 below. This calculated data is a summary of data provided in the Three-Year Replacement Funding Report and Replacement Reserve Inventory. The accuracy of this data is dependent upon many factors including the following critical financial data:

- Replacement Reserves on Deposit totaling $665,407 on January 1, 2019.
- Total reserve funding (including the Beginning Balance) of $820,013 from 2018 through 2019.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.
- All Projected Replacements scheduled in the Replacement Reserve Inventory in 2019 being accomplished in 2019 at a cost of $12,955.

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

2019 - COMPONENT METHOD CATEGORY FUNDING - TABLE CM2

CATEGORY	NORMAL ECONOMIC LIFE	REMAINING ECONOMIC LIFE	ESTIMATED REPLACEMENT COST	2019 BEGINNING BALANCE	2019 RESERVE FUNDING	2019 PROJECTED REPLACEMENTS	2019 END OF YEAR BALANCE
SITE IMPROVEMENTS (10 PLEX AREA)	6 to 36 years	0 to 41 years	$570,084	$206,041	$53,686	$8,455	$251,272
10 PLEX BUILDING EXTERIORS	1 to 40 years	0 to 30 years	$1,796,223	$459,366	$100,920	$4,500	$555,786

2020 - COMPONENT METHOD CATEGORY FUNDING REPORT

Each of the 29 Projected Replacements included in the Braemar Creek - Ten Plex Replacement Reserve Inventory has been assigned to one of the 2 categories listed in TABLE CM3 below. This calculated data is a summary of data provided in the Three-Year Replacement Funding Report and Replacement Reserve Inventory. The accuracy of this data is dependent upon many factors including the following critical financial data:

- Replacement Reserves on Deposit totaling $807,058 on January 1, 2020.
- Total Replacement Reserve funding (including the Beginning Balance) of $975,075 from 2018 to 2020.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.
- All Projected Replacements scheduled in the Replacement Reserve Inventory in 2020 being accomplished in 2020 at a cost of $18,383.

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

2020 - COMPONENT METHOD CATEGORY FUNDING - TABLE CM3

CATEGORY	NORMAL ECONOMIC LIFE	REMAINING ECONOMIC LIFE	ESTIMATED REPLACEMENT COST	2020 BEGINNING BALANCE	2020 RESERVE FUNDING	2020 PROJECTED REPLACEMENTS	2020 END OF YEAR BALANCE
SITE IMPROVEMENTS (10 PLEX AREA)	6 to 36 years	0 to 40 years	$570,084	$251,272	$51,893	$12,383	$290,782
10 PLEX BUILDING EXTERIORS	1 to 40 years	0 to 29 years	$1,796,223	$555,786	$103,170	$6,000	$652,955

COMPONENT METHOD - THREE-YEAR REPLACEMENT FUNDING REPORT

TABLE CM4 below details the allocation of the $510,802 Beginning Balance, as reported by the Association and the $464,273 of Replacement Reserve Funding calculated by the Cash Flow Method from 2018 to 2020, to the 29 Projected Replacements listed in the Replacement Reserve Inventory. These allocations have been made by Chronological Allocation, a method developed by Miller Dodson Associates, Inc., and outlined on Page CF1. The accuracy of the allocations is dependent upon many factors including the following critical financial data:

- Replacement Reserves on Deposit totaling $510,802 on January 1, 2018.
- Replacement Reserves on Deposit totaling $665,407 on January 1, 2019.
- Replacement Reserves on Deposit totaling $807,058 on January 1, 2020.
- Total Replacement Reserve funding (including the Beginning Balance) of $975,075 from 2018 to 2020.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.
- All Projected Replacements scheduled in the Replacement Reserve Inventory from 2018 to 2020 being accomplished as scheduled in the Replacement Reserve Inventory at a cost of $31,338.

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

COMPONENT METHOD - THREE-YEAR REPLACEMENT FUNDING - TABLE CM4

Item #	Description of Projected Replacement	Estimated Replacement Costs	Allocation of Beginning Balance	2018 Reserve Funding	2018 Projected Replacements	2018 End of Year Balance	2019 Reserve Funding	2019 Projected Replacements	2019 End of Year Balance	2020 Reserve Funding	2020 Projected Replacements	2020 End of Year Balance
	SITE IMPROVEMENTS (10 PLEX A											
1	Asphalt Pavement - mill & overlay	302,532	94,423	29,730		124,153	29,730		153,883	29,730		183,613
2	Asphalt Pavement - Seal Coat	35,592	6,059	7,383		13,442	7,383		20,826	7,383		28,209
3	Asphalt Pavement - Edge Milling	15,572	4,860	1,530		6,390	1,530		7,920	1,530		9,451
4	Mail boxes	24,510	6,509	1,500		8,009	1,500		9,509	1,500		11,009
5	Site lighting, fixtures (shoe box)	8,455	3,742	2,356		6,099	2,356	(8,455)		564		564
6	Site lighting, poles	28,405	6,286	1,301		7,588	1,301		8,889	1,301		10,190
7	Site lighting, fixtures (LED)	2,670	91	184		275	184		459	184		644
8	Site lighting, poles	8,970	2,443	466		2,909	466		3,376	466		3,842
9	Concrete curb & gutter (20%)	43,665	17,965	3,671		21,636	3,671		25,308	3,671		28,979
10	Concrete curb & gutter (20%)	43,665	6,814	1,474		8,288	1,474		9,762	1,474		11,236
11	Concrete curb & gutter (20%)	43,665		1,015		1,015	1,015		2,031	1,015		3,046
12	Concrete sidewalk (3%)	12,383	3,162	3,074		6,236	3,074		9,310	3,074	(12,383)	
	10 PLEX BUILDING EXTERIORS											
13	Exterior Siding & Trim (33%)	294,730	51,609	10,570		62,179	10,570		72,750	10,570		83,320
14	Fiberglass Shingle Roof (33%)	250,242	76,683	21,695		98,378	21,695		120,072	21,695		141,767
15	Metal Roof (33%)	1,501	230	45		275	45		321	45		366
16	Fencing (33%)	8,925	2,188	518		2,706	518		3,224	518		3,743
17	Alum gutter & downspout (33%)	41,344	12,669	3,584		16,254	3,584		19,838	3,584		23,422
18	Exterior Siding & Trim (33%)	294,730	43,007	10,069		53,076	10,069		63,145	10,069		73,214
19	Fiberglass Shingle Roof (33%)	250,242	63,902	18,634		82,536	18,634		101,170	18,634		119,804
20	Metal Roof (33%)	1,501	192	44		235	44		279	44		323
21	Fencing (33%)	8,925	1,823	473		2,297	473		2,770	473		3,244
22	Alum gutter & downspout (33%)	41,344	10,558	3,079		13,636	3,079		16,715	3,079		19,794
23	Exterior Siding & Trim (33%)	294,730	34,406	9,642		44,047	9,642		53,689	9,642		63,331
24	Fiberglass Shingle Roof (33%)	250,242	51,122	16,593		67,715	16,593		84,308	16,593		100,902
25	Metal Roof (33%)	1,501	153	42		195	42		238	42		280
26	Fencing (33%)	8,925	1,459	439		1,898	439		2,337	439		2,776
27	Alum gutter & downspout (33%)	41,344	8,446	2,741		11,188	2,741		13,929	2,741		16,671
28	Roofing vent boot flashings (partial)	1,500		500		500	500		1,000	500	(1,500)	
29	Low slope porch roofs (partial)	4,500		2,250		2,250	2,250	(4,500)		4,500	(4,500)	

EXECUTIVE SUMMARY

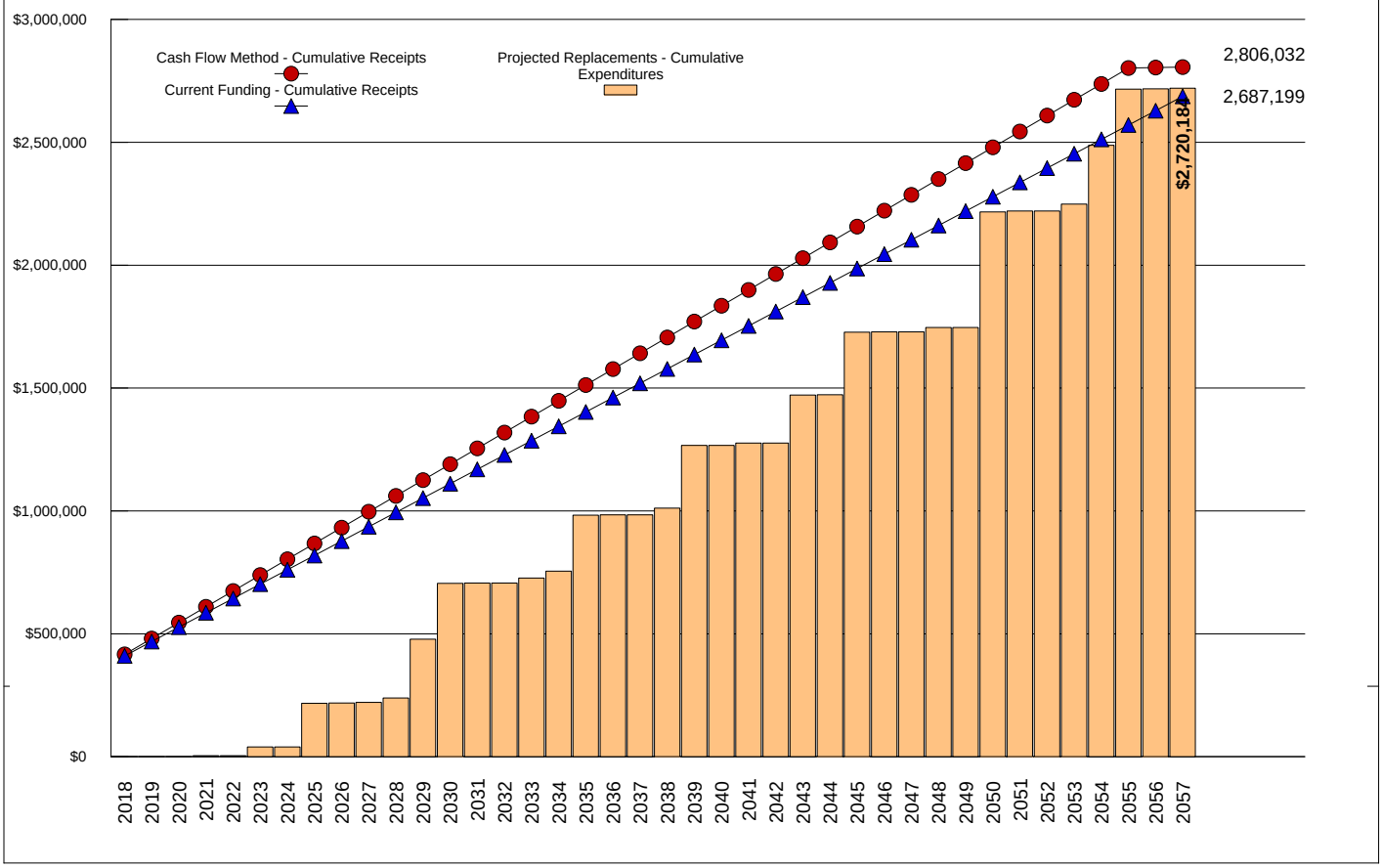
The Braemar Creek - Townhomes Replacement Reserve Analysis uses the Cash Flow Method (CFM) to calculate Replacement Reserve funding for the periodic replacement of the 24 Projected Replacements identified in the Replacement Reserve Inventory.

$64,478 **RECOMMENDED REPLACEMENT RESERVE FUNDING FOR THE STUDY YEAR, 2018**
$58.40 Per unit (average), minimum monthly funding of Replacement Reserves

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

Braemar Creek - Townhomes reports a Starting Balance of $351,999 and Annual Funding totaling $58,380. Current funding is inadequate to fund the $2,720,184 of Projected Replacements scheduled in the Replacement Reserve Inventory over the 40-year Study Period. See Page A3 for a more detailed evaluation.

#1 - Cumulative Replacement Reserve Funding and Expenditures Graph



The Current Funding Objective as calculated by the Component Method (Fully Funded) is $516,878 making the reserve account 68.1% funded. See the Appendix for more information on this method.

All townhome buildings were completed as of 2015. There are 92 total units.

REPLACEMENT RESERVE ANALYSIS - GENERAL INFORMATION

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

2018 | **STUDY YEAR**

The Association reports that their accounting year begins on January 1, and the Study Year, the first year evaluated by the Replacement Reserve Analysis, begins on January 1, 2018.

40 Years | **STUDY PERIOD**

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

$351,999 | **STARTING BALANCE**

The Association reports Replacement Reserves on Deposit totaling $351,999 at the start of the Study Year.

Level Two | **LEVEL OF SERVICE**

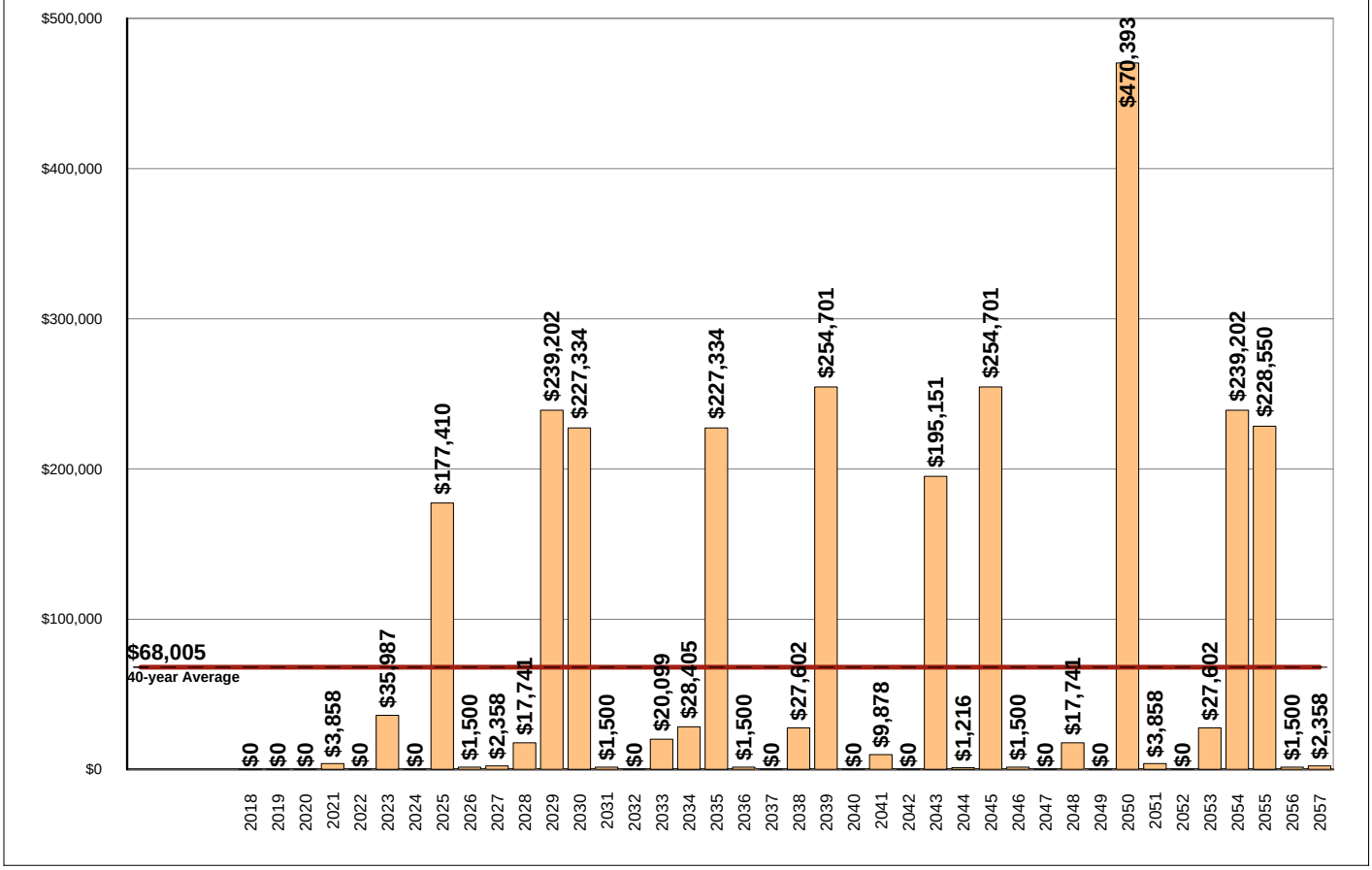
The Replacement Reserve Inventory has been developed in compliance with the National Reserve Study Standards for a Level Two Study, as defined by the Community Associations Institute (CAI).

$2,720,184 | **REPLACEMENT RESERVE INVENTORY - PROJECTED REPLACEMENTS**

The Braemar Creek - Townhomes Replacement Reserve Inventory identifies 24 items that will require periodic replacement, that are to be funded from Replacement Reserves. We estimate the cost of these replacements will be $2,720,184 over the 40-year Study Period. The Projected Replacements are divided into 7 major categories starting on Page B3. Pages B1-B2 provide detailed information on the Replacement Reserve Inventory.

#2 - Annual Expenditures for Projected Replacements Graph

This graph shows annual expenditures for Projected Replacements over the 40-year Study Period. The red line shows the average annual expenditure of $68,005. Section C provides a year by year Calender of these expenditures.



UPDATING

UPDATING OF THE FUNDING PLAN

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

UPDATING OF THE REPLACEMENT RESERVE STUDY

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

ANNUAL EXPENDITURES AND CURRENT FUNDING

The annual expenditures that comprise the $2,720,184 of Projected Expenditures over the 40-year Study Period and the impact of the Association continuing to fund Replacement Reserves at the current level are detailed in Table 3.

#3 - Table of Annual Expenditures and Current Funding Data - Years 1 through 40

Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Starting Balance	$351,999									
Projected Replacements				($3,858)		($35,987)		($177,410)	($1,500)	($2,358)
Annual Deposit	$58,380	$58,380	$58,380	$58,380	$58,380	$58,380	$58,380	$58,380	$58,380	$58,380
End of Year Balance	$410,379	$468,759	$527,139	$581,661	$640,041	$662,433	$720,813	$601,783	$658,663	$714,685
Cumulative Expenditures				($3,858)	($3,858)	($39,846)	($39,846)	($217,256)	($218,756)	($221,114)
Cumulative Receipts	$410,379	$468,759	$527,139	$585,519	$643,899	$702,279	$760,659	$819,039	$877,419	$935,799
Year	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**
Projected Replacements	($17,741)	($239,202)	($227,334)	($1,500)		($20,099)	($28,405)	($227,334)	($1,500)	
Annual Deposit	$58,380	$58,380	$58,380	$58,380	$58,380	$58,380	$58,380	$58,380	$58,380	$58,380
End of Year Balance	$755,324	$574,502	$405,548	$462,428	$520,808	$559,088	$589,063	$420,109	$476,989	$535,369
Cumulative Expenditures	($238,855)	($478,057)	($705,391)	($706,891)	($706,891)	($726,991)	($755,396)	($982,730)	($984,230)	($984,230)
Cumulative Receipts	$994,179	$1,052,559	$1,110,939	$1,169,319	$1,227,699	$1,286,079	$1,344,459	$1,402,839	$1,461,219	$1,519,599
Year	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**	**2045**	**2046**	**2047**
Projected Replacements	($27,602)	($254,701)		($9,878)		($195,151)	($1,216)	($254,701)	($1,500)	
Annual Deposit	$58,380	$58,380	$58,380	$58,380	$58,380	$58,380	$58,380	$58,380	$58,380	$58,380
End of Year Balance	$566,147	$369,826	$428,206	$476,708	$535,088	$398,317	$455,481	$259,160	$316,040	$374,420
Cumulative Expenditures	($1,011,832)	($1,266,533)	($1,266,533)	($1,276,411)	($1,276,411)	($1,471,562)	($1,472,778)	($1,727,479)	($1,728,979)	($1,728,979)
Cumulative Receipts	$1,577,979	$1,636,359	$1,694,739	$1,753,119	$1,811,499	$1,869,879	$1,928,259	$1,986,639	$2,045,019	$2,103,399
Year	**2048**	**2049**	**2050**	**2051**	**2052**	**2053**	**2054**	**2055**	**2056**	**2057**
Projected Replacements	($17,741)		($470,393)	($3,858)		($27,602)	($239,202)	($228,550)	($1,500)	($2,358)
Annual Deposit	$58,380	$58,380	$58,380	$58,380	$58,380	$58,380	$58,380	$58,380	$58,380	$58,380
End of Year Balance	$415,059	$473,439	$61,426	$115,947	$174,327	$205,105	$24,283	($145,887)	($89,007)	($32,985)
Cumulative Expenditures	($1,746,720)	($1,746,720)	($2,217,113)	($2,220,972)	($2,220,972)	($2,248,574)	($2,487,776)	($2,716,326)	($2,717,826)	($2,720,184)
Cumulative Receipts	$2,161,779	$2,220,159	$2,278,539	$2,336,919	$2,395,299	$2,453,679	$2,512,059	$2,570,439	$2,628,819	$2,687,199

EVALUATION OF CURRENT FUNDING

The evaluation of Current Funding (Starting Balance of $351,999 & annual funding of $58,380), is done in today's dollars with no adjustments for inflation or interest earned on Replacement Reserves. The evaluation assumes Replacement Reserves will only be used for the 24 Projected Replacements identified in the Replacement Reserve Inventory and that the Association will continue Annual Funding of $58,380 throughout the 40-year Study Period.

Annual Funding of $58,380 is approximately 91 percent of the $64,478 recommended Annual Funding calculated by the Cash Flow Method for 2018, the Study Year.
Evaluation of the 24 Projected Replacements calculates an average annual expenditure over the next 40 years of $68,005. Annual funding of $58,380 is 86 percent of the average annual expenditure.
Our calculations identify funding shortfalls in 3 years of the Study Period with the initial shortfall in 2055. The largest shortfall, $-145,887, occurs in 2055. All shortfalls can be seen and evaluated in Table 3 above.

In summary, Current Funding as reported by the Association and shown above, does not provide adequate funding for the $2,720,184 of Projected Replacements scheduled in the Replacement Reserve Inventory over the Study Period.

CASH FLOW METHOD FUNDING

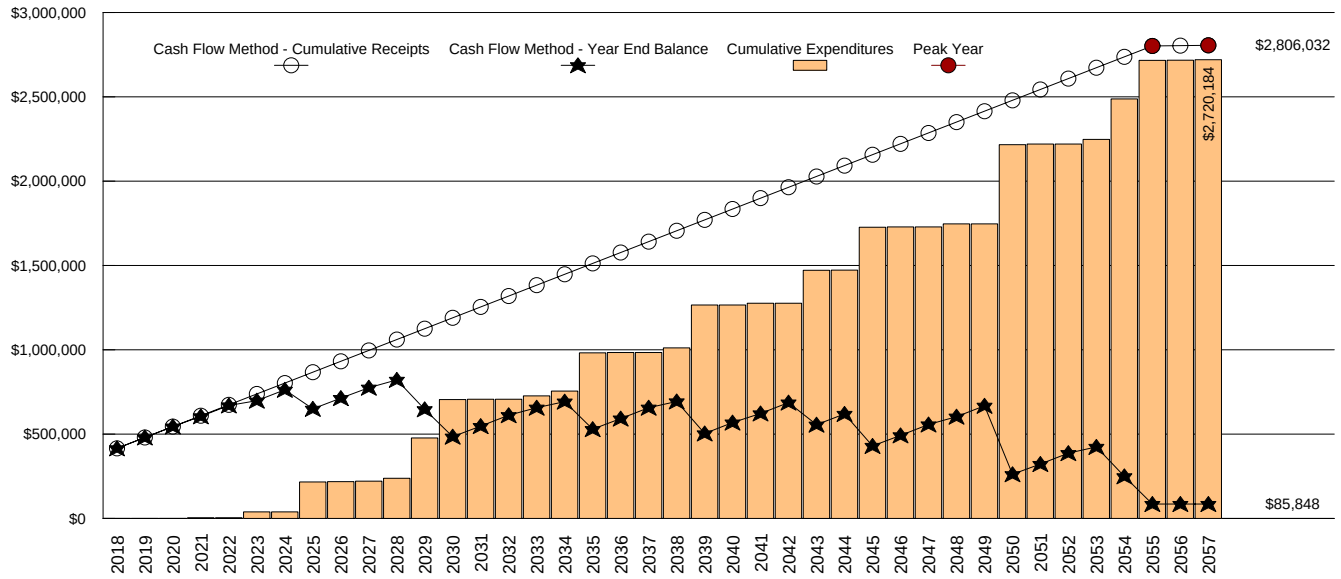
$64,478 **RECOMMENDED REPLACEMENT RESERVE FUNDING FOR 2018**

$58.40 Per unit (average), minimum monthly funding of Replacement Reserves

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

- Peak Years. The First Peak Year occurs in 2055 with Replacement Reserves on Deposit dropping to the Minimum Balance after the completion of $2,716,326 of replacements from 2018 to 2055. Recommended funding declines from $64,478 in 2055 to $1,929 in 2056. Peak Years are identified in Chart 4 and Table 5.
- Minimum Balance. The calculations assume a Minimum Balance of $85,848 in Replacement Reserves. This is approx. 15 months of average expenditures based on the $68,005, 40-year average annual expenditure.
- Cash Flow Method Study Period. Cash Flow Method calculates funding for $2,720,184 of expenditures over the 40-year Study Period. It does not include funding for any projects beyond 2057 and in 2057, the end of year balance will always be the Minimum Balance.

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



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

Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Starting Balance	$351,999									
Projected Replacements				($3,858)		($35,987)		($177,410)	($1,500)	($2,358)
Annual Deposit	$64,478	$64,478	$64,478	$64,478	$64,478	$64,478	$64,478	$64,478	$64,478	$64,478
End of Year Balance	$416,477	$480,956	$545,434	$606,054	$670,532	$699,023	$763,501	$650,570	$713,548	$775,668
Cumulative Expenditures				$3,858	$3,858	$39,846	$39,846	$217,256	$218,756	$221,114
Cumulative Receipts	$416,477	$480,956	$545,434	$609,912	$674,390	$738,869	$803,347	$867,825	$932,304	$996,782

Year	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Projected Replacements	($17,741)	($239,202)	($227,334)	($1,500)		($20,099)	($28,405)	($227,334)	($1,500)	
Annual Deposit	$64,478	$64,478	$64,478	$64,478	$64,478	$64,478	$64,478	$64,478	$64,478	$64,478
End of Year Balance	$822,405	$647,681	$484,826	$547,804	$612,282	$656,661	$692,734	$529,878	$592,857	$657,335
Cumulative Expenditures	($238,855)	($478,057)	($705,391)	($706,891)	($706,891)	($726,991)	($755,396)	($982,730)	($984,230)	($984,230)
Cumulative Receipts	$1,061,260	$1,125,738	$1,190,217	$1,254,695	$1,319,173	$1,383,652	$1,448,130	$1,512,608	$1,577,086	$1,641,565

Year	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
Projected Replacements	($27,602)	($254,701)		($9,878)		($195,151)	($1,216)	($254,701)	($1,500)	
Annual Deposit	$64,478	$64,478	$64,478	$64,478	$64,478	$64,478	$64,478	$64,478	$64,478	$64,478
End of Year Balance	$694,211	$503,988	$568,467	$623,067	$687,545	$556,872	$620,135	$429,912	$492,890	$557,368
Cumulative Expenditures	($1,011,832)	($1,266,533)	($1,266,533)	($1,276,411)	($1,276,411)	($1,471,562)	($1,472,778)	($1,727,479)	($1,728,979)	($1,728,979)
Cumulative Receipts	$1,706,043	$1,770,521	$1,835,000	$1,899,478	$1,963,956	$2,028,434	$2,092,913	$2,157,391	$2,221,869	$2,286,348

Year	2048	2049	2050	2051	2052	2053	2054	1st Peak - 2055	2056	2nd Peak - 2057
Projected Replacements	($17,741)		($470,393)	($3,858)		($27,602)	($239,202)	($228,550)	($1,500)	($2,358)
Annual Deposit	$64,478	$64,478	$64,478	$64,478	$64,478	$64,478	$64,478	$64,478	$1,929	$1,929
End of Year Balance	$604,106	$668,584	$262,669	$323,289	$387,767	$424,644	$249,920	$85,848	$86,277	$85,848
Cumulative Expenditures	($1,746,720)	($1,746,720)	($2,217,113)	($2,220,972)	($2,220,972)	($2,248,574)	($2,487,776)	($2,716,326)	($2,717,826)	($2,720,184)
Cumulative Receipts	$2,350,826	$2,415,304	$2,479,782	$2,544,261	$2,608,739	$2,673,217	$2,737,696	$2,802,174	$2,804,103	$2,806,032

INFLATION ADJUSTED FUNDING

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

$64,478 2018 - CASH FLOW METHOD RECOMMENDED FUNDING

The 2018 Study Year calculations have been made using current replacement costs (see Page B2), modified by the Analyst for any project specific conditions.

$66,220 2019 - INFLATION ADJUSTED FUNDING

A new analysis calculates 2019 funding based on three assumptions;

- Replacement Reserves on Deposit totaling $416,477 on January 1, 2019.
- No Expenditures from Replacement Reserves in 2018.
- Construction Cost Inflation of 2.30 percent in 2018.

The $66,220 inflation adjusted funding in 2019 is a 2.70 percent increase over the non-inflation adjusted 2019 funding of $64,478.

$68,052 2020 - INFLATION ADJUSTED FUNDING

A new analysis calculates 2020 funding based on three assumptions;

- Replacement Reserves on Deposit totaling $482,697 on January 1, 2020.
- No Expenditures from Replacement Reserves in 2019.
- Construction Cost Inflation of 2.30 percent in 2019.

The $68,052 inflation adjusted funding in 2020 is a 5.54 percent increase over the non-inflation adjusted 2020 funding of $64,478.

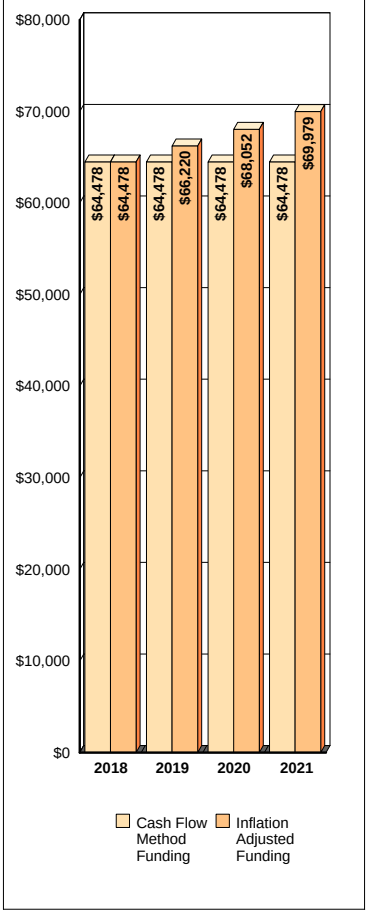
$69,979 2021 - INFLATION ADJUSTED FUNDING

A new analysis calculates 2021 funding based on three assumptions;

- Replacement Reserves on Deposit totaling $550,749 on January 1, 2021.
- No Expenditures from Replacement Reserves in 2020.
- Construction Cost Inflation of 2.30 percent in 2020.

The $69,979 inflation adjusted funding in 2021 is a 8.53 percent increase over the non-inflation adjusted funding of $64,478.

#6 - Inflation Adjusted Funding



YEAR FIVE & BEYOND

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

INFLATION ADJUSTMENT

Prior to approving a budget based upon the 2019, 2020 and 2021 inflation adjusted funding calculations above, the 2.30 percent base rate of inflation used in our calculations should be compared to rates published by the Bureau of Labor Statistics. If there is a significant discrepancy (over 1 percent), contact Miller Dodson + Associates prior to using the Inflation Adjusted Funding.

INTEREST ON RESERVES

The recommended funding calculations do not account for interest earned on Replacement Reserves.
In 2018, based on a 1.00 percent interest rate, we estimate the Association may earn $3,839 on an average balance of $384,238, $4,491 on an average balance of $449,587 in 2019, and $5,162 on $516,723 in 2020. The Association may elect to use these funds to reduce annual funding.

REPLACEMENT RESERVE STUDY - SUPPLEMENTAL COMMENTS

- Braemar Creek - Townhomes has 92 units. The type of property is a Condominium Association.
- The Cash Flow Method calculates the minimum annual funding necessary to prevent Replacement Reserves from dropping below the Minimum Balance. Failure to fund at least the recommended levels may result in funding not being available for the Projected Replacements listed in the Replacement Reserve Inventory.
- The accuracy of the Replacement Reserve Analysis is dependent upon expenditures from Replacement Reserves being made ONLY for the 24 Projected Replacements specifically listed in the Replacement Reserve Inventory. The inclusion/exclusion of items from the Replacement Reserve Inventory is discussed on Page B1.
- This analysis uses a $0 starting balance and a $58,380 annual contribution pending information from the Manager . Per Board direction revise starting balance.

REPLACEMENT RESERVE INVENTORY
GENERAL INFORMATION

Braemar Creek - Townhomes - Replacement Reserve Inventory identifies 68 items. Two types of items are identified, Projected Replacements and Excluded Items:

- PROJECTED REPLACEMENTS. 24 of the items are Projected Replacements and the periodic replacements of these items are scheduled for funding from Replacement Reserves. The Projected Replacements have an estimated one-time replacement cost of $1,716,963. Replacements totaling $2,720,184 are scheduled in the Replacement Reserve Inventory over the 40-year Study Period.

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

- EXCLUDED ITEMS. 44 of the items are Excluded Items, and expenditures for these items are NOT scheduled for funding from Replacement Reserves. The accuracy of the calculations made in the Replacement Reserve Analysis is dependent on expenditures NOT being made for Excluded Items. The Excluded Items are listed in the Replacement Reserve Inventory to identify specific items and categories of items that are not to be funded from Replacement Reserves. There are multiple categories of items that are typically excluded from funding by Replacement Reserves, including but not limited to:

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

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

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

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

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

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

- CATEGORIES. The 68 items included in the Braemar Creek - Townhomes Replacement Reserve Inventory are divided into 7 major categories. Each category is printed on a separate page, Pages B3 to B9.

- LEVEL OF SERVICE. This Replacement Reserve Inventory has been developed in compliance with the standards established for a Level Two - Update (with site visit and on-site review), as defined by the National Reserve Study Standards, established in 1998 by Community Associations Institute, which states:

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

REPLACEMENT RESERVE INVENTORY - GENERAL INFORMATION (cont'd)

- INVENTORY DATA. Each of the 24 Projected Replacements listed in the Replacement Reserve Inventory includes the following data:

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

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

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

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

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

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

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

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

  Each of the 44 Excluded Items includes the Item Description, Units, and Number of Units. Many of the Excluded Items are listed as a 'Lump Sum' with a quantity of 1. For the Excluded Items, this indicates that all of the items identified by the 'Item Description' are excluded from funding by Replacement Reserves.

- REVIEW OF EXPENDITURES. This Replacement Reserve Study should be reviewed by an accounting professional representing the Association prior to implementation.

- PARTIAL FUNDING. Items may have been included in the Replacement Reserve Inventory at less than 100 percent of their full quantity and/or replacement cost. This is done on items that will never be replaced in their entirety, but which may require periodic replacements over an extended period of time. The assumptions that provide the basis for any partial funding are noted in the Comments section.

- REMAINING ECONOMIC LIFE GREATER THAN 40 YEARS. The calculations do not include funding for initial replacements beyond 40 years. These replacements are included in this Study for tracking and evaluation. They should be included for funding in future Studies, when they enter the 40-year window.

SITE IMPROVEMENTS (TH)
PROJECTED REPLACEMENTS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
1	Asphalt Pavement - Overlay	sf	58,755	$1.70	18	7	$99,884
2	Asphalt Driveway - Overlay	sf	29,950	$1.70	18	7	$50,915
3	Asphalt Pavement - Edge Milling	sf	88,705	$0.30	18	7	$26,612
4	Asphalt Pavement - Seal Coat	sf	88,705	$0.20	5	5	$17,741
5	Concrete curb & gutter (20%)	ft	236	$35.50	36	5	$8,385
6	Concrete curb & gutter (20%)	ft	236	$35.50	36	23	$8,378
7	Concrete curb & gutter (20%)	ft	236	$35.50	36	41	$8,378
8	Mailboxes	ea	92	$129.00	25	11	$11,868
9	Site lighting, poles	ea	19	$1,495.00	30	16	$28,405
10	Site lighting, fixture (carriage style)	ea	19	$519.00	15	5	$9,861
11	Concrete sidewalk (6%)	sf	247	$9.55	6	3	$2,358

SITE IMPROVEMENTS (TH) - Replacement Costs - Subtotal $272,785

SITE IMPROVEMENTS (TH)
COMMENTS

- Asphalt Paving includes Caywood Drive from the intersection with Edloe Trace. We have assumed that the Association will replace the asphalt pavement by the installation of a 2 inch thick overlay. The pavement will need to be milled prior to the installation of the overlay. Milling and the cost of minor repairs (5 to 10 percent of the total area) to the base materials and bearing soils beneath the pavement are included in the cost shown above.

- For concrete components and other roadway shoulder work, we have assumed that the Association will conduct concrete component replacement projects in conjunction with the asphalt pavement and other concrete or right-of-way replacement projects.

BUILDING EXTERIORS (TOWNHOMES)
PROJECTED REPLACEMENTS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
12	Roof, Asphalt Shingle (33%)	sf	46,631	$4.65	25	11	$216,834
13	Metal Roof (33%)	sf	65	$18.80	40	26	$1,216
14	Building Siding & Trim (33%)	sf	32,023	$7.88	35	21	$252,343
15	Alum. gutter & downspouts (33%)	lf	420	$25.00	25	11	$10,500
16	Roof, Asphalt Shingle (33%)	sf	46,631	$4.65	20	12	$216,834
17	Metal Roof (33%)	sf	65	$18.80	40	32	$1,216
18	Building Siding & Trim (33%)	sf	32,023	$7.88	35	27	$252,343
19	Alum. gutter & downspouts (33%)	lf	420	$25.00	25	12	$10,500
20	Roof, Asphalt Shingle (33%)	sf	46,631	$4.65	20	17	$216,834
21	Metal Roof (33%)	sf	65	$18.80	40	37	$1,216
22	Building Siding & Trim (33%)	sf	32,023	$7.88	35	32	$252,343
23	Alum. gutter & downspouts (33%)	lf	420	$25.00	25	17	$10,500
24	Vent pipe boot flashing allowance	ls	1	$1,500.00	5	3	$1,500

BUILDING EXTERIORS (TOWNHOMES) - Replacement Costs - Subtotal $1,444,179

BUILDING EXTERIORS (TOWNHOMES)
COMMENTS

- 2017. The remaining townhomes were completed in 2015. These buildings have some exterior differences to the original units but are of similar construction and size.

- 2017. An allowance for vent pipe boot flashings has been added as requested by the Manager.
- 2017. Aluminum gutter and downspouts have been added as requested by the Manager.

VALUATION EXCLUSIONS

EXCLUDED ITEMS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
	Miscellaneous signage	ls	1				EXCLUDED

VALUATION EXCLUSIONS

COMMENTS

- Valuation Exclusions. For ease of administration of the Replacement Reserves and to reflect accurately how Replacement Reserves are administered, items with a dollar value less than $1,000.00 have not been scheduled for funding from Replacement Reserves. Examples of items excluded from funding by Replacement Reserves by this standard are listed above.

- The list above exemplifies exclusions by the cited standard(s) and is not intended to be comprehensive.

LONG-LIFE EXCLUSIONS
EXCLUDED ITEMS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
	Building foundation(s)	ls	1				EXCLUDED
	Concrete floor slabs (interior)	ls	1				EXCLUDED
	Wall, floor, & roof structure	ls	1				EXCLUDED
	Exterior brick veneer	ls	1				EXCLUDED
	Exterior stone veneer	ls	1				EXCLUDED
	Fire protection/security systems	ls	1				EXCLUDED
	Common element electrical services	ls	1				EXCLUDED
	Electrical wiring	ls	1				EXCLUDED
	Water piping at common facilities	ls	1				EXCLUDED
	Waste piping at common facilities	ls	1				EXCLUDED
	Gas services at common facilities	ls	1				EXCLUDED

LONG-LIFE EXCLUSIONS
COMMENTS

- Long Life Exclusions. Components that when properly maintained, can be assumed to have a life equal to the property as a whole, are normally excluded from the Replacement Reserve Inventory. Examples of items excluded from funding by Replacement Reserves by this standard are listed above.

- Exterior masonry is generally assumed to have an unlimited economic life but periodic repointing is required and we have included this for funding in the Replacement Reserve Inventory.

- The list above exemplifies exclusions by the cited standard(s) and is not intended to be comprehensive.

UNIT IMPROVEMENTS EXCLUSIONS

EXCLUDED ITEMS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
	Domestic water pipes serving one unit	ls	1				EXCLUDED
	Sanitary sewers serving one unit	ls	1				EXCLUDED
	Electrical wiring serving one unit	ls	1				EXCLUDED
	Cable TV service serving one unit	ls	1				EXCLUDED
	Telephone service serving one unit	ls	1				EXCLUDED
	Gas service serving one unit	ls	1				EXCLUDED
	Driveway on an individual lot	ls	1				EXCLUDED
	Apron on an individual lot	ls	1				EXCLUDED
	Unit windows	ls	1				EXCLUDED
	Unit doors	ls	1				EXCLUDED
	Unit deck, patio, and/or balcony	ls	1				EXCLUDED
	Unit interior	ls	1				EXCLUDED
	Unit HVAC	ls	1				EXCLUDED

UNIT IMPROVEMENTS EXCLUSIONS

COMMENTS

- Unit improvement Exclusions. We understand that the elements of the project that relate to a single unit are the responsibility of that unit owner. Examples of items excluded from funding by Replacement Reserves by this standard are listed above.

- The list above exemplifies exclusions by the cited standard(s) and is not intended to be comprehensive.

UTILITY EXCLUSIONS
EXCLUDED ITEMS

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

UTILITY EXCLUSIONS
COMMENTS

- Utility Exclusions. Many improvements owned by utility companies are on property owned by the Association. We have assumed that repair, maintenance, and replacements of these components will be done at the expense of the appropriate utility company. Examples of items excluded from funding Replacement Reserves by this standard are listed above.

- The list above exemplifies exclusions by the cited standard(s) and is not intended to be comprehensive.

MAINTENANCE AND REPAIR EXCLUSIONS

EXCLUDED ITEMS

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

MAINTENANCE AND REPAIR EXCLUSIONS

COMMENTS

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

Intentionally Left Blank

PROJECTED ANNUAL REPLACEMENTS
GENERAL INFORMATION

CALENDAR OF ANNUAL REPLACEMENTS. The 24 Projected Replacements in the Braemar Creek - Townhomes Replacement Reserve Inventory whose replacement is scheduled to be funded from Replacement Reserves are broken down on a year-by-year basis, beginning on Page C2.

REPLACEMENT RESERVE ANALYSIS AND INVENTORY
POLICIES, PROCEDURES, AND ADMINISTRATION

- REVISIONS. Revisions will be made to the Replacement Reserve Analysis and Replacement Reserve Inventory in accordance with the written instructions of the Board of Directors. No additional charge is incurred for the first revision, if requested in writing within three months of the date of the Replacement Reserve Study. It is our policy to provide revisions in electronic (Adobe PDF) format only.
- TAX CODE. The United States Tax Code grants favorable tax status to a common interest development (CID) meeting certain guidelines for their Replacement Reserve. If a CID files their taxes as a 'Corporation' on Form 1120 (IRC Section 277), these guidelines typically require maintenance activities, partial replacements, minor replacements, capital improvements, and one-time only replacements to be excluded from Reserves. A CID cannot co-mingle planning for maintenance activities with capital replacement activities in the Reserves (Revenue Ruling 75-370). Funds for maintenance activities and capital replacements activities must be held in separate accounts. If a CID files taxes as an "Exempt Homeowners Association" using Form 1120H (IRC Section 528), the CID does not have to segregate these activities. However, because the CID may elect to change their method of filing from year to year within the Study Period, we advise using the more restrictive approach. We further recommend that the CID consult with their Accountant and consider creating separate and independent accounts and reserves for large maintenance items, such as painting.
- CONFLICT OF INTEREST. Neither Miller - Dodson Associates nor the Reserve Analyst has any prior or existing relationship with this Association which would represent a real or perceived conflict of interest.
- RELIANCE ON DATA PROVIDED BY THE CLIENT. Information provided by an official representative of the Association regarding financial, physical conditions, quality, or historical issues is deemed reliable.
- INTENT. This Replacement Reserve Study is a reflection of the information provided by the Association and the visual evaluations of the Analyst. It has been prepared for the sole use of the Association and is not for the purpose of performing an audit, quality/forensic analyses, or background checks of historical records.
- PREVIOUS REPLACEMENTS. Information provided to Miller - Dodson Associates regarding prior replacements is considered to be accurate and reliable. Our visual evaluation is not a project audit or quality inspection.
- EXPERIENCE WITH FUTURE REPLACEMENTS. The Calendar of Annual Projected Replacements, lists replacements we have projected to occur over the next thirty years, begins on Page C2. Actual experience in replacing the items may differ significantly from the cost estimates and time frames shown because of conditions beyond our control. These differences may be caused by maintenance practices, inflation, variations in pricing and market conditions, future technological developments, regulatory actions, acts of God, and luck. Some items may function normally during our visual evaluation and then fail without notice.
- REVIEW OF THE REPLACEMENT RESERVE STUDY. For this study to be effective, it should be reviewed by the Braemar Creek - Townhomes Board of Directors, those responsible for the management of the items included in the Replacement Reserve Inventory, and the accounting professionals employed by the Association.

PROJECTED REPLACEMENTS - STUDY YEAR - 2018

#	Description	$

#	Description	$

#	Description	$

No Scheduled Replacements

YEAR 2 - PROJECTED REPLACEMENTS - 2019

#	Description	$

#	Description	$

#	Description	$

No Scheduled Replacements

YEAR 3 - PROJECTED REPLACEMENTS - 2020

#	Description	$

#	Description	$

#	Description	$

No Scheduled Replacements

YEAR 4 - PROJECTED REPLACEMENTS - 2021

#	Description	$
11	Concrete sidewalk (6%)	$2,358
24	Vent pipe boot flashing allow	$1,500

#	Description	$

#	Description	$

Total Scheduled Replacements $3,858

YEAR 5 - PROJECTED REPLACEMENTS - 2022

#	Description	$

#	Description	$

#	Description	$

No Scheduled Replacements

YEAR 6 - PROJECTED REPLACEMENTS - 2023

#	Description	$
4	Asphalt Pavement - Seal Co	$17,741
5	Concrete curb & gutter (20%	$8,385
10	Site lighting, fixture (carriage	$9,861

#	Description	$

#	Description	$
	Total Scheduled Replacements	$35,987

YEAR 7 - PROJECTED REPLACEMENTS - 2024

#	Description	$

#	Description	$

#	Description	$

No Scheduled Replacements

YEAR 8 - PROJECTED REPLACEMENTS - 2025

#	Description	$
1	Asphalt Pavement - Overlay	$99,884
2	Asphalt Driveway - Overlay	$50,915
3	Asphalt Pavement - Edge M	$26,612

#	Description	$

#	Description	$

Total Scheduled Replacements $177,410

YEAR 9 - PROJECTED REPLACEMENTS - 2026

#	Description	$
24	Vent pipe boot flashing allow	$1,500

#	Description	$

#	Description	$

Total Scheduled Replacements $1,500

YEAR 10 - PROJECTED REPLACEMENTS - 2027

#	Description	$
11	Concrete sidewalk (6%)	$2,358

#	Description	$

#	Description	$
	Total Scheduled Replacements	$2,358

YEAR 11 - PROJECTED REPLACEMENTS - 2028

#	Description	$
4	Asphalt Pavement - Seal Co	$17,741

#	Description	$

#	Description	$

Total Scheduled Replacements $17,741

YEAR 12 - PROJECTED REPLACEMENTS - 2029

#	Description	$
8	Mailboxes	$11,868
12	Roof, Asphalt Shingle (33%)	$216,834
15	Alum. gutter & downspouts (	$10,500

#	Description	$

#	Description	$

Total Scheduled Replacements $239,202

YEAR 13 - PROJECTED REPLACEMENTS - 2030

#	Description	$
16	Roof, Asphalt Shingle (33%)	$216,834
19	Alum. gutter & downspouts (	$10,500

#	Description	$

#	Description	$

Total Scheduled Replacements $227,334

YEAR 14 - PROJECTED REPLACEMENTS - 2031

#	Description	$
24	Vent pipe boot flashing allow	$1,500

#	Description	$

#	Description	$

Total Scheduled Replacements $1,500

YEAR 15 - PROJECTED REPLACEMENTS - 2032

#	Description	$

#	Description	$

#	Description	$

No Scheduled Replacements

YEAR 16 - PROJECTED REPLACEMENTS - 2033

#	Description	$
4	Asphalt Pavement - Seal Co	$17,741
11	Concrete sidewalk (6%)	$2,358

#	Description	$

#	Description	$

Total Scheduled Replacements $20,099

YEAR 17 - PROJECTED REPLACEMENTS - 2034

#	Description	$
9	Site lighting, poles	$28,405

#	Description	$

#	Description	$
	Total Scheduled Replacements	$28,405

YEAR 18 - PROJECTED REPLACEMENTS - 2035

#	Description	$
20	Roof, Asphalt Shingle (33%)	$216,834
23	Alum. gutter & downspouts (	$10,500

#	Description	$

#	Description	$

Total Scheduled Replacements $227,334

YEAR 19 - PROJECTED REPLACEMENTS - 2036

#	Description	$
24	Vent pipe boot flashing allow	$1,500

#	Description	$

#	Description	$

Total Scheduled Replacements $1,500

YEAR 20 - PROJECTED REPLACEMENTS - 2037

#	Description	$

#	Description	$

#	Description	$

No Scheduled Replacements

YEAR 21 - PROJECTED REPLACEMENTS - 2038

#	Description	$
4	Asphalt Pavement - Seal Co	$17,741
10	Site lighting, fixture (carriage	$9,861

#	Description	$

#	Description	$

Total Scheduled Replacements $27,602

YEAR 22 - PROJECTED REPLACEMENTS - 2039

#	Description	$
11	Concrete sidewalk (6%)	$2,358
14	Building Siding & Trim (33%	$252,343

#	Description	$

#	Description	$

Total Scheduled Replacements $254,701

YEAR 23 - PROJECTED REPLACEMENTS - 2040

#	Description	$

#	Description	$

#	Description	$

No Scheduled Replacements

YEAR 24 - PROJECTED REPLACEMENTS - 2041

#	Description	$
6	Concrete curb & gutter (20%	$8,378
24	Vent pipe boot flashing allow	$1,500

#	Description	$

#	Description	$

Total Scheduled Replacements $9,878

YEAR 25 - PROJECTED REPLACEMENTS - 2042

#	Description	$

#	Description	$

#	Description	$

No Scheduled Replacements

YEAR 26 - PROJECTED REPLACEMENTS - 2043

#	Description	$
1	Asphalt Pavement - Overlay	$99,884
2	Asphalt Driveway - Overlay	$50,915
3	Asphalt Pavement - Edge M	$26,612
4	Asphalt Pavement - Seal Co	$17,741

#	Description	$

#	Description	$

Total Scheduled Replacements $195,151

YEAR 27 - PROJECTED REPLACEMENTS - 2044

#	Description	$
13	Metal Roof (33%)	$1,216

#	Description	$

#	Description	$
	Total Scheduled Replacements	$1,216

YEAR 28 - PROJECTED REPLACEMENTS - 2045

#	Description	$
11	Concrete sidewalk (6%)	$2,358
18	Building Siding & Trim (33%	$252,343

#	Description	$

#	Description	$

Total Scheduled Replacements $254,701

YEAR 29 - PROJECTED REPLACEMENTS - 2046

#	Description	$
24	Vent pipe boot flashing allow	$1,500

#	Description	$

#	Description	$

Total Scheduled Replacements $1,500

YEAR 30 - PROJECTED REPLACEMENTS - 2047

#	Description	$

#	Description	$

#	Description	$

No Scheduled Replacements

YEAR 31 - PROJECTED REPLACEMENTS - 2048

#	Description	$
4	Asphalt Pavement - Seal Co	$17,741

#	Description	$

#	Description	$

Total Scheduled Replacements $17,741

YEAR 32 - PROJECTED REPLACEMENTS - 2049

#	Description	$

#	Description	$

#	Description	$

No Scheduled Replacements

YEAR 33 - PROJECTED REPLACEMENTS - 2050

#	Description	$
16	Roof, Asphalt Shingle (33%)	$216,834
17	Metal Roof (33%)	$1,216
22	Building Siding & Trim (33%	$252,343

#	Description	$

#	Description	$

Total Scheduled Replacements $470,393

YEAR 34 - PROJECTED REPLACEMENTS - 2051

#	Description	$
11	Concrete sidewalk (6%)	$2,358
24	Vent pipe boot flashing allow	$1,500

#	Description	$

#	Description	$

Total Scheduled Replacements $3,858

YEAR 35 - PROJECTED REPLACEMENTS - 2052

#	Description	$

#	Description	$

#	Description	$

No Scheduled Replacements

YEAR 36 - PROJECTED REPLACEMENTS - 2053

#	Description	$
4	Asphalt Pavement - Seal Co	$17,741
10	Site lighting, fixture (carriage	$9,861

#	Description	$

#	Description	$

Total Scheduled Replacements $27,602

YEAR 37 - PROJECTED REPLACEMENTS - 2054

#	Description	$
8	Mailboxes	$11,868
12	Roof, Asphalt Shingle (33%)	$216,834
15	Alum. gutter & downspouts (	$10,500

#	Description	$

#	Description	$

Total Scheduled Replacements $239,202

YEAR 38 - PROJECTED REPLACEMENTS - 2055

#	Description	$
19	Alum. gutter & downspouts (	$10,500
20	Roof, Asphalt Shingle (33%)	$216,834
21	Metal Roof (33%)	$1,216

#	Description	$

#	Description	$

Total Scheduled Replacements $228,550

YEAR 39 - PROJECTED REPLACEMENTS - 2056

#	Description	$
24	Vent pipe boot flashing allow	$1,500

#	Description	$

#	Description	$

Total Scheduled Replacements $1,500

YEAR 40 - PROJECTED REPLACEMENTS - 2057

#	Description	$
11	Concrete sidewalk (6%)	$2,358

#	Description	$

#	Description	$
	Total Scheduled Replacements	$2,358

CASH FLOW METHOD ACCOUNTING SUMMARY

This Braemar Creek - Townhomes - Cash Flow Method Accounting Summary is an attachment to the Braemar Creek - Townhomes - Replacement Reserve Study dated Revised March 2017 and is for use by accounting and reserve professionals experienced in Association funding and accounting principles. This Summary consists of four reports, the 2018, 2019, and 2020 Cash Flow Method Category Funding Reports (3) and a Three-Year Replacement Funding Report.

- CASH FLOW METHOD CATEGORY FUNDING REPORT, 2018, 2019, and 2020. Each of the 24 Projected Replacements listed in the Braemar Creek - Townhomes Replacement Reserve Inventory has been assigned to one of 2 categories. The following information is summarized by category in each report:
  - Normal Economic Life and Remaining Economic Life of the Projected Replacements.
  - Cost of all Scheduled Replacements in each category.
  - Replacement Reserves on Deposit allocated to the category at the beginning and end of the report period.
  - Cost of Projected Replacements in the report period.
  - Recommended Replacement Reserve Funding allocated to the category during the report period as calculated by the Cash Flow Method.

- THREE-YEAR REPLACEMENT FUNDING REPORT. This report details the allocation of the $351,999 Beginning Balance (at the start of the Study Year) and the $193,435 of additional Replacement Reserve Funding in 2018 through 2020 (as calculated in the Replacement Reserve Analysis) to each of the 24 Projected Replacements listed in the Replacement Reserve Inventory. These allocations have been made using Chronological Allocation, a method developed by Miller Dodson Associates, Inc., and discussed below. The calculated data includes:
  - Identification and estimated cost of each Projected Replacement scheduled in years 2018 through 2020.
  - Allocation of the $351,999 Beginning Balance to the Projected Replacements by Chronological Allocation.
  - Allocation of the $193,435 of additional Replacement Reserve Funding recommended in the Replacement Reserve Analysis in years 2018 through 2020, by Chronological Allocation.

- CHRONOLOGICAL ALLOCATION. Chronological Allocation assigns Replacement Reserves to Projected Replacements on a "first come, first serve" basis in keeping with the basic philosophy of the Cash Flow Method. The Chronological Allocation methodology is outlined below.
  - The first step is the allocation of the $351,999 Beginning Balance to the Projected Replacements in the Study Year. Remaining unallocated funds are next allocated to the Projected Replacements in subsequent years in chronological order until the total of Projected Replacements in the next year is greater than the unallocated funds. Projected Replacements in this year are partially funded with each replacement receiving percentage funding. The percentage of funding is calculated by dividing the unallocated funds by the total of Projected Replacements in the partially funded year.

    At Braemar Creek - Townhomes the Beginning Balance funds all Scheduled Replacements in the Study Year through 2028 and provides partial funding (47%) of replacements scheduled in 2029.
  - The next step is the allocation of the $64,478 of 2018 Cash Flow Method Reserve Funding calculated in the Replacement Reserve Analysis. These funds are first allocated to fund the partially funded Projected Replacements and then to subsequent years in chronological order as outlined above.

    At Braemar Creek - Townhomes the Beginning Balance and the 2018 Replacement Reserve Funding, funds replacements through 2028 and partial funds (74.3%) replacements in 2029.
  - Allocations of the 2019 and 2020 Reserve Funding are done using the same methodology.
  - The Three-Year Replacement Funding Report details component by component allocations made by Chronological Allocation.

2018 - CASH FLOW METHOD CATEGORY FUNDING REPORT

Each of the 24 Projected Replacements included in the Braemar Creek - Townhomes Replacement Reserve Inventory has been assigned to one of the 2 categories listed in TABLE CF1 below. This calculated data is a summary of data provided in the Three-Year Replacement Funding Report and Replacement Reserve Inventory. The accuracy of this data is dependent upon many factors including the following critical financial data:

- A Beginning Balance of $351,999 as of the first day of the Study Year, January 1, 2018.
- Total reserve funding (including the Beginning Balance) of $416,477 in the Study Year.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.

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

2018 - CASH FLOW METHOD CATEGORY FUNDING - TABLE CF1

CATEGORY	NORMAL ECONOMIC LIFE	REMAINING ECONOMIC LIFE	ESTIMATED REPLACEMENT COST	2018 BEGINNING BALANCE	2018 RESERVE FUNDING	2018 PROJECTED REPLACEMENTS	2018 END OF YEAR BALANCE
SITE IMPROVEMENTS (TH)	5 to 36 years	3 to 41 years	$272,785	$241,469	$3,199		$244,668
BUILDING EXTERIORS (TOWNHOMES)	5 to 40 years	3 to 37 years	$1,444,179	$110,530	$61,279		$171,810

2019 - CASH FLOW METHOD CATEGORY FUNDING REPORT

Each of the 24 Projected Replacements included in the Braemar Creek - Townhomes Replacement Reserve Inventory has been assigned to one of the 2 categories listed in TABLE CF2 below. This calculated data is a summary of data provided in the Three-Year Replacement Funding Report and Replacement Reserve Inventory. The accuracy of this data is dependent upon many factors including the following critical financial data:

- Replacement Reserves on Deposit totaling $416,477 on January 1, 2019.
- Total reserve funding (including the Beginning Balance) of $480,956 from 2018 through 2019.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.

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

2019 - CASH FLOW METHOD CATEGORY FUNDING - TABLE CF2

CATEGORY	NORMAL ECONOMIC LIFE	REMAINING ECONOMIC LIFE	ESTIMATED REPLACEMENT COST	2019 BEGINNING BALANCE	2019 RESERVE FUNDING	2019 PROJECTED REPLACEMENTS	2019 END OF YEAR BALANCE
SITE IMPROVEMENTS (TH)	5 to 36 years	2 to 40 years	$272,785	$244,668	$3,055		$247,723
BUILDING EXTERIORS (TOWNHOMES)	5 to 40 years	2 to 36 years	$1,444,179	$171,810	$61,423		$233,233

2020 - CASH FLOW METHOD CATEGORY FUNDING REPORT

Each of the 24 Projected Replacements included in the Braemar Creek - Townhomes Replacement Reserve Inventory has been assigned to one of the 2 categories listed in TABLE CF3 below. This calculated data is a summary of data provided in the Three-Year Replacement Funding Report and Replacement Reserve Inventory. The accuracy of this data is dependent upon many factors including the following critical financial data:

- Replacement Reserves on Deposit totaling $480,956 on January 1, 2020.
- Total Replacement Reserve funding (including the Beginning Balance) of $545,434 from 2018 to 2020.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.

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

2020 - CASH FLOW METHOD CATEGORY FUNDING - TABLE CF3

CATEGORY	NORMAL ECONOMIC LIFE	REMAINING ECONOMIC LIFE	ESTIMATED REPLACEMENT COST	2020 BEGINNING BALANCE	2020 RESERVE FUNDING	2020 PROJECTED REPLACEMENTS	2020 END OF YEAR BALANCE
SITE IMPROVEMENTS (TH)	5 to 36 years	1 to 39 years	$272,785	$247,723			$247,723
BUILDING EXTERIORS (TOWNHOMES)	5 to 40 years	1 to 35 years	$1,444,179	$233,233	$64,478		$297,711

CASH FLOW METHOD - THREE-YEAR REPLACEMENT FUNDING REPORT

TABLE CF4 below details the allocation of the $351,999 Beginning Balance, as reported by the Association and the $193,435 of Replacement Reserve Funding calculated by the Cash Flow Method from 2018 to 2020, to the 24 Projected Replacements listed in the Replacement Reserve Inventory. These allocations have been made by Chronological Allocation, a method developed by Miller Dodson Associates, Inc., and outlined on Page CF1. The accuracy of the allocations is dependent upon many factors including the following critical financial data:

- Replacement Reserves on Deposit totaling $351,999 on January 1, 2018.
- Replacement Reserves on Deposit totaling $416,477 on January 1, 2019.
- Replacement Reserves on Deposit totaling $480,956 on January 1, 2020.
- Total Replacement Reserve funding (including the Beginning Balance) of $545,434 from 2018 to 2020.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.
-

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

CASH FLOW METHOD - THREE-YEAR REPLACEMENT FUNDING - TABLE CF4

Item #	Description of Projected Replacement	Estimated Replacement Costs	Allocation of Beginning Balance	2018 Reserve Funding	2018 Projected Replacements	2018 End of Year Balance	2019 Reserve Funding	2019 Projected Replacements	2019 End of Year Balance	2020 Reserve Funding	2020 Projected Replacements	2020 End of Year Balance
	SITE IMPROVEMENTS (TH)											
1	Asphalt Pavement - Overlay	99,884	99,884			99,884			99,884			99,884
2	Asphalt Driveway - Overlay	50,915	50,915			50,915			50,915			50,915
3	Asphalt Pavement - Edge Milling	26,612	26,612			26,612			26,612			26,612
4	Asphalt Pavement - Seal Coat	17,741	35,482			35,482			35,482			35,482
5	Concrete curb & gutter (20%)	8,385	8,385			8,385			8,385			8,385
6	Concrete curb & gutter (20%)	8,378										
7	Concrete curb & gutter (20%)	8,378										
8	Mailboxes	11,868	5,614	3,199		8,813	3,055		11,868			11,868
9	Site lighting, poles	28,405										
10	Site lighting, fixture (carriage style)	9,861	9,861			9,861			9,861			9,861
11	Concrete sidewalk (6%)	2,358	4,717			4,717			4,717			4,717
	BUILDING EXTERIORS (TOWNHO											
12	Roof, Asphalt Shingle (33%)	216,834	102,564	58,449		161,013	55,821		216,834			216,834
13	Metal Roof (33%)	1,216										
14	Building Siding & Trim (33%)	252,343										
15	Alum. gutter & downspouts (33%)	10,500	4,967	2,830		7,797	2,703		10,500			10,500
16	Roof, Asphalt Shingle (33%)	216,834					2,765		2,765	61,500		64,265
17	Metal Roof (33%)	1,216										
18	Building Siding & Trim (33%)	252,343										
19	Alum. gutter & downspouts (33%)	10,500					134		134	2,978		3,112
20	Roof, Asphalt Shingle (33%)	216,834										
21	Metal Roof (33%)	1,216										
22	Building Siding & Trim (33%)	252,343										
23	Alum. gutter & downspouts (33%)	10,500										
24	Vent pipe boot flashing allowance	1,500	3,000			3,000			3,000			3,000

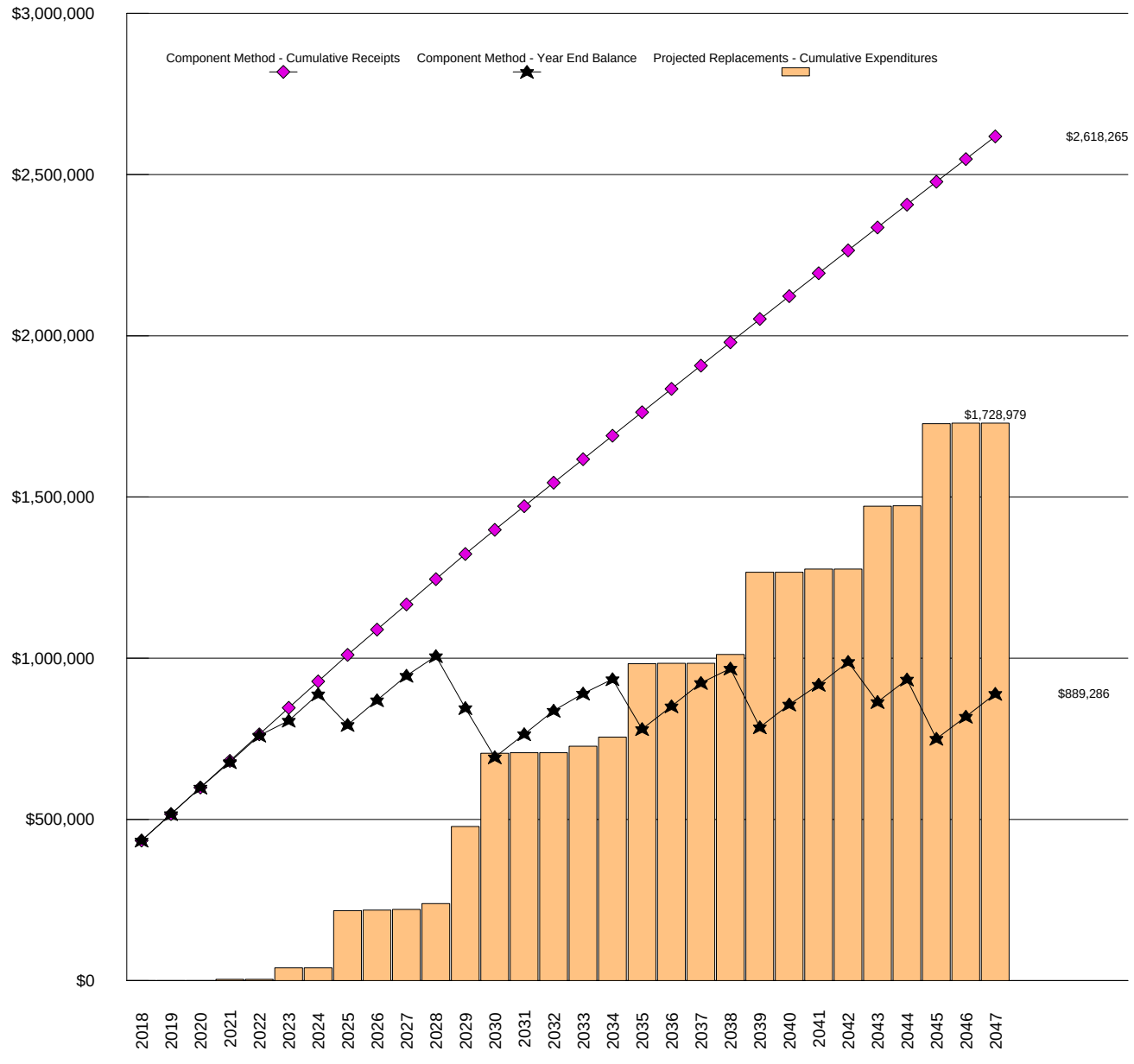
COMPONENT METHOD

$82,367 **COMPONENT METHOD RECOMMENDED ANNUAL FUNDING OF REPLACEMENT RESERVES IN THE STUDY YEAR, 2018.**

$74.61 Per unit (average), recommended monthly funding of Replacement Reserves

General. The Component Method (also referred to as the Full Funded Method) is a very conservative mathematical model developed by HUD in the early 1980s. Each of the 24 Projected Replacements listed in the Replacement Reserve Inventory is treated as a separate account. The Beginning Balance is allocated to each of the individual accounts, as is all subsequent funding of Replacement Reserves. These funds are "locked" in these individual accounts and are not available to fund other Projected Replacements. The calculation of Recommended Annual Funding of Replacement Reserves is a multi-step process outlined in more detail on Page CM2.

Component Method - Cumulative Receipts and Expenditures Graph



COMPONENT METHOD (cont'd)

- Current Funding Objective. A Current Funding Objective is calculated for each of the Projected Replacements listed in the Replacement Reserve Inventory. Replacement Cost is divided by the Normal Economic Life to determine the nominal annual contribution. The Remaining Economic Life is then subtracted from the Normal Economic Life to calculate the number of years that the nominal annual contribution should have been made. The two values are then multiplied to determine the Current Funding Objective. This is repeated for each of the 24 Projected Replacements. The total, $516,878, is the Current Funding Objective.

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

- Funding Percentage. The Funding Percentage is calculated by dividing the Beginning Balance ($351,999) by the Current Funding Objective ($516,878). At Braemar Creek - Townhomes the Funding Percentage is 68.1%

- Allocation of the Beginning Balance. The Beginning Balance is divided among the 24 Projected Replacements in the Replacement Reserve Inventory. The Current Funding Objective for each Projected Replacement is multiplied by the Funding Percentage and these funds are then "locked" into the account of each item.

  If we relate this calculation back to our fence example, it means that the Association has not accumulated $800 in Reserves (the Funding Objective), but rather at 68.1 percent funded, there is $545 in the account for the fence.

- Annual Funding. The Recommended Annual Funding of Replacement Reserves is then calculated for each Projected Replacement. The funds allocated to the account of the Projected Replacement are subtracted from the Replacement Cost. The result is then divided by the number of years until replacement, and the result is the annual funding for each of the Projected Replacements. The sum of these is $82,367, the Component Method Recommended Annual Funding of Replacement Reserves in the Study Year (2018).

  In our fence example, the $545 in the account is subtracted from the $1,000 Total Replacement Cost and divided by the 2 years that remain before replacement, resulting in an annual deposit of $228. Next year, the deposit remains $228, but in the third year, the fence is replaced and the annual funding adjusts to $100.

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

Component Method Data - Years 1 through 30

Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Beginning balance	$351,999									
Recommended annual funding	$82,367	$82,367	$82,367	$82,367	$82,281	$82,281	$82,186	$82,186	$78,256	$78,256
Expenditures				$3,858		$35,987		$177,410	$1,500	$2,358
Year end balance	$434,366	$516,734	$599,101	$677,610	$759,891	$806,185	$888,371	$793,148	$869,904	$945,801
Cumulative Expenditures				$3,858	$3,858	$39,846	$39,846	$217,256	$218,756	$221,114
Cumulative Receipts	$434,366	$516,734	$599,101	$681,469	$763,750	$846,031	$928,217	$1,010,403	$1,088,659	$1,166,915

Year	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Recommended annual funding	$78,256	$78,256	$74,950	$72,964	$72,964	$72,964	$72,964	$72,733	$72,297	$72,297
Expenditures	$17,741	$239,202	$227,334	$1,500		$20,099	$28,405	$227,334	$1,500	
Year end balance	$1,006,317	$845,371	$692,986	$764,450	$837,414	$890,278	$934,837	$780,236	$851,033	$923,329
Cumulative Expenditures	$238,855	$478,057	$705,391	$706,891	$706,891	$726,991	$755,396	$982,730	$984,230	$984,230
Cumulative Receipts	$1,245,172	$1,323,428	$1,398,378	$1,471,341	$1,544,305	$1,617,269	$1,690,233	$1,762,966	$1,835,262	$1,907,559

Year	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
Recommended annual funding	$72,297	$72,297	$70,938	$70,938	$70,900	$70,900	$70,900	$70,896	$70,321	$70,321
Expenditures	$27,602	$254,701		$9,878		$195,151	$1,216	$254,701	$1,500	
Year end balance	$968,024	$785,619	$856,556	$917,616	$988,516	$864,266	$933,950	$750,145	$818,965	$889,286
Cumulative Expenditures	$1,011,832	$1,266,533	$1,266,533	$1,276,411	$1,276,411	$1,471,562	$1,472,778	$1,727,479	$1,728,979	$1,728,979
Cumulative Receipts	$1,979,855	$2,052,152	$2,123,089	$2,194,027	$2,264,927	$2,335,828	$2,406,728	$2,477,624	$2,547,945	$2,618,265

COMPONENT METHOD ACCOUNTING SUMMARY

This Braemar Creek - Townhomes - Component Method Accounting Summary is an attachment to the Braemar Creek - Townhomes - Replacement Reserve Study dated Revised March 2017 and is for use by accounting and reserve professionals experienced in Association funding and accounting principles. This Summary consists of four reports, the 2018, 2019, and 2020 Component Method Category Funding Reports (3) and a Three-Year Replacement Funding Report.

- COMPONENT METHOD CATEGORY FUNDING REPORT, 2018, 2019, and 2020. Each of the 24 Projected Replacements listed in the Braemar Creek - Townhomes Replacement Reserve Inventory has been assigned to one of 2 categories. The following information is summarized by category in each report:
  - Normal Economic Life and Remaining Economic Life of the Projected Replacements.
  - Cost of all Scheduled Replacements in each category.
  - Replacement Reserves on Deposit allocated to the category at the beginning and end of the report period.
  - Cost of Projected Replacements in the report period.
  - Recommended Replacement Reserve Funding allocated to the category during the report period as calculated by the Component Method.
- THREE-YEAR REPLACEMENT FUNDING REPORT. This report details the allocation of the $351,999 Beginning Balance (at the start of the Study Year) and the $247,102 of additional Replacement Reserve funding from 2018 to 2020 (as calculated in the Replacement Reserve Analysis) to each of the 24 Projected Replacements listed in the Replacement Reserve Inventory. These allocations have been made using the Component Method as outlined in the Replacement Reserve Analysis.
  The calculated data includes:
  - Identification and estimated cost of each Projected Replacement schedule in years 2018 through 2020.
  - Allocation of the $351,999 Beginning Balance to the Projected Replacements by the Component Method.
  - Allocation of the $247,102 of additional Replacement Reserve Funding recommended in the Replacement Reserve Analysis in years 2018 through 2020, by the Component Method.

2018 - COMPONENT METHOD CATEGORY FUNDING REPORT

Each of the 24 Projected Replacements included in the Braemar Creek - Townhomes Replacement Reserve Inventory has been assigned to one of the 2 categories listed in TABLE CM1 below. This calculated data is a summary of data provided in the Three-Year Replacement Funding Report and Replacement Reserve Inventory. The accuracy of this data is dependent upon many factors including the following critical financial data:

- A Beginning Balance of $351,999 as of the first day of the Study Year, January 1, 2018.
- Total reserve funding (including the Beginning Balance) of $434,366 in the Study Year.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.

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

2018 - COMPONENT METHOD CATEGORY FUNDING - TABLE CM1

CATEGORY	NORMAL ECONOMIC LIFE	REMAINING ECONOMIC LIFE	ESTIMATED REPLACEMENT COST	2018 BEGINNING BALANCE	2018 RESERVE FUNDING	2018 PROJECTED REPLACEMENTS	2018 END OF YEAR BALANCE
SITE IMPROVEMENTS (TH)	5 to 36 years	3 to 41 years	$272,785	$90,931	$21,061		$111,992
BUILDING EXTERIORS (TOWNHOMES)	5 to 40 years	3 to 37 years	$1,444,179	$261,068	$61,307		$322,374

2019 - COMPONENT METHOD CATEGORY FUNDING REPORT

Each of the 24 Projected Replacements included in the Braemar Creek - Townhomes Replacement Reserve Inventory has been assigned to one of the 2 categories listed in TABLE CM2 below. This calculated data is a summary of data provided in the Three-Year Replacement Funding Report and Replacement Reserve Inventory. The accuracy of this data is dependent upon many factors including the following critical financial data:

- Replacement Reserves on Deposit totaling $434,366 on January 1, 2019.
- Total reserve funding (including the Beginning Balance) of $516,734 from 2018 through 2019.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.

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

2019 - COMPONENT METHOD CATEGORY FUNDING - TABLE CM2

CATEGORY	NORMAL ECONOMIC LIFE	REMAINING ECONOMIC LIFE	ESTIMATED REPLACEMENT COST	2019 BEGINNING BALANCE	2019 RESERVE FUNDING	2019 PROJECTED REPLACEMENTS	2019 END OF YEAR BALANCE
SITE IMPROVEMENTS (TH)	5 to 36 years	2 to 40 years	$272,785	$111,992	$21,061		$133,053
BUILDING EXTERIORS (TOWNHOMES)	5 to 40 years	2 to 36 years	$1,444,179	$322,374	$61,307		$383,681

2020 - COMPONENT METHOD CATEGORY FUNDING REPORT

Each of the 24 Projected Replacements included in the Braemar Creek - Townhomes Replacement Reserve Inventory has been assigned to one of the 2 categories listed in TABLE CM3 below. This calculated data is a summary of data provided in the Three-Year Replacement Funding Report and Replacement Reserve Inventory. The accuracy of this data is dependent upon many factors including the following critical financial data:

- Replacement Reserves on Deposit totaling $516,734 on January 1, 2020.
- Total Replacement Reserve funding (including the Beginning Balance) of $599,101 from 2018 to 2020.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.

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

2020 - COMPONENT METHOD CATEGORY FUNDING - TABLE CM3

CATEGORY	NORMAL ECONOMIC LIFE	REMAINING ECONOMIC LIFE	ESTIMATED REPLACEMENT COST	2020 BEGINNING BALANCE	2020 RESERVE FUNDING	2020 PROJECTED REPLACEMENTS	2020 END OF YEAR BALANCE
SITE IMPROVEMENTS (TH)	5 to 36 years	1 to 39 years	$272,785	$133,053	$21,061		$154,114
BUILDING EXTERIORS (TOWNHOMES)	5 to 40 years	1 to 35 years	$1,444,179	$383,681	$61,307		$444,987

COMPONENT METHOD - THREE-YEAR REPLACEMENT FUNDING REPORT

TABLE CM4 below details the allocation of the $351,999 Beginning Balance, as reported by the Association and the $247,102 of Replacement Reserve Funding calculated by the Cash Flow Method from 2018 to 2020, to the 24 Projected Replacements listed in the Replacement Reserve Inventory. These allocations have been made by Chronological Allocation, a method developed by Miller Dodson Associates, Inc., and outlined on Page CF1. The accuracy of the allocations is dependent upon many factors including the following critical financial data:

- Replacement Reserves on Deposit totaling $351,999 on January 1, 2018.
- Replacement Reserves on Deposit totaling $434,366 on January 1, 2019.
- Replacement Reserves on Deposit totaling $516,734 on January 1, 2020.
- Total Replacement Reserve funding (including the Beginning Balance) of $599,101 from 2018 to 2020.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.
-

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

COMPONENT METHOD - THREE-YEAR REPLACEMENT FUNDING - TABLE CM4

Item #	Description of Projected Replacement	Estimated Replacement Costs	Allocation of Beginning Balance	2018 Reserve Funding	2018 Projected Replacements	2018 End of Year Balance	2019 Reserve Funding	2019 Projected Replacements	2019 End of Year Balance	2020 Reserve Funding	2020 Projected Replacements	2020 End of Year Balance
	SITE IMPROVEMENTS (TH)											
1	Asphalt Pavement - Overlay	99,884	37,790	7,762		45,552	7,762		53,313	7,762		61,075
2	Asphalt Driveway - Overlay	50,915	19,263	3,956		23,220	3,956		27,176	3,956		31,133
3	Asphalt Pavement - Edge Milling	26,612	10,068	2,068		12,136	2,068		14,204	2,068		16,272
4	Asphalt Pavement - Seal Coat	17,741		2,957		2,957	2,957		5,914	2,957		8,871
5	Concrete curb & gutter (20%)	8,385	4,759	604		5,363	604		5,967	604		6,572
6	Concrete curb & gutter (20%)	8,378	1,902	270		2,172	270		2,442	270		2,711
7	Concrete curb & gutter (20%)	8,378		199		199	199		399	199		598
8	Mailboxes	11,868	4,203	639		4,842	639		5,480	639		6,119
9	Site lighting, poles	28,405	8,382	1,178		9,560	1,178		10,738	1,178		11,916
10	Site lighting, fixture (carriage style)	9,861	4,029	972		5,001	972		5,973	972		6,945
11	Concrete sidewalk (6%)	2,358	535	456		991	456		1,447	456		1,903
	BUILDING EXTERIORS (TOWNHO											
12	Roof, Asphalt Shingle (33%)	216,834	76,786	11,671		88,457	11,671		100,128	11,671		111,798
13	Metal Roof (33%)	1,216	269	35		304	35		339	35		374
14	Building Siding & Trim (33%)	252,343	63,829	8,569		72,398	8,569		80,967	8,569		89,536
15	Alum. gutter & downspouts (33%)	10,500	3,718	565		4,283	565		4,849	565		5,414
16	Roof, Asphalt Shingle (33%)	216,834	51,683	12,704		64,387	12,704		77,091	12,704		89,795
17	Metal Roof (33%)	1,216	145	32		177	32		210	32		242
18	Building Siding & Trim (33%)	252,343	34,370	7,785		42,154	7,785		49,939	7,785		57,724
19	Alum. gutter & downspouts (33%)	10,500	3,432	544		3,976	544		4,520	544		5,063
20	Roof, Asphalt Shingle (33%)	216,834	14,767	11,226		25,993	11,226		37,219	11,226		48,445
21	Metal Roof (33%)	1,216	41	31		72	31		103	31		134
22	Building Siding & Trim (33%)	252,343	9,820	7,349		17,169	7,349		24,518	7,349		31,867
23	Alum. gutter & downspouts (33%)	10,500	2,002	472		2,474	472		2,946	472		3,418
24	Vent pipe boot flashing allowance	1,500	204	324		528	324		852	324		1,176

CONDITION ASSESSMENT

General Comments. Miller - Dodson Associates conducted a Reserve Study at Braemar Creek at Greensprings Plantation in November 2017. Braemar Creek is in generally fair to good overall condition for a community facility constructed from 2004 to 2015. A review of the Replacement Reserve Inventory will show that we are anticipating most of the components achieving their normal economic lives.

The following comments pertain to the larger, more significant components in the Replacement Reserve Inventory and to those items that are unique or deserving of attention because of their condition or the manner in which they have been treated in the Replacement Reserve Analysis or Inventory.

General Condition Statements.

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

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

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

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

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

SITE COMPONENTS

Entry Monument and Signage. The Association maintains an entry monument and monument piers. The monuments is are made of masonry with cast rock veneer and precast concrete capitols. The veneer should some efflorescence on certain portions as well as loose or missing pieces of veneer stone. The monument lettering and graphics are acrylic or other synthetic material and is expected to have a useful life of 10 to 15 years. The signage characters and graphics were previously reported to have been replaced in 2012-13.

Monument and signage are in good overall condition for its age

Several monument piers display efflorescence

We recommend repointing and replacement of defective areas of the masonry as needed. The Association may want to consider applying a coat of Siloxane or other appropriate breathable sealant to mitigate water penetration and further degradation of the masonry work. For additional information, please see the appropriate links on our web site at http://mdareserves.com/resources/links/building-exterior.

In addition to the monuments, the Association is responsible for the community's signage including stop, speed, street, and other major signs. Other small miscellaneous signs are not considered in this study and should be replaced using other funds.

A piece of the stone veneer has fallen off

Other community signage is in mixed condition based on varying age

Metal Railing. The Association maintains metal railings as part of the entrance features, which are mounted by screwed brackets into the faux stone masonry. Moderate rusting is occurring at these anchors and several of the pickets have been bent presumably by vandalism or grounds keeping activity.

As part of normal maintenance, we recommend the following:

- Lift or remove ornamental base covers, if applicable.
- Remove existing caulk completely.
- Clean, prime, and paint all posts, rails, and pickets.
- Apply an appropriate caulk around each post base.
- Tool and shape caulking to shed water from post.
- Reinstall base covers, and seal and paint all joints.

Railings can have an extended useful life if these simple maintenance activities are performed. If left unattended, the pressure from expansive post rust can crack and damage the supporting material.

Bent pickets are presumably vandalism

Bracket fasteners are corroded

Asphalt Pavement. The Association is responsible for the roadways and parking areas within the community; other roadways are maintained by the City, County, or other municipality. In general, the Association's asphalt pavements are in fair overall condition, with minor cracking and other distress in some locations. All pavements were seal coated in 2017 with some visible crack filing performed, but not all cracking is filled and some areas of alligatoring are present which should have been cur and patched prior to the coating.

View of asphalt paved roadway at townhomes

View of paved drive aisle and parking in 10-plex area

The Association maintains an inventory of asphalt pavement along the following streets and areas:

1. 12,354 SF for the General Common Elements (main entrance and associated parking at the Clubhouse area)

2. 58,755 SF for the Townhomes (Braemar Creek from the club house to the cul de sac).

3. 177,960 SF for the 10-Plex (Glen Nevis Trace, Duntrune Glen, Rannock Moor, Arran Thistle, Montgomerie Arch, Craig End, Swilkens Bridge, Ayreshire Reach, Fenton Croft)

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

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

- **Cleaning.** Long-term exposure to oil or gas breaks down asphalt. Because this asphalt pavement is generally not used for long-term parking, it is unlikely that frequent cleaning will be necessary. When necessary, spill areas should be cleaned or patched if deterioration has penetrated the asphalt. This is a maintenance activity, and we have assumed that it will not be funded from Reserves.

- **Crack Repair.** All cracks should be repaired with an appropriate compound to prevent water infiltration through the asphalt into the base. This repair should be done annually. Crack repair is normally considered a maintenance activity and is not funded from Reserves. Areas of extensive cracking or deterioration that cannot be made watertight should be cut out and patched.

- **Seal Coating.** The asphalt should be seal coated every 5 to 7 years. For this maintenance activity to be effective in extending the life of the asphalt, cleaning and crack repair should be performed first.

The pricing used is based on recent contracts for a 2-inch overlay, which reflects the current local market for this work.

Alligatoring in 10-plex area should have been cut and patched prior to seal coating

Significant cracking was not fully filled when seal coat was applied

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

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

Concrete Work. The concrete work includes the community curbs, sidewalks, leadwalks, stairs, and other flatwork. We have modeled for curb replacement when the asphalt pavement is overlaid. The overall condition of the concrete work is good with a few tripping hazards and areas of general deterioration, including cracking, spalling, and scale. The Association maintains an inventory of approximately 8,304 linear feet of concrete curb and gutter. The Association maintains an inventory of approximately 51,428 square feet of concrete flatwork.

View of concrete walk at club house

Concrete Curbs Distribution

General Common	= 973 LF
Townhomes	= 1,181 LF
10-Plex	= 6,150 LF

Concrete Walks Distribution

General Common	= 4,089 SF
Townhomes	= 4,116 SF
10-plex	= 43,223 SF

The standards we use for recommending replacement are as follows:

- Trip hazard, ½ inch height difference.
- Severe cracking.
- Severe spalling and scale.

- Uneven riser heights on steps.
- Steps with risers in excess of 8¼ inches.

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

Broken walkways are present in some areas

Trip hazards at walkways are present in some locations

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

Broken curbs and gutter are present in several areas

Broken curbs and gutter are present in several areas

Site Lighting. The Association is responsible for the operation and replacement of the community's street and walkway lights as well as landscape accent lighting at the main entrance. The lighting system was not on at the time of our site visit. We understand that the lighting system is in good operating condition. The quantity of pole mounted site lighting was updated by a visual count now that more of the community has been completed.

There were originally two types of pole mounted community lighting; 1) the 100w shoe box style poles lights on 20 foot tall poles for the 10-plex unit areas and 2) the 75w carriage style lights on the ornamental style poles for the main entrance and the townhomes. Several of the shoe box style fixtures have been replaced with newer LED fixtures in the past 2 years.

Carriage style fixture with ornamental pole

Original shoe box style fixture

Newer LED fixtures are being used to replace the shoe box style lights

The landscape lighting is in fair overall condition and is reported to have been replaced in the past 7 years with additional lights installed. The original Level 1 study excluded these as individual lights would be replaced as needed and are relatively inexpensive; however, based on the 2014 Update, the replacement of numerous lights suggested an allowance to be added based on that expense.

The Manager reports no problems with any of the site lighting currently and that shoe box style lights will continue to be replaced with LED fixtures as they fail.

Mailboxes. The cluster mailboxes located throughout the community are in fair to good condition based on varying age. Mailboxes should be maintained to the extent that rust does not develop on the structure or pedestal. All mail slot doors remain intact and hinges and locks remain operable. Our replacement estimate assumes that these units will be replaced with fiberglass or composite units.

Mail boxes are in fair to good overall condition

Wood Board Fencing. Wood board fencing is installed as privacy fencing at the 10-plex units in the community. The Association maintains an inventory of approximately 1,050 linear feet of wood board fencing. The overall condition of the fencing is mixed with only a limited number of deficiencies, such as faded stain or loose or damaged fence boards.

Typical wood fence

Some loose boards are present

Some broken boards are present

Irrigation System. The irrigation system was not on at the time of the site visit but is understood to be in good operating condition. There are no drawings available to accurately estimate the value of the system. Accordingly, we have provided an estimate of the approximate replacement cost based on our experience with other communities of similar size and on our inspection of the visible components while on site. Irrigation systems should be carefully monitored to eliminate repeated saturation and erosion of soils near foundations and retaining walls.

The Manager reports no current problems or issues with the irrigation system components. It is reported that the water supply is from a pump in one of the golf course ponds.

Water Mains and Laterals. The Association is responsible for the replacement of the water mains and laterals located under the roadways within the community. However, these were excluded as a long lived component in previous studies. Therefore, we have not provided an estimate of the approximate replacement cost based on our experience with other communities of similar size and on our inspection of the visible components while on site. Inspection of the underground lines and structures is beyond the scope of work of this study. No engineering drawings were available to accurately determine distances, sizes of lines, and materials used for underground components of the system.

Community water main

Major components to consider adding to future updates as the community ages include the main valve, meter and backflow

preventer in the concrete vaults at the community entrance and a percentage of the underground mains and lateral piping as an interval replacement.

Laterals to the townhomes appear to be individual whereas the 10-plex buildings are understood to have one or two laterals for each building that provides domestic water as well as the fire suppression system water.

The Manager reports no current problems or issues with the water system components.

Sanitary Mains and Laterals. The Association is responsible for the replacement of the sanitary mains and laterals located under the roadways within the community. However, these were excluded as a long lived component in previous studies. Therefore, we have not provided an estimate of the approximate replacement cost based on our experience with other communities of similar size and on our inspection of the visible components while on site. Inspection of the underground lines and structures is beyond the scope of work of this study. No engineering drawings were available to accurately determine distances, sizes of lines, and materials used for underground components of the system.

The Manager reports no current problems or issues with the sanitary system components.

BUILDING EXTERIORS

Club House. The clubhouse exterior finishes features asphalt shingle roofing, fiber cement siding, fiberglass columns, brick veneer and manufactured stone veneer. The finishes are in fair overall condition. Exterior doors and windows are in fair overall condition. The average age of the community building components is thirteen years.

A small amount of the manufacturer stone veneer was observed to be loose or missing. This appears to be caused by vandalism. The painted wood trellises on the rear overlooking the pool are in fair condition and show that regular maintenance and painting is being performed.

View of clubhouse

Clubhouse roof is in fair condition

Several pieces of stone veneer have been knocked loose

A small area of water damage inside the mechanical closet indicates a suspected leak that is occurring where the siding counterflashing above the brick wainscot has a gap.

Siding, trim and accents are in fair overall condition

Pool House. The pool house is constructed with similar materials to the Club House. The components all display normal deterioration based on the age of the building. The finishes are in fair overall condition. Exterior doors and windows are in fair overall condition.

Townhome Units. There are still 7 townhome buildings to be completed with two currently under construction. The townhome buildings have asphalt shingle roofing, vinyl siding and brick veneer. The overall condition of these exteriors is good with no obvious failures or abnormal deterioration noted. Doors, windows and garage doors are excluded. A small quantity of metal roofing accents is included. Constructed buildings vary in age as some several have been completed for a number of years, others are currently under construction and others have not been constructed yet. Due to the varying age the inventory has been divided into equal thirds. After all buildings are complete the actual age of each building should be reflected in future updates to provide the greatest level of accuracy.

View of pool house

All townhomes are now complete

Townhome roofing at hips and valleys

The remaining townhomes to be built are reported to be slightly smaller than the previously constructed models but no drawings have been provided to use for quantity takeoffs and the difference is believed to be very minimal.

10-Plex Units. The 10-plex units are two-story buildings comprised of both single- and two-story units and include asphalt shingle roofs vinyl siding and brick veneer. The overall condition of these exteriors is fair to good based on varying age with normal wear and tear noted but no obvious failures or abnormal deterioration noted. Some of the low sloped roof areas have recently been replaced and an allowance for replacing additional low-sloped roofs has been added at the request of the Manager.

Typical 10-plex building

Roofing, siding and trim are in fair overall condition based on age

Several of the low slope roofs have required replacement

Quantities used in the inventory are based on the drawings provided for the original study. The 10-plex buildings are all complete and the approximate age of groups of buildings was used to show the variation in remaining economic life. Due to the varying age of the buildings the inventory components has been divided into equal thirds.

BUILDING INTERIORS

Pool Bath House Interiors. The bathhouse interiors are minimal and are excluded from the replacement inventory. At some point when the entire building is ready for a renovation the bathrooms should be modernized and fixtures replaced with new.

The bathrooms have an epoxy floor coating that is in fair to good condition.

Pool house restroom epoxy flooring

Club House Interiors. The club house interiors are expected to last their normal economic life provided no abuse or vandalism occurs. The current condition of the interiors is fair for the age of the building. Hardwood flooring, ceramic tile flooring and carpet are in fair condition considering the age.

Finishes, window treatments, appliances and furnishings are included as lump sum items. Some individual furnishings are beginning to show wear & tear or damage. The restrooms include the plumbing fixtures, tile and toilet compartments and are in good condition with minor damage to a toilet compartment in the men's room noted. The kitchen includes the cabinets, counters and appliances and is in fair condition. Specialized items such as the fire place are excluded. The exercise room carpet was replaced in 2014 or 2015.

Clubhouse wood floor is in fair overall condition with evidence scratches and dimples from high heels

Clubhouse furnishings are in fair overall condition

Kitchen is in fair overall condition

PLUMBING, MECHANICAL & ELECTRICAL

Plumbing Fixtures. The clubhouse and pool bath house plumbing fixtures are expected to provide a complete 30-year economic life and are expected to require a full replacement when the facilities are renovated. Toilets, urinals, lavatories, water fountains, utility sinks and hot water heaters that fail prematurely should be replaced as needed. The pool house water fountains display considerable deterioration due to exposure to the elements.

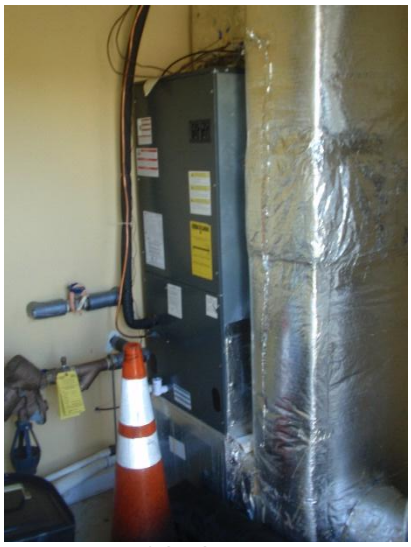
The Manager reported no current concerns or issues with any of the plumbing fixtures.

Kitchen sink is in fair condition

Bathroom lavatories are in good condition

Pool water fountains show some deterioration

Mechanical. The clubhouse is equipped with two heat pumps that are estimated to be 2 tons each. These units are reported to be original. The outdoor compressor units should last 10 - 15 years and the air handler should last 20+ years with proper service and maintenance. It is estimated the compressors have approximately two to four years of remaining life.



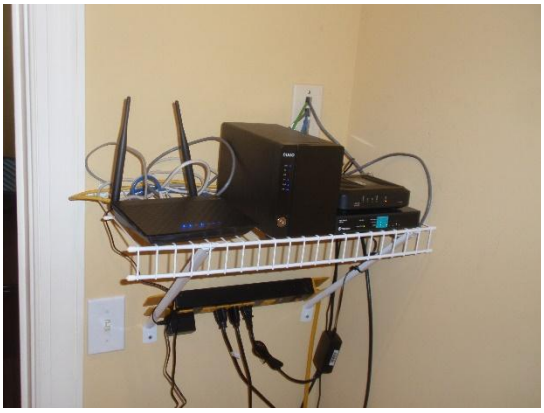
One of the heat pumps

One of the compressors

Electrical & Lighting. The interior and exterior lighting of the clubhouse and the pool bathhouse are expected to provide full normal economic life but may require partial replacement. The interior lighting should last 25-30 years and the exterior lighting should last 10-15 years. Electrical switchgear and panels for the common facilities are expected to provide a full normal economic life of 30+ years.

Security Devices. A CCTV camera and digital recorder have been added to the clubhouse/pool area in the past seven years and multiple proximity card readers and controls have been installed on the club house and pool gate. The circuitry and technology are part of a hi-tech industry that will improve over time and make these systems obsolete. Even if the system still functions adequately replacement is inevitable. At the time of replacement a 360 degree assessment of vulnerabilities, threats, and needs should be performed to design a new system that matches operating needs of the facility.

These were added to the inventory for the previous update per the BOD and Manager's request using the originally reported cost of these items.



Building security system should be updated when technology becomes obsolete

RECREATIONAL FACILITIES

Swimming Pool. The community operates an outdoor pool of concrete construction. The pool was winterized at the time of inspection and is reported to be in good overall condition. Listed below are the major components of the pool facilities:

- Pool Shell. The shell for the swimming pool is reported to be in good condition. Pool shells normally have a finite life of approximately 45 years. At that time, it may not be necessary to replace the entire structure. However, it is prudent to anticipate a major expenditure for replacement of underground lines and sections of the pool. Based on our research, we have found it to be prudent to program $70 +/- per square foot of pool surface to cover these needs.

- Pool Deck. The pool has a concrete paver deck. The overall condition of the deck is good. Because it is highly unlikely that all of the community's concrete pool deck sections will fail and require replacement at the same time, we have assumed a 500 SF area will be reset every 10 years.

- Whitecoat. The pool whitecoat is reported to be in good condition. We have assumed a service life of 10 years for the pool whitecoat.

- Coping. The pool is edged with masonry coping. The coping is reported to be in good condition.

- Waterline Tile. The waterline tile is reported to be in good condition. We have assumed that the waterline tile will be replaced or restored when the pool is whitecoated.

- Pump and Filter System. The filter system is reported to be in good operating condition. We have assumed a service life of 20 years for the filter system, and 10 years for the pump. The 5 hp pump is currently being serviced and may be nearing the end of its normal life. It is currently unknown if the pump will require a new motor or full replacement in the near future. The 2 original Triton sand filters are in fair condition and with back flushing and sand media replacement should provide several more years of life.

Pool is reported to be in good condition

Pool paver deck is in good condition

The pool pump has been removed for repair or replacement

Filters are in fair condition

Pool and Patio Furnishings. The patio furnishings at the clubhouse are in marginal overall condition. These remain outdoors all year long and display normal deterioration based on age, use and exposure.

The pool furniture was all in storage. The Manager reports that the furniture was all replaced in 2017 and therefore should be in very good condition.

Patio furniture is in marginal condition

Pool furniture is new

Tennis Courts. The community maintains a single tennis court located near the club house. The overall condition of this court is fair. Listed below are the major components of the tennis court facilities:

View of tennis court

- Asphalt Pavement. The asphalt pavement for the tennis court is in good condition with no cracks and splits that extend into the playing surface. We have assumed a service life of 20 years for the asphalt.
- Color Coat. The color coat on the tennis courts is in fair condition with minor defects in its finish within the playing area.
- Fencing. The fencing installed around the tennis courts is chain link and in fair overall condition based on its age. There were no noted defects. We have assumed that the fencing will be replaced when the asphalt pavement is replaced.
- Net Posts. The net posts are in fair condition. We have assumed that the new posts will be replaced when the asphalt pavement is replaced.

Fence is in fair overall condition

A split in the color coat at play surface was noted

Tot Lots. The community maintains one tot lot near the club house and pool. This tot lot includes a single multi-play structure, and a wood chip surface. The facility facilities are in generally good condition. A perimeter aluminum fence was installed in the past seven years to reduce the risk of children running into the adjacent parking stalls and drive aisle. The fence is in fair condition and was added to the inventory for the previous Level 2 update in 2013.

The safety of each individual piece of playground equipment as well as the layout of the entire play area should be considered when evaluating a playground for safety. The installation and maintenance of the protective surfacing under and around all equipment is crucial. Please note that the evaluation of the equipment and these facilities for safety is beyond the scope of this work.

Play equipment is in very good condition

Information for playground design and safety can be found in the "Public Playground Safety Handbook", U.S. Consumer Product Safety Commission (Pub Number 325). For a link to this handbook please see our web site at www.mdareserves.com/resources/links/recreation.

Our estimates for playground equipment are based on comparing photos of the existing equipment with equipment of a similar size in manufacturers' catalogs. We use the pricing that is quoted by manufacturers for comparable equipment and add 30% for the disposal of the old equipment and installation of new equipment.

Site Furnishings. There are two picnic tables installed near the play ground and tennis court. The tables display significant deterioration to the original finish since the previous study was performed. The normal economic life remains the same however, for aesthetic reasons it may be desirable to replace the tables sooner.

Tables are in marginal condition

Exercise Equipment. Fitness room equipment was originally excluded from initial reserve study as it was reported that the equipment was not the Associations. At the request of the BOD and Manager, equipment was added as some had recently been replaced in 2012-13. The equipment is of moderate quality and the condition and remaining life varies based on original age and level of usage. The Manager reports that these are not under an annual service contract for routine maintenance. The items included in the previous study (2013) have been updated as specific pieces are no longer present and some newer pieces have been acquired.

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

End of Condition Assessment

1. COMMON INTEREST DEVELOPMENTS - AN OVERVIEW

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

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

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

2. REPLACEMENT RESERVE STUDY

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

- Replacement Reserve Study Introduction. The introduction provides a description of the property, reviews the intent of the Replacement Reserve Study, and lists documents and site evaluations upon which the Replacement Reserve Study is based.

- Section A Replacement Reserve Analysis. Many components owned by the Association have a limited life and require periodic replacement. Therefore, it is essential the Association have a financial plan that provides funding for the timely replacement of these components in order to protect the safety, appearance, and value of the community. In conformance with American Institute of Certified Public Accountant guidelines, a Replacement Reserve Analysis evaluates the current funding of Replacement Reserves as reported by the Association and recommends annual funding of Replacement Reserves by two generally accepted accounting methods; the Cash Flow Method and the Component Method. Miller - Dodson provides a replacement reserve recommendation based on the Cash Flow Method in Section A, and the Component Method in the Appendix of the report.

- Section B Replacement Reserve Inventory. The Replacement Reserve Inventory lists the commonly owned components within the community that require periodic replacement using funding from Replacement Reserves. The Replacement Reserve Inventory also provides information about components excluded from the Replacement Reserve Inventory whose replacement is not scheduled for funding from Replacement Reserves.

  Replacement Reserve Inventory includes estimates of the normal economic life and the remaining economic life for those components whose replacement is scheduled for funding from Replacement Reserves.

- Section C Projected Annual Replacements. The Calendar of Projected Annual Replacements provides a year-by-year listing of the Projected Replacements based on the data in the Replacement Reserve Inventory.

- Section D Condition Assessment. Several of the items listed in the Replacement Reserve Inventory are discussed in more detail. The Condition Assessment includes a narrative and photographs that document conditions at the property observed during our visual evaluation.

- The Appendix is provided as an attachment to the Replacement Reserve Study. Additional attachments may include supplemental photographs to document conditions at the property and additional information specific to the property cited in the Conditions Assessment (i.e. Consumer Product Safety Commission, Handbook for Public Playground Safety, information on segmental retaining walls, manufacturer recommendations for asphalt shingles or siding, etc). The Appendix also includes the Accounting Summary for the Cash Flow Method and the Component Method.

3. METHODS OF ANALYSIS

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

- Cash Flow Method. The Cash Flow Method is sometimes referred to as the "Pooling Method." It calculates the minimum constant annual contribution to reserves (Minimum Annual Deposit) required to meet projected expenditures without allowing total reserves on hand to fall below the specified minimum level in any year.

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

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

  The Component Method treats each item in the replacement schedule as an individual line item budget. Generally, the Minimum Annual Contribution to Reserves is higher when calculated by the Component Method. The mathematical model for this method works as follows:

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

4. REPLACEMENT RESERVE STUDY DATA

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

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

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

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

5. DEFINITIONS

Adjusted Cash Flow Analysis. Cash flow analysis adjusted to take into account annual cost increases due to inflation and interest earned on invested reserves. In this method, the annual contribution is assumed to grow annually at the inflation rate.

Annual Deposit if Reserves Were Fully Funded. Shown on the Summary Sheet A1 in the Component Method summary, this would be the amount of the Annual Deposit needed if the Reserves Currently on Deposit were equal to the Total Current Objective.

Cash Flow Analysis. See Cash Flow Method, above.

Component Analysis. See Component Method, above.

Contingency. An allowance for unexpected requirements. Roughly the same as the Minimum Recommended Reserve Level to be Held on Account used in the Cash Flow Method of analysis.

Critical Year. In the Cash Flow Method, a year in which the reserves on hand are projected to fall to the established minimum level. See Minimum Recommended Reserve Level to be Held on Account.

Current Objective. This is the reserve amount that would have accumulated had the item been funded from initial construction at its current replacement cost. It is equal to the estimated replacement cost divided by the estimated economic life, times the number of years expended (the difference between the Estimated Economic Life and the Estimated Life Left). The Total Current Objective can be thought of as the amount of reserves the Association should now have on hand based on the sum of all of the Current Objectives.

Cyclic Replacement Item. A component item that typically begins to fail after an initial period (Estimated Initial Replacement), but which will be replaced in increments over a number of years (the Estimated Replacement Cycle). The Reserve Analysis program divides the number of years in the Estimated Replacement Cycle into five equal increments. It then allocates the Estimated Replacement Cost equally over those five increments. (As distinguished from Normal Replacement Items, see below)

Estimated Economic Life. Used in the Normal Replacement Schedules. This represents the industry average number of years that a new item should be expected to last until it has to be replaced. This figure is sometimes modified by climate, region, or original construction conditions.

Estimated Economic Life Left. Used in the Normal Replacement Schedules. Number of years until the item is expected to need replacement. Normally, this number would be considered to be the difference between the Estimated Economic Life and the age of the item. However, this number must be modified to reflect maintenance practice, climate, original construction and quality, or other conditions. For the purpose of this report, this number is determined by the Reserve Analyst based on the present condition of the item relative to the actual age.

Estimated Initial Replacement. For a Cyclic Replacement Item (see above), the number of years until the replacement cycle is expected to begin.

Estimated Replacement Cycle. For a Cyclic Replacement Item, the number of years over which the remainder of the component's replacement occurs.

Minimum Annual Deposit. Shown on the Summary Sheet A1. The calculated requirement for annual contribution to reserves as calculated by the Cash Flow Method (see above).

Minimum Deposit in the Study Year. Shown on the Summary Sheet A1. The calculated requirement for contribution to reserves in the study year as calculated by the Component Method (see above).

Minimum Recommended Reserve Level to be Held on Account. Shown on the Summary Sheet A1, this number is used in the Cash Flow Method only. This is the prescribed level below which the reserves will not be allowed to fall in any year. This amount is determined based on the age, condition, and replacement cost of the individual components. This number is normally given as a percentage of the total Estimated Replacement Cost of all reserve components.

Normal Replacement Item. A component of the property that, after an expected economic life, is replaced in its entirety. (As distinguished from Cyclic Replacement Items, see above.)

Normal Replacement Schedules. The list of Normal Replacement Items by category or location. These items appear on pages designated.

Number of Years of the Study. The numbers of years into the future for which expenditures are projected and reserve levels calculated. This number should be large enough to include the projected replacement of every item on the schedule, at least once. This study covers a 40-year period.

One Time Deposit Required to Fully Fund Reserves. Shown on the Summary Sheet A1 in the Component Method summary, this is the difference between the Total Current Objective and the Reserves Currently on Deposit.

Reserves Currently on Deposit. Shown on the Summary Sheet A1, this is the amount of accumulated reserves as reported by the Association in the current year.

Reserves on Hand. Shown in the Cyclic Replacement and Normal Replacement Schedules, this is the amount of reserves allocated to each component item in the Cyclic or Normal Replacement schedules. This figure is based on the ratio of Reserves Currently on Deposit divided by the total Current Objective.

Replacement Reserve Study. An analysis of all of the components of the common property of the Association for which a need for replacement should be anticipated within the economic life of the property as a whole. The analysis involves estimation for each component of its estimated Replacement Cost, Estimated Economic Life, and Estimated Life Left. The objective of the study is to calculate a recommended annual contribution to the Association's Replacement Reserve Fund.

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

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

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

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

What is a Reserve Study?
Who are we?

https://youtu.be/m4BcOE6q3Aw

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

https://youtu.be/40SodajTW1g

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

https://youtu.be/pYSMZO13VjQ

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

https://youtu.be/Qx8WHB9Cgnc

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

https://youtu.be/ZfBoAEhtf3E

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

https://youtu.be/1J2h7FIU3qw

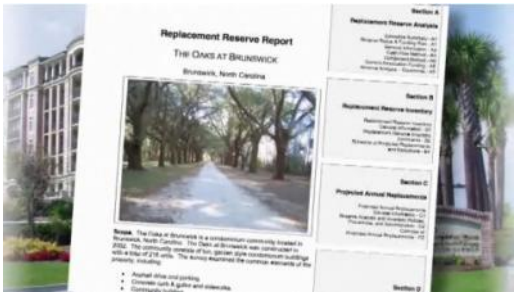
What is my role as a Board Member?
Will a Reserve Study meet my community's needs?

https://youtu.be/aARD1B1Oa3o

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

https://youtu.be/diZfM1IyJYU

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



https://youtu.be/qCeVJhFf9ag

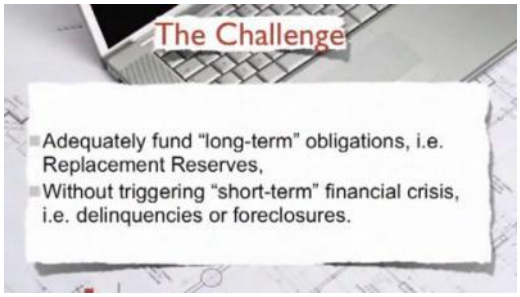
Where do the numbers come from?
Cumulative expenditures and funding, what?

https://youtu.be/SePdwVDvHWI

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

https://youtu.be/W8CDLwRIv68

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



https://youtu.be/hIxV9X1tIcA

Commonwealth of Virginia

STATE CORPORATION COMMISSION

Richmond, April 12, 2012

This is to certify that the certificate of incorporation of

Braemar Creek at Greensprings Plantation Condominium Association, Inc.

was issued and admitted to record in this office and that the said corporation is authorized to transact its business subject to all Virginia laws applicable to the corporation and its business. Effective date: August 4, 2005

State Corporation Commission
Attest:

Joel H. Peck
Clerk of the Commission

CIS0357

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, AUGUST 4, 2005

The State Corporation Commission has found the accompanying articles submitted on behalf of

Braemar Creek at Greensprings Plantation
Condominium Association, Inc.

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

CERTIFICATE OF INCORPORATION

be issued and admitted to record with the articles of incorporation in the Office of the Clerk of the Commission, effective August 4, 2005.

The corporation is granted the authority conferred on it by law in accordance with the articles, subject to the conditions and restrictions imposed by law.

STATE CORPORATION COMMISSION

By Mark C. Christie

Commissioner

CORPACPT
CIS0212

ARTICLES OF INCORPORATION
OF
BRAEMAR CREEK AT GREENSPRINGS PLANTATION CONDOMINIUM ASSOCIATION, INC.

In compliance with the requirements of Chapter 10 of Title 13.1 of the Code of Virginia of 1950, as amended, the undersigned this day, for the purpose of forming a non-stock, non-profit corporation does hereby certify:

ARTICLE I
NAME

The name of the corporation is Braemar Creek at Greensprings Plantation Condominium Association, Inc., hereinafter called the "Association".

ARTICLE II
PURPOSE AND POWERS OF THE ASSOCIATION

The Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purpose for which it is formed is to provide for maintenance, preservation, management, operating and architectural control of the condominium known as BRAEMAR CREEK AT GREENSPRINGS PLANTATION, A CONDOMINIUM, located in James City County, Virginia, and the Units and Common Elements (as defined in the Declaration hereinafter mentioned) to be provided for within that certain tract of property described in the Declaration of Condominium of Braemar Creek at Greensprings, a Condominium (heretofore and hereinafter referred to as "Declaration") and any amendments thereto, recorded or to be recorded in the Clerk's Office of the Circuit Court for the City of Williamsburg and James City County, Virginia; and to promote the health, safety and welfare of the residents within that certain Condominium Property (as defined in the Declaration) and for these purposes to:

1. Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration, as the same may be amended from time to time as therein provided, said Declaration being, by this reference, incorporated herein as if set forth at length; and, subject to any limitations set forth in the Declaration, to exercise the powers hereinafter enumerated;

2. Enforce the covenants, restrictions, easements, charges and liens provided for in the Declaration to be enforced by the Association;

3. Fix, levy, collect and enforce payment of by any lawful means, all charges or assessments pursuant to the terms of the Declaration and By-laws of the Association; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the Condominium Property;

4. 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;

5. Borrow money, and mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred; and

6. Have and exercise any and all powers, rights and privileges which a corporation organized under the aforesaid statutes of the Commonwealth of Virginia by law may now or hereafter have or exercise.

ARTICLES III
MEMBERSHIP

1. The Association shall be organized without any capital stock.

2. Every Unit Owner (as that term is defined in the Declaration) shall automatically become a member upon his acquisition of title to any Unit (as that term is defined in the Declaration) and said membership shall terminate automatically upon said Unit Owner being divested of title to such Unit, regardless of the means by which such ownership may be divested. The Declarant of the Condominium shall constitute the sole member of the Association, until such time as the Declaration has been placed or recorded in the Clerk's Office of the Circuit Court for James City County, Virginia, and some other person has become a Unit Owner, whereupon Declarant shall continue as a member with reference to any Unit which it continues to own.

3. No member shall have the power to convey, assign, mortgage, hypothecate or transfer in any manner, except as an appurtenance to his Unit, any part of, or any interest in, the Association or the real property of other funds and assets of the Association;

4. The Association shall have one class of members. The voting by the members of the Association shall be on the basis of one vote per unit owned by a member. The vote allocated to each Unit shall not be divisible.

ARTICLE IV
BOARD OF DIRECTORS

The affairs of this Association shall be managed by a board of directors, who need not be members of the Association. The number of directors shall be fixed by, and may be changed by amendment of, the By-laws.

ARTICLE V
MERGERS AND CONSOLIDATIONS

Subject to the provisions of the Declaration and to the extent permitted by law, the Association may participate in mergers and consolidations with other non-profit corporations

organized for the same purposes, provided that any such merger or consolidation shall have the consent of more than two-thirds of the votes of the members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be mailed to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

ARTICLE VI
REGISTERED AGENT

The post office address of the initial registered office is 1313 Jamestown Road, Suite 202, Williamsburg, Virginia 23185. The name of the city in which the initial registered office is located is Williamsburg. The name of the initial registered agent is Susan B. Tarley, who is a resident of Virginia and a member of the Virginia State Bar, and whose business address is the same as the initial registered office of the Association.

ARTICLE VII
INITIAL DIRECTORS

The number of directors constituting the initial board of directors shall be three (3), and the names and residence addresses of the persons who shall serve as initial directors are as follows:

Name	Address
Michele Z. Ball	4029 Ironbound Road, Suite 200 Williamsburg, VA 23185
Marc Sharp	4029 Ironbound Road, Suite 200 Williamsburg, VA 23185
Gary Werner	620 Village Drive, Suite E Virginia Beach, VA 23454

ARTICLE VIII
DURATION

The Association shall exist perpetually.

ARTICLE IX
AMENDMENT

Amendment of these articles may be made in the manner prescribed by the applicable statutes of the Commonwealth of Virginia.

DATED THIS 18th day of July, 2005.

Susan B. Tarley, Incorporator

AMENDED AND RESTATED BYLAWS
OF
BRAEMAR CREEK AT GREENSPRINGS PLANTATION, A CONDOMINIUM

TABLE OF CONTENTS

ARTICLE 1	GENERAL PROVISIONS
Section 1.1	Identity--Purpose
Section 1.2	Bylaws Subject to Other Documents
Section 1.3	Applicability
Section 1.4	Office
Section 1.5	Definitions
ARTICLE 2	MEMBERSHIP; VOTING; PROXIES
Section 2.1	Qualification of Members, etc.
Section 2.2	Corporate or Multiple Ownership of a Unit
Section 2.3	Voting; Proxy
Section 2.4	Voting
Section 2.5	Majority
ARTICLE 3	ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP
Section 3.1	Annual Meeting
Section 3.2	Special Meeting
Section 3.3	Notice of Meeting; Waiver
Section 3.4	Quorum
Section 3.5	Chairman
Section 3.6	Order of Business
Section 3.7	Parliamentary Rules

Prepared By: Inman & Strickler, PLC
575 Lynnhaven Parkway, Ste 200
Virginia Beach, VA 23452

Returned to Braemar Creek
4608 Courthouse St, Ste 205
Williamsburg, VA 23188

ARTICLE 4	BOARD OF DIRECTORS
Section 4.1	Management of Association
Section 4.2	Election of Directors
Section 4.3	Regular Meetings
Section 4.4	Special Meetings
Section 4.5	Waiver
Section 4.6	Quorum
Section 4.7	Presiding Officer
Section 4.8	Powers and Duties
Section 4.9	Resignation, Removal and Replacement of Directors
Section 4.10	Committees
Section 4.11	Proviso
ARTICLE 5	OFFICERS
Section 5.1	Generally
Section 5.2	President
Section 5.3	Vice President
Section 5.4	Secretary
Section 5.5	Treasurer
ARTICLE 6	FISCAL MANAGEMENT; ASSESSMENTS; LIENS
Section 6.1	General
Section 6.2	Operating Reserve Fund
Section 6.3	Payment of Assessments
Section 6.4	Proposed Budget
Section 6.5	Depository; Withdrawals
Section 6.6	Records
Section 6.7	Fiscal Year
Section 6.8	Acquisition of Units
Section 6.9	Acceleration of Payment of Installments of Assessments
Section 6.10	Proviso
Section 6.11	Lien
Section 6.12	No Election of Remedies
Section 6.13	Default in Payment of any Assessment; Lien

ARTICLE 7	COMPLIANCE
Section 7.1	Violation by Member; Remedies
Section 7.2	No Waiver
ARTICLE 8	LIABILITY OF UNIT OWNER; LIMITATION OF ASSOCIATION LIABILITY
Section 8.1	Liability of Unit Owner
Section 8.2	Limitation of Association Liability
Section 8.3	Surviving Liability
Section 8.4	Liability of Unit Owners to Managing Agent
Section 8.5	Charges for Violations of Rules, Etc.
Section 8.6	Arbitration of Warranty Disputes
ARTICLE 9	PARLIAMENTARY RULES
ARTICLE 10	AMENDMENTS TO BYLAWS
Section 10.1	Procedure for Amendments
Section 10.2	Approval Necessary; Recording
ARTICLE 11	BYLAWS PERTAINING TO USE AND DECORUM
Section 11.1	Definition
Section 11.2	Scope; Remedy for Violation
Section 11.3	Rules and Regulations
ARTICLE 12	INDEMNIFICATION OF OFFICERS AND DIRECTORS
ARTICLE 13	UNIT OWNERS RESPONSIBILITY CONCERNING LIENS AND TAXES
Section 13.1	Liens and Taxes
Section 13.2	Notice to Association
ARTICLE 14	ELECTRONIC CONDUCT OF BUSINESS
ARTICLE 15	MORTGAGES

Section 15.1	Notice to Board of Directors
Section 15.2	Notice of Unpaid Assessments
Section 15.3	Examination of Books
Section 15.4	Notice of Termination of Management Contracts
Section 15.5	Audited Financial Statements
Section 15.6	Other Mortgagees Rights
Section 15.7	Amendment to the Declaration of the Bylaws
ARTICLE 16	CONFLICT

AMENDED AND RESTATED BYLAWS
OF
BRAEMAR CREEK AT GREENSPRINGS PLANTATION, A CONDOMINIUM

THESE AMENDED & RESTATED BYLAWS are made this _____ day of _____, 20 ____ by BRAEMAR CREEK AT GREENSPRINGS PLANTATION, A CONDOMINIUM (hereinafter referred to as the "Association").

WHEREAS, there were submitted to record various Bylaws for Braemar Creek at Greensprings Plantation, A Condominium recorded on October 19, 2005 in the Clerk's Office of the Circuit Court of the County of James City and City of Williamsburg, in Instrument Number 050025018 ("Original Bylaws"); and

WHEREAS, the members of the Association ("Members") have determined that it is in the best interests of the Association to amend and restate the Original Bylaws; and

WHEREAS, the Original Bylaws are hereby replaced in their entirety with these "Amended & Restated Bylaws."

NOW, THEREFORE, the Association does hereby amend and restate the Bylaws in the following manner:

ARTICLE 1. GENERAL PROVISIONS.

1.1. Identity--Purpose. These are the Amended and Restated Bylaws of **BRAEMAR CREEK AT GREENSPRINGS PLANTATION, A CONDOMINIUM** (the "Association"). This Association has been organized for the purpose of administering the affairs of BRAEMAR CREEK AT GREENSPRINGS PLANTATION, A CONDOMINIUM.

1.2. Bylaws Subject to Other Documents. The provisions of these Bylaws are applicable to said Condominium and are expressly subject to the terms, provisions and conditions contained in the Declaration of Condominium (referred to herein as "Declaration") recorded in the Clerk's Office of the Circuit Court of the County of James City and City of Williamsburg, Virginia simultaneously herewith and immediately prior hereto.

1.3. Applicability. All Unit Owners, tenants and Occupants, their agents, servants, invitees, licensees and employees and others that use the Condominium Property, or any part thereof, are subject to these Bylaws and the Declaration referred to in Article 1.2 hereof.

1.4. Office. The office of the Association shall be at the Condominium Property or such other place designated by the Board of Directors of the Association.

1.5. Definitions. All definitions set forth in the Declaration and Exhibits attached thereto are hereby adopted by reference as though set forth herein verbatim.

ARTICLE 2. MEMBERSHIP; VOTING; PROXIES

2.1. Qualification of Members, etc. The qualification of members, the manner of their admission to membership and termination of such membership, and voting by members shall be as set forth in the Declaration and in these Bylaws.

2.2. Corporate or Multiple Ownership of a Unit. The vote of the owners of a Unit owned by more than one person or by a corporation, or other entity shall be cast by the person named in a certificate designating the "Voting Member". Such certificate will be signed by all of the owners of such Unit, or the proper corporate officer, filed with the Secretary of the Association, and shall be valid until revoked by subsequent certificate. Where the ownership of the Unit is in more than one person, if the person designated in such certificate is not present or if such a certificate is not so filed, then any person having an ownership interest in such Unit who is present shall be entitled to cast the vote of such Unit. In such event, if more than one owner is present, then the vote of the Unit shall be cast only in accordance with their unanimous consent.

2.3. Voting; Proxy. Votes may be cast in person or by proxy. Any proxy must be filed with the Secretary before the appointed time of the meeting. The proxy must be duly executed by or on behalf of the Unit Owner, or, in cases where the Unit owner is more than one person, by or on behalf of all such persons. No such proxy shall be revocable except by actual notice to the person presiding over the meeting, by the Unit Owner or by any of such persons, that it be revoked. Any proxy shall be void if it is not dated or if it purports to be revocable without notice as aforesaid. The proxy of any person shall be void if not signed by a person having authority at the time of the execution thereof, to execute deeds on behalf of that person. Any proxy shall terminate after the first meeting held on or after the date of that proxy or any

recess of adjournment of that meeting held within 30 days. The proxy shall include a brief explanation of the effect of leaving the proxy uninstructed.

2.4. Voting. Each Unit shall be allocated one (1) vote in the Association subject to the provisions of Article 2.3 hereof. The vote of such Unit shall not be divisible.

2.5. Majority. Except where otherwise required by the provisions of the Articles, these Bylaws, the Declaration, or where the same may otherwise be required by Law, the affirmative vote of the Unit Owners having a majority of the votes represented at any duly called meeting at which a quorum is present shall be binding upon the members.

ARTICLE 3. ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP.

3.1. Annual Meeting. The annual members meeting shall be held at least once each calendar year at the time and location designated on the notice thereof, for the purpose of electing Directors and transacting any other business authorized to be transacted by members.

3.2. Special Meeting. Special meetings shall be held when called by the President or Vice President or by a majority of the Board of Directors. Special meetings must be called by such officers upon a request of a majority of the votes in the Association. Notices of special meetings shall be given as set forth below except that in the case of an emergency, fourteen (14) days' notice will be deemed sufficient.

3.3. Notice of Meeting; Waiver. Notice of all members' meetings shall be given by the Secretary or such other appointed officer of the Association, to each member, unless such notice is waived in writing. Such notice will be written and will state the time, place and purpose for which the meeting is called. Such notice shall be given or mailed to each member at their respective Units or such other address as the Unit Owner may have designated by notice, in writing, to the Association, not less than twenty-one (21) days nor more than sixty (60) days prior to the date set for such meeting. If hand delivered, the appointed officer shall certify in writing that notice was delivered to the Unit Owner. If mailed, such notice shall be deemed to be properly given when deposited in the United States mail, postage prepaid, addressed to the member at his post office address as it appears on the records of the Association. Notice shall also be conspicuously posted on the Condominium Property.

3.4. Quorum. Persons having more than ten percent (10%) of the total votes of the Association shall constitute a quorum. The joinder of a member in the action of a meeting by signing and concurring in the minutes thereof within ten (10) days from the date thereof, shall constitute the presence of such person for the purpose of determining a quorum. If a quorum is not present at any meeting of the members of the Association, the President may adjourn such meeting to a time not less than forty-eight (48) hours after the date of the original meeting. Notice of the new date shall be mailed or delivered to all Unit Owners of record. At such subsequent meeting, the presence in person or by proxy of ten percent (10.00%) of the total votes entitled to be cast by all members of the Association shall constitute a quorum.

3.5. Chairman. At a meeting of membership, the President shall preside, or in his absence, the Board of Directors shall select a chairman.

3.6. Order of Business. The order of business at annual members' meetings, and, as far as practical, at any other members' meeting, shall be:

3.6.1. Calling of the roll, certifying of proxies and determination of quorum;

3.6.2. Proof of notice of meeting or waiver of notice;

3.6.3. Reading of minutes of preceding meeting;

3.6.4. Reports of Officers;

3.6.5. Reports of Committees;

3.6.6 Election of Directors (when so required);

3.6.7. Unfinished business;

3.6.8. New business; and

3.6.9. Adjournment.

3.7. Parliamentary Rules. Roberts Rules of Order (latest edition) shall govern the conduct of the Association proceedings when not in conflict with the Declaration, the Articles, these Bylaws, or with the Condominium Act.

ARTICLE 4. BOARD OF DIRECTORS.

4.1. Management of Association. The affairs of the Association shall be managed by a Board of Directors (hereinafter referred to as the "Board") consisting of not less than three (3) persons and not more than five (5) persons. The number of Directors to serve for the ensuing year shall be established by the Board, then serving, at the time it causes the notice of the annual members' meeting to be provided to the members.

4.2. Election of Directors. Election of Directors shall be conducted in the following manner:

4.2.1. Election of directors shall be held at the annual meeting. At each subsequent annual meeting, members shall elect Directors to fill the terms which are expiring for a term of 2 years.

4.2.2. A nominating committee of three (3) members shall be appointed by the then existing Board not less than thirty (30) days prior to the annual members' meeting. The Committee shall nominate one person for each Director then serving. Nominations may be made from the floor.

4.2.3. Except as to vacancies created by removal of Directors by members, vacancies in the Board occurring between annual meetings of members shall be filled by a majority vote of a quorum of the Board after notice. A Director elected by the Board to fill such a vacancy shall serve the remainder of the term.

4.2.4. No person shall be eligible for election as a member of the Board of Directors unless he is (alone or together with one or more other persons) a Unit Owner. No person shall be elected as a member of the Board of Directors or shall continue to serve as a member of the Board of Directors if he is more than thirty (30) days delinquent in his financial obligations to the Association. Lastly, no person shall be eligible for election if that person has outstanding violation of the governing documents.

4.2.5. The election shall be by secret ballot and by a plurality of the votes cast. There shall be no cumulative voting.

4.2.6. The organizational meeting of a newly elected Board shall be held within ten (10) days of their election, at such time and at such place as shall be fixed by the Directors at the meeting at which they were elected and no further

notice of the organizational meeting shall be necessary, provided, a quorum shall be present.

4.3. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of the time and purpose of regular meetings shall be given to each Director, personally or by mail, telephone or electronic mail, at least three (3) days prior to the day named for such meeting, unless notice is waived. Meetings shall be open to all Unit Owners except in those circumstances for which the Condominium Act allows meetings of the Board to be closed to the Unit Owners, and notice thereof shall be posted conspicuously on the Condominium Property at least three (3) days in advance, except in an emergency.

4.4. Special Meetings. Special meetings of the Board may be called by the President or any other two officers. Except in an emergency the notice shall be given as provided in Article 4.3 above and shall state the time, place and purpose of the meeting.

4.5. Waiver. Any Director may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Director, in person or by telephone communication, shall be deemed a waiver. 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 the meeting.

4.6. Quorum. A quorum at a Directors' meeting shall consist of the Directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Board except as specifically otherwise provided for in the Articles, these Bylaws or the Declaration. If any Directors' meeting cannot be held because a quorum has not attended, or because the greater percentage of the Directors required to constitute a quorum for particular purposes have not attended, the Directors who are present may adjourn the meeting, from time to time, until the requisite quorum is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for all purposes including determining a quorum, provided that the same be accomplished within ten (10) days from the date of the meeting.

4.7. Presiding Officer. The presiding officer at Directors' meetings shall be the President. In the absence of the presiding officer, the Directors present shall designate one of their number to preside. The Secretary, or such other designated officer, shall keep a minutes book of the Director's meeting.

4.8. Powers and Duties. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Condominium. The powers and duties of the Association may, subject to the limitations set forth herein and in the Condominium Act, be exercised by the Board, in the Board's sole discretion. Such powers shall include, without limiting the generality of the foregoing, the following:

4.8.1. To prepare and adopt an annual budget of the Association in which there shall be established the assessments of each Unit Owner upon majority vote of the Directors.

4.8.2. To make, levy and collect assessments against members and members' Units to defray the costs and expenses of the Condominium and Common Expenses, and to use the proceeds of said assessments in the exercise of the powers and duties granted to the Association.

4.8.3. To provide for the maintenance, repair, replacement, operations, improvements and management of the Condominium wherever the same is required to be done and accomplished by the Association for the benefit of its members.

4.8.4. It is understood that assessments must be sufficient to provide for the payment of all anticipated current operating expenses and for all of the unpaid operating expenses previously incurred. Accordingly, the Board is given the power to adopt special assessments providing for any previously unanticipated expenses. Special assessments shall be limited to those items which are necessary and all other items which can reasonably be deferred to the regular budgetary meeting shall be so deferred.

4.8.5. To make or contract for the making of repairs, additions and improvements to or alterations of the Property and repairs to and restoration of the Property, in accordance with these Bylaws, after casualty, or as a result of condemnation or eminent domain proceedings.

4.8.6. To adopt, amend, promulgate and enforce rules and regulations

governing the details of the operation and use of the Units and Common Elements, real and personal, in the Condominium.

4.8.7. To acquire, operate, lease, manage and otherwise trade and deal with property, real and personal, including Units in the Condominium on behalf of the Association, as may be necessary or convenient in the operation and management of the Condominium and in accomplishing the purposes set forth in the Declaration.

4.8.8. To contract on behalf of the Association for the management of the Condominium Property and to delegate to such manager such powers and duties of the Association as the Directors deem fit.

4.8.9. To enforce, by legal means, the provisions of the Condominium Instruments and the Rules and Regulations promulgated governing the use of the Condominium Property, including, without limitation, the assessment of fines against Unit Owners for violations of the Condominium Instruments and the Rules and Regulations in accordance with the provisions of § 55-79.80:2 of the Condominium Act.

4.8.10. To cause the Association to pay all taxes and assessments of any type which affect any part of the Condominium Property, other than Units (unless owed by the Association) and the appurtenances thereto, and to assess the same against the members of and their respective Units.

4.8.11. To cause the Association to carry insurance for the protection of the members and the Association against casualty and liability as required by the Declaration.

4.8.12. To cause the Association to pay all costs of power, water, sewer and other utility services rendered to the Condominium which is not the specific responsibility of the owners of the separate Units.

4.8.13. To cause the Association to employ personnel, for reasonable compensation, to perform services required for proper administration of the purposes of the Association, including accountants, attorneys, contractors and other professionals.

4.8.14. The Association shall have the right, when determined by the Board of Directors to be in the best interests of the Condominium, to grant exclusive

licenses, easements, permits, leases, or privileges to any individual or entity, including Non-Unit Owners, which affect Common Elements and to alter, add to, relocate or improve Common Elements.

4.8.15. To do such other things and acts not inconsistent with the Condominium Act and the Condominium Instruments, including, without limitation, such things or acts which it may be authorized to do by a resolution of the Association.

4.9. Resignation, Removal and Replacement of Directors. A Director may resign by giving written notice thereof. A Director shall be deemed to have resigned upon his termination of membership to the Association or upon his default for thirty (30) days of any of the provisions or covenants of Condominium Instruments.

Should the members of the Association at any duly convened regular or special meeting desire, they may remove any Director with or without cause by the vote or agreement in writing by a majority of all members and a successor may immediately be elected to fill the vacancy thus created. Should the membership fail to elect a successor, the Board may fill the vacancy.

4.10. Committees. The Board may delegate portions of its responsibilities to committees established for that purpose.

4.11. Proviso. Notwithstanding anything herein contained to the contrary, the Directors shall not have the right or authority to do any act or take any action wherein the same would limit, modify or abridge the rights, privileges and immunities of the Declarant as set forth in the Condominium Instruments.

ARTICLE 5. OFFICERS.

5.1. Generally. The principal officers of the Association shall be a President, a Vice President, a Treasurer, and a Secretary, all of whom shall be elected annually by the Directors and who may be peremptorily removed by a majority vote of the Directors at any meeting. Any person may hold two or more offices, except the President shall not also be the Secretary. The Board may, from time to time, elect such other officers and designate to manage the affairs of the Association, as it deems appropriate.

5.2. President. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in

the office of President of an association, including, but not limited to the power to appoint committees from among the members, from time to time, as he may, in his discretion, determine appropriate to assist in the conduct of the affairs of the Association. The President shall be a member of the Board and shall serve as its Chairman.

5.3. Vice President. The Vice President shall in the absence or disability of the President, exercise the power and perform the duties of President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the directors or President.

5.4. Secretary. The Secretary shall keep the minutes of all meetings of the Directors and the members, attend to the giving and serving of all notices to the members, Directors and mortgagees, if required, have custody of the seal of the Association and affix the same to instruments requiting a seal when duly signed, keep the nonfinancial records of the Association, and shall perform all other duties incident to the office of Secretary of an association and as may be required by the Directors or President.

5.5. Treasurer. The Treasurer shall have custody of all of the funds, securities and evidences of indebtedness of the Association. He shall keep the assessment rolls and accounts of the members and the books of the Association in accordance with good accounting practice and shall perform all other duties incident to the office of Treasurer.

ARTICLE 6. FISCAL MANAGEMENT; ASSESSMENTS; LIENS.

The provisions for fiscal management of the Association set forth in the Declaration shall be supplemented by the following provisions:

6.1. General. The Board of Directors shall fix and determine the sums necessary to pay all the Common Expenses, and other fees of the Condominium, including maintenance of proper Commons, pursuant to the provisions of the Declaration, Articles and these Bylaws. The same shall be assessed against the Unit Owners as provided in the Declaration and all the Exhibits attached thereto.

6.2. Operating Reserve Fund. The Board of Directors of the Association in assessing for Common Expenses may include therein a sum to be collected and maintained as a general operating reserve which shall be used to provide a measure of financial security during periods of special stress. Such sums may be used to

meet deficiencies from time to time existing as a result of delinquent payment of assessments by Unit Owners or as a result of emergencies.

6.3. Payments of Assessments. Except as specified to the contrary, funds for the payment of Common Expenses shall be assessed against the Unit Owners in the proportions provided in the Declaration. Said Assessments shall be payable monthly, without notice, unless otherwise required by the Board. Special Assessments, should such be required by the Board, shall be levied in the same manner as hereinbefore provided for regular Assessments, except notice thereof shall be given, and shall be payable in the manner determined by the Board. FAILURE TO PAY ANY ASSESSMENT WITHIN TEN (10) DAYS FROM THE DATE DUE, SHALL ENTITLE THE ASSOCIATION TO LEVY A LATE CHARGE AGAINST THE DEFAULTING UNIT OWNER OF $30.00 AND A LIKE AMOUNT EACH THIRTY DAYS THEREAFTER IF SUCH ASSESSMENT IS NOT PAID. THE PARTIES AGREE THAT THE LATE CHARGE IS NOT A PENALTY BUT IS VALID LIQUIDATED DAMAGES. This amount may be increased by the Board of Directors unless prohibited by the Virginia Condominium Act.

6.4. Proposed Budget. A copy of the proposed one (1) year budget shall be mailed to Unit Owners not less than thirty (30) days prior to the meeting at which the budget will be considered together with a notice of the meeting. If the proposed budget is not adopted prior to the start of the new budget period, an assessment shall be presumed to be made in the amount of the last prior assessment and monthly installments on such assessments shall be due upon each installment payment date until changed by an amended assessment. In the event the assessments prove to be insufficient, the budget and assessments shall be amended at a meeting called for that purpose.

6.5. Depository; Withdrawals. The depository of the Association shall be such bank or banks as shall be designated, from time to time, by the Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the Directors. Should the Association employ a Managing Agent, and should in the course of such employment said Managing Agent be charged with any responsibilities concerning control of any of the funds of the Association, then, and in such event, any Agreement with such Managing Agent pertaining to the deposit and withdrawal of monies shall supersede the provisions hereof during the term of any such agreement.

6.6. Records. The Association shall maintain those records and make

available written summaries thereof as required by the Condominium Act and the Declaration. In addition, a financial statement shall be prepared annually and supplied to the membership prior to the adoption of the next ensuing year's budget.

6.7. Fiscal Year. The fiscal year of the Association shall begin on the first day of January of each year; provided, however, that the Board is expressly authorized to adopt a different fiscal year in accordance with the provisions and regulations established from time to time by the Internal Revenue Code of the United States of America, at such time as the Board deems advisable. The budget year shall begin on January 1" of each year.

6.8. Acquisition of Units. At any foreclosure sale of a Unit, the Association or its designee may acquire the Unit being foreclosed. The term "foreclosure" as used in this Article, shall mean and include any foreclosure of any lien, including a lien for assessments. The power of the Association to acquire a Unit at any foreclosure sale, the provisions hereof being permissive in nature and for the purpose of setting forth the power of the Association. The Association may also acquire Units, in the event damaged Units are not restored, pursuant to the provisions of Article 11 of the Declaration.

6.9. Acceleration of Payment of Installments of Assessments. If a Unit Owner shall be in default in the payment of an installment upon any assessment, the Board, in its discretion, may accelerate the remaining installments for the next twelve month period. Upon notice thereof to the Unit Owner the accelerated assessment shall immediately become due upon the date stated in the notice, which shall not be less than fifteen (15) days after delivery of or the mailing of such notice to the Unit Owner.

6.10. Proviso. In the event that any person or Institutional Lender shall acquire title to any Unit by virtue of either foreclosure of a first mortgage or deed of trust, or a deed in lieu thereof, such acquirer of title, his successors and assigns, shall not be liable for the share of Common Expenses or assessments by the Association pertaining to the Condominium Unit or chargeable to the former Unit Owner to the Unit which became due prior to acquisition of title as a result of the foreclosure, unless the share is secured by a claim of lien for assessments that is recorded prior to the recording of the foreclosed mortgage or deed of trust. Nothing herein contained shall be construed as releasing the party liable for such delinquent assessment from the payment thereof or the enforcement of collection of said payment by means other than foreclosure. Following said acquisition, all Unit Owners of any nature, including, without limitation, a purchaser at a judicial

sale or Institutional Lender, shall be liable for all assessments coming due while they are Unit Owners.

6.11. Lien. The Association is hereby granted a lien upon each Condominium Unit, together with a lien on all tangible personal property located within said Unit (except that such lien upon the aforesaid tangible personal property shall be subordinate to prior bona fide liens of record), which lien shall secure the payment of monies from each Unit Owner for which he is liable to the Association, including all assessments, interest and expenses provided for in this Declaration and sums advanced on behalf of the unit owner in payment of his obligations as set forth in the Condominium Instruments and reasonable attorney's fees incurred as an incident to the enforcement of said lien. The lien granted to the Association may be foreclosed as provided in the Condominium Act. The lien granted to the Association shall further secure such advances for taxes and payments on accounts of Institutional Lenders, liens or encumbrances which may be advanced by the Association in order to protect its lien. The lien shall be effective, have priority, and be collected as provided by the Condominium Act, unless, by the provisions of this Declaration, such liens would have a greater priority or dignity, in which event, the lien rights in favor of the Association having the highest priority and dignity shall be the lien of the Association.

6.12. No Election of Remedies. The institution of a suit at law for collection of any delinquent assessment may be maintained without waiving the lien securing the same. Proceeding by foreclosure to attempt to effect such collection shall not be deemed an election precluding the institution of suit at law for collection of the same. All Unit Owners do hereby waive pleading the theory of "elections of remedies" in any such proceeding.

6.13. Default in Payment of any Assessment; Lien. In the event of a default by a Unit Owner in the payment of any assessment, the Association shall have all rights and remedies provided by law, including, but not limited to, those provided by the Condominium Act, and the liability of the Owner of the Condominium Unit shall include liability for late charges, reasonable attorney's fee and for court costs incurred by the Association incident to the collection of such assessment or enforcement of its lien. If the Association elects to enforce its lien by foreclosure, the Unit Owner shall be required to pay a reasonable rent for the Condominium Unit, to be fixed by the Board, and the Association shall be entitled to the appointment of a receiver to collect same. Nothing herein contained shall bar a suit to recover a money judgment for unpaid assessments without waiving the lien securing the same, nor shall it bar the Association from pursuing any other remedy available at law or

equity, or by virtue of the Condominium Act or the Condominium Instruments. A Unit Owner who becomes delinquent in the payment of any assessment for thirty (30) days also loses his right to vote in the Association.

ARTICLE 7. COMPLIANCE.

7.1. Violation by Member: Remedies. In the event of a violation (other than the nonpayment of an assessment) by the Unit Owner of any of the provisions of the Condominium Instruments, or Rules and Regulations adopted pursuant to any of same and/ or the Condominium Act, the Association shall notify the Unit Owner by written notice of said breach, transmitted by mail, and if such violation shall continue for a period of ten (10) days from the date of notice, the Association shall have the right to treat such violation as an intentional, inexcusable and material breach thereof, and the Association may then pursue any remedy available. No action taken shall be deemed an "election of remedies". Upon a finding by the Court that the violation complained of has occurred, the offending Unit Owner shall reimburse the Association (or Managing Agent, if any) for all costs and losses including reasonable attorneys' fees and costs incurred in bringing such action. Failure on the part of the Association to maintain such action at law or in equity within thirty (30) days from date of a written request, signed by a Unit Owner and sent to the Association, shall authorize any Unit Owner to bring an action in equity or suit at law on account of the violation, in the manner provided in the Condominium Act. Any violations which are deemed by the Board to be a hazard to public health or safety may be corrected immediately as an emergency matter by the Association, and the cost thereof shall be charged to the Unit Owner as a specific item and shall be a lien against said Unit with the same force and effect as if the charge was a part of the Common Expenses attributable to such Unit Owner. In the event of a non-continuing default making the notice period impractical, the Association may take such punitive action, including, but not limited to, the suspension of privileges for reasonable periods of time without a corresponding reduction in assessments. In any instance where a fine is to be imposed as a result of violations of the Condominium Instruments or the Rules and Regulations, said fines must be imposed in accordance with the requirements of § 55-79.80:2.B of the Code of Virginia, as such sections may be amended or replaced from time to time.

The Association shall have the power to (i) suspend a Unit Owners' right to use facilities or services, including utility services, provided directly through the Association for nonpayment of Assessments which are more than sixty (60) days past due, to the extent that access to the Unit through the Common Elements is not

precluded and provided that such suspension shall not endanger the health, safety, or property of any Unit Owner, tenant, or Occupant and (ii) assess charges against any Unit Owner for any violation of the Condominium Instruments or of the rules or regulations promulgated pursuant thereto for which such Unit Owner or his family members, tenants guests or other invitees are responsible.

Before any such suspension or charges may be imposed, the Association must give written notice to the Unit Owner of the alleged violation at the Unit Owners' last known address on file with the Association in the same manner as provided below for hearing notices and the Unit Owner shall be given a reasonable opportunity to correct the violation. If the violation remains uncorrected, the Unit Owner shall be given an opportunity to be heard and to be represented by counsel before the executive organ or such other tribunal as the Condominium Instruments or rules adopted pursuant thereto specify. Notice of such hearing, including the charges or other sanctions that may be imposed, shall, at least fourteen (14) days in advance thereof, be hand delivered or mailed by registered or certified United States mail, return receipt requested, to such Unit Owner at the address or addresses required for notices of meetings pursuant to § 55-79.75 of the Virginia Condominium Act. The amount of any charges so assessed shall not exceed fifty dollars for a single offence, or ten dollars per diem for any offense of a continuing nature or such other greater amount as may be permitted by the Virginia Condominium Act, and shall be treated as an Assessment against such Unit Owner's Condominium Unit for the purposes of § 55-79.84 of the Virginia Condominium Act. However, the total charges for any offense of a continuing nature shall not be assessed for a period exceeding ninety days or such greater time period as shall be permitted by the Condominium Act. After the date a lawsuit is filed challenging any such charges, no additional charges shall accrue. If the court rules in favor of the Association, it shall be entitled to collect such charges from the date the action was filed as well as all other charges assessed pursuant to § 55-79.80 of the Virginia Condominium Act against the Unit Owner prior to the action. The hearing result shall be hand delivered or mailed by registered or certified mail, return receipt requested, to such Unit Owner at the address required for notices of meetings pursuant to § 55-79.75 of the Virginia Condominium Act within seven (7) days of the hearing.

7.2 No Waiver. The failure of the Association or of a Unit Owner to enforce any right, provision, covenant or condition which may be granted by any of the provisions of the Governing Documents shall not constitute a waiver of the right of the Association or Unit Owner to enforce such right, provision, covenant or condition in the future.

ARTICLE 8. LIABILITY OF UNIT OWNER; LIMITATION OF ASSOCIATION LIABILITY.

8.1. Liability of Unit Owners. All Unit Owners shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by that of any member of his family, or his or their guests, employees, agents, or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in insurance rates occasioned by use, misuse, occupancy or abandonment of any Unit or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights or subrogation. The expense of any maintenance, repair or replacement required shall be charged to said Unit Owner as a specific item and shall be a lien against said Unit Owner with the same force and effect as if the charge was a part of the Common Expenses attributable to such Unit Owner's Unit.

8.2 Limitation of Association Liability. Notwithstanding the duty of the Association to maintain and repair the Condominium Property, neither it nor any officer of director shall be liable for injury or damage caused by a latent condition in the property nor for injury or damage caused by the Common Elements, or by other Unit Owners or persons.

8.3 Surviving Liability. Termination of membership in the Association shall not relieve said party from any liability, financial or otherwise, incurred by said party while a member and shall in no way impair any rights that the Association has, or may have had, against the terminating member.

8.4. Liability of Unit Owners to Managing Agent. Article 6 above shall include any assessment due by virtue of a Management Agreement with a Managing Agent (if any) and such Managing Agent shall also have the right to bring such actions and the right to obtain such relief in its own name, including damages, attorneys' fees and costs, to enforce the provisions thereof.

8.5. Charges for Violations of Rules, Etc. The Association shall have the power, in accordance with the provisions of § 55-79.80:2. of the Condominium Act, as amended from time to time, to assess charges against any Unit Owner for any violation of the Condominium Act, the Condominium Instruments, or of the Rules and Regulations promulgated pursuant thereto for which such Unit Owner or his family members, tenants, guests, or other invitees are responsible. Before any such charges may be assessed, the Unit Owner shall be given an opportunity to be heard

and to be represented by counsel before the Board. Notice of such hearing shall, at least fourteen (14) days in advance thereof, be hand delivered or mailed by registered or certified United States mail, return receipt requested, to such Unit Owner at the address or addresses required for notices of meetings pursuant to § 55-79.75 of the Condominium Act. The amount of any charges so assessed shall not exceed fifty dollars for a single offense or ten dollars per diem for any offense of a continuing nature, and shall be treated as an assessment against such Unit Owners' Condominium Unit for the purpose of § 55-79.84 of the Condominium Act.

8.6. Arbitration of Warranty Disputes. With respect to the Units and Common Elements herein submitted, and for all Units and Common Elements submitted in subsequent phases of the Condominium, the Declarant, the Association and each Unit Owner acknowledge and agree that any dispute between a Unit Owner and the Declarant or the Association and the Declarant arising out of or relating to the Declarant's warranty pursuant to § 55-79.79(b) of the Virginia Condominium Act or Declarant's warranty under any other written warranty made and delivered by Declarant to the Association and/ or the Unit Owner, shall be settled by final and binding arbitration in accordance with the Construction Arbitration Services or other National Home Insurance Company/Home Buyers Warranty approved rules applicable to the home warranty industry in effect at the time of the arbitration.

ARTICLE 9. PARLIAMENTARY RULES.

Roberts' Rules of Order (latest edition) as determined by the Board of Directors shall govern the conduct of Association proceedings when not in conflict with the Declaration, these Bylaws, or with the Condominium Act.

ARTICLE 10. AMENDMENTS TO BYLAWS.

Amendments to Bylaws as hereinafter defined and provided for, shall be proposed and adopted in the following manner to the extent that such provisions do not conflict with § 55-79.71 of the Code of Virginia (1950), as amended, and the provisions of Article 14 of the Declaration:

10.1. Procedure for Amendments. The procedure to amend these Bylaws shall be the same as required for amendment of the Declaration as set forth in Article 14 thereof.

10.2. Approval Necessary; Recording. An amendment to the Bylaws may be proposed by either a majority vote of the Board of Directors of the Association, or by

a 66 2/3% vote of the members present at a duly called and noticed meeting. Such meeting shall be called by the President upon presentation of a petition signed by Unit Owners representing at least twenty five percent (25%) of the Units. The proposed amendment shall be distributed to the members along with a notice of the date, time, and place of the meeting at which the amendment will be discussed. Notice shall be given in a manner provided for in the Bylaws. The meeting shall be informational only; no vote shall be taken at the meeting and no quorum is required.

In order for such amendment or amendments to become effective, the same must be approved in writing by members having 66-2/3% of the votes in the Association. Thereupon, such amendment or amendments to these Bylaws shall be transcribed, certified by the President or a Vice President, recorded in the appropriate Clerk's Office of the Circuit Court and a copy thereof mailed to all Members.

Notwithstanding the foregoing, the Board of Directors may amend these Bylaws to comply with the requirements of The Department of Housing and Urban Development (HUD), the Department of Veterans Affairs (VA), Fannie Mae, Freddie Mac and/or any other lending agency without the consent of the Unit Owners or their mortgagees, inasmuch as it is the intent that the Condominium Instruments comply with all laws and regulations promulgated by the foregoing entities or agencies.

ARTICLE 11. BYLAWS PERTAINING TO USE AND DECORUM.

11.1. Definition. "Use" and "Decorum" as used herein shall refer to matters pertaining to conduct, noise, use of Units and of the Common Elements.

11.2. Scope; Remedy for Violation. These Bylaws are reasonably calculated to promote the welfare of the Unit Owners. The violation of such Bylaws shall bar any Unit Owner or his family and invitees from the use of the Common Elements, as the Board may deem appropriate, and shall subject any person violating the same to any liability imposed by the Declaration and these Bylaws.

11.3. Rules and Regulations. The Board of Directors may promulgate rules and Regulations concerning the use of the Condominium Property and decorum of the Unit Owners and their family members, guests and tenants.

ARTICLE 12. INDEMNIFICATION OF OFFICERS AND DIRECTORS.

The Association shall and does hereby indemnify and hold harmless every

director and every officer, his heirs, executors and administrators, against all loss, cost and expense reasonably incurred by him in connection with any action, suit or proceeding, unless he shall be found liable for gross negligence or guilty of willful misconduct. The foregoing rights shall be in addition to, and not exclusive of, all other rights to which such director or officer may be entitled. The Association may, if available, at the Association's expense, purchase officer's and Director's liability insurance and shall cause the officers and Directors serving, from time to time, to be named insureds.

ARTICLE 13. UNIT OWNERS RESPONSIBILITY CONCERNING LIENS AND TAXES.

13.1. Liens and Taxes. All liens against a Condominium Unit, other than for permitted mortgages, taxes or special assessments, shall be satisfied or otherwise removed within ten (10) days of the date the lien attaches. All taxes and special assessments upon a Condominium Unit shall be paid at least thirty (30) days before becoming delinquent or as provided in the Declaration, or these Bylaws, whichever is sooner.

13.2. Notice to Association. A Unit Owner shall give notice to the Association of every lien upon his Unit other than for permitted mortgages, taxes and special assessments, within five (5) days after the attaching of the lien.

ARTICLE 14. ELECTRONIC CONDUCT OF BUSINESS

Virginia Code § 55-79.71:1, effective July 1, 2010, permits votes, notices, signatures, consents, and approvals to be accomplished using the most advanced technology available at that time if such use is a generally accepted business practice, unless the condominium instruments provide otherwise. The provisions of this statute and any amendments thereto shall apply to the Association.

ARTICLE 15. MORTGAGES.

15.1 NOTICE TO BOARD OF DIRECTORS. A Unit Owner who mortgages his Unit shall notify the Board of Directors of the name and address of his Mortgagee. The Board of Directors shall maintain such information in a book entitled "Mortgagees of Units."

15.2 NOTICE OF UNPAID ASSESSMENTS. The Board of Directors, whenever so requested in writing by an Institutional Lender holding a first mortgage

on a Condominium Unit, shall promptly report any then unpaid assessments due from, or any other default by, the owner of the mortgaged Unit.

15.3. EXAMINATION OF BOOKS. Each Unit Owner and each Institutional Lender holding a first mortgage on a Condominium Unit shall be permitted to examine the books of account of the Association at reasonable times and upon reasonable notice, on a business day, but not more often than once a month.

15.4. NOTICE OF TERMINATION OF MANAGEMENT CONTRACTS. The Board of Directors shall notify the Institutional Lender having the maximum number of first mortgages on Condominium Units in the Condominium in writing of the termination of any management contract within ten (10) days of receipt or issuance of any notice of such termination by either the Association or the Managing Agent. Notwithstanding the foregoing, the prior written approval of the Institutional Lender having the maximum number of first mortgages on Condominium Units in the Condominium shall be required to effectuate any decision by the Association to terminate professional management and assume self-management of the Condominium.

15.5. AUDITED FINANCIAL STATEMENTS. Every Institutional Lender holding a first mortgage on a Condominium Unit shall be entitled to receive, upon written request, a copy of the annual financial statement within sixty (60) days following the end of the Association's fiscal year.

15.6. OTHER MORTGAGEES RIGHTS. Every Institutional Lender holding a first mortgage on a Condominium Unit or their representatives shall be entitled to attend meetings of the Unit Owners Association and shall have the right to speak thereat. In addition thereto, every Institutional Lender holding a first mortgage on a Condominium Unit shall have the right to examine the books and records of the Condominium and require the submission of annual financial reports and other budgetary information.

15.7 AMENDMENT TO THE DECLARATION OR TO THE BYLAWS. Except as otherwise permitted by the Condominium Instruments, the prior written approval of the Institutional Lender having the maximum number of first mortgages on Condominium Units in the Condominium will be required for any material amendment to the Declaration of Bylaws of the Unit Owners Association.

ARTICLE 16. CONFLICT.

In the event of any conflict between the Bylaws contained herein, or from time to time amended or adopted, and the Declaration, the Declaration shall prevail.

Dated this 1st day of October, 2018.

BRAEMAR CREEK AT GREENSPRINGS PLANTATION, A CONDOMINIUM

By: _____
President

PURSUANT TO VIRGINIA CODE § 55-79.71

COMMONWEALTH OF VIRGINIA,
CITY OF James City County to wit:

The foregoing instrument was acknowledged this 1st day of October, 2018, before me, the undersigned Notary Public, by George Ogorzaly, President and duly authorized officer of Braemar Creek at Greensprings Plantation, A Condominium, on behalf of the Association, who did state the requisite number of Unit Owners had ratified the aforesaid Amended and Restated Bylaws by signing a document so stating.

_____
Notary Public

My commission expires: 07/31/2022

Notary Registration No: 7762555

{NOTARY STAMP REQUIRED}

SHAWNA NICOLE COSBY NOTARY PUBLIC REG # 7762555 MY COMMISSION EXPIRES 7/31/2022 COMMONWEALTH OF VIRGINIA

INSTRUMENT 180015928
RECORDED IN THE CLERK'S OFFICE OF
WMSBG/JAMES CITY CIRCUIT ON
October 4, 2018 AT 03:28 PM
MONA A. FOLEY , CLERK
RECORDED BY: JLZ

OFFICIAL RECEIPT
WILLIAMSBURG/JAMES CITY COUNTY CIRCUIT
DEED RECEIPT

DATE : 10/04/2018 **TIME :** 15:29:11 **CASE # :** 830CLR180015928
RECEIPT # : 18000031992 **TRANSACTION # :** 18100400159
CASHIER : JLZ **REGISTER # :** B350 **FILING TYPE :** OTHER **PAYMENT :** FULL PAYMENT
INSTRUMENT : 180015928 **BOOK :** **PAGE :** **RECORDED :** 10/04/2018 **AT :** 15:28
GRANTOR : BRAEMAR CREEK AT GREENSPRINGS PLANTATION **EX :** N **LOC :** CO
GRANTEE : BRAEMAR CREEK AT GREENSPRINGS PLANTATION **EX :** N **PCT :** 100%
RECEIVED OF : FRANTZ, BEVERLY
ADDRESS :
CHECK : $38.00 **CHECK NUMBER :** 5786
DESCRIPTION 1 : INST 050025018 AMENDED BY LAWS **PAGES :** 025 **OP :** 0
NAMES : 0
CONSIDERATION : $0.00 **A/VAL :** $0.00 **MAP :** **PIN :**

ACCOUNT CODE	DESCRIPTION	PAID
035	VOF FEE	$1.00
106	(TTF) TECHNOLOGY TRUST FUND FEE (CIRCUIT COURT)	$5.00
145	VSLF	$1.50

ACCOUNT CODE	DESCRIPTION	PAID
301	DEEDS	$28.50
423	E-RECORDING DEED PAPER FILING	$2.00

TENDERED : $ 38.00
AMOUNT PAID : $ 38.00

BRAEMAR CREEK AT GREENSPRINGS PLANTATION CONDOMINIUM ASSOCIATION
MAINTENANCE RESPONSIBILITY CHART

Unit Elements	General Maintenance, Repair & Replacement Responsibility	Financial Responsibility
Lath/Wallboard/ Plasterboard/Plaster	**UNIT OWNER**	**UNIT OWNER**
Finished Interior Flooring		
Finished Interior Ceiling		
Finished Interior Walls		
Exterior walls made of glass or glass fired to metal framing		
Chutes/Flues/Ducts/Conduits/ Electric Wires/Outlets serving only one Unit		
Interior and exterior Portions of the Windows and Window Frame		
Interior and Exterior Glass Sliding Doors, Frames and Casings		
Air Conditioning/Heating System and Fan Units		
Plumbing Fixtures and Connections		
Water and Sewer Lines		
Refrigeration		
Patio and/or Balcony and any exterior or interior portion thereto		
Interior Fixtures/Improvements		
Dryer Vent*		
Dishwashers and Other Appliances		
Any other portion of the Unit as therein defined in Article 4 of the Declaration		

BRAEMAR CREEK AT GREENSPRINGS PLANTATION CONDOMINIUM ASSOCIATION
MAINTENANCE RESPONSIBILITY CHART

Limited Common Elements	General Maintenance, Repair & Replacement Responsibility	Financial Responsibility
Assigned Parking Space	**ASSOCIATION**	**ALL UNIT OWNERS**
Single Width Driveway	**BENEFITED UNIT OWNER**	**BENEFITED UNIT OWNER**
Any Apparatus Serving a Single Unit, including but not limited to chimneys, doorsteps, etc.	**BENEFITED UNIT OWNER**	**BENEFITED UNIT OWNER**
Fencing	**ASSOCIATION**	**ALL UNIT OWNERS**
Roofs		

General Common Elements	General Maintenance, Repair & Replacement Responsibility	Financial Responsibility
Unassigned Parking Spaces	**ASSOCIATION**	**ALL UNIT OWNERS**
Common Area Landscaping		
Sidewalks		
Pool/Club House Areas		

* EXCEPTION: All maintenance, repair and replacement responsibilities are assigned to the Unit Owners EXCEPT for dryer vent cleaning, in which the Association will contract to have performed, but with the financial responsibility assigned to the Unit Owners as part of the regular monthly assessments. *See Maintenance Resolution dated December 30, 2008.*

NOTE: The governing authority for the above-referenced maintenance chart can be found in the following sections of the Association's legal documents, as well as in Virginia Code § 55-79.50:

Article 4 of the Declaration
Amended Article 13, Section 13.01 of the Declaration
Article 13, Section 13.02 of the Declaration

Revised February 2012

AMENDED AND RESTATED DECLARATION OF BRAEMAR CREEK AT GREENSPRINGS PLANTATION, A CONDOMINIUM

TABLE OF CONTENTS

ARTICLE 1	PURPOSE; NAME, ADDRESS AND LOCATION; LEGAL DESCRIPTION.	
	Section 1.1	Name, Address, and Location
	Section 1.2	Legal Description
	Section 1.3	Effect
ARTICLE 2	DEFINITION OF TERMS	
ARTICLE 3	INTEREST IN COMMON ELEMENTS; OWNERSHIP AND BOUNDARIES OF UNITS	
	Section 3.1	Interest in Common Elements and Units
	Section 3.2	Unit Boundaries
	Section 3.3	Structural Integrity Easement
	Section 3.4	Maintenance Easement
	Section 3.5	Air Conditioning/Heating/Mechanical
	Section 3.6	Parking
ARTICLE 4	SUBDIVIDING OF UNITS; COMBINATION OF UNITS	
ARTICLE 5	EASEMENTS	
	Section 5.1	Perpetual Non-Exclusive Easement
	Section 5.2	Utility Easements
	Section 5.3	Ingress and Egress Easement
	Section 5.4	Granting of Easements

GPINS: SEE ATTACHED EXHIBIT A

PREPARED BY: INMAN & STRICKLER, PLC
575 LYNNHAVEN PARKWAY, SUITE 200
VIRGINIA BEACH, VA 23452

Returned to Braemar Creek
4808 Courthouse St, Ste 205
Williamsburg, VA 23188

	Section 5.5	Easement for Unintentional and Non-Negligent Encroachments
	Section 5.6	Use
ARTICLE 6	COMMON EXPENSE; COMMON SURPLUS	
ARTICLE 7	ADMINISTRATION OF THE CONDOMINIUM; THE ASSOCIATION; MEMBERSHIP; REPORTS TO MEMBERS AND LENDERS; VOTING	
	Section 7.1	The Association
	Section 7.2	Conflicts Between Governing Documents
	Section 7.3	Membership
	Section 7.4	Powers of the Association and Board of Directors
	Section 7.5	Reports to Lenders
	Section 7.6	Insurance Reporting
	Section 7.7	Voting
	Section 7.8	Management Agreement
	Section 7.9	Limitation of Association Liability
ARTICLE 8	USE AND OCCUPANCY; USE OF COMMON ELEMENTS; LEASING; RULES AND REGULATIONS; SECURITY	
	Section 8.1	Use and Occupancy
	Section 8.2	Leasing of Condominium Units
	Section 8.3	Rules and Regulations
	Section 8.4	Sign Restriction
	Section 8.5	Security
ARTICLE 9	MAINTENANCE AND REPAIR OF THE CONDOMINIUM PROPERTY; ALTERATIONS AND IMPROVEMENTS	
	Section 9.1	Maintenance by Association
	Section 9.2	Maintenance by Unit Owners
	Section 9.3	Liability of Unit Owner for Damages
	Section 9.4	Loss Prevention and Allocation of Responsibility
	Section 9.5	Application of Insurance Proceeds
	Section 9.6	Right of Entry by Association

	Section 9.7	Alterations and Improvements
	Section 9.8	Conformity of Maintenance, Style and Materials
ARTICLE 10	APPORTIONMENT OF TAX OR SPECIAL ASSESSMENT IF LEVIED OR ASSESSED AGAINST THE CONDOMINIUM PROPERTY	
	Section 10.1	Responsibility
	Section 10.2	Personal Property Tax
ARTICLE 11	INSURANCE PROVISIONS; REPAIR AND RECONSTRUCTION AFTER CASUALTY	
	Section 11.1	Purchase of Insurance
	Section 11.2	Cost and Payment of Premiums
	Section 11.3	Cost and Payment of Deductibles
	Section 11.4	Unit Owner's Responsibility
	Section 11.5	Coverage
	Section 11.6	Insurance Trustee
	Section 11.7	Association as Agent
	Section 11.8	Repair and Reconstruction After Casualty
	Section 11.9	Effect of Mortgagee Endorsements Concerning Insurance Proceeds
	Section 11.10	Authority of Association; Board of Directors
ARTICLE 12	ASSESSMENTS; LIABILITY FOR COMMON EXPENSES, LIENS AND ENFORCEMENT; CONDEMNATION	
	Section 12.1	General Authority
	Section 12.2	Capital Contributions
	Section 12.3	Payment of Assessments
	Section 12.4	Emergencies
	Section 12.5	Reserves
	Section 12.6	Separate Property
	Section 12.7	Default
	Section 12.8	No Waiver
	Section 12.9	Lien
	Section 12.10	Late Charge

	Section 12.11	Proviso Regarding Foreclosure
	Section 12.12	Certificate of Status of Assessments
	Section 12.13	Succession of Delinquent Assessments
	Section 12.14	No Election of Remedies
	Section 12.15	Liens - Mechanics
	Section 12.16	Condemnation
	Section 12.17	Restraints on Alienation
	Section 12.18	Records
	Section 12.19	Fiscal Year
	Section 12.20	Depository; Withdrawals
	Section 12.21	Proposed Budget
	Section 12.22	Acquisition of Units
ARTICLE 13	TERMINATION	
	Section 13.1	Destruction
	Section 13.2	Agreement
	Section 13.3	Certificate
	Section 13.4	Shares of Owners After Termination
	Section 13.5	Exclusive Rights Extinguished by Termination
	Section 13.6	Amendment
ARTICLE 14	AMENDMENTS	
ARTICLE 15	REMEDIES	
	Section 15.1	Relief
	Section 15.2	Costs and Attorney's Fees
	Section 15.3	No Waiver
	Section 15.4	Rights Cumulative
	Section 15.5	Venue; Waiver of Trial by Jury
	Section 15.6	Appointment of Agent: Proviso
ARTICLE 16	NOTICES	
ARTICLE 17	CONSTRUCTION	
ARTICLE 18	GENDER	

ARTICLE 19 CAPTIONS

ARTICLE 20 SEVERABILITY

ARTICLE 21 MORTGAGEE RIGHTS

Section 21.1 Material Amendments
Section 21.2 Extraordinary Action

AMENDED AND RESTATED DECLARATION OF BRAEMAR CREEK AT GREENSPRINGS PLANTATION, A CONDOMINIUM

THIS AMENDED AND RESTATED DECLARATION is made this _____ day of _____, 2018 by the Braemar Creek at Greensprings Plantation, A Condominium (hereinafter referred to as the "Association").

WHEREAS, there was submitted to record that certain Declaration of Braemar Creek at Greensprings Plantation, A Condominium dated October 17, 2005 and duly recorded in the Clerk's Office of the Circuit Court of the County of James City, Virginia in Instrument Number 050025017 (hereinafter referred to as the "Original Declaration"); and

WHEREAS, a majority of the Board of Directors of the Association (the "Board") has determined that it is in the best interests of the Association to amend and restate the Declaration; and

WHEREAS, Section 20.02 of the Original Declaration provides for the procedures to amend the Declaration and it allows for amendment by agreement of not less than sixty-six and two-thirds percent (66 2/3%) of the Board of directors and not less than sixty-six and two-thirds percent (66 2/3%) of the members of the Association (hereinafter "Owner" and/or "Unit Owners"); and

WHEREAS, this Amended and Restated Declaration (also referred to herein as "Declaration") shall become effective when duly recorded in the Clerk's Office of the Circuit Court of the County of James City, Virginia, together with a certification, signed by the principal officer of the Association, that the requisite majority of the owners signed the amendment or ratifications thereof.

NOW, THEREFORE, the Association does hereby amend and restate the Original Declaration and any and all amendments thereto, in the following manner:

All prior Declarations and Amendments are hereby replaced in their entirety with this "Amended and Restated Declaration of Condominium."

1. PURPOSE; NAME, ADDRESS AND LOCATION; LEGAL DESCRIPTION.

1.1. Name, Address and Location. The name of this Condominium is BRAEMAR CREEK AT GREENSPRINGS PLANTATION, A CONDOMINIUM. The current address of the Condominium is 3401 Monticello Avenue, Williamsburg, Virginia.

1.2 Legal Description. The real property depicted as "Submitted Land Phase One Common Element," Area = .1306 acres on Exhibit A of the Original Declaration, and being more particularly described on Exhibit B of the Original Declaration, and all amendments to the Original Declaration, together with all Condominium Plats and Plans duly recorded in the Clerks' Office of the Circuit Court of James City County, Virginia, which submitted Additional Land to the Condominium are the lands previously submitted to condominium ownership. Such property is subject to such easements, restrictions, reservations and rights of way of record, together with those contained or provided in this instrument.

1.3. Effect. All of the provisions of this Amended and Restated Declaration of Condominium shall be binding upon all Unit Owners and are enforceable equitable servitudes running with the land and existing in perpetuity until this Amended and Restated Declaration is revoked and the Condominium is terminated as provided herein. All Unit Owners, their heirs, personal representatives, successors and assigns, and all parties claiming by, through or under such Persons are bound by the provisions hereof. Both the burdens imposed and the benefits granted by this instrument shall run with each Unit as herein defined.

2. DEFINITION OF TERMS.

The terms used in this Declaration shall have the meanings stated as follows, unless the context otherwise requires:

2.1. "Assessment" means a share of the funds required for the payment of Common Expenses which is assessed against the Unit Owners from time to time.

2.2. "Association" means BRAEMAR CREEK AT GREENSPRINGS PLANTATION, A CONDOMINIUM, a non-stock, non-profit Virginia corporation, which is the entity responsible for the operation of the Condominium.

2.3. "Board" or "Board of Directors" means the Board of Directors of the Association responsible for the administration of the Association.

2.4. "Bylaws" means the Bylaws of the Association as they exist from time to time.

2.5 "Capital Contribution"means the payment required at closing from the Purchaser equal to three (3) months of regular assessment, which sum shall be placed in the Association's account as part of the reserve fund.

2.6. "Common Elements" means all portions of the Condominium Property other than the Units.

2.7. "Common Expenses" means all expenditures lawfully made or incurred by or on behalf of the Association, together with all funds lawfully assessed for the creation and/or maintenance of reserves pursuant to the provisions of the Condominium Instruments.

2.8. "Common Profits" means the excess of all receipts of the Association, including, but not limited to, Assessments, rents, profits and revenues on account of the Common Elements, in excess of the amount of Common Expenses.

2.9. "Condominium" means that form of ownership of real property which is created pursuant to the laws of the Commonwealth of Virginia which is comprised of Units that may be owned by one or more Persons and there is appurtenant to each Unit an undivided share in the Common Elements. The term shall also mean BRAEMAR CREEK AT GREENSPRINGS PLANTATION, A CONDOMINIUM, as established by the Original Declaration.

2.10. "Condominium Act" means the Condominium Act of the Commonwealth of Virginia as set forth in § 55-79.39, et seq., of the Code of Virginia of 1950, as the same exists at the time of recording this Declaration in the Clerk's Office of the Circuit Court of the County of James City, Virginia and as the same may be amended from time to time.

2.11. "Condominium Instruments" shall be a collective term referring to this Declaration, Bylaws, plats and plans, recorded pursuant to the provisions of the Condominium Act and any recorded amendments thereto. Any exhibit, schedule or certification accompanying a Condominium Instrument and recorded simultaneously

therewith shall be deemed an integral part of that Condominium Instrument. Any amendment or certification of any Condominium Instrument shall, from the time of the recordation of such amendment or certification, be deemed an integral part of the affected Condominium Instrument, so long as such amendment or certification was made in accordance with the provisions of the Condominium Act and this Declaration.

2.12. "Condominium Property" means and includes the land and personal property hereby subjected to Condominium ownership and all improvements thereon and all easements and rights appurtenant thereto intended for use in connection with the Condominium.

2.13. "Condominium Unit" means a Unit together with the undivided interest in the Common Elements appertaining to that Unit.

2.14. "Declarant" means Greensprings Plantation, L.L.C., a Virginia limited liability company, duly organized under the laws of the Commonwealth of Virginia, its successors and assigns, which has created this Condominium.

2.15. "Declaration" means this instrument.

2.16. "Institutional Lender" means a state or federal savings or commercial bank or savings and loan association or trust company, insurance company, real estate investment trust, pension fund, or an agency of the United States Government, mortgage company or like entity holding a mortgage on a Unit, and their successors and assigns.

2.17. "Limited Common Element" shall mean a portion of the Common Elements reserved for the exclusive use of those entitled to the use of one or more, but less than all, of the Units.

2.18. "Neighborhood" shall mean the separate residential area as designated herein to be the (i) Braemar Creek Condominiums with garages; or the (ii) Braemar Creek Condominiums without garages.

2.19. "Neighborhood Common Elements" shall mean those portions of the Common Areas which are designated as Neighborhood Common Areas in the governing documents and which are for the primary use and enjoyment of Unit Owners residing in such neighborhood.

2.20. "Occupant" means the Person or Persons other than the Unit Owner in actual possession of a Unit.

2.21. "Person" means a natural person, corporation, partnership, association, trust or other entity capable of holding title to real property, or any combination thereof.

2.22. "Submitted Lands" means those lands which are hereby and herein submitted to condominium ownership.

2.23. "Unit" means a portion of the Condominium designed and intended for individual ownership and use together with the undivided interest in the Common Elements appertaining to that Unit.

2.24. "Unit Owner" means one or more Persons who own a Condominium Unit

The definitions herein contained shall prevail as the context requires whether or not the same are capitalized in their usage herein.

3. INTEREST IN COMMON ELEMENTS; OWNERSHIP AND BOUNDARIES OF UNITS.

3.1. Interest in Common Elements and Units. Each Unit Owner shall own, as an appurtenance to his Unit, an equal interest in the Common Elements. The percentage of undivided interest of each Unit shall not be changed without the unanimous consent of all Unit Owners. No Unit Owner shall bring an action for partition or division of his undivided interest in the Common Elements. Each Unit Owner shall own his Unit in fee simple absolute, in addition to the undivided fee simple interest as a tenant in common with the Unit Owners, in Common Elements.

3.2. Unit Boundaries. A Unit consists of an individual structure and adjacent areas lying within the boundaries described in paragraphs 3.2.1. through 3.2.2.2

3.2.1. Horizontal Boundary: Upper and Lower Boundaries.

The upper and lower boundaries of the Unit shall be the following boundaries extended to an intersection with the perimetrical boundaries:

3.2.1.1. Upper Boundary: The horizontal plane of the upper surface of the sheetrock wallboard comprising the undecorated finished ceiling of the upper floor or upper level of the Unit.

3.2.1.2. Lower Boundary: The horizontal plane of the undecorated upper surface of the sub-floor, immediately below the finished floor.

3.2.2. Perimetrical Boundary: The perimetrical boundaries of the Unit shall be the vertical planes of the exterior surface of the sheetrock wallboard comprising the interior walls bounding the Unit extended to intersections with each other and with the Upper and Lower Boundaries.

3.2.2.1. Where there is an aperture in any perimetrical boundary, including, but not limited to windows and doors, the vertical boundary shall be extended at all such places, at right angles, to the dimension of such aperture, so that the perimetrical boundary at such places shall be coincident with the exterior finished surface of such aperture, including the framework thereto. Exterior walls made of glass or glass fired to metal framing, exterior windows and frames, exterior glass sliding doors, frames and casings, shall be included within the Unit and shall not be deemed a Common Element.

3.2.2.2 The interior partitions within a Unit, including the ceilings and floors between the floors within a two story Unit are part of said Unit. The patio which services a particular Unit are part of the Unit. Where the patio adjoins any building, the perimetrical boundary of the Unit becomes the exterior surface of the patio. Any fencing as originally constructed by the Declarant shall not be included within the Unit, but shall be deemed a Limited Common Element.

3.3 Structural Integrity Easement. There shall exist, as a Common Element, an easement for structural integrity affecting all of the partitions and floors within each Unit, so that none will be altered, rearranged or removed in any manner which would harmfully affect the structural integrity of the building of which it is a part

3.4. Maintenance Easement. There shall exist, as a Common Element, an easement through each Unit for the pipes, conduits, plumbing, wiring or other facilities for the furnishing of utility services to the Units, ties for the furnishing of utility services to the Units and the Common Elements, and for maintaining, repairing, servicing and replacing same. Any pipes (including water pipes), electrical wires, plumbing, drains or other utility services serving only one Unit are appurtenant to such Unit and are not part of the Common Elements.

3.5 Air Conditioning/Heating/Mechanical. Notwithstanding any of the provisions of this Paragraph 3 to the contrary, the air conditioning, refrigerating, heating and electrical lines within the Unit, and the heating/air conditioning unit (heat pump), fan units, water and sewer lines, and other apparatus in connection therewith, which serve an individual unit (wherever located), shall be owned by the Unit Owner as a part of the Unit and are not part of the Common Elements.

3.6. Parking. There shall be assigned to each Unit within the Braemar Creek Condominiums without charge, the exclusive right to use one single width driveway appurtenant to the Unit or a parking space, such assignment to be made as a Limited Common Element by this Declaration or by the Board of Directors, and may be made on the plat depicting the Unit. Such space shall be used only by the Unit Owner and such Unit Owner's guests and invitees. All other unassigned parking spaces located on the Braemar Creek Condominiums shall be available on a first-come, first-served basis, however, the Board of Directors, by Rule and Regulations adopted from time to time, may limit the number of cars owned or operated by the occupants of any Unit that may be parked on the Condominium Property. The Board of Directors shall have the right, but not the obligation, to assign parking spaces, or impose further restrictions as the Board deems necessary.

4. SUBDIVIDING OF UNITS; COMBINATION OF UNITS

No Unit may be divided or subdivided into smaller Units. One or more Units may be combined upon obtaining the consent of the Board of Directors, which consent may not be unreasonably withheld, and upon the written agreement of the Unit owner of the affected Units that all Assessments will be made based on the original number of Units. Any relocation of boundaries between adjoining Units shall be subject to the requirements of the Virginia Condominium Act.

5. EASEMENTS

5.1. Perpetual Non-Exclusive Easement. The Common Elements are hereby declared to be subject to a perpetual nonexclusive easement in favor of all of the Unit Owners in the Condominium for their use and the use of their immediate families, guests, and invitees for all proper and normal purposes, including the providing of services for the benefit of all Units. The Neighborhood Common Elements are hereby declared to be subject to a perpetual nonexclusive easement in favor of all of the Unit Owners residing in the Neighborhood for their use and the use of their immediate families, guests, and invitees for all proper and normal purposes, including the providing of services for the benefit of all Units

5.2. Utility Easements. Utility easements are reserved and granted through the Condominium Property as may be required for construction and maintenance of utility services in order to adequately serve the Condominium.

5.3. Ingress and Egress Easement. A non-exclusive easement for ingress and egress is hereby created for pedestrian traffic over, through and across sidewalks, paths, walks, driveways, passageways, and lanes as the same, from time to time, may exist upon the Common Elements and the Neighborhood Common Elements; and for vehicular traffic over, through and across such portions of the Common Elements and the Neighborhood Common Elements as, from time to time, may be paved and intended for such purposes.

5.4. Granting of Easements. The Board of Directors shall have the right to create for others, or reserve unto itself, such easements as are necessary to accomplish the purposes referred to in this paragraph 5. Further, the Board of Directors shall have the unequivocal right, without the joinder of any other party, to grant such easements within the Common Elements (ingress, egress and maintenance) to such parties as the Board of Directors deems fit.

5.5 Easement for Unintentional and Non-Negligent Encroachments. In the event that any Unit or Common Element or Limited Common Element shall encroach upon any other Unit, Common Element or Limited Common Element for any reason other than the willful and intentional act of any person done with the intention to encroach, then an easement appurtenant to such affected shall exist for so long as such encroachment shall naturally exist. If any part of the initial improvements encroach as stated above, it shall be deemed that such encroachment was not a "purposeful act" done with the intention to encroach.

5.6 Use. The use of any easement by a Unit Owner shall be subject to all of the provisions of this Declaration and such rules, regulations and restrictions as may be imposed by the Association, as the same may exist from time to time.

6. COMMON EXPENSE; COMMON SURPLUS.

Subject to other provisions hereof, each Unit shall share in the Common Profits and be liable for the Common Expenses in the same percentage as the percentage representing the undivided interest of each Unit in the Common Elements. The right to share in the Common Profits does not include the right to withdraw or to require payment or distribution thereof except upon termination and dissolution of the Condominium.

7. ADMINISTRATION OF THE CONDOMINIUM; THE ASSOCIATION; MEMBERSHIP; REPORTS TO MEMBERS AND LENDERS; VOTING.

7.1. The Association. The Association shall administer the operation and management of the Condominium Property and undertake and perform all acts and duties incident thereto in accordance with the provisions of this Declaration and the Condominium Act.

7.2 Conflicts Between Governing Documents. If there are conflicts or inconsistencies between the Condominium Act, the Virginia Non-stock Corporation Act, this Declaration, the Articles of Incorporation (if any) and the Bylaws (collectively the "Governing Documents"), then the provisions of the Condominium Act, the Virginia Non-stock Corporation Act, as may be applicable, the Declaration, the Articles of Incorporation (if any) and the Bylaws, in that order, shall prevail, and each Unit Owner, by acceptance of a deed or other conveyance therefor, covenants to vote in favor of such amendments as will remove such conflicts or inconsistencies.

7.3. Membership. Each Unit Owner shall automatically become a member of the Association upon his acquisition of title to any Unit and said membership shall terminate automatically upon said Unit Owner being divested of title to such Unit, regardless of the means by which ownership may be divested. No Person holding a lien, mortgage or other encumbrance upon any Unit shall be entitled, by virtue thereof, to membership in the Association or to any of the rights or privileges of such membership.

7.4. Powers of the Association and Board of Directors. In the administration of the Condominium, the Association shall have, and is hereby granted, the authority and power to enforce the provisions of the Condominium Instruments, levy and collect assessments, and to adopt, promulgate and enforce such Rules and Regulations governing the use of the Units and Common Elements as the Board of Directors of the Association may deem to be in the best interest of the Condominium. The Association shall have all of the powers and duties set forth in the Condominium Instruments and the Condominium Act. Further, the Association shall have the right, when determined by the Board of Directors to be in the best interest of the Condominium, to grant exclusive licenses, easements, permits, leases or privileges to any individual or entity, including Non-Unit Owners, which affect Common Elements and to alter, add to, relocate or improve Common Elements, provided that the rights and the exercise thereof are not in abrogation of the requirements of the Condominium Act.

7.5 Reports to Lenders.

7.5.1. So long as an Institutional Lender of any Unit is the owner or holder of a mortgage or deed of trust encumbering a Unit in the Condominium the Association shall furnish said Institutional Lender with one (1) copy of the annual financial statement and report of the Association pertaining to the Unit upon which the mortgage is held, provided said Institutional Lender requests same in writing.

7.5.2. A first mortgagee, upon written request, will be entitled to written notification from the Association of any default in the performance by the individual Unit Owner of any obligation under the Condominium Instruments which is not cured within sixty (60) days.

7.6. Insurance Reporting. In any legal action in which the Association may be exposed to liability in excess of insurance coverage protecting it and the Unit Owners, the Association shall give notice of the exposure within a reasonable time to all Unit Owners who may be exposed to the liability and they shall have the right to intervene and defend.

A copy of each insurance policy obtained by the Association shall be made available for inspection by Unit Owners at reasonable times.

7.7. Voting. The voting of each Unit Owner shall be governed by the provisions of the Bylaws.

7.8. Management Agreement. The Association may enter into an agreement with any Person, firm or corporation for the administration, maintenance and repair of the Condominium Property and may delegate to such contractor or manager such of the powers and duties of the Association as the Association and such Person, firm or corporation shall agree.

7.9 Limitation of Association Liability. Notwithstanding the duty of the Association to maintain and repair the Condominium Property, the Association shall not be liable for injury or damage caused by a latent condition in the property nor the injury or damage caused by the elements, or by other owners or persons. Regardless of the source of the damage, under no circumstance shall the Association be liable for (1) replacement, restoration or repair of any part of a Unit or (2) damages to personal property, furniture or fixtures in a Unit. This provision shall not apply in the event of damage arising solely due to the gross negligence of the Board of Directors. Further, the Association shall not be liable for the safety and

security of the Unit Owners, their guests and invitees with respect to their use and occupancy of the Units or Common Elements. Additionally, the Association shall not be liable for the safety and security of personal property of the Unit Owners, their guests and invitees.

8. USE AND OCCUPANCY, USE OF COMMON ELEMENTS; LEASING; RULES AND REGULATIONS; SECURITY

8.1. Use and Occupancy Each Unit is hereby restricted to residential use as a single-family residence as defined by the Comprehensive Zoning Ordinance of the County of James City, by the owner or owners thereof, their immediate families, guests and invitees. At no time may the Unit be used by more persons than for which it was designated. No more than two (2) persons shall be permitted to occupy a one (1) bedroom Unit, no more than four (4) persons shall be permitted to occupy a two (2) bedroom Unit, no more than six (6) persons shall be permitted to occupy a three (3) bedroom Unit and no more than eight (8) persons shall be permitted to occupy a four (4) bedroom Unit.

8.1.1. Ownership by Entity. In the event that other than a natural person is a Unit Owner said entity shall, prior to the purchase of such Unit, designate the person, if any, who is to be the permanent Occupant of such Unit. Such entity shall not thereafter have the right to designate other persons as the Occupants of such Unit, whether in substitution of or in additional to the persons initially designated, except with the approval of the Association. All provisions of the Declaration shall apply to such designated Occupants as though they had title to such Unit and the entity owning such Unit shall be bound thereby.

8.1.2. General Use Restriction. No Person shall use the Condominium Property, or any part thereof, in any manner contrary to the Condominium Instruments or the Rules and Regulations promulgated from time to time by the Board of Directors. Home occupation use shall be permitted so long as the business conducted is not a nuisance, as described herein, to other Unit Owners in the sole discretion of the Board of Directors and does not require employees. Home occupations shall be subject to further regulations by the Board of Directors.

8.1.3. Lawful Use. No immoral, offensive or unlawful use shall be made of any or all the Condominium Property, and all laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental bodies for

maintenance, modification or repair of the Condominium Property shall be the same as the responsibility for maintenance and repairs of the property concerned.

8.1.4. Nuisances. No nuisance or any use or practice that is the course of unreasonable annoyance to other Unit Owners or which interferes with the peaceful possession and proper use of the Condominium Property by the Unit Owners is permitted. No Unit Owner or occupant shall permit or suffer anything to be done or kept upon the Condominium Property or his Unit which will increase the rate of insurance on the Condominium.

8.1.5. Time-Sharing Estates. A Unit Owner shall not permit his ownership interests to be divided among any type of time-sharing estate, which shall be defined to include all interests in which title, use, occupancy or possession circulates among owners of time shares according to a fixed or floating time schedule on a periodic basis occurring over any period of time; such prohibited time-sharing estates shall include, by way of example and without limitation, the following:

8.1.5.1. An "interval estate", meaning a combination of (i) an estate for years in a Condominium Unit, during the term of which title to the Condominium Unit rotates among the time-sharing owners thereof, vesting in each of them in turn for periods established by a fixed recorded schedule, with the series thus established recurring regularly until the term expires, coupled with (ii) a vested undivided fee simple interest in the remainder in that Condominium Unit, the magnitude of that interest having been established by Declaration or by Deed creating the interval estate; and

8.1.5.2. A "time-span estate", meaning a combination of (i) an undivided interest in a present estate in fee simple in a Condominium Unit, the magnitude of that interest having been established by Declaration or by Deed conveying the time-span estate, coupled with (ii) the exclusive right to possession and occupancy of that Condominium Unit during a regularly recurring period designated by that Deed or by a recorded document referred to therein.

8.1.6. Solar Energy Devices. No solar energy collection devices shall be affixed on any part of the Common Elements or Limited Common Elements unless permitted in writing by the Board of Directors.

8.2. Leasing of Condominium Units.

8.2.1. No Unit shall be rented for transient or hotel purposes. No Unit shall be rented for an initial period of less than twelve (12) months. No portion of a Unit (other than the entire Unit) shall be leased for any period. No Unit shall be subleased.

8.2.2. No Unit Owner shall lease a Unit other than on written form of lease requiring the lessee to: (1) comply with the Condominium Instruments and the Rules and Regulations; and (2) providing that failure to comply shall constitute a default under the lease. The failure of a Unit Owner to use a written lease shall not be determinative of whether the Unit is leased. If the lessee violates the Condominium Instruments or the Rules and Regulations, the Unit Owner shall cause the lessee to vacate the Unit, and in the event the lessee does not vacate the Unit, the Association shall be entitled to undertake action to have the lessee removed from the Unit and shall assess the Unit Owner for any costs and/or attorney's fees expended by the Association in taking such action. Each Unit Owner shall, within 10 days of leasing the Unit, provide a copy of the signed written lease and the Renter's Information Sheet as set forth in the Rules and Regulations, to the Board of Directors and/or the management company. Each Unit Owner is responsible for the lessee's compliance with the Condominium Instruments and the Rules and Regulations, as amended from time to time. In the event that the Unit Owner or lessee does not comply with the Condominium Instruments and the Rules and Regulations, the Association shall be entitled to all rights and remedies against the Unit Owner as set forth in the Condominium Instruments, Rules and Regulations or the Virginia Condominium Act.

8.2.3. The Association shall have the power to limit the number of persons who occupy a Unit as a dwelling. Each Unit depicted on the Plans is hereby restricted to residential use as a single family residence by the owner or owners thereof, their immediate families, guests, invitees and authorized tenants. No more than two (2) persons shall be permitted to occupy a one (1) bedroom Unit, no more than four (4) persons shall be permitted to occupy a two (2) bedroom Unit, no more than six (6) persons shall be permitted to occupy a three (3) bedroom Unit or any Unit originally constructed as a three (3) bedroom Unit, and no more than eight (8) persons shall be permitted to occupy a four (4) bedroom Unit.

8.2.4. Maximum Percentage of Rentals. No more than TWENTY FIVE percent (25%) of the total number of Units in the Condominium may be rented. at any one time. This limit may be exceeded only under conditions stated in the

"hardship" provisions described in Section 8.2.8 or in the event that a Unit Owner obtains a loan guaranteed by the Veterans Administration.

8.2.5. Any Unit Owner who leases his Unit without first receiving written authorization from the Board of Directors that the 25% Cap has not been exceeded and authorizing the Unit Owner to enter into a lease on his Unit shall be in violation of this Declaration and shall be assessed charges as follows: $50 for a single offense, or $10 per diem for any rental violation of a continuing nature, and same shall be treated as an assessment against such Unit Owner's condominium unit for the purpose of § 55-79.84; however, the total charges for any offense of a continuing nature shall not be assessed for a period exceeding 90 days or $900, or such other period of time as may be provided in an amendment to the Virginia Condominium Act. The Association, the Board of Directors and their agents are expressly prohibited from requiring that prospective tenants be approved by the Association, the Board of Directors or their agents for any reason.

8.2.6. This paragraph is intended to comply with the regulations promulgated by the Veterans Administration. Regardless of any other provision in the Declaration, Bylaws or Rules and Regulations promulgated by the Board of Directors from time to time or any other governing document of the Condominium, there shall be no restriction on the ability of a Unit Owner to lease their Unit if the Unit is encumbered by a mortgage issued or guaranteed by the Veterans Administration (VA). Notwithstanding the foregoing, a Unit encumbered by a mortgage issued or guaranteed by VA shall not be leased for a period of less than one (1) year and the Board of Directors may establish reasonable rules concerning the Unit Owner's obligation to provide the Association with copies of leases and information regarding tenants needed to maintain Association records and the Unit Owner's obligation to provide tenants with copies of the Condominium's governing documents.

8.2.7. Administration Fee. The Board of Directors may establish reasonable one-time and/or annual administrative fees in connection with the maintaining of tenant information and the rental waiting list and to offset the added administrative costs associated with the leasing of the Unit. Such fees shall be assessed against the Unit and its Owner who desires to lease a Unit.

8.2.8. The Board of Directors may, in its sole discretion, authorize a lease which will exceed the Cap only upon a showing by a Unit Owner of a hardship which will result from the Board's denial of the lease request. Examples of "hardship" include, but are not limited to, employment transfer not requested by Unit

Owner or ill health preventing occupancy of the Unit. The examples are intended only to show possible sources of hardship and are not intended to indicate presumed hardships or be the only hardships considered. The Board may impose any restrictions it deems appropriate on the leasing of such Unit under this hardship provision, such as limiting the lease term to such length as will, in the Board's opinion, address the hardship presented.

8.3. Rules and Regulations. All Unit Owners and other persons shall use the Condominium Property in accordance with the Rules and Regulations promulgated by the entity in control thereof and the provisions of this Declaration and the Bylaws of the Association.

8.4 Sign Restriction. Owners may place one (1) sign advertising a Unit for sale or one (1) sign advertising a Unit for rent in the bottom sash of a window within his Unit that does not exceed eighteen inches (18") in height and twenty four inches (24") in width ("For Sale or For Rent Signs"). No For Sale or For Rent Sign may be placed in any other location either inside or outside of a Unit. No signs of any kind shall be permitted anywhere on the Condominium Property including any portion of the Common Elements, Limited Common Elements or Units with the exception of signs placed on the property by the Association including, but not limited to traffic, parking enforcement and community identification signs. The Board of Directors may adopt additional rules and regulations regarding the placement of For Sale or Rent Signs by Unit Owners so long as said rules and regulations are in compliance with the provisions of the Virginia Condominium Act.

8.5. Security. The Association shall not be held liable for any personal injury or loss or damage to property by reason of its failure to provide security or ineffectiveness of security measures undertaken. All owners, residents, guests, and invitees of any owner, as applicable, acknowledge that the Association is not an insurer of security and that each owner, resident, guest, and invitee assumes all risk of injury and or loss or damage to property of any kind located on any common area or at any community facility.

9. MAINTENANCE AND REPAIR OF THE CONDOMINIUM PROPERTY; ALTERATIONS AND IMPROVEMENTS.

9.1. Maintenance by Association. Except as otherwise provided, the Association, at its expense, shall be responsible for and shall maintain, repair and replace all of the Common Elements, including the Limited Common Elements serving more than one Unit. Notwithstanding anything in this Declaration to the

contrary, the Association, at its expense, shall also be responsible for and shall maintain, repair, and replace all fences on the Condominium Property. No Unit Owner shall install, alter, or remove any fence without written approval from the Association.

9.2. Maintenance by Unit Owners. Each Unit Owner shall, subject to the other provisions of this Declaration, maintain, repair and replace, at his expense, all portions of his Unit and any Limited Common Element appurtenant only to such Unit Owner's Unit including, but not limited to, all doors, windows, glass, screens, patios, electrical panels, electric wiring, electric outlets and fixtures, refrigerators, dishwashers and other appliances, drains, plumbing fixtures and connections, the interior surfaces of all walls, floors and ceilings and all other portions of his Unit.

9.3. Liability of Unit Owner for Damages. Should a Unit Owner undertake unauthorized additions and modifications to his Unit, as specified above, or refuse, after 15 days written notice from the Association, to maintain, paint or make repairs as required, or should a Unit Owner cause any damage to the Common Elements or Limited Common Elements, the Association may undertake such repairs, painting, replacements or maintenance, and levy a special assessment for the cost thereof, together with a 20% overhead charge, against said Unit Owner. In the event a Unit Owner threatens to or violates the provisions hereof, the Association shall also have the right to proceed in a court of equity for an injunction to seek compliance with the provisions hereof.

9.4. Loss Prevention and Allocation of Responsibility. Any Unit Owner causing damage to any property in the Condominium by reason of the installation, operation, or maintenance of any item or equipment located upon his Unit, or by his or her failure to comply with the requirements of this section of the Declaration, shall be strictly liable to the owner of any other Unit damaged, and to the Association as to the Common Elements, for all damages caused, without regard to the negligence or fault of the Owner from whose Unit the cause of the damage originated, not to exceed the deductible amount applicable under the terms of any policy of insurance which makes payment on the claim. The reasonable costs to remedy such damage shall be a lien upon the Unit owned by the offending Unit Owner until paid.

9.5. Application of Insurance Proceeds. Whenever any maintenance, repairs and replacement of any items for which a Unit Owner is responsible is made necessary by any loss covered by insurance maintained by the Association, the proceeds of the insurance received by the Association, or the Insurance Trustee, shall be used for the purpose of accomplishing such maintenance, repair or

replacement in accordance with the Bylaws. The Unit Owner shall be required to pay all of the costs thereof that exceed the amount of the insurance proceeds, and any deductible required of the Association.

9.6. Right of Entry by Association. Whenever it is necessary to enter any Unit for the purpose of inspection, including inspection to ascertain a Unit Owner's compliance with the provisions of this Declaration or for performing any maintenance, alteration or repair to any portion of the Common Elements or Unit, the Unit Owner shall permit an authorized agent, agents or contractor of the Association to enter such Unit, or to go upon the Common Elements or Limited Common Elements provided, that such entry shall be made only at reasonable times and with reasonable notice. In the case of emergency such as, but not limited to, fire, water or hurricane, entry may be made without notice or permission. Each Unit Owner does hereby appoint the Association as his agent for the purposes herein provided and agrees that the Association shall not be liable for any alleged property damage or theft caused or occurring on account of entry.

9.7. Alterations and Improvements. Any Unit Owner desiring to make any alterations or improvements to his Unit and/or any structure built and/or placed upon his Unit (including exterior painting and landscaping) shall submit written application to the Board of Directors and the Architectural Review Committee (should one be appointed by the Board of Directors) of the Association for permission for same and consent shall not be unreasonably withheld.

9.8 Conformity of Maintenance, Style and Materials. All repairs, painting replacements and maintenance, whether made by Unit Owners or the Association, to the doors, windows, fences, gates or the exterior surface of any building, including roofs, or to any generally visible portion of the Units and Common Elements shall be carried out in such a manner so as to conform to the materials, architecture, style, color and quality of construction initially provided by the Declarant.

10. APPORTIONMENT OF TAX OR SPECIAL ASSESSMENT IF LEVIED OR ASSESSED AGAINST THE CONDOMINIUM PROPERTY.

10.1. Responsibility. If any taxing authority levies or assesses any tax or special assessment against the Condominium Property as a whole, and not the Individual Units, the same shall be paid as a Common Expense by the Association and assessed to the Unit Owners. In such event, the amount due shall constitute a lien prior to all mortgages and encumbrances upon any Unit to the same extent as

though such tax or special assessment had been separately levied by the taxing authority upon each Unit.

10.2. Personal Property Tax. All personal property taxes levied or assessed against personal property owned by the Association shall be paid by the Association and shall be a Common Expense.

11. INSURANCE PROVISIONS; REPAIR AND RECONSTRUCTION AFTER CASUALTY

11.1. Purchase of Insurance. All insurance purchased pursuant to this Section 11 shall be purchased by the Association for the benefit of the Association, the Unit Owners and their respective mortgagees, as their interest may appear, and shall provide for the issuance of certificates of insurance and mortgagee endorsements to any or all of the holders of first mortgages. The policies shall provide that the insurer waives its rights of subrogation as to any claims against Unit Owners, the Board of Directors, the Association, and the Managing Agent, their respective agents, employees and guests, and in the case of the Unit Owners, the members of their household. Each Unit Owner and the Association hereby agree to waive any claim against each other and against other Unit Owners for any loss or damage for which insurance hereunder is carried where the insurer has waived its rights of subrogation as aforesaid. Such policy shall provide that it shall not be canceled, invalidated or suspended due to the conduct of any Unit Owner, his invitees, tenants, agents and employees, or if any member, officer or employee of the Board of Directors or the managing agent without a prior demand in writing that the Board or managing agent cure the defect and neither shall have so cured such defect within thirty (30) days after such demand. Such policy shall not be canceled or substantially modified including, without limitation, cancellation for nonpayment of premium, without at least thirty (30) days prior written notice to the Board of Directors and the managing agent, and in the case of physical damage and flood insurance, to all mortgagees. The Board of Directors, the managing agent and the Declarant shall not be liable for failure to obtain any coverages required by this Article or for any loss or damage resulting from such failure: (i) if such failure is due to the unavailability of such coverages from reputable insurance companies; (ii) if such coverages are so available only at demonstrably unreasonable cost; or (iii) if the Association's insurance professionals advise that the coverages required by Section 11.5 are not necessary. The Board of Directors shall promptly furnish to each Unit Owner written notice of the procurement of, subsequent changes in, or termination of, insurance coverages obtained on behalf of the Association, in compliance with § 55-79.81(b) of the Condominium Act.

11.2. Cost and Payment of Premiums. The cost of obtaining all insurance hereunder, excluding only the insurance as may be purchased by individual Unit Owners, is declared to be a Common Expense, as are any other fees or expenses incurred which may be necessary or incidental to carry out the provisions hereof.

11.3. Cost and Payment of Deductibles. In the event that the master casualty policy provides coverage for the primary purpose of repairing or restoring any portion of the Units as set forth in Section 11.5, the affected Unit Owners shall pay the deductible on a pro rata basis. If not paid within thirty (30) days from the date settlement of the same is rendered, such amount shall be a lien on the pertinent Unit. Unit Owners shall be liable for the costs of all deductibles for any and all damages to the Common Elements and other units originating from his Unit.

The deductible or self-insured retention (if any) on any insurance policy purchased by the Board of Directors shall be a Common Expense (or a Limited Common Expense, as appropriate); provided, however, that the Association may assess any deductible amount necessitated by the act, neglect or carelessness for which a Unit Owner is responsible against such Unit Owner.

11.4. Unit Owner's Responsibility. Each Unit Owner shall, at his or her own expense, obtain insurance affording coverage: (i) upon his or her own Unit (with the exception of those portions of the Unit covered by the Association's insurance policy pursuant to section 11.5 below) and personal property, (ii) for his or her own liability in the amount of not less than $300,000.00 and (iii) upon any improvement made by him or her to the Unit under coverage normally called "tenants improvements and betterments coverage"; provided, however, that no Unit Owner shall be entitled to exercise his or her right to acquire or maintain such insurance coverage so as to decrease the amount which the Board of Directors, on behalf of all Unit Owners, may realize under any insurance policy maintained by the Unit Owners' Association to be brought into contribution with insurance coverage obtained by a Unit Owner. All such policies shall contain waivers of subrogation. No Unit Owner shall obtain separate insurance policies on the Condominium except as stated herein. All Unit Owners will provide a copy of their Declaration Page to the Unit Owners' Association as proof of insurance coverage.

11.5. Coverage. The following coverage shall be obtained by the Association:

A. A blanket, all-risk form policy of fire insurance with extended coverage, vandalism, malicious mischief, windstorm, debris removal and water damage endorsements insuring the entire Condominium, excluding all Units (as

defined in the Declaration), which exclusion includes, but is not limited to all flooring, cabinetry, furniture, wall coverings, furnishings, or other personal property supplied or installed by the Unit Owner, and which exclusion also includes all heating or air conditioning equipment and other service machinery and fixtures. The following items are not excluded and are to be insured: all windows and frames, entrance doors, frames and casings serving a particular Unit, stub plumbing lines leading into a Unit, stub electrical lines leading into a Unit, and duct work located within a Unit or servicing just one Unit. Such policy shall cover the interests of the Association, the Board of Directors and all Unit Owners and their Mortgagees, as their interests may appear, subject, however, to loss payment and adjustment provisions in favor of the Board of Directors and the Insurance Trustee contained herein, in an amount equal to one hundred percent (100%) of the replacement cost of the Condominium without deduction for depreciation. The replacement cost shall not include the land, excavations, foundations and other items normally excluded from such coverage. The replacement costs shall be determined annually by the Board of Directors with the assistance of the insurance company providing the coverage.

B. Comprehensive general liability coverage and property damage insurance in such an amount and in such form as the Board of Directors may from time to time determine, insuring each member of the Board of Directors, the Managing Agent, each Unit Owner and the Institutional Lenders against any liability to the public or to any Unit Owner, their tenants, guests, invitees, agents and employees, arising out of, or incidental to the ownership and/or use of the Common Elements and Limited Common Elements. All liability insurance shall contain cross liability endorsements to cover liabilities of the Unit Owners as a group to an individual Unit Owner, and one Unit Owner to another; and a severability of interest endorsement which shall preclude the insurer from denying liability to a Unit Owner because of negligent acts of the Association or another Unit Owner. The Board of Directors shall review such limits on an annual basis, but in no event shall such insurance be less than $1,000,000.00 covering all claims for bodily injury or property damage arising out of one occurrence. A reasonable amount of "umbrella" liability insurance in excess of the primary limits shall also be obtained in an amount not less than $1,000,000.00.

C. Errors and Omissions coverage to protect and indemnify the Officers and Directors of the Association.

D. A blanket fidelity bond or employee dishonesty insurance policy insuring the Association against losses resulting from theft or dishonesty committed by the officers, directors, or persons employed by the Association, or committed by

any manager or employees of the manager in accordance with Va. Code Ann. § 55-79.81(B). Such bond or insurance policy shall provide coverage in an amount equal to the lesser of one million dollars ($1,000,000.00) or the amount of reserve balances of the Association plus one-fourth of the aggregate annual assessment of such Association. The minimum coverage amount shall be ten thousand dollars ($10,000.00). In the event that Va. Code Ann. § 55-79.81 as amended, the Association shall comply as required by law.

E. Workmen's compensation policies shall be obtained to meet the requirements of law.

F. Such other insurance as the Board of the Association may determine to be necessary from time to time.

11.6. Insurance Trustee. All physical damage insurance policies purchased by the Board of Directors shall be for the benefit of the Association, the Unit owners, their Mortgagees and the Declarant, as their interests may appear, and shall provide that all proceeds of such policies shall be paid in trust to the Board as "insurance trustee" to be applied pursuant to the terms of Section 11.8. The sole duty of the insurance trustee shall be to receive such proceeds as are paid to it and to hold the same in trust for the purposes elsewhere stated in the Bylaws, for the benefit of the insureds and their beneficiaries.

11.7. Association as Agent. The Association, through its Board of Directors, is irrevocably appointed agent for each Unit Owner, for each owner of a mortgage upon a Unit and for each owner of any other interest in the Condominium Property to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

11.8 Repair and Reconstruction After Casualty

11.8.1. When Repair and Reconstruction are Required. Except as otherwise provided, if all or any part of any building is damaged or destroyed as a result of fire or other casualty, the Board of Directors shall arrange for and supervise the prompt repair and restoration of the Common Elements, but not including the Unit or furniture, furnishings, fixtures, equipment or other personal property in the Units.

11.8.2. Procedure for Reconstruction and Repair.

11.8.2.1. Cost Estimates. Immediately after a fire or other casualty causing damage to any portion of the Common Elements, the Board of Directors shall obtain reliable and detailed estimates of the cost of repairing and restoring the Common Elements to a condition as good as that existing before such casualty. Such costs may also include professional fees and premiums for such bonds as the insurance trustee determines to be necessary.

11.8.2.2. Assessments. If the proceeds of insurance are not sufficient to defray such estimated costs of reconstruction and repair, or if upon completion of reconstruction and repair the funds for the payments of the costs are insufficient, the amount necessary to complete such reconstruction and repair may be obtained from the appropriate reserve for replacement funds and/or shall be deemed a Common Expense and a Special Assessment for amount shall be levied.

11.8.2.3. Plans and Specifications. Any such reconstruction or repair shall be substantially in accordance with the original construction of the Property, subject to any modification required by changes in applicable governmental regulations, and using contemporary building materials and technology to the extent financially and otherwise feasible; provided, however, that other action may be taken if approved by at least fifty-one percent of the Mortgagees, pursuant to § 55-79.73:1 of the Virginia Condominium Act.

11.8.3. Disbursement of Construction Funds.

11.8.3.1. Construction Fund and Disbursement. The proceeds of insurance collected on account of casualty, and the sums received by the insurance trustee from collections of Assessment against Unit Owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner:

11.8.3.1.1. If the estimated cost of reconstruction and repair is less than five percent of the total annual Assessment for Common Expenses for that fiscal year, then the construction fund shall be disbursed in payment of such costs upon order of the Board of Directors; provided, however, that upon request of twenty percent of the Mortgagees, such fund shall be disbursed pursuant to Section 11.8.3.1.2 below.

11.8.3.1.2. If the estimated cost of reconstruction and repair is five percent of the total annual Assessment for Common Expenses for that fiscal year or more, then the construction fund shall be disbursed in payment of such

costs upon approval of an architect qualified to practice in Virginia and employed by the Board of Directors to supervise such work, payment to be made from time to time as the work progresses. The architect shall be required to furnish a certificate giving a brief description of the services and materials furnished by various contractors, subcontractors, materialmen, the architect and other persons who have rendered services or furnished materials in connection with the work stating that: (i) the sums requested by them in payment are justly due and owing and that such sums do not exceed the value of the services and materials furnished; (ii) there is no other outstanding indebtedness known to such architect for the services and materials described; and (iii) the costs as estimated by such architect for the work remaining to be done subsequent to the date of such certificate does not exceed the amount of the construction fund remaining after payment of the sum so requested.

11.8.3.2. Surplus. The first monies disbursed in payment of the cost of reconstruction and repair shall be from insurance proceeds and, if there is a balance in the construction fund after the payment of all the costs of the reconstruction and repair for which the fund is established, such balance shall be divided among all Unit Owners in proportion to their Common Element Interests and shall be distributed in accordance with the priority of interest at law or in equity in each Unit.

11.8.3.3. Certificate. The insurance trustee shall be entitled to rely upon a certificate executed by the President or Vice President, and the Secretary, certifying: (i) whether the damaged Property is required to be reconstructed and repaired; (ii) the name of the payee and the amount to be paid with respect to disbursement from any construction fund or whether surplus funds to be distributed are less than the Assessment paid by the Unit Owners; and (iii) all other matters concerning the holding and disbursing of any construction fund. Any such certificate shall be delivered to the insurance trustee promptly after request.

11.8.4. When Reconstruction Is Not Required. Unless the Condominium is terminated, if the Board of Directors elects not to repair insubstantial damage to the Common Elements, the Board of Directors shall use the insurance proceeds to remove all remains of the damaged improvements and restore the site to an acceptable condition compatible with the remainder of the Condominium and distribute the balance of any insurance proceeds received on account of such damage to all Units Owners in proportion to their respective Common Element Interests. If the Condominium is terminated pursuant to § 55-79.72:1 of the Condominium Act, the net assets of the Condominium together with the net proceeds of insurance policies, if any, shall be divided by the insurance

trustee among all Unit Owners in proportion to their respective Common Element Interests, after first paying out of the share of each Unit Owner, to the extent sufficient therefor, the amount of any unpaid liens on the Unit in the order of priority of such liens.

11.9. Effect of Mortgagee Endorsements Concerning Insurance Proceeds. In the event a mortgagee endorsement has been issued relative to any Unit, the share of the Unit Owner shall be held in trust for the mortgagee as heretofore provided; provided, however, that no mortgagee shall have the right to determine or participate in the determination as to whether or not the damaged property shall be reconstructed, and no mortgagee shall have the right to apply, or have applied to, the reduction of its mortgage debt any insurance proceeds except distributions of such proceeds made to the Unit Owner and mortgagee where the responsibility for reconstruction is that of the Unit Owner. All mortgagees agree to waive the rights to said proceeds if the same are used pursuant to the provisions of this Declaration to pay for the restoration of such damage. The provisions hereof shall not affect the rights of the mortgagee, if any, to require any surplus proceeds to be distributed to it, over and above the amounts actually used for such restoration. All covenants contained herein for the benefit of any mortgagee may be enforced by such mortgagee. Nothing contained herein, however, shall be construed as relieving the Unit Owner from his duty to reconstruct damage to his Unit as heretofore provided.

11.10. Authority of Association; Board of Directors. In all instances herein, except when a vote of the membership of the Association is specifically required, all decisions, duties and obligations of the Association with regard to insurance matters may be made by the Board of Directors. The Association and its members shall jointly and severally be bound thereby.

12. ASSESSMENTS; LIABILITY FOR COMMON EXPENSES, LIENS AND ENFORCEMENT; CONDEMNATION

12.1. General Authority. The Association through its Board of Directors shall have the power to make, levy and collect regular and special Assessments for Common Expenses and such other Assessments as are provided for by the Condominium Act and the provisions of this Declaration and all other expenses declared by the Directors of the Association to be Common Expenses from time to time.

Any common expenses benefiting less than all of the Condominium Units, or caused by the conduct of less than all of those entitled to occupy the same or by

their licensees, guests, tenants or invitees, shall be specifically assessed against the Condominium Unit or Units involved on a pro-rata basis. The Board of Directors may impose reasonable fees.

12.2. Capital Contributions. The Board of Directors shall collect from all subsequent purchasers a capital contribution in an amount equal to three (3) times the estimated monthly installment of the Common Expenses assessment for any such Unit that is resold to a subsequent purchaser pursuant to a conventional sale, short sale, or purchase through foreclosure with the following exceptions for Institutional Lenders. Such capital contributions for resale may be used for the following: the Repair and Replacement Reserve Fund; the Operating Reserve Fund; or the Capital Reserve Fund. Any capital contribution for resale shall be in addition to, and not in lieu of the regular monthly installments of the Common Expense Assessment. Such capital contribution shall be collected at closing and paid to the Association. If not collected at the time of closing, the capital contribution shall become the personal obligation of the purchaser of the Unit and shall become an assessment against the Unit and collectible as any other assessment in accordance with the provisions of the condominium instruments.

This capital contribution for resale shall not apply to the following:

(a) Any Unit obtained by an Institutional Lender through foreclosure, deed in lieu of foreclosure, or judicial proceedings. However, the capital contribution shall apply in the event any Institutional Lender resells the Unit to a new Unit Owner.

(b) Any Unit transferred by deed of gift, will, or intestate succession.

12.3. Payment of Assessments. Except as specified to the contrary, funds for the payment of Common Expenses shall be assessed against the Unit Owners in the proportions provided in the Declaration. Said assessments shall be payable monthly, without notice, unless otherwise required by the Board. Special assessments, should such be required by the Board, shall be levied in the same manner as hereinbefore provided for regular assessments, except notice thereof shall be given, and shall be payable in the manner determined by the Board, and if the necessity for a special assessment is limited to a particular Neighborhood, the special assessment shall be levied against the Unit Owners of the particular Neighborhood. FAILURE TO PAY ANY ASSESSMENT WITHIN TEN (10) DAYS FROM THE DATE DUE SHALL ENTITLE THE ASSOCIATION TO LEVY A LATE CHARGE AGAINST THE DEFAULTING UNIT OWNER OF THIRTY AND 00/100 DOLLARS ($30.00) AND A

LIKE AMOUNT EACH THIRTY DAYS THEREAFTER IF SUCH ASSESSMENT IS NOT PAID. THE PARTIES AGREE THAT THE LATE CHARGE IS NOT A PENALTY BUT IS VALID LIQUIDATED DAMAGES. This amount may be increased by the Board of Directors unless prohibited by the Virginia Condominium Act.

12.4. Emergencies. If Assessments levied are, or may prove to be insufficient to pay the costs of operation and management of the Condominium, or in the event of emergencies, the Board of Directors shall have the authority to levy such additional Assessment or Assessments as it shall deem necessary.

12.5. Reserves.

12.5.1.1. Replacement Reserve Fund. The Board of Directors of the Association in assessing for Common Expenses shall include therein a sum to be collected as a Reserve fund for replacement of Common Elements for the purpose of enabling the Association to replace structural elements and mechanical equipment for which it has the responsibility to maintain and repair, as well as the replacement of personal property which may be a portion of the Condominium Property. The Unit Owners' responsibility shall be determined by the reserve study applicable to each Neighborhood.

12.5.1.2. Operating Reserve Fund. The Board of Directors of the Association in assessing for Common Expenses may include therein a sum to be collected and maintained as a general operating reserve which shall be used to provide a measure of financial security during periods of special stress. Such sums may be used to meet deficiencies from time to time existing as a result of delinquent payment of assessments by Unit Owners or as a result of emergencies.

12.6. Separate Property. All monies collected by the Association shall, unless the same is collected for the benefit of others, be the separate property of the Association. Such monies may be applied by the Association to the payment of any expense of operating and managing the Condominium Property, or to the proper undertaking of all acts and duties imposed upon it by virtue of the provisions of this Declaration. All monies received from Assessments may be co-mingled with other monies held by the Association. No Unit Owner shall have the right to assign, hypothecate, pledge or in any manner transfer his interest therein, except as an appurtenance to his Unit. Such funds shall not be subject to attachment or levy by a creditor or judgment creditor of a Unit Owner. When the owner of a Unit shall cease to be a member of the Association by the divestment of his ownership of such Unit

by whatever means the Association shall not be required to account to such owner of any share of the funds or assets of the Association.

12.7. Default. In the event of a default by a Unit Owner in the payment of any assessment, the Association shall have all rights and remedies provided by law, including, but not limited to, those provided by the Condominium Act, and the liability of the Owner of the Condominium Unit shall include liability for late charges, reasonable attorney's fee and for court costs incurred by the Association incident to the collection of such assessment or enforcement of its lien. If the Association elects to enforce its lien by foreclosure, the Unit Owner shall be required to pay a reasonable rent for the Condominium Unit, to be fixed by the Board, and the Association shall be entitled to the appointment of a receiver to collect same. Nothing herein contained shall bar a suit to recover a money judgment for unpaid assessments without waiving the lien securing the same, nor shall it bar the Association from pursuing any other remedy available at law or equity, or by virtue of the Condominium Act or the Condominium Instruments. The right to vote of any Unit Owner who becomes delinquent in the payment of any assessment for more than thirty (30) days shall be suspended without any action by the Board of Directors.

12.8. No Waiver. No Unit Owner may exempt himself from liability for any Assessment levied by waiver of the use or enjoyment of any of the Common Elements or by abandonment of the Unit for which the Assessments are made or in any other manner.

12.9. Lien. The Association is hereby granted a lien upon each Condominium Unit, together with a lien on all tangible personal property located within said Unit (except that such lien upon the aforesaid tangible personal property shall be subordinate to prior bona fide liens of record), which lien shall secure the payment of monies from each Unit Owner for which he is liable to the Association, including all assessments, interest and expenses provided for in this Declaration and sums advanced on behalf of the Unit Owner in payment of his obligations as set forth in the Condominium Instruments and reasonable attorney's fees incurred as an incident to the enforcement of said lien. The lien granted to the Association may be foreclosed as provided in the Condominium Act. The lien granted to the Association shall further secure such advances for taxes and payments on accounts of Institutional Lenders, liens or encumbrances which may be advanced by the Association in order to protect its lien. The lien shall be effective, have priority, and be collected as provided by the Condominium Act, unless, by the provisions of this Declaration, such liens would have a greater priority or dignity, in which event, the

lien rights in favor of the Association having the highest priority and dignity shall be the lien of the Association.

12.10. Late Charge. If any monies from a Unit Owner, including Assessments, Special Assessments and water bills, are not paid within ten days from their due date there shall automatically be assessed a late charge of $30.00, for each thirty days during which such monies are not paid. Additionally, at such time as the Assessments, Special Assessments and water bills become ten (10) days past due, interest shall accrue on the unpaid balance at the rate equal to the maximum rate then allowed to be charged to individuals in the Commonwealth of Virginia, compounded annually.

12.11. Proviso Regarding Foreclosure. In the event that any person or Institutional Lender shall acquire title to any Unit by virtue of either foreclosure of a first mortgage or deed of trust, or a deed in lieu thereof, such acquirer of title, his successors and assigns, shall not be liable for the share of Common Expenses or assessments by the Association pertaining to the Condominium Unit or chargeable to the former Unit Owner to the Unit which became due prior to acquisition of title as a result of the foreclosure, unless the share is secured by a claim of lien for assessments that is recorded prior to the recording of the foreclosed mortgage or deed of trust. Nothing herein contained shall be construed as releasing the party liable for such delinquent assessment from the payment thereof or the enforcement of collection of said payment by means other than foreclosure. Following said acquisition, all Unit Owners of any nature, including, without limitation, a purchaser at a judicial sale or Institutional Lender, shall be liable for all assessments coming due while they are Unit Owners.

12.12. Certificate of Status of Assessments. Any Unit Owner, mortgagee or lienholder may require the appropriate certificate as set forth in § 55-79.84(h) of the Condominium Act. The Association may charge a fee for such certificate as allowed by the Condominium Act.

12.13. Succession of Delinquent Assessments. The common expenses assessed against any Unit, with interest, costs and reasonable attorney's fee shall be a lien upon such Unit in accordance with applicable law. Each such Assessment, together with interest, costs and attorney's fee, shall also be the personal obligation of the Person who was the owner of such Unit at the time the Assessment fell due. The personal obligation for delinquent Assessments shall not pass to successors in title or interest unless assumed by them in a written instrument.

12.14. No Election of Remedies. The institution of a suit at law for collection of any delinquent assessment may be maintained without waiving the lien securing the same. Proceeding by foreclosure to attempt to effect such collection shall not be deemed an election precluding the institution of suit at law for collection of the same. All Unit Owners do hereby waive pleading the theory of "elections of remedies" in any such proceeding.

12.15. Liens-Mechanics. The creation and enforcement of mechanic's and other liens against the Units and Condominium Property, except those created by this Declaration, shall be governed by the provisions of the Condominium Act.

12.16. Condemnation. § 55-79.44 of the Virginia Condominium Act sets forth various provisions regarding condemnation. In the event of any condemnation award, first mortgagees shall share pro rata in the award based upon the reduction in value, if any, of their respective security and shall be made whole before distribution to any other interested party of the condemnation proceeds. The Association shall have the authority to retain legal counsel in the event condemnation proceedings are instituted or anticipated which affect directly or indirectly any part of the property subject to this Declaration. Legal fees may be assessed by the Association against Unit Owners if reasonably incurred in connection with such proceedings. The President of the Association, upon resolution of the Board of Directors, shall have the authority as attorney-in-fact for the Unit Owners to convey title to any portion of the Common Elements which may be subjected to a condemnation proceeding or for which an offer is made for compensation in lieu of a condemnation proceeding.

12.17. Restraints on Alienation. No Unit shall be subject to any unreasonable restraints on alienation which would adversely affect the title or marketability of the Unit, or the ability of the mortgage holder to foreclose its first mortgage lien and thereafter to sell or lease the mortgaged Unit.

12.18. Records. The Association shall maintain those records and make available written summaries thereof as required by the Condominium Act and this Declaration. In addition, a financial statement shall be prepared annually and supplied to the membership prior to the adoption of the next ensuing year's budget.

12.19. Fiscal Year. The fiscal year of the Association shall begin on the first day of January of each year; provided, however, that the Board is expressly authorized to adopt a different fiscal year in accordance with the provisions and regulations established from time to time by the Internal Revenue Code of the United

States of America, at such time as the Board deems advisable. The budget year shall begin on January 1st of each year.

12.20. Depository; Withdrawals. The depository of the Association shall be such bank or banks as shall be designated, from time to time, by the Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the Directors. Should the Association employ a Managing Agent, and should in the course of such employment said Managing Agent be charged with any responsibilities concerning control of any of the funds of the Association, then, and in such event, any Agreement with such Managing Agent pertaining to the deposit and withdrawal of monies shall supersede the provisions hereof during the term of any such agreement.

12.21. Proposed Budget. A copy of the proposed one (1) year budget shall be mailed to Unit Owners not less than thirty (30) days prior to the meeting at which the budget will be considered together with a notice of the meeting. If the proposed budget is not adopted prior to the start of the new budget period, an assessment shall be presumed to be made in the amount of the last prior assessment and monthly installments on such assessments shall be due upon each installment payment date until changed by an amended assessment. In the event the assessments prove to be insufficient, the budget and assessments shall be amended at a meeting called for that purpose.

12.22. Acquisition of Units. At any foreclosure sale of a Unit, the Association or its designee may acquire the Unit being foreclosed. The term "foreclosure" as used in this Article, shall mean and include any foreclosure of any lien, including a lien for assessments. The power of the Association to acquire a Unit at any foreclosure sale, the provisions hereof being permissive in nature and for the purpose of setting forth the power of the Association. The Association may also acquire Units, in the event damaged Units are not restored, pursuant to the provisions of Section 11.8 of the Declaration.

13. TERMINATION. The Condominium may be terminated in the following manner:

13.1. Destruction. If it is determined because of the circumstances and in the manner provided in the Bylaws that the Condominium Property shall not be reconstructed, the Condominium will be terminated.

13.2. Agreement. The Condominium may be terminated at any time by the approval in writing of all Unit Owners and all record owners of mortgages on Units.

If the proposed termination is submitted to a meeting of the Association, and if the approval of the owners of not less than eighty percent (80%) of the Common Elements and their Institutional Lenders is obtained, in writing, not later than sixty (60) days from the date of such meeting, then the approving Unit Owners (through the Association), shall have the option to buy all of the Units of the disapproving Unit Owners for the period of one hundred twenty (120) days from the date of such meeting. The vote of those Unit Owners approving the termination shall be irrevocable until the expiration of the option. Any Unit Owners voting against termination, or not voting, may, within fifteen (15) days from the date the vote was taken, change or cast his vote in favor of termination by delivering written notification thereof to the Secretary of the Association. The option shall be upon the following terms:

13.2.1. Exercise of Option. The option shall be exercised by delivery, or the mailing by registered mail, of an agreement to purchase, signed by the Association, to each of the Unit Owners of the Units voting against termination. The agreement shall be subject to the purchase of all Units owned by Unit Owners not approving the termination.

13.2.2. Price. The sale price for each Unit shall be the fair market value as determined between the Unit Owner and the Association within thirty (30) days from the delivery of said agreement. In the absence of agreement on the price of any Unit, the price shall be determined by an appraiser appointed by the Chairman of the local Board of Realtors. A judgment of specific performance for the sale, at the price determined by the appraiser, may be entered in any court of competent jurisdiction.

13.2.3. Payment. The purchase price shall be paid in cash.

13.2.4. Form. The contract shall be in the form of the Contract for Sale and Purchase then in use in the Williamsburg, Virginia area.

13.2.5. Closing. The sale of all Units shall be closed simultaneously and within thirty (30) days following the determination of the sale price of the last Unit to be purchased.

13.3. Certificate. The termination of the Condominium shall be evidenced by a certificate of the Association executed by its President and Secretary certifying the

fact of the termination, which shall become effective upon the certificate being recorded in the Public Records.

13.4. Shares of Owners After Termination. After termination of the Condominium the Unit Owners shall own the Condominium Property and all assets of the Association as tenants in common of undivided shares that shall be equal to the sum of the undivided shares in the Common Elements appurtenant to the Units prior to termination so that the sum total of the ownership shall equal one hundred percent (100%).

13.5. Exclusive Rights Extinguished by Termination. All exclusive rights of use of Common Elements shall be extinguished by virtue of the termination of the Condominium.

13.6. Amendment. This Paragraph 13 concerning termination shall not be amended without written consent of all Unit Owners and all record owners of mortgages upon the Units.

14. AMENDMENTS.

An amendment to this Declaration may be proposed by either a majority vote of the Board of Directors of the Association, or by a 66 2/3% vote of the members present at a duly called and noticed meeting. Such meeting shall be called by the President upon presentation of a petition signed by Unit Owners representing at least twenty five percent (25%) of the Units. The proposed amendment shall be distributed to the members along with a notice of the date, time, and place of the meeting at which the amendment will be discussed. Notice shall be given in a manner provided for in the Bylaws. The meeting shall be informational only; no vote shall be taken at the meeting and no quorum is required. The proposed amendment shall be approved in writing by the Unit Owners of the Units to which 66 2/3% of the votes in the Association appertain pursuant to § 55-79.71 of the Virginia Condominium Act. As required by § 55-79.71E of the Virginia Condominium Act, no amendment shall alter a Unit Owner's percentage in the Common Elements, alter the boundaries of any Unit, alter his proportionate share in the Common Expense or Common Surplus, change a Unit Owner's voting rights, or alter the basis for apportionment of Assessment which may be levied by the Association against a Unit Owner without the written consent of the Unit Owner, unless permitted by another section of the Condominium Act.

Except as provided in the Condominium Act in case of condemnation or substantial loss to the Units and/or Common Elements, no amendment to the

Condominium Instruments of a material adverse nature to an Institutional Lender shall be adopted without the consent of the Institutional Lenders that represent at least fifty-one percent (51%) of the votes of the Units that are subject to mortgages.

In the event that any provision of this Declaration requires the written consent of a mortgagee in order to amend the Declaration, the Association shall be deemed to have received the written consent of a mortgagee if the Association sends the text of the proposed amendment by certified mail, return receipt requested, to the mortgagee at the address supplied by such mortgagee in a written request to the Association to receive notice of proposed amendments to the Declaration and receives no written objection to the adoption of the amendment from the mortgagee within sixty (60) days of the date that the notice of amendment is sent by the Association. If the mortgagee has not supplied an address to the Association, the Association shall be deemed to have received the written consent of a mortgagee if the Association sends the text of the proposed amendment by certified mail, return receipt requested, to the mortgagee at the address filed in the land records or with the local tax assessor's office, and receives no written objection to the adoption of the amendment from the mortgagee within sixty (60) days of the date that the notice of amendment is sent by the Association. This provision shall not apply to amendments which alter the priority of the lien of the mortgagee or which materially impair the Unit as collateral or the right of the mortgagee to foreclose on a Unit as collateral.

Notwithstanding the foregoing, the Board of Directors may amend this Declaration to comply with the requirements of The Department of Housing and Urban Development (HUD), the Department of Veterans Affairs (VA), Fannie Mae, Freddie Mac and/or any other lending agency without the consent of the Unit Owners or their mortgagees, inasmuch as it is the intent that the Condominium Instruments comply with all laws and regulations promulgated by the foregoing entities or agencies.

15. REMEDIES.

15.1. Relief. Each Unit Owner and the Association shall be governed by and shall comply with the provisions of the Condominium Instruments and the Condominium Act as they may exist from time to time. A violation thereof shall entitle the appropriate party to the following relief: An action to recover sums due for damages, injunctive relief, foreclosure of lien or any combination thereof, or any other action available pursuant to the Condominium Instruments, the Condominium Act or law. Suit may be sought by the Association, the Managing Agent, if any, or, if

appropriate, by one or more Unit Owners, and the prevailing party shall be entitled to recover its costs and reasonable attorney's fees. Each Unit Owner acknowledges that the failure to comply with any of the provisions of the Condominium Instruments or the Condominium Act shall or may constitute an injury to the Association, the Managing Agent, if any, the other Unit Owners, and that such injury may be irreparable.

15.2. Costs and Attorney's Fees. In any dispute or proceeding arising because of an alleged default, act, failure to act, or violation by the Unit Owner or Association, including the enforcement of any lien granted pursuant to the Condominium Instruments or the Condominium Act, the Association, or the Managing Agent, if any, whichever is appropriate, shall be entitled to recover the costs of the proceedings, including reasonable attorney's fees.

15.3. No Waiver. The failure of Association, the Managing Agent, if any, or a Unit Owner to enforce any right, provision, covenant, or condition created or granted by the Condominium Instruments or the Condominium Act shall not constitute a waiver of the right of said party to enforce such right, provision, covenant or condition in the future.

15.4. Rights Cumulative. All rights, remedies and privileges granted to the Association, the Managing Agent, if any, or Unit Owner pursuant to any of the provisions of the Condominium Instruments shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies, or privileges as may be available to such party at law or in equity. Each Unit Owner agrees in any proceeding brought pursuant to the provisions hereof not to plead or defend the same on the theory of "election of remedies."

15.5. Venue; Waiver of Trial By Jury. Every Unit Owner or Occupant and all persons claiming any interest in a Unit does agree that in any suit or proceeding brought pursuant to the provisions of the Condominium Instruments, such suit shall be brought in the County of James City, Virginia. All such parties do further waive the right to trial by jury and consent to a trial by the court without a jury.

15.6. Appointment of Agent: Proviso. Should suit be instituted, the Unit Owners or Occupants do hereby irrevocably appoint the Secretary of the Commonwealth of Virginia as their Agent for the acceptance of service of process should, at the time of such service of process, any such person not be residing in

this Condominium and if service cannot be accomplished in any other reasonable fashion.

16. NOTICES.

Whenever notices are required to be sent hereunder, the same may be delivered personally or by mail, at their place of residence in the Condominium. Notices to the Association shall be delivered or mailed to the Secretary of the Association, or in case of the Secretary's absence, then to the President of the Association.

17. CONSTRUCTION.

All of the provisions of this Declaration shall be construed in accordance with the Laws of the Commonwealth of Virginia.

18 GENDER.

Unless the contrary appears to have been intended, words in the plural number shall include the singular and words in the singular shall include the plural, and words of the male gender shall include the female gender and the neuter gender.

19. CAPTIONS.

The captions to the paragraphs of this Declaration are intended for convenience only and are not deemed to be all inclusive as to the matters contained in such paragraphs or considered in connection with the construction of any of the provisions of this Declaration.

20. SEVERABILITY.

If any term or provision of this Declaration, or the application thereof to any Person or circumstance, shall, to any extent, be determined to be invalid or unenforceable, the remainder of this Declaration, or the application of such term or provisions to Persons or circumstances other than those to which such term may be held invalid or unenforceable, shall not be affected thereby and each term and provision of this Declaration shall be valid and enforceable to the fullest extent permitted by law.

21. MORTGAGEE RIGHTS.

The Association may not make any Material Amendments or take any Extraordinary Actions as defined in subparagraphs 21.1 and 21.2 below without the approval of the Veterans Administration or Federal National Mortgage Association if required by law or regulation. The following rights and protections (including notice and approval rights) are granted to only those mortgagees who have provided written notice to the Board of Directors of their interest and requested rights under the Association documents ("Eligible Mortgagee.") Rights granted to Eligible Mortgagees are as follows:

1. Right to inspect Association documents and records on the same terms as the members;

2. Notice of all Material Amendments to the Association documents;

3. Notice of any Extraordinary Actions of the Association;

4. Notice of any property loss, condemnation or eminent domain proceeding affecting the Common Elements resulting in losses greater than 10 percent of the annual budget or any Unit insured by the Association in which the mortgagee has an interest;

5. Notice of any termination, lapse or material modification of an insurance policy held by the Association;

6. Notice of any default by an owner of a Unit subject to a mortgage held by the eligible mortgagee in paying Assessments or charges to the Association which remains unsecured for sixty consecutive days;

7. Notice of any proposal to terminate the Declaration or dissolve the Association at least 60 days before any action is take;

8. Right of a majority of the eligible mortgagees to demand professional management; and

9. Right of a majority of the eligible mortgagees to demand an audit of the Association's financial records.

21.1. Material Amendments. A Material Amendment includes adding, deleting or modifying any provision regarding the following:

1. Assessment basis or Assessment liens;

2. Any method of imposing or determining any charges to be levied against individual Unit Owners;

3. Reserves for maintenance, repair or replacement of Common Element improvements;

4. Maintenance obligations;

5. Allocation of rights to use Common Elements;

6. Any scheme of regulation or enforcement of standards for maintenance, architectural design or exterior appearance of improvements on Units;

7. Reduction of insurance requirements;

8. Restoration or repair of Common Element improvements;

9. The addition, annexation or withdraw of land to or from the project;

10. Voting rights;

11. Restrictions affecting leasing or sale of a Unit; or

12. Any provision which is for the express benefit of mortgagees.

21.2. Extraordinary Action. An Extraordinary Action includes:

1. Merging or consolidating the Association (other than with another nonprofit entity formed for purposes similar to the subject Association);

2. Determining not to require professional management if that management has been required by the Association documents, a

majority of eligible mortgagees or a majority vote of the members;

3. Expanding the Association to include land not previously described as additional land which increases the overall land area of the project or number of Units by more than 10 percent;

4. Abandoning, partitioning, encumbering, mortgaging, conveying selling or otherwise transferring or relocating the boundaries of Common Elements (except for (i) granting easements which are not inconsistent with or which do not interfere with the intended Common Element use; (ii) dedicating Common Element as required by a public authority; (iii) limited boundary-line adjustments made in accordance with the provisions of the Declaration or (iv) transferring Common Element pursuant to a merger or consolidation with a nonprofit entity formed for purposes similar to the subject Association);

5. Using insurance proceeds for purposes other than construction or repair of the insured improvements; or

6. Making capital expenditures (other than for repair or replacement of existing improvements) during any period of 12 consecutive months costing more than 20 percent of the annual operating budget.)

All amendments of the types mentioned in this Subparagraph shall require the approval of Eligible Mortgages who represent at least 51.0% of the votes of the Unit estates that are subject to mortgages held by the Eligible Mortgagees (VA and FNMA Requirement).

Executed by the duly authorized President of the Association who hereby certifies that at least two-thirds of the eligible Unit Owners have consented in writing to this Amended and Restated Declaration.

BRAEMAR CREEK AT GREENSPRINGS
PLANTATION, A CONDOMINIUM

By: _____

President

CERTIFICATION PURSUANT TO VIRGINIA CODE § 55-79.71

COMMONWEALTH OF VIRGINIA,
CITY OF James City County to wit:

The foregoing instrument was acknowledged this 1st day of October, 2018, before me, the undersigned Notary Public, George Ogorzaly, President and duly authorized officer of Braemar Creek at Greensprings Plantation, A Condominium, on behalf of the Association, who did state the requisite number of Unit Owners had ratified the aforesaid Amended and Restated Declaration by signing a document so stating.

_____
Notary Public

Commission Expires: 07/31/2022

Notary Registration No.: 7762555

{NOTARY STAMP REQUIRED}

SHAWNA NICOLE COSBY
NOTARY PUBLIC
REG # 7762555
MY COMMISSION EXPIRES
7/31 2022
COMMONWEALTH OF VIRGINIA

INSTRUMENT 180015927
RECORDED IN THE CLERK'S OFFICE OF
WMSBG/JAMES CITY CIRCUIT ON
October 4, 2018 AT 03:23 PM
MONA A. FOLEY , CLERK
RECORDED BY: JLZ

OFFICIAL RECEIPT
WILLIAMSBURG/JAMES CITY COUNTY CIRCUIT
DEED RECEIPT

DATE : 10/04/2018 **TIME :** 15:29:10 **CASE # :** 830CLR180015927
RECEIPT # : 18000031991 **TRANSACTION # :** 18100400159
CASHIER : JLZ **REGISTER # :** B350 **FILING TYPE :** DEC **PAYMENT :** FULL PAYMENT
INSTRUMENT : 180015927 **BOOK :** **PAGE :** **RECORDED :** 10/04/2018 **AT :** 15:23
GRANTOR : BRAEMAR CREEK AT GREENSPRINGS PLANTATION **EX :** N **LOC :** CO
GRANTEE : BRAEMAR CREEK AT GREENSPRINGS PLANTATION **EX :** N **PCT :** 100%
RECEIVED OF : FRANTZ, BEVERLY
ADDRESS :
CHECK : $58.00 **CHECK NUMBER :** 5785
DESCRIPTION 1 : INST 050025017 AMENDED **PAGES :** 044 **OP :** 0
NAMES : 0
CONSIDERATION : $0.00 **A/VAL :** $0.00 **MAP :** **PIN :**

ACCOUNT CODE	DESCRIPTION	PAID
035	VOF FEE	$1.00
106	(TTF) TECHNOLOGY TRUST FUND FEE (CIRCUIT COURT)	$5.00
145	VSLF	$1.50

ACCOUNT CODE	DESCRIPTION	PAID
301	DEEDS	$48.50
423	E-RECORDING DEED PAPER FILING	$2.00

TENDERED : $ 58.00
AMOUNT PAID : $ 58.00

120010114

BRAEMAR CREEK AT GREENSPRINGS PLANTATION CONDOMINIUM ASSOCIATION, INC.

RULES AND REGULATIONS AND ARCHITECTURAL STANDARDS AND GUIDELINES

1. INTRODUCTION

1.1 **AUTHORITY.** The Declaration and the Bylaws grant authority to the Board of Directors to adopt, amend, promulgate and enforce Rules and Regulations governing the use of the Units and Common Elements. The Declaration provides that all Unit Owners shall be bound by such Rules and Regulations.

1.2 **GOVERNING DOCUMENTS.** The Rules and Regulations should be considered with the Declaration, and all amendments or supplements, the Bylaws and the Articles of Incorporation (the "Governing Documents"). If any provision of these Rules and Regulations conflicts with the terms and provisions of the Governing Documents, the terms and provisions of the applicable Governing Documents shall control.

2. ARCHITECHURAL STANDARDS

2.1 **PURPOSE OF ARCHITECHTURAL STANDARDS.** Braemar Creek at Greensprings Plantation, a condominium community, is designed to be a unit owners association. Braemar Creek at Greensprings Plantation Condominium Association, Inc. are committed to preserving the quality of appearance of the community. The developer has carefully used classical design elements to create a desirable and attractive community. The designed units encourage a strong visual sense of "community" in the streetscapes and front yards, while preserving privacy and individual settings in the rear yards where applicable. To continue these goals and preserve the quality of the community as designed, these Architectural Standards ("Standards") have been established. These Standards have been developed to continue the physical character as established by the initial development to protect and enhance the community's overall value.

2.2 **PRINCIPALS OF GOOD DESIGN.** The standards and criteria developed in these Standards are based on the following general principals of the design quality for planned communities. The Braemar Creek at Greensprings Plantation Condominium

Association will use these principles as the basis for review of any improvement that are not otherwise addressed by more specific criteria in this book. These principles include:

2.2.1 ***Preserve Environmental Quality.*** Approval for alteration of existing property should be made only for approved landscaping and access, and should not be performed in a manner that will result in erosion of soils, excessive water runoff, discharge of wastes into the soils or waters, stagnation or standing water, or substantial removal of indigenous vegetation.

2.2.2 ***Create a Balance of Community and Privacy.*** Any improvement should be consistent with the density and setbacks of the community, to create a harmonious streetscape in relationship to other structures, and to protect the privacy of the general level enjoyed by other members of the community.

2.2.3 ***Encourage Contextual Design***. All improvements should be designed in styles, shapes, sizes, massing and colors to be of good proportions, well balanced, and appropriate to this community.

2.2.4 ***Maintain High Appearance Standards***. All improvements should meet minimum standards of design and material quality consistent with the level of quality established for the community. The exterior of each structure should consist of a selection of materials, products, and assemblies that are harmonious with each other, consistent and supportive of the architectural style, and appropriate to the general appearance characteristics of the community.

2.3 AUTHORITY TO ESTABLISH STANDARDS AND CONDUCT REVIEW

2.3.1 ***The Declaration***. When a unit is purchased in Braemar Creek at Greensprings, the deed states that the title is subject to restrictions of record that run with the land. All units in Braemar Creek at Greensprings Plantation are covered by the Declaration and Bylaws for Braemar Creek at Greensprings Plantation. Articles 12 and 13 of the Declaration require the approval of the Association for (1) any material alteration, addition or modification to a Unit; and (2) any improvement or change to the exterior of a Unit (collectively "Improvement"). These Standards should be

considered together with the Declaration, the Bylaws, and the Articles of Incorporation of the Association and the Rules as the same are amended from time to time (the "Governing Documents").

2.3.2 ***Architectural Standards and Guidelines.*** These Standards provide a clear method for review and approval of proposed alterations, additions, modifications, improvements or changes prior to commencement, as well as later revisions. There is a description of the review process, details of architectural design standards, and procedures and standards for improvement activities. The Standards are designed to be a "living document". It will be updated from time to time by the Covenants Committee to address concerns of the Braemar Creek at Greensprings Plantation community or to update procedures and standards. The Standards may also be amended by design standards or guidelines issued by the Board of Directors of the Braemar Creek at Greensprings Plantation Condominium Association. Owners are cautioned that the Standards are guidelines only, and, subject to the terms of the Declaration, the Board of Directors may exercise its sole discretion in determining whether to approve or disapprove of any application.

2.3.3 ***The Architectural Review Board.*** The Board of Directors of the Association has been established to implement these Standards. Although the Standards contain a listing of specific requirements to be followed, the very nature of design is an individualistic process. Consequently, the responsibility of the Board of Directors is to interpret the goals of the community and these Standards as they relate to each submittal. The Association shall judge compliance with these Standards in questions of appearance, aesthetics, or infringement by design upon the rights of other residents. The Association has the absolute and exclusive right to reject any proposal which is not desirable in its opinion for any reason, including purely aesthetic reasons. If any of these Standards conflict with the Governing Documents, the term or provision of the applicable Governing Document shall control.

2.3.4 ***Amendments and Deletions.*** The Braemar Creek at Greensprings Plantation condominium Association reserves the right to modify, add to, or delete from any specific section of the Standards from time to time. All changes

must be ratified by the Board of Directors prior to incorporation into these Standards.

2.4 APPLICATION REQUIRED

2.4.1 Prior to commencing any Improvement, the Owner shall submit an application to the Association. Prior to such submission, the Owner should ensure that they have the most current Standards. All requests must be made on a Plan Application. Detailed drawings, a completed Plan Application and a detailed material list shall be submitted for review. The Owner shall include two (2) copies of each documents submitted with the Plan Application and the Plan Application. A copy of the Plan Application is attached as Appendix 1.

2.5 APPROVAL

2.5.1 The Board of Directors shall have thirty (30) days from receipt of the completed Plan Application to approve or deny the request. Whether a Plan Application is "complete" shall be determined by the Board of Directors. Incomplete submittals will be denied. Owners will be notified by electronic mail or by postage mail. If the Board of Directors fails to take action within thirty (30) days after the receipt of a complete Plan Application, the requested Improvement shall be deemed approved.

2.5.2 In the event the Plan Application and drawings submitted to the Board of Directors are disapproved, the Owner may request to meet with the Board of Directors at their regularly scheduled monthly meeting to review and discuss the Plans Application. The Owner may appeal the disapproval, in writing, to the Board of Directors. The written request must be received by the Board of Directors not more than thirty (30) days following the disapproval by the Board of Directors.

2.6 COMPLIANCE WITH THE APPLICABLE LAWS, ORDINANCES AND CODES.

2.6.1 Approval of Improvements by the Association is for aesthetic purposes only. It is the Owner's responsibility to see that all federal, state and local ordinances and codes are followed. Permits may be required by the County of James

City of Williamsburg or other public agencies. Approval of any project by the Association does not waive the necessity of obtaining the required County permits. In turn, obtaining County permits does not waive the need for approval by the Architectural Control Committee prior to construction.

2.7 CONSTRUCTION TIME TABLE

2.7.1 Construction must commence within sixty (60) days after approval of the Plan Application drawings by the Association. If commencement of construction is to be deferred for a period of more than sixty (60) days, a new Plan Application may be required by the Association.

2.7.2 All work should be completed within forth-five (45) days from the date of the commencement of construction for minor projects, and within six (6) months from the date of commencement of construction for major projects as defined by the Association. If the scope of the project warrants more time, the Owner must contact the Association to obtain approval to extend the completion date.

2.7.3 Construction must not unreasonably disturb neighbors' property or property owned and/or maintained by the Association. The use of a neighbor's parking space or property owned by the Association for construction access is not permitted unless the neighbor and/or the Association has given written consent which written consent must include a description of the access area.

2.7.4 The use of property owned and/or maintained by the Association for construction access is not permitted, unless authorized by the Association, and the Owner signs a waiver of damage and posts a construction deposit for repairs to property owned and/or maintained by the Association. Any authorization for construction access by the Association must be in writing and must include a specific description of the access area. The Applicant is responsible to ensure the original course of surface water flow is not disturbed or altered to adversely affect neighboring properties. The Association, or its authorized representatives, will make routine inspections of the project. The Association will notify the Owner in writing should any noncompliance with the approved plans be

determined upon any inspections. A waiver of damage form is attached as Appendix 2.

2.8 NONCOMPLIANCE WITH APPLICATION REQUIREMENTS

2.8.1 The commencement of construction prior to the approval of the proposed work by the Association, or non-adherence to the approved Plan Application, shall be a violation of these Standards and the Association is empowered to issue a stop work order to the Owner. Continuing work beyond the issuance of the stop work order shall subject the Owner to charges and all other legal remedies which the Association may be entitled pursuant to the Governing Documents and the laws of the Commonwealth of Virginia. The stop work order is issued by the Association and will be signified by the delivering or posting of the notice at the job site and a copy of the order sent to the Owner by registered mail at the property address. A stop work order form is attached as Appendix 3.

2.9 CHANGES TO APPROVED PLAN APPLICATIONS

2.9.1 All field changes which affect the exterior, including, but not limited to, changes in approved heights, widths, or lengths, must be approved prior to the changes being performed.

2.10 FINAL INSPECTION

2.10.1 Upon completion of the Improvement as indicated on the "approved" copy of the drawing and its specifications, the Owner must notify the Association to obtain a final inspection. If the Association chooses to inspect the job for conformance to the plans, as submitted and approved, inspection will be complete within thirty (30) days after the Owner has notified the Association of completion. If the improvements are built according to the approved drawings, then the posted Architectural Permit will be signed. If the Improvements are not built according to the approved drawings, then Association will notify the Owner in writing regarding any noncompliance. The failure to notify the Association in writing of any field changes, non-adherence to the approved plans, or project completion shall be a violation. The Association is empowered to issue a stop work order to the Owner at any time. Continuing

work beyond the issuance of the stop work order shall subject the homeowner to possible fines, and/or a court issued temporary restraining order to stop work, and all other legal remedies to which the Association may be entitle pursuant to the Governing Documents and the laws of the Commonwealth of Virginia. If a violation is determined, the Association will seek to assess the Owner for all costs to bring the Improvement into compliance. An Architectural Permit is attached as Appendix 4.

2.10.2 The stop work order issued by the Association and will be signified by the delivering or posting of the notice at the job site; and by sending a copy of the stop work order to the Owner by registered mail at the property address.

2.10.3 The Association's approval of drawings refers to conformance with the Governing Documents and these Standards. Plans and specifications are not approved for engineering design and by approving such plans and specifications neither the Association, the members thereof, the Association Board, designated representatives, agents, nor the Declarant assumes liability or responsibility therefore, or for any defect in any structure constructed from such plans and specification.

2.10.4 The Board of Directors shall have the right and privilege to permit any owner (without the consent of other owners) to deviate from any of these Standards, provided that such deviation is necessary, in the opinion of the Board of Directors, in order to carry out the general purposes of the Governing Documents and/or these Standards. Any such permission of the Board of Directors shall be in writing and shall not constitute a waiver of the Association's powers of enforcement with respect to any of the architectural controls as to any other of the covered properties.

3. USE OF PROPERTY

3.1 PATIO UMBRELLAS

3.1.1 Temporary sunshades attached to the vertical face of the unit, patio cover, or gazebos, such as rolls of bamboo, fiberglass, or reed, are not permitted.

3.1.2 Patio umbrellas must be maintained in an aesthetically acceptable condition and must not display advertising or endorsements.

3.2 ANTENNAS, SATELLITE DISHES AND OTHER COMMUNICATION EQUIPMENT

3.2.1 Unit Owners who wish to install a satellite dish of one (1) meter or less ("DBS"), a multichannel multipoint distribution service device ("MMDS") or a television broadcast service antenna ("TVBS"), on a Unit or Limited Common Element, please refer to Section 3.2.4.

3.2.2 Installation of a satellite dish, a multichannel multipoint distribution service device or a television broadcast service antenna on a Common Element is prohibited.

3.2.3 Satellite dishes greater than one (1) meter are prohibited.

3.2.4 Satellite dishes ("DBS") of one (1) meter or less, Multichannel Multipoint Distribution Service Devices ("MMDS") and Television Broadcast Service Antennas ("TVBS") on Units or Limited Common elements (areas in which the unit owners have a direct or indirect ownership interest in the area in which the device is sought to be installed, and that area is **within** his or her exclusive use or control):

3.2.4.1 The FCC has issued Regulations concerning the installation of the specified devices and did not want to require prior Architectural Committee review and permits, primarily because of the time delay. In Braemar Creek, this review is thirty (30) days and often much less. The Association is, nevertheless, still allowed to regulate certain aspects of the appearance, location and installation of the devices. Our members, therefore, in order to continue the overall excellent aesthetic appearance of Braemar Creek at Greensprings and to contribute to the Association's ability to maintain the Community's high standards, are urged to install their devices in such a manner as to be least visible.

3.2.4.2 Unit owners must obtain an advisory review by the Association before the initial installation of devices and must complete and submit an Architectural

Modification Form for review and approval by the ARC committee. All installations must be professionally installed.

3.2.4.3 Unit Owners proposing to install devices with masts of twelve (12) feet or more in excess of the roofline must file a Plan Application first and receive approval before installing such a device.

3.3 EXTERIOR DOORS

3.3.1 An application and approval from the Association is required prior to the installation of any new exterior doors or for alterations to existing exterior doors.

3.3.2 The size, location, material, design and color of new exterior doors shall be compatible with the exterior doors of the existing condominium units.

3.3.3 New doors must be painted to match the color of the original door and must be compatible with the design of the existing condominiums.

3.3.4 Changes to existing doors, such as new decorative front doors, must be compatible with the color and design of the existing unit. Reflective glass and reflective materials that create a "mirror" effect on doors from the outside are prohibited.

3.3.5 Changing the existing color of exterior doors requires approval.

3.3.6 Maintenance and replacement of the exterior door hardware is the responsibility of the Unit Owner. All replacements or additions to the original hardware requires a Plan Application. Standards for new hardware are set by the Architectural Committee, including door handles, knobs, hinges, etc.

3.4 STORM DOORS

3.4.1 The addition of a storm door must have a Plan Application and approval from the Architectural Committee. Storm doors are permitted within the following guidelines:

3.4.1.1 The storm door must be white or a color matching the existing trim on the building on which they are to be installed.

3.4.1.2 The storm door styles must be "full view" or "self storing". Specifications for storm doors must be obtained from the Association Manager prior to submission of a Plan Application.

3.4.1.3 They are not ornate or massive in design (examples: scrolls, bars, etc.). No beveled glass and no leaded glass.

3.4.1.4 They do not detract from the adjacent public or private sidewalks or streets, trails, walkways, green space, and parks.

3.4.1.5 The storm door must be professionally installed.

3.5 EXTERIOR PAINTING

3.5.1 An application is required for any proposed change in exterior paint color(s) or the location of existing colors.

3.5.2 Any proposed color change must be compatible with the neighboring condominium units.

3.5.3 An application must include paint chips and a completed sample plan. A sample plan form is provided by the Association along with the application

3.5.4 The Association reviews applications for exterior painting to determine that color choices are consistent with the Standards. All colors are reviewed on a case-by-case basis for the compatibility with the unit and the community.

3.6 EXTERIOR WINDOWS

3.6.1 An application and approval from the Association is required prior to the installation of any new exterior windows or for alterations to existing exterior windows including, but not limited to, changes in size, materials and color.

3.6.2 The size, location, material, and color of new exterior windows shall be compatible with the existing windows of the unit. If extensive demolition work is being conducted, the windows must be compatible with the character of the windows already existing in the community. At remodels, new windows must match existing windows.

3.6.3 New accent windows, such as bay windows and greenhouse windows, are not permitted.

3.6.4 Changes to existing windows, such as glass film and/or tinting or wood windows, must be compatible with the color and design of the existing house. Reflective glass and reflected materials, which create a "mirror" effect on windows from the outside, are prohibited.

3.6.5 Changing the existing color of window frames requires approval. Normally all exterior window frames visible from the same vantage point on the affected side of the dwelling must match the approved color.

3.6.6 Any window covering appearing as a temporary covering shall not be allowed. Window coverings, which are considered unacceptable, include, but are not limited to, newspaper, cardboard, butcher paper, poster board, aluminum foil, plywood, sheets, and other paper covers.

3.6.7 The side of all window coverings with the Unit, including shades, drapes or other decorative window treatments, which are visible from the exterior of the condominium, shall be white, or such other common color or shade as may be determined by the Association.

3.7 INTERIOR FINISHES AND FURNISHINGS

3.7.1 Second floor units shall not increase the sound transmission level for first floor units by installing wooden, tile or vinyl floor coverings in other than those areas originally installed by Declarant.

3.7.2 Unit owners who have waterbeds, exercise equipment or such other personal property weighing more than the usual pieces of furniture in a home shall be responsible for any damage to the structure caused by the unusual concentration of weight. The Unit Owner shall be responsible for any damage caused to other units, Common Elements or Limited Common Elements.

3.8 FLAGS, FLAG POLES AND SEASONAL DECORATIONS

3.8.1 With the exception of one small garden flag not to exceed 12" x 20", no other flags, flagpoles, signs, decorations, advertisements, notice or other lettering, or bric-a-brac shall be permitted on any part of the common area, limited common area, or in the windows, on fences, or on the doors of any unit. No poles or brackets may be attached to the building or the fence. No more than two (2) shepherd hooks are permitted as long as they are not attached to any portion of the building or fence. ***The section does not intend to prohibit the display of the American Flag, which can be displayed so long as it is flown in accordance with the Freedom to Display Flag Act of 2005.***

3.8.2 HANUKKAH, CHRISTMAS, KWANZA

3.8.2.1 No holiday lights are permitted to be hung on the outside of the Unit, including but not limited to, around the door, the windows, along fencing, along the roof line or garage doors or in the Common Area landscaping.

3.8.2.2 Wreaths are permitted to be hung on the front door using wreath hangers, which do not puncture or damage the door or its related components.

3.8.2.3 Candles visible from the exterior of the Unit are permitted in the interior of a Unit; multicolored bulbs are not permitted. The light bulbs must be white or clear in color. All decorations must be removed by January 5th following the holiday.

3.8.3 ADDITIONAL HOLIDAYS

3.8.3.1 Decals for other holidays are permitted in the windows of the Unit only.
3.8.3.2 Wreaths are permitted to be hung on the front door using wreath hangers that do not puncture or damage the door or its related components.
3.8.3.3 All decorations must be removed no later than ten (10) days after the holiday.

3.9 GARAGE DOORS

3.9.1 Replacement of existing garage doors requires an application and approval prior to installation. Treatments that draw attention to the garage door, such as ornate decoration on or around the garage door, are not permitted. All replacement garage doors in the same building must be the same style, but need not be installed at the same time.

3.9.2 The garage door color must match the trim (facia) color of the dwelling.

3.9.3 Any proposed windows must be installed in the top section/panel of the garage door.

3.9.4 Any proposed changes to the existing garage door header height are not permitted.

3.10 MECHANICAL EQUIPMENT

3.10.1 The installation of mechanical equipment, including but not limited to, air conditioners, spa equipment, water softeners, and waterfall pumps, shall require approval by the Association.
3.10.2 Window-installed air conditioners are not permitted.
3.10.3 "In-wall" air conditioners are generally not permitted except as provided in the original construction.
3.10.4 The location of the outdoor mechanical equipment shall be as originally sited.
3.10.5 The drawings must indicate the location and dimensions of the equipments and, if exposed to view, the method of screening.
3.10.6 The Association may require that pumps and blowers be enclosed above or below ground to mitigate the noise factor.

3.11 OUTDOOR STORAGE/TRASH CONTAINERS/EXTERIOR APPEARANCE.

3.11.1 All exterior areas must be kept clean and free of unsightly objects. Well-maintained patio furniture is permitted on both enclosed patio areas, decks and un-enclosed patio areas. No towels, clothing or similar items may be hung over railings or patio enclosures. Patio furniture shall not be visible above the enclosures or railings.

3.11.2 All items stored outside, such as garden hoses, yard or gardening equipment, trash containers, recycling bins, sports equipment, and other personal articles must be completely screened from view of streets, green space, and adjacent homes. The appearance of these items from the second floors of adjacent homes should be considered and must be kept in good condition at all times.

3.11.3 The trash compactor/dumpster is for ordinary garbage only. No furniture, appliances, building materials, or toxic substances are to be disposed of in the trash compactor/dumpster. No trash or other items are to be left outside of the compactor/dumpster. All boxes are to be broken down before placing in the compactor/dumpster. Bulky items are the responsibility of the homeowner or tenant to dispose of at their own expense. Any malfunctions with the compactor/dumpster should be reported to the Association through the managing agent.

3.11.4 Recycling bins may be placed at curbside for pickup after 5:00 pm the day before waste collection is scheduled. All containers must be promptly returned to the unit out of view following the scheduled collection no later than 7:00 pm on the scheduled collection day.

3.11.5 Newspaper and other such products must be secured to keep them from blowing onto the street, neighboring properties, or Common Areas.

3.17 LANDSCAPE

3.17.1 The landscape character of the community is established by the initial development. Subsequent landscape improvements must be compatible with the original design. Landscaping improvements are defined as (1) hardscape: walkways, driveways, planters, fountains, pilasters, etc., and (2) softscapes: grass lawn, flowers, shrubs, ground cover trees, etc. Flowers must be in pots only.

3.17.2 The Association must approve all hardscape components.

3.17.3 All softscape components visible from the street must present an attractive appearance for the property and must include a reasonable combination of grass lawn and/or ground cover, shrubs and trees, walkways, etc.

3.18 LANDSCAPING IN YARDS VISIBLE FROM SIDEWALKS

3.18.1 The following landscaping materials are **not** permitted within the front and visible yards without an application and the approval of the Association.

3.18.1.1 Decorative rock, wood chips, sand, gravel, or any other rock like substance. However, these materials may be acceptable when installed as an accent in the visible areas. Artificial (non-plant) materials are not to be used as a substitution for hardscape lawn, groundcover or shrubbery.

3.18.1.2 Hedge-type plants exceeding eighteen (18) inches in height and/or shrubs with thorns planted adjacent to public or common sidewalks.

3.18.2 The landscaping installed and maintained by the developer or the Association shall be maintained in a clean safe and attractive condition and shall not be changed in any material manner from that existing as of the initial completion and thereafter, from time to time (including, but not limited to, the ratio of grass to ground cover to shrubs), without the prior written approval of the Association. For purposes of this rule, a material change shall mean a change of more than five percent (5%) of the existing landscaping ratios.

3.18.3 Thematic landscape features with distinctive colors, forms or materials that establish an independent theme that conflicts with the overall streetscene, such as mirror balls, statues, sculpture, Astroturf, rock gardens, gravel yards, cactus, and bird feeders are not permitted. Solar landscape lighting must not be installed without submission of an ARC Modification application and prior approval.

3.18.4 The following items are not permitted: Ornaments that make noise i.e., wind chimes and clackers; ornaments with moving or rotating parts; Fountains or bird baths. Trees shall not be used for hanging planters, baskets, or bird feeders, etc.

3.9 PETS

3.19.1 No animals or reptiles of any kind shall be raised, bred or kept in any unit or on the Common Elements, except small orderly dogs and cats weighing less than thirty-pounds (30) total weight at full maturity, not to exceed two (2) pets per unit. Cats and dogs shall be kept on a leash and the owner shall comply with all County ordinances with respect to cats and dogs as if the Common Elements were public areas. The cats and dogs are not to roam the property freely, but are to be kept inside when not leashed. At no time will there be any pet permitted to be on the property of Braemar Creek that is listed on the Center for Disease Controls and Prevention's most dangerous list. They are Pitt Bulls, Rottweilers, German Shepherds, Huskies, Alaskan Malamutes, Doberman Pinschers, Chow Chows, Great Danes, St. Bernard's, and Akitas.

3.19.2 A pet may be maintained in a Unit so long as it is not a nuisance. Actions that will constitute a nuisance include, but are not limited to, abnormal or unreasonable crying, barking, scratching or hygienic offensiveness.

3.19.3 All pets must be registered with the James City County, inoculated as required by law, and registered with the Association using a format as prescribed by the Association. A picture of the pet must be submitted to the management office.

3.19.4 Pet owners are fully responsible for any personal injuries or property damage or both caused by their pets.

3.19.5 Leashes may not exceed eight (8) feet in length.

3.19.6 Owners of pets walked upon the common elements must promptly clean up their pets' droppings in all areas. Owners must walk their pets away from the buildings to relieve themselves. Visiting pets must obey the same rules as homeowners. Visiting pets are limited to one week unless prior approval is given by the Board of Director's in writing.

3.20 LEASING OF UNITS

3.20.1 No more than twenty-five (25) percent of the total number of units in the condominium Association may be leased at any given time. A unit shall be considered leased if it is occupied solely, on a regular basis, by a non-owner or non-owners. No unit may be leased without prior approval of the Board of Directors.

3.20.2 Unit Owners desiring to lease their unit shall make a written request to the Association, and a $250 administrative fee to cover handling and processing of the new tenant must accompany such request. The request for leasing is pursuant to such Rules and Regulations hereafter adopted from time to time by the Board of Directors. The determination concerning the availability of rental units shall be in the sole discretion of the Board of Directors. All such written requests must be accepted or rejected by the Board of Directors within 10 days of receipt, or they shall be deemed to have been accepted.

3.20.3 This rental restriction shall not apply to the Declarant.

3.20.4 No Unit shall be rented for transient or hotel purposes. No Unit shall be rented for an initial period of less than twelve (12) months, and initially no more than twenty-four (24) months. No portion of a Unit (other than the entire Unit) shall be leased for any period. No Unit shall be subleased.

3.20.5 No Unit Owner shall lease a unit other than on a written form of lease requiring the lessee to: (1) comply with the Condominium Instruments and the Rules and Regulations; and (2) providing that failure to comply shall constitute a default under the lease. The failure of a Unit Owner to use a written lease shall not be determinative of whether the Unit is leased. If the lessee violates the Condominium Instruments or the Rules and Regulations, the unit owner shall cause the lessee to vacate the unit. In the event the lessee does not vacate the unit, the Association shall be entitled to undertake action to have the lessee removed from the unit and shall assess the unit owner for any costs and/or attorney's fees expended

by the Association in taking such action. Each unit owner shall provide a copy of the signed, executed lease and the renter's information sheet as set for the in the Rules and Regulations, to the Board of Directors and/or the management agent prior to the unit being occupied. Each unit owner is responsible for the lessee's compliance with the Condominium Instruments and the Rules and Regulations, as amended from time to time. In the event the Unit Owner of lessee does not comply with the Condominium Instruments and the Rules and Regulations, the Association shall be entitled to all rights and remedies against the Unit Owner as set forth in the Condominiums Instruments, Rules and Regulations, or the Virginia Condominium Act.

3.20.6 The Board of Directors shall have the power to adopt, amend and/or repeal such rules and regulations to administer and enforce the rental requirements.

3.20.7 The Association shall have the power to limit the number of persons who occupy a Unit as a dwelling. Occupancy of a Unit shall be limited to a maximum of three (3) unrelated individuals.

3.21 VEHICLES

3.21.1 Motorized vehicles may only be operated on streets, driveways and in the designated parking areas. Operators and owners of vehicles must obey all regulations posted on the property, including but not limited to speed limits, disabled parking designations, parking assignments and rules. All vehicles must be parked so as not to impede traffic or damage vegetation. There shall be no parking along the street at any time; parking is permitted only in designated parking spaces, driveways, and garages. No parking on any landscaped area or lawn is permitted. Unassigned visitor parking is available to owners and their guests on a first come, first served basis for short-term use. Long-term parking or storage of properly licensed motorized vehicles in parking spaces is prohibited. The Board of Directors shall determine what is to be considered as long-term parking.

3.21.2 All vehicles parked or operated on the property shall display current registration plates, inspection stickers and current locality or state permits as required. Vehicles that are not properly licensed and inspected will be tagged and ultimately towed at the owner's expense if not remedied or moved from the property. Inoperable vehicles such as flat tires and missing body parts will also be towed without notice at the owner's expense. The information on

the location of the vehicle can be obtained from the towing sign located at the entrance of the community. Each Unit Owner is responsible to inform their guests and invitees of the parking rules.

3.21.3 No commercial vehicles, campers, boats, trailers, camper shells, jet skis, kayaks, canoes, windsurfers, recreational vehicles or buses, shall be parked or stored anywhere on the Property, including Common Area and Limited common Area. Motorcycles, mopeds, trail bikes and motorized scooters are considered vehicles and must be parked in the designated parking spaces for a particular unit. Parking of motorcycles and mopeds is strictly prohibited on patios and sidewalks. Such vehicles must have a metal plate under the kickstand to avoid damage to the asphalt. The owner or operator of any vehicles shall be responsible for any damage caused to the parking lot by their vehicle. "Commercial Vehicles" are vehicles which are not designated and used for customary, personal/family purposes. The absence of commercial lettering or graphics on a vehicle shall not be determinative of whether it is a commercial vehicle.

3.21.4 No vehicle shall be operated in such a manner to increase the engine noise level or race the engine, which may cause a disturbance to other Unit Owners.

3.21.5 Vehicle repair work of any nature is not permitted within the condominium property. Fluids may be filled, but no fluids can be changed or drained. Vehicles may not be placed on blocks or jacks at any time. Emergency repairs (dead battery, flat tire) are permitted. Vehicle owners are responsible for cleaning or repairing any extraordinary fluid leakage or other damage their vehicles(s) cause to the concrete or asphalt surfaces and landscaped areas. Vehicle washing is permitted within the confines of each Unit Owners' driveway or their assigned parking space. Unit Owners shall not use the driveway area for storage of hoses, buckets or other items and must be put away when not in use.

3.21.6 No motor vehicles shall be driven on any trails, sidewalks or unpaved areas of the Common Area except those vehicles authorized by the Board of Directors to maintain, repair or improve the Common Area. Bicycles shall not be driven or rode on unpaved areas of the Common Areas.

3.21.7 Any vehicle parked or stored in violation of these Rules and Regulations or the Governing Documents may be towed by the Association at the sole expense of the vehicle owner. Towing may take place without notice if the vehicle is parked in a no parking

area, blocking a street, parked in a fire lane or impeding traffic flow. Towing for other violations of the Rules and regulations shall require twenty-four (24) hours notice to the Owner or operator. Such notice shall be accomplished by placing notice on the windshield of the vehicle. The Association shall not be liable to the owner or operator of the vehicle for trespass, conversion or otherwise, nor shall the Association be guilty of any criminal act, by reason of placing the notice on the vehicle or having the vehicle towed. An Affidavit by the Association stating that notice was properly given shall be conclusive that Notice was proper. The determination by the Board of Directors that a vehicle is a commercial vehicle shall be conclusive.

3.22 HAZARDOUS SUBTANCES/USES

3.22.1 Unit Owners shall not permit the use, storage, generation, or disposal of hazardous substances on the Property, Unit, Common Elements or Limited Common elements. Hazardous substance shall include all of those substances included under any federal, state or local law, statute, ordinance, rule of regulation.

3.22.2 No Unit Owner shall do or keep anything in their Unit, or on the Common Elements or Limited Common Elements which will increase the rates of insurance or creates a threat to the health, safety and welfare of any other Unit Owner. This clause shall include propane tanks beyond 2.5 pounds, turkey fryers, charcoal grills, fire pits, and propane grills.

3.23 VARIANCES

3.23.1 The Board of Directors shall have the right and privilege to permit any owner (without the consent of other owners) to deviate from any of the architectural standards, provided that such deviation is necessary, in the opinion of the Board of Directors, in order to carry out the general purposes of the Declaration and/or the design standards. Any such permission of the Board of Directors shall be in writing and shall not constitute a waver of the committee's or Associations' powers of enforcement with respect to any of the architectural controls as to any other of the covered properties.

3.24 NUSIANCE

3.24.1 No nuisance or any use or practice that is the course of unreasonable annoyance to other Unit Owners or which interferes with the peaceful possession and proper use of the Condominium Property by the Unit Owners is permitted. No Unit Owner or occupant shall permit or suffer anything to be done or kept upon the Condominium Property or his Unit which will increase the rate of insurance on the Condominium.

3.25 NOISE

3.25.1 All persons present on the Condominium Property or a Unit shall comply will all applicable local noise ordinances and shall not permit or engage in any activity, practice or behavior that causes annoyance, discomfort or disturbance to any other person (s) lawfully present on the Condominium Property or a Unit.

3.26 GRILLS

3.26.1 The use and/or storage of charcoal grills, gas grills with propane tanks larger than 2.5 pounds, or open fires are prohibited. Electric grills are permitted. Grilling must take place at least ten (10) feet from the building or combustible materials, such as wooden fences, shrubbery, etc. ABSOLUTELY NO STORAGE OF PROPANE TANKS LARGER THAN 2.5 POUNDS IN GARAGES OR WITHIN THE COMMUNITY WILL BE TOLERATED, AS THIS IS A HAZARD TO ALL OCCUPANTS AND THE BUILDING.

4.1 CLUBHOUSE

4.12 The clubhouse is for the use of the homeowners by rental only. Reservations must be made in advance through the managing agent. All contents including furniture and blinds are not to be adjusted, moved, or rearranged at any time. No food or beverage shall be left in the stove, microwave, or refrigerator at any time.

4.13 Persons twenty-one (21) and under must be accompanied by an adult over the age of twenty-one (21). Contact Management to schedule availability and for a copy of the rental contract. No smoking or no pets are permitted in the clubhouse at any time.

4.14 The clubhouse will be open to all homeowners for social events, but not for personal use unless rented. Clubhouse rental does not include the use of the pool.

5.1 FITNESS ROOM

5.12 Entrance to the fitness room is on the side of the clubhouse, and operates on a unique card system. The hours of the fitness room are 5am to 11pm unless otherwise noted. Hours are posted in the clubhouse. Owners are responsible for giving their card to their tenant if desired. The unit owner or tenant, if applicable, must accompany all guests using the fitness equipment.

5.13 Children must be sixteen (16) or older to use the fitness equipment. Appropriate attire is required such as athletic footwear and clothing.

5.14 Cleaning the equipment after use with the wipes provided is mandatory for the welfare of the other users. Please turn off all equipment, television, lights, and fan. Do not move or rearrange the equipment, including the blinds. Please report any malfunctioning equipment to the management office. Limit workout to thirty (30) minutes if others are waiting to use the equipment. No smoking or pets are allowed in the fitness room at any time.

6.1 TENNIS COURTS

6.11 The tennis court is for playing tennis only. Athletic footwear only; no street shoes are permitted. No games, soccer, football, or baseball playing of any kind. Pets are not permitted within the fenced area, nor are smoking or use of any tobacco products. The tennis court is a drug and alcohol few zone. Non-players must stay outside of the fenced area, and children under the age of thirteen (13) required adult supervision. **Absolutely no skates, skateboarding, bikes, street hockey, scooters, big wheels, etc. are permitted. Anything but playing tennis will damage the surface of the tennis court resulting in an expensive repair cost to the homeowners.**

7.1 SWIMMING POOL

7.11 The pool will be open seven days a week during the designated season of Memorial Day Weekend through Labor Day unless an extended time is authorized and approved by the Board of Directors. The Board of Directors may alter the days and hours of the pool as needed.

7.12 Yearly pool rules will be reviewed by the Board of Directors and will be provided to each homeowner prior to obtaining pool privileges. This is not an inclusive list of pool rules.

7.13 All homeowners will be required to apply yearly for the pool card by signing the pool application and agreeing to abide by those rules. The card will not be activated for use of the pool until all information has been provided to management. All tenants must obtain their pool privileges through the homeowner and not the managing agent. Each homeowner is responsible for their children, tenants, and guests. Due to the size of the pool, residents shall limit the number of guests to no more than two (2) guests per unit.

7.14 The pool is a non-smoking and non-alcoholic area.

7.15 When the pool is unattended by a lifeguard, it is "Swim at Your Own Risk".

8.1 TOT LOT

8.11 The tot-lot is open from sunrise to sunset. The use of the tot-lot equipment is at your own risk and is reserved for residents and their guests only. Young residents under the age of twelve (12) must be accompanied by an adult over the age of eighteen (18). Rough playing, yelling, or vulgar language is not permitted in the tot-lot area. Glass containers are not allowed at the tot-lot, as well as animals. The recommended age for the tot lot equipment is for children under the age of twelve (12).

9.1 GOLF COURSE

9.11 The Williamsburg National Golf Course is private property and is not a part of Braemar Creek. Please be mindful of the owners and players of the golf course by refraining from walking on the cart paths and the course.

10. ENFORCEMENT AND PENALTIES

10.1 VIOLATION BY MEMBERS; REMEDIES. In the event of a violation by the Unit Owner of any of the provisions of the Condominium Instruments or Rules and Regulations adopted pursuant to any of same and/or the Condominium Act, in addition to the remedies set forth in the Condominium instruments and the Condominium Act, the Association shall have the power to:

10.1.1 Suspend a Unit Owner's right to use facilities or services, including utility services provided directly through the Association, for nonpayment of assessments which are more than sixty (60) days past due, to the extent that access to the unit through the common elements is not precluded, and provided that such suspension shall not endanger the health, safety, or property of any Unit Owner, tenant, or occupant; and pursuant to Chapter 55-79.75 of the Condominium Act.

10.1.2 The Policy Resolution relating to Due Process Procedures, dated March 26, 2012, is hereby incorporated by reference into Section 10 of these Rules and Regulations.

10.1.3 The Policy Resolution relating to Collection Procedures, dated March 26, 2012, is hereby incorporated by reference into Section 10 of the Rules and Regulations.

Appendix 1

BRAEMAR CREEK AT GREENSPRINGS PLANTATION CONDOMINIUM ASSOCIATION, INC. PLAN APPLICATION

Alteration to Existing Construction Plan Application Form

The Architectural Review Board ("ARB"), as provided for in the governing documents exists to maintain high standards for design, development and maintenance of Condominium Units. When an Owner wishes to remodel a Condominium Unit, application must be made to the ARB using this form. (Two copies are required.) The information will provide the ARB with the information necessary to review the proposed construction for compliance with the Architectural Review Policy. Applications must be submitted to the ARB at least 60 days prior to the anticipated start date.

Unit # _____ Street: _____ Address #_____

Submittal Date: _____, 200___.

Anticipated Start Date: _____, 200___.

Anticipated Completion Date: _____, 200__.

Property Owner(s): _____

Address: _____ State _____ Zip _____

Home Phone: _____ Business Phone: _____

Contractor/Builder: _____ Phone: _____

Description of Work: _____

_____

_____

_____

_____

_____

08.25

BRAEMAR CREEK AT GREENSPRINGS PLANTATION
CONDOMINIUM ASSOCIATION, INC.
Architectural Review Policy

CHECKLIST:

All the following (if applicable) items must be included with Plan Applications for review by the ARB. Please check off each item. If an applicable item is not included, the Plan Application will be returned for completion.

A. FLOOR PLAN

[ ] 1. Minimum scale: 1/4 inch = 1 foot.
[ ] 2. Interior/Exterior door and window openings.
[ ] 3. Interior/Exterior walls and partitions.
[ ] 4. Interior/Exterior stairways.
[ ] 5. Interior/Exterior lights.
[ ] 6. Decks, patios and porches.
[ ] 7. Utility locations - TV, Phone, Electrical, Water and Gas Lines.

B. BUILDING MATERIALS

[ ] 1. Exterior siding & pattern.
[ ] 2. Trim materials
[ ] 3. Brick, Stone - color & pattern
[ ] 4. Exterior openings
    [ ] a. Doors (materials, finish)
    [ ] b. Windows (materials, finish)
[ ] 5. Exterior; paint, stain, type-finish, color (provide color chips)
    [ ] a. Siding color: _____
    [ ] b. Trim: _____
[ ] 6. Exterior light fixtures (vendor, descriptions, names)
[ ] 7. Heating/Cooling system (type, location for exterior equipment)

C. PHYSICAL SURVEY

[ ] 1. Site plan showing the exact location of the alteration in relation to the existing structure

98-26

BRAEMAR CREEK AT GREENSPRINGS PLANTATION CONDOMINIUM ASSOCIATION, INC.
Agreement for Alterations to Existing Construction

As a Unit Owner, I/We have read the current Rules and Regulations and Plan Application forms and fully understand the requirements.

I/We understand that any exterior changes to the approved plans must be submitted to and approved by the ARB prior to implementing the change.

I/We understand that by signing this agreement, specific permission is granted to the ARB and/or its agents to enter the property at reasonable times to inspect for compliance.

I/We understand that the surface of the Common or Limited Common Property must not be damaged or disturbed during construction or used for other activities relating to construction without the written permission of the ARB.

I/We understand that mud and debris, which accumulates on the street as a result of the construction, must be removed promptly. If not removed promptly, the Association may have the debris removed and the cost charged to Me/Us.

I/We understand that the Braemar Creek at Greensprings Plantation Condominium Association, Inc. will not be responsible for any present or future expenses resulting from the proposed alterations.

I/We will be solely responsible for any damage(s) that may occur to the Common or Limited Common areas during the process of the proposed alterations.

I/We will not hold Braemar Creek at Greensprings Plantation Condominium Association, Inc. and its Board of Directors liable for any damages resulting from the proposed alteration.

I/We understand that to enforce its standards, the Association may seek injunctions from a court of law and other legal remedies.

Owner Signatures (all owners must sign)

Owner: _____ Date: _____, 200___.

Owner: _____ Date: _____, 200___.

98-27

APPENDIX 2

BRAEMAR CREEK AT GREENSPRINGS PLANTATION CONDOMINIUM ASSOCIATION, INC.

This Agreement is made this ____ day of _____, 200___, by and between Braemar Creek at Greensprings Plantation Condominium Association, Inc. (the "Association") and (Name) _____(Address)

_____

(Telephone Number) _____ (the "Unit Owner").

This Agreement grants the Unit Owner the non-exclusive right to access and/or use the following property maintained or owned by the Association: _____

_____

from _____, 200___ until _____, 200___.

1. Construction Deposit. Unit Owner deposits the sum of $_____ as a construction deposit to cover repairs, cleaning, replacement or damages to property owned or maintained by the Association.

2. Use. This Agreement grants the Unit Owner and its authorized contractors access or use of the property set forth above.

3. Lawful Compliance. The Unit Owner agrees to abide by and conform to all rules and regulations of the Association, and the terms and conditions contained in the Association Declaration and Bylaws, and all amendments thereto. Unit Owner shall comply with all laws of the United States, the Commonwealth of Virginia, all local ordinances, building codes and all rules and requirements of local police and fire departments and will pay any taxes or fees due to any authority arising out of the Unit Owner's use of property owned or maintained by the Association.

4. Indemnification. The Unit Owner shall hold the Association harmless and indemnify it against any liability, penalties, damages, and expenses because of any injury or claim of injury to any person or property of any nature arising out of the use, occupation, and control of property owned or maintained by the Association during the period of use. The Association shall not be responsible for any damage or injury that may happen to Unit Owner or Unit Owner's contractors, agents,

98-28

servants, employees or property from any cause, during the period covered by this Agreement. The Unit Owner expressly releases Association from and agrees to indemnify if against any and all such loss, damage or injury.

5. Care of Property. Unit Owner shall not injure, mar nor in any manner deface the premises. Nor shall Unit Owner cause or permit anything to be done by which the premises are in any manner injured, demarred or defaced. If said property, furnishings or any portion of said building, during the term of this Agreement, shall be damaged by the act, default or negligence of the Unit Owner, or any of the Unit Owner's contractors, agents, employees, patrons, guests or any persons admitted to said property by the Unit Owner, Unit Owner shall pay to the Association, upon demand, such sums as shall be necessary to restore the property to their present conditions. Association may apply the construction deposit to such sums.

6. Enforcement. Unit Owner shall be responsible for any attorney fees and costs incurred by Association in enforcing any of the provisions of this Agreement.

7. Right of Entry. The Association reserves the right during Unit Owner's use to eject any person or persons behaving disorderly or contrary to the rules and regulations of Association of the terms of the Declaration or Bylaws, and/or to prevent any damage to or destruction of the property.

Signed this _____ day of _____, 200___.

BRAEMAR CREEK AT GREENSPRINGS PLANTATION CONDOMINIUM ASSOCIATION, INC.

By: _____

UNIT OWNER:

_____

_____

_____

PS. 29

Appendix 3

STOP WORK ORDER

issued by

BRAEMAR CREEK AT GREENSPRINGS PLANTATION CONDOMINIUM ASSOCIATION, INC.

TO: _____

_____

_____

_____

DATE: _____

This Stop Work Order is issued to you pursuant to Rule 2.8 of the Rules and Regulations of the Association. You are hereby notified that you are not in compliance with the requirements concerning alteration, addition, modification or improvement to your Unit specifically you have:

- ☐ you have commenced work on your Unit without submitting a Plan Application or
- ☐ you are completing work at your Unit contrary to the approved Plan.

All work should stop immediately.

FAILURE TO COMPLY WITH THIS STOP WORK ORDER SHALL SUBJECT THE UNIT OWNER TO FINES AND SUCH OTHER LEGAL REMEDIES AS AVAILABLE TO THE ASSOCIATION.

Please contact _____ at _____ to resolve this matter.

Braemar Creek at Greensprings
Plantation Condominium Association, Inc.

BY: _____
Authorized Signature

86-30

Appendix 4

BRAEMAR CREEK AT GREENSPRINGS PLANTATION CONDOMINIUM ASSOCIATION, INC.

Alteration to Existing Construction Plan Approval

Unit Owner:_____

Address:_____

Date of Plan Application:_____

The Plan referenced above is:

☐ Approved

☐ Disapproved

☐ Requires additional information

☐ Approved subject to the following modifications:

_____

_____

_____

_____

Date of Approval:_____

Architectural Review Board

BY:_____

Authorized Signature

BOARD OF DIRECTORS RESOLUTION OF
BRAEMAR CREEK AT GREENSPRINGS, A CONDOMINIUM

POLICY RESOLUTION RELATING TO DUE PROCESS PROCEDURES

At a regular meeting of the Board of Directors of the Braemar Creek at Greensprings, A Condominium Association, which was held on the 26 day of March, 2012, the Board did hereby unanimously adopt the following Resolution:

WHEREAS, Braemar Creek at Greensprings, A Condominium Association (*"Association"*) was created by Declaration on October 17, 2005, and recorded in the land records for the City of Williamsburg at Instrument #050025017, (*"Declaration"*); and

WHEREAS, the Bylaws of the Association provide for the governance of the Association and were recorded in the land records for the City of Williamsburg at Instrument #050025018 (*"Bylaws"*); and

WHEREAS, the Declaration of the Association was amended to add different phases of the Association, as well as to amend various sections of the Declaration, all Amendments of which are recorded in the land records for the City of Williamsburg; and

WHEREAS, pursuant to Article 1, Section 1.04 of the Declaration, all of the covenants contained in the Declaration run with the land and bind all properties within the Association; and

WHEREAS, pursuant to Article 9, Section 9.02 of the Declaration, all Unit Owners shall automatically become members of the Association upon his acquisition of title to any Unit; and

WHEREAS, pursuant to Article 1, Sections 1.2 and 1.3 of the Bylaws, every member and those entitled to occupy a Unit under the Declaration are responsible to comply with the Declaration, Bylaws, Articles of Incorporation, and any Rules and Regulations adopted thereto (*"Governing Documents"*); and

THOMAS AND ASSOCIATES, P.C.
4176 S. PLAZA TRAIL
SUITE 128
VIRGINIA BEACH, VA 23452
(757) 491-4141
(757) 491-2253

WHEREAS, pursuant to Article 4, Section 4.1 of the Bylaws, the affairs of the Association are to be managed by the Board of Directors of the Association; and

WHEREAS, pursuant to Article 4, Section 4.12 of the Bylaws, the Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Association including, but not limited to, enforcing the provisions of the Governing Documents; and

WHEREAS, pursuant to Article 4, Section 4.12(f) of the Bylaws, the Board of Directors has the power to adopt, amend promulgate and enforce Rules and Regulations governing the detail of the operation and use of the Units and Common Elements of the Association; and

$85.32

WHEREAS, pursuant to Article 11, Sections 11.01 and 11.06, of the Declaration, the Association, through its Board of Directors (by virtue of its powers and duties set forth in Article 4, Section 4.12 of the Bylaws) shall have the authority to assess charges for violation of the Governing Documents and suspend non-essential privileges for non-payment of assessments in accordance with § 55-79.80:2; and

WHEREAS, the Board of Directors would like to reinforce its powers to create and enforce rules and regulations, as well as enforce due process procedures for non-compliance of the Association's governing documents; and

WHEREAS, the Board of Directors has determined it to be in the best interest of the Association to promulgate and follow certain notification and enforcement procedures for those homeowners in non-compliance of the governing documents;

NOW THEREFORE, BE IT RESOLVED, that, subject to and in accordance with Article 11, Sections 11.01 and 11.06 of the Declaration and § 55-79.80:2 of the Condominium Act, the following procedures be adopted by the Board of Directors:

1. If a homeowner is found to be in non-compliance of the Association's governing documents, the Association may first send a "friendly reminder" letter to the homeowner advising him of his non-compliance and giving him a reasonable time to correct the violation(s).

2. If a homeowner fails to abate his violation(s) within the time proscribed in the first reminder letter, the Association may send a second warning letter to the homeowner advising him, again, of his non-compliance and his responsibility of correcting the violation(s) within ten (10) calendar days of the notice.

3. If a homeowner fails to comply with the Association's first two warnings, the Association, at the discretion of the Board of Directors, may advise its attorney to send an official "cease and desist" letter to the homeowner in non-compliance. This step is not required, but shall be done solely at the discretion of the Board of Directors.

THOMAS AND ASSOCIATES, P.C.
4176 S. PLAZA TRAIL
SUITE 128
VIRGINIA BEACH, VA 23452
(757) 491-4141
(757) 491-2253

6. If the aforementioned remedies do not result in correction of the violation, the Association, at the discretion of the Board of Directors, may hold a due process hearing in accordance with Article 7, Section 7.6 of the Bylaws and Section 55-79.80:2 of the Virginia Code in order to

    a. Suspend non-essentially privilege and services including, but not limited to, use of the common areas or use of utilities provided directly by the Association; and/or

    b. Assess charges in the amount of $50.00 per day for a single violation or $10.00 per day for up to ninety (90) days for a continuing violation.

7. In accordance with Article 11, Section 11.06 of the Declaration, notice of such due process hearing shall, at least fourteen (14) days in advance thereof, be hand delivered or mailed by registered or certified United States mail, return receipt

requested, to such Unit Owner at the address or addresses required for notices in accordance with the Condominium Act, as amended from time to time.

8. If a homeowner still fails to comply even after notices have been sent and a due process hearing has been held, the Association, at the discretion of the Board of Directors, may take any and all legal actions necessary to abate the violation, including but not limited to, filing for injunctive relief. If a homeowner is found to be in violation of the governing documents, the costs of any legal proceedings, including court costs and attorney's fees, shall become the responsibility of the homeowner and assessed to him accordingly.

9. In the event the Association is notified of a violation, which is determined by the Board of Directors to be so serious or egregious as to require immediate action, the Board maintains its ultimate authority to skip any of the aforementioned steps and proceed with whatever action the Board deems necessary in accordance with the situation, including, but not limited to, legal action.

(THIS SPACE WAS INTENTIONALLY LEFT BLANK)

THOMAS AND ASSOCIATES, P.C.
4176 S. PLAZA TRAIL
SUITE 128
VIRGINIA BEACH, VA 23452
(757) 491-4141
(757) 491-2253

ADOPTED, executed and deemed effective by the Board of Directors for Braemar Creek at Greensprings Plantation, A Condominium Association this 26 day of March, 2012.

BY: Sandra D. Jones
President

ATTEST: Jennie D. Davis
Secretary

COMMONWEALTH OF VIRGINIA
CITY OF James City County, TO WIT:

I, Beverly Frantz, a Notary Public in and for the City aforesaid, in the Commonwealth of Virginia, do hereby certify that Sandra D Jones, President of the Braemar Creek at Greensprings Plantation, a Condominium Association, whose named is signed to the above resolution bearing date on the 26 day of March, 2012, has acknowledged the same before me in my City aforesaid.

Given under my hand this 26 day of March, 2012.

Beverly Frantz
NOTARY PUBLIC

My commission expires: 2-28-14
My notary number is: 7315355

THOMAS AND ASSOCIATES, P.C.
4176 S. PLAZA TRAIL
SUITE 128
VIRGINIA BEACH, VA 23452
(757) 491-4141
(757) 491-2253

COMMONWEALTH OF VIRGINIA
CITY OF James City Co., TO WIT:

I, Beverly Frantz, a Notary Public in and for the City aforesaid, in the Commonwealth of Virginia, do hereby certify that Jennie D. Davis, Secretary of the Braemar Creek at Greensprings Plantation, a Condominium Association, whose named is signed to the above resolution bearing date on the 26 day of March, 2012, has acknowledged the same before me in my City aforesaid.

Given under my hand this 26 day of March, 2012.

Beverly Frantz
NOTARY PUBLIC

My commission expires: 2-28-14
My notary number is: 7315355

4 08 35

BOARD OF DIRECTORS RESOLUTION OF BRAEMAR CREEK AT GREENSPRINGS, A CONDOMINIUM

POLICY RESOLUTION RELATING TO COLLECTION PROCEDURES

At a regular meeting of the Board of Directors of the Braemar Creek at Greensprings, A Condominium Association, which was held on the 26 day of March, 20 12, the Board did hereby unanimously adopt the following Resolution:

WHEREAS, Braemar Creek at Greensprings, A Condominium Association (*"Association"*) was created by Declaration on October 17, 2005, and recorded in the land records for the City of Williamsburg at Instrument #050025017, (*"Declaration"*); and

WHEREAS, the Bylaws of the Association provide for the governance of the Association and were recorded in the land records for the City of Williamsburg at Instrument #050025018 (*"Bylaws"*); and

WHEREAS, the Declaration of the Association was amended to add different phases of the Association, as well as to amend various sections of the Declaration, all Amendments of which are recorded in the land records for the City of Williamsburg; and

WHEREAS, pursuant to Article 1, Section 1.04 of the Declaration, all of the covenants contained in the Declaration run with the land and bind all properties within the Association; and

WHEREAS, pursuant to Article 9, Section 9.02 of the Declaration, all Unit Owners shall automatically become members of the Association upon his acquisition of title to any Unit; and

WHEREAS, pursuant to Article 1, Sections 1.2 and 1.3 of the Bylaws, every member and those entitled to occupy a Unit under the Declaration are responsible to comply with the Declaration, Bylaws, Articles of Incorporation, and any Rules and Regulations adopted thereto ("*Governing Documents*"); and

WHEREAS, pursuant to Article 4, Section 4.1 of the Bylaws, the affairs of the Association are to be managed by the Board of Directors of the Association; and

WHEREAS, pursuant to Article 4, Section 4.12 of the Bylaws, the Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Association including, but not limited to, enforcing the provisions of the Governing Documents; and

WHEREAS, pursuant to Article 4, Section 4.12(b) of the Bylaws, the Board of Directors has the power to make, levy and collect assessments against members; and

WHEREAS, the Board of Directors would like to reinforce its authority under the Bylaws to collect assessments, which have become delinquent due to non-payment of any homeowner; and

THOMAS AND ASSOCIATES, P.C.
4176 S. PLAZA TRAIL
SUITE 128
VIRGINIA BEACH, VA 23452
(757) 491-4141
(757) 491-2253

WHEREAS, the Board of Directors has determined it to be in the best interest of the Association to promulgate and follow certain collection procedures for those homeowners delinquent in payment with any and all assessments;

NOW THEREFORE, BE IT RESOLVED, that, subject to and in accordance with the applicable sections of the Declaration and Bylaws, the following collection procedures be adopted by the Board of Directors:

1. All regular assessments paid towards the Association's common expenses shall be due on a monthly basis, beginning January 1st, and continuing each month thereafter. Any violation charges assessed or special assessments enacted by the Board of Directors shall be due in either a lump sum or within a manner determined by the Board in accordance with the provisions of the Condominium Act. Payments not received in the Association's office within ten (10) calendar days of the due date, shall be considered "late". Payments to the Association shall not be considered "received" until they have actually been physically received in the Association office. Merely mailing a payment does not stop the imposition of late charges.

2. If any assessment is not paid within the time frame prescribed pursuant to the foregoing subparagraph hereof, the Association may, at the election of the Board of Directors, impose the following:

   a. The Association may charge a late fee of $30.00 after every thirty (30) days the account remains delinquent, in accordance with Article 10, Section 10.03.02 of the Declaration and Article 6, Section 6.3 (b) of the Bylaws.

   b. The Association may charge interest of not less than six percent (6%) or the highest percentage amount allowed by law

   c. Should a payment not be received within the ten (10) calendar days as described above, the Association may send one letter requesting payment of the unpaid assessment, including the late fee. The letter shall state that the unpaid assessment(s), plus any late fees, are due within fifteen (15) days of the date of the letter.

   d. If an assessment is not paid within fifteen (15) days of the letter mentioned in paragraph "b" above, then the Association may, at the election of the Board of Directors, declare the remaining balance of assessments for the next twelve (12) month period due and owing and accelerate the owner's account through that next twelve (12) month period in accordance with Article 10, section 10.08 of the Declaration and Article 6, Section 6.8 of the Bylaws. Notice of such acceleration, as well as the Association's intent to place a lien on the property, shall be included in the fifteen (15) day letter mentioned in paragraph "b" above. The Unit Owners Association may also refer the account to the Unit Owners Association's attorney for collections, in which case, the delinquent owner will immediately become responsible for the unpaid assessments, late fees, interest, costs, and attorney's fees, whether contingent (of an amount not less than 33%) and/or actual. The Association

THOMAS AND ASSOCIATES, P.C.
4176 S. PLAZA TRAIL
SUITE 128
VIRGINIA BEACH, VA 23452
(757) 491-4141
(757) 491-2253

may also simultaneously elect to enforce its due process procedures as provided in the Governing Documents and any resolutions adopted thereto.

e. Unless otherwise noted by the Unit Owner, payment of assessments received by the Association or its agent and/or attorney shall be applied, without notice to the Unit Owner, in a manner as the Board of Directors deems appropriate. This shall be the case whether or not the Unit Owner's account has been referred to the attorney's office for collections.

(THIS SPACE IS INTENTIONALLY LEFT BLANK)

THOMAS AND ASSOCIATES, P.C.
4176 S. PLAZA TRAIL
SUITE 128
VIRGINIA BEACH, VA 23452
(757) 491-4141
(757) 491-2253

ADOPTED, executed and deemed effective by the Board of Directors for Braemar Creek at Greensprings Plantation, A Condominium Association this 26 day of March, 2012.

BY: Sandra D. Jones
President

ATTEST: Jennie D. Davis
Secretary

COMMONWEALTH OF VIRGINIA
CITY OF James City County, TO WIT:

I, Beverly Frantz, a Notary Public in and for the City aforesaid, in the Commonwealth of Virginia, do hereby certify that Sandra D Jones, President of the Braemar Creek at Greensprings Plantation, a Condominium Association, whose named is signed to the above resolution bearing date on the 26 day of March, 2012 has acknowledged the same before me in my City aforesaid.

Given under my hand this 26 day of March, 2012

B. Frantz
NOTARY PUBLIC

My commission expires: 2-28-14
My notary number is: 7315355

THOMAS AND ASSOCIATES, P.C.
4176 S. PLAZA TRAIL
SUITE 128
VIRGINIA BEACH, VA 23452
(757) 491-4141
(757) 491-2253

COMMONWEALTH OF VIRGINIA
CITY OF James City Co., TO WIT:

I, Beverly Frantz, a Notary Public in and for the City aforesaid, in the Commonwealth of Virginia, do hereby certify that Jennie D. Davis, Secretary of the Braemar Creek at Greensprings Plantation, a Condominium Association, whose named is signed to the above resolution bearing date on the 26 day of March, 2012 has acknowledged the same before me in my City aforesaid.

Given under my hand this 26 day of March, 2012

B. Frantz
NOTARY PUBLIC

My commission expires: 2-28-14
My notary number is: 7315355

0839

RESOLUTION OF THE BOARD OF DIRECTORS
OF
BRAEMAR CREEK AT GREENSPRINGS PLANTATION
CONDOMINIUM ASSOCIATION, INC.

The following resolution was duly adopted, by unanimous vote, at a special meeting of the Board of Directors of the Association on 26, March 2012, at which all Directors were present.

NOW, THEREFORE, BE IT RESOLVED, that the Rules and Regulations are adopted as set forth in the attachment.

Sandra D. Jones
President

Janine D. Davis
Secretary

VIRGINIA: CITY OF WILLIAMSBURG & COUNTY OF JAMES CITY
This document was admitted to record on 8 May 2012
at 3:57 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

BK 40 PG 40

Books and Records
Cost Schedule Policy Resolution
Braemar Creek at Greenspring Plantation Condominium Association, Inc.

Date approved by the Board of Directors: August 27, 2012

WHEREAS, the Virginia Condominium Act provides that charges for access to association books and records may be imposed; and,

WHEREAS, the Virginia Condominium Act provides that charges may be imposed only in accordance with a cost schedule adopted by the Board; and,

WHEREAS, the Board of Directors desires to create a policy and procedure by which owners in good standing may request and be provided access to books and records,

NOW THEREFORE LET IT BE RESOLVED, that the following procedure shall be used for members requesting access to books and records.

All books and records kept by or on behalf of the association, including, but not limited to the association's membership list, addresses and aggregate salary information of association employees, shall be available for examination and copying by an owner in good standing or his authorized agent so long as the request is for a proper purpose related to his membership in the association, and not for pecuniary gain or commercial solicitation. This right of examination shall exist without reference to the duration of membership and may be exercised (i) only during reasonable business hours or at a mutually convenient time and location and (ii) upon five days written notice reasonably identifying the purpose for the request and the specific books and records of the association requested.

Books and records kept by or on behalf of an association may be withheld from examination or copying by owners and contract purchasers to the extent that they are drafts not yet incorporated into the association's books and records or if such books and records concern:

1. Personnel matters relating to specific identified persons or a person's medical records;
2. Contracts, leases, and other commercial transactions to purchase or provide goods or services currently in or under negotiation;
3. Pending or probable litigation. Probable litigation means these instances where there has been a specific threat of litigation from a party or the legal counsel of a party;
4. Matters involving state or local administrative or other formal proceedings before a government tribunal for enforcement of the association documents or rules and regulations promulgated pursuant to §55-513;
5. Communications with legal counsel which relates to subdivisions 1 through 4 or that are protected by the attorney-client privilege or the attorney work product doctrine;
6. Disclosure of information in violation of law;
7. Meeting minutes or other confidential records of an executive session of the board of directors held in accordance with subsection C of § 55-510.1;
8. Documentation, correspondence or management or board reports compiled for or on behalf of the association or the board by its agents or committees for consideration by the board in executive session; or
9. Individual unit owner or member files, other than those of the requesting lot owner, including any individual lot owner's or member's files kept by or on behalf of the association.

- The association shall impose and collect a charge, reflecting the reasonable costs of materials and labor, not to exceed the actual costs thereof. **The charges are: Labor - $15.00 per 15 minute increment ($60 per hour) and Materials - Copy cost of $.15 per page for black and white; $.75 per page for color; copies of larger documents (greater than 8.5" X 11") shall be charged the actual copying cost from a third party.**

BOARD OF DIRECTORS RESOLUTION OF
BRAEMAR CREEK AT GREENSPRINGS, A CONDOMINIUM

POLICY RESOLUTION RELATING TO
ADDITIONAL COLLECTION FEES AND COSTS

At a regular meeting of the Board of Directors of the Braemar Creek at Greensprings, A Condominium Association, which was held on the 25 day of March, 2013, the Board did hereby unanimously adopt the following Resolution:

WHEREAS, Braemar Creek at Greensprings, A Condominium Association (*"Association"*) was created by Declaration on October 17, 2005, and recorded in the land records for the City of Williamsburg at Instrument #050025017, (*"Declaration"*); and

WHEREAS, the Bylaws of the Association provide for the governance of the Association and were recorded in the land records for the City of Williamsburg at Instrument #050025018 (*"Bylaws"*); and

WHEREAS, the Declaration of the Association was amended to add different phases of the Association, as well as to amend various sections of the Declaration, all Amendments of which are recorded in the land records for the City of Williamsburg; and

WHEREAS, pursuant to Article 1, Section 1.04 of the Declaration, all of the covenants contained in the Declaration run with the land and bind all properties within the Association; and

WHEREAS, pursuant to Article 9, Section 9.02 of the Declaration, all Unit Owners shall automatically become members of the Association upon his acquisition of title to any Unit; and

WHEREAS, pursuant to Article 1, Sections 1.2 and 1.3 of the Bylaws, every member and those entitled to occupy a Unit under the Declaration are responsible to comply with the Declaration, Bylaws, Articles of Incorporation, and any Rules and Regulations adopted thereto ("*Governing Documents*"); and

THOMAS AND ASSOCIATES, P.C.
4176 S. PLAZA TRAIL
SUITE 128
VIRGINIA BEACH, VA 23452
(757) 491-4141
(757) 491-2253

WHEREAS, pursuant to Article 4, Section 4.1 of the Bylaws, the affairs of the Association are to be managed by the Board of Directors of the Association; and

WHEREAS, pursuant to Article 4, Section 4.12 of the Bylaws, the Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Association including, but not limited to, enforcing the provisions of the Governing Documents; and

WHEREAS, pursuant to Article 4, Section 4.12(b) of the Bylaws, the Board of Directors has the power to make, levy and collect assessments against members; and

WHEREAS, the Board of Directors would like to reinforce its authority under the Bylaws to collect assessments, which have become delinquent due to non-payment of any homeowner; and

WHEREAS, the Board of Directors adopted a Collections Policy Resolution on or about March 26, 2012, which was recorded in the Clerk's Office of the City of Williamsburg on May 8, 2012.

WHEREAS, the Board of Directors wishes to incorporate additional provisions regarding penalties for delinquent accounts, as well as payments made by check, which are returned by financial institutions due to "insufficient funds, stop payment, account closed" or for any other reason.

NOW THEREFORE, BE IT RESOLVED, that, subject to and in accordance with the applicable sections of the Declaration and Bylaws, the following collection procedures be adopted by the Board of Directors *in addition to* the Collections Procedures Resolution adopted on or about March 26, 2012:

1. In addition to the late fees, interest, court costs, reasonable attorney's fees, as well as any other costs and fees associated with delinquent assessments as set forth in the Declaration, Bylaws, and Collections Policy Resolution, any Unit Owner who fails to pay his or her assessments within ten (10) calendar days of the due date (thus deemed "late") shall also be responsible for any administrative costs and fees incurred due to work performed by the Association and/or its management company as a result of the Unit Owner's delinquency.

2. Any Unit Owner who pays by way of personal or bill pay check that is returned as "insufficient funds, stop payment, account closed" or for any other reason (herein referred to as "returned check") shall be responsible for returned check fees in the highest amount permitted by law. Payment by way of a returned check shall also deem the payment "late" in accordance with the definition set forth in the Collections Policy Resolution.

3. In the event a Unit Owner has at least two (2) returned checks within a twelve (12) month period, the Association shall no longer accept payment from said Unit Owner by way of personal or bill pay check. After the Association receives notice of the second returned check within a twelve (12) month period, the Unit Owner shall therein be required to pay any assessment that becomes due via cashier's check, money order, or credit card only.

THOMAS AND ASSOCIATES, P.C.
4176 S. PLAZA TRAIL
SUITE 128
VIRGINIA BEACH, VA 23452
(757) 491-4141
(757) 491-2253

*****ALL OTHER PROVISIONS OF THE GOVERNING DOCUMENTS SHALL REMAIN IN FULL FORCE AND EFFECT.*****

ADOPTED, executed and deemed effective by the Board of Directors for Braemar Creek at Greensprings Plantation, A Condominium Association this 25 day of March, 2013.

BY: Carolyn D. Hartline
President

ATTEST: Sherry R. Crotts
Secretary

COMMONWEALTH OF VIRGINIA
CITY OF James City Co, TO WIT:

I, Beverly Frantz, a Notary Public in and for the City aforesaid, in the Commonwealth of Virginia, do hereby certify that Carolyn Hartline, President of the Braemar Creek at Greensprings Plantation, a Condominium Association, whose named is signed to the above resolution bearing date on the 25 day of March, 2013, has acknowledged the same before me in my City aforesaid.

Given under my hand this 25 day of March, 2013

B. Frantz
NOTARY PUBLIC

My commission expires: 2-28-14
My notary number is: 7315355

BEVERLY D FRANTZ NOTARY PUBLIC REG # 7315355 COMMISSION EXPIRES 2-28-14 COMMONWEALTH OF VIRGINIA

COMMONWEALTH OF VIRGINIA
CITY OF James City Co, TO WIT:

I, Beverly Frantz, a Notary Public in and for the City aforesaid, in the Commonwealth of Virginia, do hereby certify that Sherry Crotts, Secretary of the Braemar Creek at Greensprings Plantation, a Condominium Association, whose named is signed to the above resolution bearing date on the 25 day of March, 2013, has acknowledged the same before me in my City aforesaid.

Given under my hand this 25 day of March, 2013

B. Frantz
NOTARY PUBLIC

My commission expires: 2-28-14
My notary number is: 7315355

BEVERLY D FRANTZ NOTARY PUBLIC REG # 7315355 COMMISSION EXPIRES 2-28-14 COMMONWEALTH OF VIRGINIA

THOMAS AND ASSOCIATES, P.C.
4176 S. PLAZA TRAIL
SUITE 128
VIRGINIA BEACH, VA 23452
(757) 491-4141
(757) 491-2253

Braemar Creek at Greensprings Plantation
Complaint Procedure
Policy Resolution

WHEREAS, in accordance with Va. Code Ann. § 55-530(E), Braemar Creek at Greensprings Plantation ("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 Regulation ("the Regulations"), and the Association's governing documents, which shall not be in conflict with Va. Code Ann. § 55-530 or the Regulations.

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 Braemar Creek at Greensprings Plantation hereby adopts the following policy:

A. DEFINITIONS. Unless otherwise defined in this Resolution, the words, terms or phrases used in this Resolution shall have the same meanings as defined in the CICB regulations and/or in the Association's recorded documents.

B. COMPLAINT FORM. A member of the Association, resident, or third party alleging that an action, inaction or decision of the Association, the Board of Directors ("Board"), or the Managing Agent is inconsistent with state laws or regulations governing common interest communities must submit a formal written complaint ("Complaint") using the Complaint Form attached hereto as Exhibit A to the Board of Directors for formal action or consideration of complaint as described in paragraph 'F'.

1. Complaint Form Instructions and Attachments. A completed Complaint Form must include a description of the specific facts and circumstances relevant to the individual's Complaint, and the specific action, result or resolution that is being requested. The individual submitting the Complaint Form (the "Complainant") should provide on the Complaint form a reference to the law or regulation that has been allegedly violated or is otherwise applicable to the Complaint. The Complainant must also attach to the Complaint Form a copy of any documents that the Complainant believes support the validity of the Complaint (not including laws, regulations or the Association's governing documents).

A copy of these complaint procedures (including the required Complaint Form) will be available upon request from the Association by contacting the Board's Managing Agent.

C. **Mailing to Board of Directors.** The fully completed, signed and dated Complaint (including the Complaint Form and all attachments) shall be mailed to the attention of the Board's Managing Agent at the following address:

Braemar Creek at Greensprings Plantation
c/o Community Group, Inc.
11818 Rock Landing Drive Suite 204
Newport News, VA 23606

D. **Means of Providing Notices to Complainant.** All written acknowledgments or other notices required by these procedures to be provided by the Association to the Complainant shall be mailed by U.S. mail to the Complainant at the address provided on the Complaint Form, or by email if the Complainant has previously provided the Association with the Complainant's written consent to communicate with him/her by electronic transmission. The Managing Agent shall retain in the Association's records copies of notices and acknowledgments mailed or emailed in accordance with Section H below.

E. **Acknowledging Receipt of Complaint**. Within seven (7) days of receipt of a Complainant's Complaint Form, the Board, through the Managing Agent, shall provide the Complainant with written acknowledgment of the Association's receipt of the Complaint.

1. Incomplete Complaint. If it appears to the Board or the Managing Agent that the submitted Complaint is missing the required minimum information, then the acknowledgment of receipt shall include notice to the Complainant of the identified problem(s) with the Complaint and advise the Complainant that he/she will need to submit a revised/corrected Complaint before it can be accepted and forwarded to the Board for consideration.

2. Forwarding to the Board. If it appears to the Board or Managing Agent that the submitted Complaint includes the required minimum information, then on the same day that acknowledgment of receipt of the Complaint is sent to the Complainant, the Managing Agent shall provide the Board with a copy of the Complaint for consideration.

F. **Formal Action - Consideration of Complaint by Board**. All completed, signed and dated Complaints forwarded to the Board shall be considered by the Board at their next scheduled regular or special Board meeting, unless otherwise notified, and the Board shall decide what action, if any, to take in response to the Complaint.

1. Notice to the Complainant. The Managing Agent shall provide the Complainant with notice of the date, time and location of the Board meeting at which the matter will be considered by the Board. This notice may be combined with the acknowledgment of receipt referenced in Section D above.

2. Board's Decision on Complaint. The Board shall make a final determination on the Complaint by an appropriate vote of the members of the Board at the meeting pursuant

to the Association's governing documents. The Board's action at the meeting shall fall into one of the following two categories:

(a) A decision that there is *insufficient information* on which to make a final determination on the Complaint or that *additional time is otherwise required* to make a final determination, in which case the Board shall postpone making a final determination on the Complaint until a later scheduled meeting, of which the Complainant shall be notified. The Board, if needed, shall make a written request for additional information from the applicable party(s) specifying a deadline by which time the additional information must be received by the Board; or

(b) A *final determination* on the Complaint, indicating whether the Complainant's requested action or resolution is, or is not, being granted, approved or implemented by the Board. A final determination may include, for example, a decision that no action will be taken on the Complaint due to the Complainant failing to timely provide additional requested information. No appeal process is available; the Board's rendered decision is final.

G. **Notice of Final Determination**. After the final determination is made, the Complainant will be provided with written notice of the Board's final determination from the Managing Agent. The notice of final determination shall be dated as of the date of issuance and include:

1. Specific citations to applicable provisions of the Association's governing documents, laws or regulations that led to the final determination; and

2. The Association's registration number as assigned by the CICB, and if applicable, the name and CICB-issued license number for the Managing Agent; and

3. Notice of the Complainant's right to file a "Notice of Final Adverse Decision" with the CICB via the CIC Ombudsman (providing the applicable contact information).

H. **Records**. The Managing Agent shall retain, as part of the Association's records, in the individual homeowner's file, a record of each Complaint (including the Complaint Form and attachments, related acknowledgments and notices, and any action taken by the Association's Board in response to such Complaint) for a period of at least one (1) year from the date of the Board's final determination on the Complaint.

On the following page is Exhibit A, the Complaint Form, which is hereby made part of this Resolution. The Complaint form contains instructions on how it is to be filed.

Braemar Creek at Greensprings Plantation
c/o Associa Community Group
11818 Rock Landing Drive Suite 204
Newport News, VA 23606
757-873-1800
Association Complaint Form

Approved by the Board of Directors: July 28, 2014 (date)
Effective Date: July 28, 2014

Pursuant to Chapter 29 of Title 55 of the Code of Virginia, the Board of Directors (Board) of the (Named) Association, Inc. (Association) has established this complaint form for use by persons who wish to file written complaints with the Association regarding, the action, inaction or decision by the Governing Board, Managing Agent or Association allegedly inconsistent with applicable laws and regulations.

Legibly describe the complaint in the area provided below, as well as the requested action or preferred resolution of the issues described in the complaint. Please include references to the specific facts and circumstances at issue and the provisions of Virginia laws and regulations that support the complaint. If there is insufficient space, please attach a separate sheet of paper to this complaint form. Also, attach any supporting documents, correspondence and other materials related to the complaint.

Sign, date, and print your name and address below and submit this completed form to the Association at the address listed above.

Printed Name _____ Signature _____

Date _____

Mailing Address _____ Lot/Unit Address _____

E-mail Address _____ Phone Number _____

If, after the Board's consideration and review of the complaint, the Board issues a final decision adverse to the complaint, you have the right to file a notice of final adverse decision with the Common Interest Community Board (CICB) in accordance with the regulations promulgated by the CICB. The notice shall be filed within 30 days of the date of the final adverse decision, shall be in writing on forms provided by the Office of the Common Interest Community Ombudsman (Ombudsman), shall include copies of any supporting documents, correspondence and other materials related to the decision, and shall be accompanied by a $25 filing fee. The Ombudsman may be contacted at:

Office of the Common Interest Community Ombudsman
Department of Professional and Occupational Regulation
9960 Mayland Drive, Suite 400
Richmond, VA 23233
804-367-2941
CICOmbudsman@dpor.virginia.gov

BOARD OF DIRECTORS RESOLUTION OF
BRAEMAR CREEK AT GREENSPRINGS, A CONDOMINIUM

POLICY RESOLUTION RELATING TO LEASING

At a regular meeting of the Board of Directors of the Braemar Creek at Greensprings, A Condominium Association, which was held on the 25 day of March, 2013, the Board did hereby unanimously adopt the following Resolution:

WHEREAS, Braemar Creek at Greensprings, A Condominium Association (*"Association"*) was created by Declaration on October 17, 2005, and recorded in the land records for the City of Williamsburg at Instrument #050025017, (*"Declaration"*); and

WHEREAS, the Bylaws of the Association provide for the governance of the Association and were recorded in the land records for the City of Williamsburg at Instrument #050025018 (*"Bylaws"*); and

WHEREAS, the Declaration of the Association was amended to add different phases of the Association, as well as to amend various sections of the Declaration, all Amendments of which are recorded in the land records for the City of Williamsburg; and

WHEREAS, pursuant to Article 1, Section 1.04 of the Declaration, all of the covenants contained in the Declaration run with the land and bind all properties within the Association; and

WHEREAS, pursuant to Article 9, Section 9.02 of the Declaration, all Unit Owners shall automatically become members of the Association upon his acquisition of title to any Unit; and

WHEREAS, pursuant to Article 1, Sections 1.2 and 1.3 of the Bylaws, every member and those entitled to occupy a Unit under the Declaration are responsible to comply with the Declaration, Bylaws, Articles of Incorporation, and any Rules and Regulations adopted thereto ("*Governing Documents*"); and

WHEREAS, pursuant to Article 4, Section 4.1 of the Bylaws, the affairs of the Association are to be managed by the Board of Directors of the Association; and

THOMAS AND ASSOCIATES, P.C.
4176 S. PLAZA TRAIL
SUITE 128
VIRGINIA BEACH, VA 23452
(757) 491-4141
(757) 491-2253

WHEREAS, pursuant to the Fifteenth Amendment to the Association's Declaration, which amends Article 15 of the Declaration, specifically Section 15.04, "The Board of Directors shall have the power to adopt, amend and/or repeal such rules and regulations to administer and enforce the rental requirements."

WHEREAS, the Board of Directors has determined it to be in the best interest of the Association to include additional leasing rules and regulations to Article 3, Section 3.20 of the current Rules and Regulations and Architectural Standards and Guidelines;

NOW THEREFORE, BE IT RESOLVED, that, subject to and in accordance with Amended Article 15, Section 15.04 of the Declaration, the following leasing rules and regulations are hereby added to Article 3, Section 3.20 of the current Rules and Regulations and Architectural Standards and Guidelines:

3.20 Leasing of Units

3.20.8 Occupancy: No Unit Owner shall lease his Unit except for residential purposes. Each Unit may be occupied by a maximum of two persons per bedroom. The Board of Directors has sole discretion to further limit or prohibit rental of Units to any entity other than an individual person (s). Such entities shall include but are not limited to corporations, partnerships, holding companies, limited liability companies, trusts or sole proprietorships. Said limitation or prohibition may be for any and all reasons including but not limited to the Unit being used for transient or business purposes, a purpose that causes a nuisance to other Unit Owners or that has a negative effect on property values.

No portion of the Unit other than the entire Unit shall be leased for any period.

Braemar Creek has a zero tolerance for criminal activity in or around the Leased Premises.

This policy applies to the Tenant, resident, guests, and/or family members. The Unit Owner will immediately report any evidence of criminal activity to the proper authorities, and the Tenant's engagement in any criminal activity is a default of the Lease. The Tenant understands his/her responsibility to call the police/emergency services and report any suspicious activity observed, and then notify the Unit Owner.

The Tenant understands that domestic disturbances not only infringe on the neighbors' peaceful enjoyment of their property, but are also a default of the Lease.

To ensure compliance with this provision, all leases must include the following provision:

> "Criminal activity of any kind within the leased premises is strictly prohibited and will not be tolerated. Should the Lessor receive notice that criminal activity has or is taking place upon the property, the Lessor shall have grounds for immediate termination of the lease, upon proper notice to the Lessee in accordance with the laws of Virginia."

THOMAS AND ASSOCIATES, P.C.
4176 S. PLAZA TRAIL
SUITE 128
VIRGINIA BEACH, VA 23452
(757) 491-4141
(757) 491-2253

In the event of any criminal activity in which the Tenant is directly or indirectly involved, the Unit Owner will take the legal measures necessary to evict the Tenant(s) from the Leased Premises. This includes but is not limited to illegal drug activity, gang involvement, harboring fugitives from the law, and domestic disturbances.

At no time shall a Unit be occupied by Tenants or guests who are legally known to be fugitives from law, whether in the Commonwealth of Virginia or any other state, country or domain.

In the event the Association is notified that criminal activity has or is taking place within the Unit, the Association will immediately notify the Unit Owner of the violation. If the Unit Owner fails to take appropriate action within a reasonable amount of time as determined by the Board of Directors, the Association may elect to evict the Tenant on the Unit Owner's behalf in accordance with Section 3.20.10 of these Leasing Guidelines.

Section 3.20.9 Lease Document and Terms: Unit owners leasing their Units, upon approval by the Board, shall utilize the most current lease form available from the Virginia Board of Realtors, inclusive of any additional terms specified by the Board.

All leases must be for an initial term of twelve months or more, except as stated below. After the initial 12 month term, any lease renewal can be for any period of time provided that the provisions of the original lease remain in effect.

At no time shall a Tenant sublet the Unit without the specific approval of the Unit Owner and the Board.

Any Unit Owner whose Unit is leased shall submit a copy of the executed lease currently in effect to the managing agent of the Association within 30 days. Failure to submit an executed lease to the Association shall be deemed to be a default of the lease and may subject the Tenant to immediate eviction.

All leases must contain the following language:

> "The tenant acknowledges that he/she is bound by all the legal documents of Braemar Creek Condominium. The Unit Owner has provided the tenant with a copy of all of the legal documents of the condominium including the Rules and Regulations and the Architectural Guidelines and certifies that he has done so by his signature to the lease."

Section 3.20.10 Breach or Default of Lease: The Board of Directors shall have the power to terminate the lease, as attorney in fact for the Unit Owner and/or to bring summary proceedings to evict the Tenant in the name of the Unit Owner after thirty days prior written notice to the Unit Owner in the event of a breach of the lease by the Tenant.

Section 3.20.11 Unit Owner Responsibilities: Unit Owners are at all times responsible for ensuring compliance the Fair Housing Act and any or all Commonwealth of Virginia requirements governing Landlord-Tenant relations.

THOMAS AND ASSOCIATES, P.C.
4176 S. PLAZA TRAIL
SUITE 128
VIRGINIA BEACH, VA 23452
(757) 491-4141
(757) 491-2253

The Unit Owner shall indemnify and hold harmless the Association for any and all claims which arise from the Unit Owner's decision to lease his or her Unit.

Failure of the Unit Owner to comply with these leasing guidelines is deemed a material breach of the legal documents of the Association. The Association may take appropriate action as deemed necessary by the Board of Directors to enforce this resolution.

Unit Owners who utilize property management companies are responsible to ensure effective and accurate communications with tenants through the management company. Except to the extent notice is required for eviction, the Association and/or its managing agent is not responsible for providing legal or advisory communications to tenants.

Section 3.20.12 Rental Cap: The Association utilizes a rental cap as set forth in the 15th Amendment and further amended by the 28th Amendment of the Declaration (see Twenty-Eight Amendment to Condominium Instruments recorded as Instrument Number 110003167).

Permission will be granted or denied based upon the following: 1) whether or not the lease complies with the leasing guidelines and includes all terms and provisions required herein and 2) whether or not the rental cap has been reached on the date the written request is submitted to the Board. 3) whether the $250 administrative fee has been paid.

Any Unit Owner intending to lease the Unit shall submit a written request and a copy of the proposed lease to the Board of Directors indicating the Unit Owner's intent to lease the Unit. The Unit shall not be leased until the Board responds, in writing, approving the written request. The Board shall respond to the Unit Owner's written Request within fifteen days of submission of the written request. Permission will be granted or denied solely on the number of Units leased on the date the written request is submitted to the Board.

Should the number of Units leased at the time of the request exceed the current rental cap, any Unit Owner wishing to lease the Unit will be placed on a waiting list and the Unit Owners so notified. Any Unit Owners placed on a waiting list will be allowed to rent their Unit when the number of Units leased is fewer than the rental cap and priority shall be determined on a first come first served basis.

The Board may in its sole discretion authorize a lease which will exceed the maximum permitted under the rental cap only upon a showing by the Unit Owner of a hardship which will result from the Board's denial of the written request. Examples of hardship include but are not limited to financial hardship, military transfer or ill health preventing occupancy of Unit. The Board may require additional documentation for this showing of hardship.

THOMAS AND ASSOCIATES, P.C.
4176 S. PLAZA TRAIL
SUITE 128
VIRGINIA BEACH, VA 23452
(757) 491-4141
(757) 491-2253

Any Unit Owner whose written request is approved shall provide to the Tenant at the Unit Owner's expense a copy of the Association's Declaration, Bylaws, Resolutions, Rules and Regulations and any amendments thereto (collectively referred to as the governing documents) and shall provide in all leases that the Tenant shall be bound by the governing documents, that a breach of the governing documents by the Tenant shall be a breach of the Lease and that such violation shall subject the Tenant to available eviction procedures.

Any unit approved for tenant occupancy from the rental waiting list that remains vacant for a period of six months from the date of approval notification shall be removed from the approved rental list.

Three (3) months after receiving approval notification, any unit that is 1) still occupied by the Unit Owner or 2) is occupied solely by relatives of the Unit Owner who have not entered into a written lease agreement that includes payment of rent shall be removed from the approved rental list.

If a Unit Owner has not provided a copy of the executed lease in accordance with this resolution within thirty days after the six month period as stated above or the three month period as stated above, the association will presume that the unit has not been rented and notice will be sent to the Unit Owner at his or her address of record advising him or her that he or she has been removed from the approved rental list. Should the Owner desire to be placed back on the rental waiting list, he or she must reapply for approval in accordance with the procedures outline herein.

A unit's lease approval status shall terminate once the property is transferred to a new owner, whether by means of a conventional sale, foreclosure, legal process or by deed of gift. In the event a lease agreement "assigns" the Lessor's rights to the new Unit Owner, the lease must terminate at the end of its natural lease term, and the leasing approval status shall no longer be applicable. For example, if a Unit is sold or transferred with 6 months remaining on a 12 month lease, the lease shall terminate after the remaining 6 months of the lease term expires naturally. Said lease may not be automatically renewed. It shall be the responsibility of the new Unit Owner to provide proper notice to the tenant that the lease shall not be renewed. Should the new Unit Owner wish to relet the property, he or she must reapply for leasing approval. The purpose of this provision is to ensure compliance with the rental cap, as well as provide a fair method of administering the wait-list procedures.

In the event there is a conflict between these guidelines and the Amended Declaration, the provisions of the Amended Declaration shall prevail.

THOMAS AND ASSOCIATES, P.C.
4176 S, PLAZA TRAIL
SUITE 128
VIRGINIA BEACH, VA 23452
(757) 491-4141
(757) 491-2253

ADOPTED, executed and deemed effective by the Board of Directors for Braemar Creek at Greensprings Plantation, A Condominium Association this 25 day of March, 2013.

BY: Carolyn D. Hartline
President

ATTEST: Sherry R. Crotts
Secretary

COMMONWEALTH OF VIRGINIA
CITY OF James City Co, TO WIT:

I, Beverly Frantz, a Notary Public in and for the City aforesaid, in the Commonwealth of Virginia, do hereby certify that Carolyn Hartline, President of the Braemar Creek at Greensprings Plantation, a Condominium Association, whose named is signed to the above resolution bearing date on the 25 day of March, 2013, has acknowledged the same before me in my City aforesaid.

Given under my hand this 25 day of March, 2013

NOTARY PUBLIC

My commission expires: 2-28-14
My notary number is: 7315355

BEVERLY D FRANTZ NOTARY PUBLIC REG # 7315355 COMMISSION EXPIRES 2-28-14 COMMONWEALTH OF VIRGINIA

COMMONWEALTH OF VIRGINIA
CITY OF James City Co, TO WIT:

I, Beverly Frantz, a Notary Public in and for the City aforesaid, in the Commonwealth of Virginia, do hereby certify that Sherry Crotts, Secretary of the Braemar Creek at Greensprings Plantation, a Condominium Association, whose named is signed to the above resolution bearing date on the 25 day of March, 2013, has acknowledged the same before me in my City aforesaid.

Given under my hand this 25 day of March, 2013

NOTARY PUBLIC

My commission expires: 2-28-14
My notary number is: 7315355

BEVERLY D FRANTZ NOTARY PUBLIC REG # 7315355 COMMISSION EXPIRES 2-28-14 COMMONWEALTH OF VIRGINIA

THOMAS AND ASSOCIATES, P.C.
4176 S. PLAZA TRAIL
SUITE 128
VIRGINIA BEACH, VA 23452
(757) 491-4141
(757) 491-2253

BRAEMAR CREEK AT GREENSPRINGS PLANTATION CONDOMINIUM ASSOCIATION, INC.

POLICY RESOLUTION
DRYER VENT CLEANING

REVISED AUGUST 22, 2016

WHEREAS, Article 4, Section 4.1 of the Association's Bylaws provides that the affairs of the Association shall be managed by a Board of Directors ("Board"); and

WHEREAS, Article 4, Section 4.12 of the Association's Bylaws provides that the Board of Directors shall have the power to adopt, amend, promulgate and enforce rules and regulations governing the details of the operation and use of the Units and Common Elements, real and personal, in the Condominium; and

WHEREAS, it is in the best interest of the Association to establish and adopt a dryer vent cleaning resolution to improve operational effectiveness, maintain a safe community and protect Unit Owners' financial investment.

NOW THEREFORE, it is hereby RESOLVED that the Association adopts the following dryer vent cleaning policy revision.

1. For the safety of all our residents, the association will hire and pay for a professional, certified dryer vent cleaning company to clean the dryer vents of each unit every two years.
2. Entry to each unit is necessary and mandatory for a thorough cleaning of the dryer exhaust system.
3. If a Unit is leased or occupied by a third party, it is the Unit Owner's responsibility to notify the occupants of the scheduled cleaning.
4. All dryer components other than the vent cleaning per this policy resolution are the responsibility of the unit owner per the Declaration
5. Any exterior repairs that may be needed regarding the exhaust vent cover is at the discretion of the Board of Directors as a common expense.
6. If a dryer vent is clogged prior to the two year service agreement of Braemar Creek, the unit owner will be responsible to contact and hire a dryer vent cleaning company at their own expense.
7. If the unit owner or occupant is not available or uncooperative with an alternative schedule provided by the service contractor, the unit owner will be responsible to have their dryer vent cleaned at their own expense and provide the association with a receipt within 30 days of notice of non-compliance from the association.

8. Failure to comply with this policy or the requirements herein constitutes a violation of the condominium instruments and can result in the suspension of services, amenities, and/or the imposition of charges after a due process hearing.

This Resolution is effective August 22, 2016.

Adopted at a meeting of the Board of Directors on August 22, 2016.

Kenneth A. McFarland
President

8/22/16
Date

Attest:

Peggy H. Hauff
Secretary

8-22-2016
Date

BRAEMAR CREEK AT GREENSPRINGS PLANTATION CONDOMINIUM ASSOCIATION, INC.

POLICY RESOLUTION
HOLIDAY DECORATIONS

WHEREAS, Article 4, Section 4.1 of the Association's Bylaws provides that the affairs of the Association shall be managed by a Board of Directors ("Board"); and

WHEREAS, Article 4, Section 4.12 of the Association's Bylaws provides that the Board of Directors shall have the power to adopt, amend, promulgate and enforce rules and regulations governing the details of the operation and use of the Units and Common Elements, real and personal, in the Condominium; and

WHEREAS, it is in the best interest of the Association to establish and adopt a holiday decoration policy to improve operational effectiveness, maintain a safe community and protect Unit Owners' financial investment.

NOW THEREFORE, it is hereby RESOLVED that the Association adopts the following policy in replacement of 3.8.2 and 3.8.3 of the Rules and Regulations.

1. Tasteful holiday decorations which are in keeping with the character of Braemar Creek are allowed. Approval prior to display is not required. However, decorations are subject to the discretion of the board. If a homeowner wishes to obtain pre-approval, please submit your ideas to the community manager. Decorations are limited to the homeowner's individual property including the front door, front porch area and back porch, where appropriate.

   All exterior lights must be extinguished during the hours of 10PM – 6 AM. Inflatable displays are not permitted for display in any part of the community. Displays may not be placed on grass or sidewalks, as these are common areas. Displays maybe attached to the exterior of homes. However, displays may not be nailed or screwed into structures, nor attached in any other way which would cause permanent damage or alteration of the structure. Decorations for a particular holiday must be removed no later than 10 days after the holiday.

2. If a Unit is leased or occupied by a third party, it is the Unit Owner's responsibility to inform the occupants of the holiday decoration policy in addition to other community rules.

3. Failure to comply with this policy or the requirements herein constitutes a violation of the condominium instruments and can result in the suspension of services, amenities, and/or the imposition of charges after a due process hearing.

This Resolution is effective November 23, 2015.

Adopted at a meeting of the Board of Directors on November 23, 2015.

Kenneth G. McFarland
President

5/23/16
Date

Attest:

Peggy H. Hoff
Secretary

5-23-2016
Date

BRAEMAR CREEK AT GREENSPRINGS PLANTATION CONDOMINIUM ASSOCIATION, INC.

POLICY RESOLUTION
OCCUPANCY AND INFORMATION FORM

WHEREAS, Article 4, Section 4.1 of the Association's Bylaws provides that the affairs of the Association shall be managed by a Board of Directors ("Board"); and

WHEREAS, Article 4, Section 4.12 of the Association's Bylaws provides that the Board of Directors shall have the power to adopt, amend, promulgate and enforce rules and regulations governing the details of the operation and use of the Units and Common Elements, real and personal, in the Condominium; and

WHEREAS, it is in the best interest of the Association to establish and adopt an occupancy and information policy to improve operational effectiveness, maintain a safe community and protect Unit Owners' financial investment.

NOW THEREFORE, it is hereby RESOLVED that the Association adopts the following policy.

1. All Unit Owners of Braemar Creek will complete an Occupancy and Information Form at time of initial occupancy and annually thereafter. It is the Unit Owner's responsibility to update management of any changes during the year.

2. If a Unit is leased or occupied by a third party, it is the Unit Owner's responsibility to obtain the required information in order to complete the Occupancy and Information Form and provide accurate information.

3. In accordance with the requirement that each Unit Owner obtain insurance at his own expense as listed in Section 17.03 of the Declaration, Unit Owners must submit a copy of the declaration page of their condominium insurance policy annually with their Occupancy and Information Form.

4. Unit Owners must submit a copy of any waiver (pet or other) provided and/or approved by the Developer upon the purchase of their Unit. Waivers will be kept on file with the Management Company.

5. Failure to comply with this policy or the requirements herein constitutes a violation of the condominium instruments and can result in the suspension of services, amenities, and/or the imposition of charges after a due process hearing.

6. All Occupancy and Information Forms submitted are STRICTLY CONFIDENTIAL and will only be used for compliance and emergency situations by the Board and Management Company.

This Resolution is effective May 27, 2014.

Adopted at a meeting of the Board of Directors on May 27, 2014.

President

5/27/14
Date

Attest:

Secretary

5/27/14
Date

BRAEMAR CREEK AT GREENSPRINGS PLANTATION CONDOMINIUM ASSOCIATION, INC.

POLICY RESOLUTION

PARKING POLICY
FOR THE LINKSIDE NEIGHBORHOOD
OF BRAEMAR CREEK

AUGUST 22, 2016

WHEREAS, Article 4, Section 4.1 of the Association's Bylaws provides that the affairs of the Association shall be managed by a Board of Directors ("Board"); and

WHEREAS, Article 4, Section 4.12 of the Association's Bylaws provides that the Board of Directors shall have the power to adopt, amend, promulgate and enforce rules and regulations governing the details of the operation and use of the Units and Common Elements, real and personal, in the Condominium; and

WHEREAS, it is in the best interest of the Association to establish and adopt PARKING POLICY FOR THE LINKSIDE NEIGHBORHOOD to improve operational effectiveness, maintain a safe community and protect Unit Owners' financial investment.

NOW THEREFORE, it is hereby RESOLVED that the Association adopts the following policy.

1. All Unit Owners of Braemar Creek Linkside Neighborhood will notify all guests of the temporary visitor parking regulations as depicted below.

2. Parking will be permitted on a temporary basis in the following locations on Braemar Creek:
   - **a.** Along the north side of the street closest to Monticello Avenue, opposite of the existing sidewalk along grassy areas only. **No parking on the grass, no blocking of any fire hydrants, driveways, or mailboxes.**
   - **b.** Along the outside curb of the cul-de-sac along grassy areas only**. No parking on the grass, no blocking of any fire hydrants, driveways, or mailboxes.**
   - c. At the west end of the cul-de-sac center grassy area nearest to the clubhouse.

3. All visitors are to be given a visitor permit by the owner/resident provided by the association to be displayed in the vehicle at all times while parked on the street.

4. Residents and Owners of Braemar Creek are not permitted to use the visitor pass for parking; visitor parking only.

5. Temporary visitor parking is defined by the Board of Directors of Braemar Creek as no more than 3 consecutive days without prior approval from the Board of Directors through the managing agent in advance.

6. Vehicles violating the above guidelines may be towed at the owner's expense without notice.

7. If a Unit is leased or occupied by a third party, it is the Unit Owner's responsibility to notify and inform the occupants of this policy.

8. Failure to comply with this policy or the requirements herein constitutes a violation of the condominium instruments and can also result in the suspension of services, amenities, and/or the imposition of charges after a due process hearing.

The association encourages residents to utilize their driveways and garages as much as possible to help with visitor parking. Please use overflow parking for your vehicles only when necessary and not for convenience for the sake of others in the neighborhood.

This Resolution is effective August 22, 2016.

Adopted at a meeting of the Board of Directors on August 22, 2016.

Kenneth C. W. Fowler — President

8/22/16 — Date

Attest:

Peggy H Hough — Secretary

8-22-2016 — Date

BRAEMAR CREEK AT GREENSPRINGS PLANTATION CONDOMINIUM ASSOCIATION, INC.

POLICY RESOLUTION
PET POLICY

WHEREAS, Article 4, Section 4.1 of the Association's Bylaws provides that the affairs of the Association shall be managed by a Board of Directors ("Board"); and

WHEREAS, Article 4, Section 4.12 of the Association's Bylaws provides that the Board of Directors shall have the power to adopt, amend, promulgate and enforce rules and regulations governing the details of the operation and use of the Units and Common Elements, real and personal, in the Condominium; and

WHEREAS, it is in the best interest of the Association to establish and adopt a pet policy to improve operational effectiveness, maintain a safe community and protect Unit Owners financial investment.

NOW THEREFORE, it is hereby RESOLVED that the Association adopts the following policy in replacement of 3.9 of the Rules and Regulations.

1. No Animals other than domestic dogs, domestic cats, domestic ornamental birds (exclusive of poultry species), domestic small mammals (guinea pigs, gerbils, hamsters), and aquarium raised fish shall be raised or kept in any unit or Association property.
2. With the exception of aquarium raised fish and birds, the number of pets per unit shall not exceed two per unit. This limit will not apply to puppies and kittens before the age at which they are ready to be separated from their mother and whose biological mother's owner(s) resides in any unit.
3. No animal registered on the Commonwealth of Virginia's Dangerous Dog Registry maintained by the Commonwealth of Virginia Department of Agriculture and Consumer Services (VDACS) will be permitted in any unit or on Association property.
4. No animal which meets the definition of "Dangerous Dog," as defined by the Code of Virginia section 3.2-6540, shall be permitted in any unit or on Association property.
5. No animal commonly known as a "wolf hybrid" or any animal resulting from the hybridization of a domestic dog (Canis lupus familiaris) to one of four other Canis species, the grey (Canis lupus), eastern timber (Canis lycaon), red (Canis rufus), and Ethiopian (Canis simensis) will be permitted in any unit or on Association property.

6. No reptiles will be permitted in any unit or on Association property.

7. All pets, in any unit or on Association property, when required by law or ordinance, shall be licensed by the County of James City and inoculated in conformance with the laws of the Commonwealth of Virginia and registered with the Association in the format provided.

8. Cats and dogs, when on Association property, must be leashed.

9. Owners of pets walked upon Association property must promptly clean up their animal's solid waste. Waste shall be disposed of properly.

10. No pets may be tied, "staked out", or otherwise secured to a "run" on Association property.

11. Pets may be maintained in any unit so long as such pet does not constitute a nuisance. Actions which may constitute a nuisance include, but are not limited to, repeated excessive whining, barking, crying, scratching, offensive odors, and any other excessive noise. Pets whose owners demonstrate repeated instances of failure to control their animal, repeated instances of failing to clean up their animal's waste, and repeated instances of leash violations may cause their animals to be declared a "nuisance". Animals which demonstrate dangerous behavior as defined by Code of Virginia section 3.2-6540 will be considered nuisance animals. Allegations of "nuisance animals" shall be investigated by the Board of Directors of the Association.

12. If a Unit is leased or occupied by a third party, it is the Unit Owner's responsibility to inform the occupants of the pet policy in addition to other community rules.

13. Failure to comply with this policy or the requirements herein constitutes a violation of the condominium instruments and can result in the suspension of services, amenities, and/or the imposition of charges after a due process hearing.

This Resolution is effective March 28, 2016.

Adopted at a meeting of the Board of Directors on March 28, 2016.

Kenneth A. McFarland — 5/23/16

President — Date

Attest:

Peggy H Hoff — 5-23-2016

Secretary — Date

BRAEMAR CREEK AT GREENSPRINGS PLANTATION CONDOMINIUM ASSOCIATION, INC.

POLICY RESOLUTION
SIGNS
September 25, 2017

WHEREAS, Article 4, Section 4.1 of the Association's Bylaws provides that the affairs of the Association shall be managed by a Board of Directors ("Board"); and

WHEREAS, Article 4, Section 4.12 of the Association's Bylaws provides that the Board of Directors shall have the power to adopt, amend, promulgate and enforce rules and regulations governing the details of the operation and use of the Units and Common Elements, real and personal, in the Condominium; and

WHEREAS, it is in the best interest of the Association to establish and adopt a sign policy.

NOW THEREFORE, it is hereby RESOLVED that the Association adopts the following policy.

1. Only real estate signs in approved locations are permitted. Such signs may not exceed 18" h x 24" w and may be installed in the bottom sash of a window within the Unit. Yard signs are not permitted.

2. All other signs within the community, except approved traffic and parking enforcement signs for the Association and small security service signs (6" x 6" maximum), are prohibited.

This Resolution is effective 1/29, 2018.

Adopted at a meeting of the Board of Directors on September 25, 2017.

Kenneth A. McFarland — 1/29/18

President — Date

Attest:

Melinda Krug — 1/29/18

Secretary — Date

BRAEMAR CREEK AT GREENSPRINGS PLANTATION CONDOMINIUM ASSOCIATION, INC.

POLICY RESOLUTION
(Solar Landscape Lighting)

WHEREAS, Article 4, Section 4.1 of the Association's Bylaws provides that the affairs of the Association shall be managed by a Board of Directors ("Board"); and

WHEREAS, Article 4, Section 4.12 of the Association's Bylaws provides that the Board of Directors shall have the power to adopt, amend, promulgate and enforce rules and regulations governing the details of the operation and use of the Units and Common Elements, real and personal, in the Condominium; and

WHEREAS, it is in the best interest of the Association to adopt a policy to establish the appropriate type and placement of solar landscape lighting; and

NOW THEREFORE, it is hereby RESOLVED that the Association adopts the following policy.

a. Solar landscape lighting in general shall be subtle in nature and be in harmony with the landscape. Prior to installing any solar landscape lighting, the Unit Owner must submit to the Architectural Review Committee (ARC) an Alteration to Existing Construction Plan Application form for approval. The application is to include a drawing showing the placement of each fixture. Any Unit Owner with current covenant or rule violation(s) or a monetary delinquency will not have their plans reviewed until such time that the violation or delinquency is rectified.

b. Only black finish, LED low light, solar powered path fixtures that provide white down lighting are permitted. The fixture shall be a maximum of 15" high, fully assembled and no more than 4 fixtures per Unit will be allowed. An example of an acceptable solar landscape lighting fixture is attached to this Resolution as Exhibit A.

c. Solar landscape lighting shall be placed in an existing mulch bed area. Solar landscaping lighting shall not intrude upon the privacy of adjacent properties, obstruct walkways or be used to create an unnatural "runway" effect. No fixture shall be attached to fences, siding, etc.

d. The Compliance Committee shall review and then inspect the installation of all solar landscape lighting and reserves the right to require modifications including but not limited to design, finish, and location of fixtures.

e. Unit Owners are responsible for all maintenance and repair of solar landscape lighting fixtures. Association Contractors (e.g., landscapers, snow removal personnel) are not responsible for any damage to the solar landscape lighting.

This Resolution is effective January 27, 2014.

Adopted at a meeting of the Board of Directors on January 27, 2014.

Carolyn Hatter
President

1/27/14
Date

Attest:

Sherry L. Crotts
Secretary

1/27/14
Date

EXHIBIT "A"

ACCEPTABLE LANDSCAPE LIGHTING EXAMPLE

Can be purchased at HOME DEPOT

Hampton Bay Square Plastic Solar LED Pathway Light (6-Pack)

Model # GX-1917-P-PC

Bulb Type LED Color/Finish Black

BRAEMAR CREEK AT GREENSPRINGS PLANTATION CONDOMINIUM ASSOCIATION, INC.

POLICY RESOLUTION
(Display of U.S. Flag)

WHEREAS, Article 4, Section 4.1 of the Association's Bylaws provides that the affairs of the Association shall be managed by a Board of Directors ("Board"); and

WHEREAS, Article 4, Section 4.12 of the Association's Bylaws provides that the Board of Directors shall have the power to adopt, amend, promulgate and enforce rules and regulations governing the details of the operation and use of the Units and Common Elements, real and personal, in the Condominium; and

WHEREAS, the Freedom to Display the Federal Flag Act (2005) governs the display and protocols for the display of the American flag, and accordingly, Unit Owners and residents of Braemar Creek have the right to fly the flag on or within the property for which they have exclusive use or possession; and

WHEREAS, it has further been determined that it is in the best interest of the Association to establish reasonable restrictions pertaining to the time, place, and manner of displaying the flag and such restrictions are necessary to protect a substantial interest of the condominium.

NOW THEREFORE, it is hereby RESOLVED that the Association hereby adopts the following policy.

The following guidelines shall be used:

a) A flag may be flown on a staff that is within the fenced patio areas of the Woodlands section and on the open patio areas and porches of the Linkside and Montrose sections.

b) The appropriate size flag for display outdoors is determined by the type of flagpole, the length of the flagpole, and the number of flags being flown simultaneously on that pole. For example, the recommended height for a 4'x6' flag is 20 feet, and for a 3'x5' flag, 25 feet.

c) Flags may be flown from sunrise to sunset on any day during the year.

d) Flags should not be flown in such a manner as to result in unusual wear and tear to the flag, dipping to the ground, or as to impede another Unit Owner's view.

e) The following flag sizes will be permitted: 2' x 3', 4' x 6', 2.5' x 4', and 3'x 5'.

f) Flags should not be flown during rain, snow, or wind storms unless they are all-weather flags.

g) No flags (or flag staffs) may be attached to a fence, door, or the side of the building.

h) No flood lights may be used to illuminate the flag as these interfere with other Unit Owners' right to peaceful occupancy.

It is the Unit Owner's responsibility to insure that they observe all relevant practices that pertain to the display of the Flag of the United States and that they dispose of torn and unusable flags in an appropriate manner. Further information can be obtained from the American Legion.

This resolution pertains only to the display of the Flag of the United States and is not intended to permit or govern the display of the flag from any state, other country, organization, municipal entity, or flags of a decorative or holiday nature.

This Resolution is effective January 27, 2014.

Adopted at a meeting of the Board of Directors on January 27, 2014.

Carolyn Hart
President

1/27/14
Date

Attest:

Mary L. Crotts
Secretary

1/27/14
Date

Budget Summary Report
Braemar Creek @ Greensprings Plantation
2019 Approved Budget $168 and $180

	2019 Budget
Assessment Income	
4000 - Assessments-10 Plex	383,040.00
4001 - Assessments-6 Plex	198,720.00
Total Assessment Income	**581,760.00**
Rental Income	
4400 - Clubhouse Rental Fees	300.00
Total Rental Income	**300.00**
Collections Income	
4710 - Late Fees	3,600.00
4715 - Notice Admin Fee	1,200.00
Total Collections Income	**4,800.00**
Total Operating Income	**586,860.00**
Administrative	
5000 - Online Voting Service	276.00
5010 - Uncollectable Accounts	1,000.00
5040 - FHA Certification	1,000.00
5090 - Office Supplies	400.00
5105 - Reserve Studies	0.00
5115 - Website	0.00
5195 - Other Administrative Services	3,500.00
5200 - Community Events	600.00
5210 - Printing & Copying	6,500.00
5215 - Postage	2,800.00
5225 - Newsletter	180.00
Total Administrative	**16,256.00**
Insurance	
5400 - Insurance Premiums	70,000.00
Total Insurance	**70,000.00**
Utilities	
6000 - Electricity	14,000.00
6020 - Sub-Meter Expenses	15,444.00
6025 - Water & Sewer	120,000.00
6045 - Fitness Room Cable	1,236.00
6055 - Clubhouse/Pool Access-WIFI	1,164.00
6065 - Submeter Expense Reimbursement	(15,444.00)
6075 - Water/Sewage Reimbursement	(115,800.00)
Total Utilities	**20,600.00**
Landscaping	
6100 - Grounds & Landscaping - Contract	76,169.00
6160 - Tree Maintenance	3,000.00
6199 - Landscape Other	17,000.00
Total Landscaping	**96,169.00**
Irrigation	
6200 - Irrigation Repair & Maintenance	500.00
6299 - Irrigation Contract	525.00
Total Irrigation	**1,025.00**

Budget Summary Report
Braemar Creek @ Greensprings Plantation
2019 Approved Budget $168 and $180

	2019 Budget
Operations	
6300 - Permits & Licenses	400.00
6310 - Backflow Device Inspection	2,900.00
Total Operations	**3,300.00**
Contracted Services	
6035 - Trash Removal	22,000.00
6430 - Janitorial Services	3,500.00
6434 - Termite Renewal	7,600.00
6436 - Plumbing Services	1,500.00
6438 - Pool Management	25,296.00
Total Contracted Services	**59,896.00**
Repair & Maintenance	
6525 - Clubhouse Repair & Maintenance	1,200.00
6530 - General Maintenance	20,000.00
6560 - Fence Repairs	4,400.00
6570 - Fitness Equipment Maintenance	1,200.00
6620 - Gutter Cleaning	7,500.00
6625 - Duct Supplies/Repair & Maintenance	4,508.00
6630 - Backflow Repairs	500.00
6635 - Janitorial Cleaning Supplies	500.00
6640 - Lighting Supplies/Repair & Maintenance	500.00
6700 - Pool Supplies/Repair & Maintenance	1,600.00
6740 - Sidewalk/Concrete Repair & Maintenance	0.00
6750 - Snow Removal & Supplies	3,500.00
6795 - Washing & Painting	15,486.00
Total Repair & Maintenance	**60,894.00**
Professional Services	
7000 - Audit & Tax Services	4,900.00
7020 - Legal Services	2,000.00
7040 - Management Fees	74,216.00
Total Professional Services	**81,116.00**
Taxes	
9000 - State & Federal Income Tax	1,800.00
Total Taxes	**1,800.00**
Reserve Expenses	
9800 - Reserve Contribution 10-Plex	97,404.00
9802 - Reserve Contribution 6-Plex	60,340.00
9804 - Reserve Contribution Common	14,460.00
9912 - Operating Reserve	3,600.00
Total Reserve Expenses	**175,804.00**
Total Operating Expense	**586,860.00**
Total Association Net Income / (Loss)	**0.00**

BRAEMAR CREEK at GREENSPRINGS PLANTATION
CONDOMINIUM ASSOCIATION, INC
MAY 20, 2019 BOARD OF DIRECTORS MEETING MINUTES

A regular meeting of the Board of Directors of Braemar Creek Condominium Association, Inc. was held on Monday May 20, 2019. The meeting was held at the Braemar Creek Clubhouse, Williamsburg, VA 23188.

Call to order

George Ogorzaly, President, Board of Directors, called the meeting to order at 6:00 PM.

Quorum

A quorum was established with the following Board Members Present: George Ogorzaly, President, Melinda King, Director, Mariellynn Maurer, Treasurer and Jim Brittain, Secretary.

In attendance

Bev Frantz represented Associa Management. There were five homeowners in attendance.

Homeowner Forum

A homeowner forum was provided for members to ask questions/provide comments directly to the Board. Three homeowner comments were made. 1). Lack of grass seed around trees in numerous areas. 2). Metal plates between siding not being painted. 3) Continued discussion for the need of a dog park.

Agenda Review and Adoption

A motion was made and seconded to proceed with the agenda as presented.
Motion passed unanimously.

Approval of minutes from last meeting

A motion was made and seconded to accept the March 25, 2019 Board of Directors meeting minutes.

Motion passed unanimously.

REPORTS

President's Update

- Discussion regarding seasonal social cookouts throughout the community (divided into groups) possibly beginning in July, 2019.
- Wish list for Budget.

Treasurers Update

- Financial Report: the treasurer reported the current state of the Condominiums' financial position for the current month and year to date.
- Preparation for next year's budget.

Manager's Update

- Conversion regarding a bi-monthly newsletter.
- Respond or comment on the rule changes no later than June 15, 2019.

COMMITTEE REPORTS

Architectural Review:

- No new requests.

Compliance Committee:

- Compliance letters have been mailed.

Facilities:

- Nothing to report.

Finance:

- Need volunteers for the Finance Committee.

Landscape:

- Discussion of the status of landscaping proposals.

Newsletter:

- Discussion of Bimonthly newsletter to include informing members of rule changes, dog and cat vaccination/licensing and discontinuation of bird feeders and suet throughout the community, however, hummingbird feeders are acceptable.

UNFINISHED BUSINESS

Rules Revision

- Requested response from Board members by June 15 on rules revision.

NEW BUSINESS

Landscaping Requests

A motion was made and seconded to approve the following JRGM proposals:

Quote # 07-16926-AM - installation of zoysia sod at 2401 Swilkens Bridge in the amount $979.14 to be paid from operating reserves.

Proposal # 48712 – to extend mulch area to cover spring patch and install additional stone and five (5) nandinas in the amount of $765.56

Proposal # 52218 – removal of dead tree in front of 703 Braemar Creek

Proposal #52221 – to cut up three (3) leaning pine tree near 2410 – debris will be left in wooded area in the amount of $172.36 and to be paid from operating reserves.

Proposal #48663 – Trim leaning magnolia tree branch. Original proposal was to replace in the amount of $489.44. Revised cost will be determined at a later date.

Pet Form

- Discussion regarding placing proof of rabies vaccination on the occupancy form. Timing was too late to make this year's form – discussion about creating a separate form.

  No motion taken.

Water Meter Readings

- Discussion regarding the water meters located and read on the same day. No action.

Board of Directors open position

- No action taken.

EXECUTIVE SESSION

A motion was made and seconded to move to Executive Session at 7:20 p.m.

RECONVENE BACK TO OPEN SESSION

At 7:50 p.m. a motion was made and seconded to reconvene back to open meeting.
Motion carried.

VOTE OF EXECUTIVE SESSION

- Case 2019-5 A motion was made and seconded to refund the resident $5.40 for the charge of meter reading that was not done. Motion Carried.
- Case 2019-6 A motion was made and seconded for a repayment plan for a unit owner who claimed hardship. Payment schedule to be paid over 21 months at $50.00 per month. Failure to repay as agreed, will result in acceleration of the amount due. Motion Carried.
- Case 2019-7 A motion was made and seconded to allow the HOA to charge a $5.00 late fee for all water bills that are not paid on time. Motion Carried.

Adjournment

At 7:56 p.m. a motion was made and seconded to adjourn the meeting.
Motion passed unanimously.

Minutes submitted by: Jim Brittain, Secretary
Minutes approved

DATE: 4/24/2019

Signed: _____, George Ogorzaly, President

Braemar Creek Condominium Board of Directors Meeting

March 25, 2019

The Braemar Creek Condominium Board of Directors Meeting was called to order at 6pm by George Ogorzaly, President, at the Braemar Creek Clubhouse.

Board Members present: George Ogorzaly, President; Melinda King, Director; Mariellynn Maurer, Secretary (conference called in); Bev Frantz, Manager

Others present: 2 Homeowners

Homeowner Forum Discussion Topics: Question about possibility of a dog park being added to Braemar Creek that is subdivided with one side for small dogs and one side for large dogs. James City County will dive us a free pet station if we apply for it and then we would need volunteers to monitor it and we'd need to purchase bags. A survey will be added to Town Square for owner interest/feedback.

Approval of Minutes: The minutes from February 25, 2019 were approved.

REPORTS

President's Updates:

- Annual Meeting coming up next month (April 22)
    - 2 open seats on the Board this year with 3 nominees so far.
    - Voting will be online with announcement on Town Square.
    - Meet & Greet on Monday prior to the meeting so owners can meet candidates (April 15).
    - Cox sponsoring refreshments for annual meeting again.

Treasurer's Updates (George provided):

- Financial Statement provided.

Manager's Updates:

- Working on re-hiring lifeguard for this year.

COMMITTEE UPDATES

Architectural Review:

- No new requests.

Compliance Committee:

- Compliance letters have been mailed.

Facilities Committee:

- Notes regarding cones marking holes by parking lots discussed.

Landscaping Committee:

- Estimate received to replace plants. Budget of $5000 is approved for plant replacement and work may begin.
- Estimate received for replacement stone. Currently on hold until after plants are in.
- Grass/sod will be revisited later in spring/summer.

Welcoming Committee:

- No committee meetings yet. 3 new owners reported.

Nominating Committee:

- 3 nomination forms received.

Pool & Clubhouse:

- See New Business.

UNFINISHED BUSINESS

- Rules and Regulations Revision should be ready for annual meeting.

NEW BUSINESS

- Pool Rules and Occupancy Form ready for review.
    - Occupancy Form must be submitted annually by all owners (even if unit is leased).
    - Reminder: All animals must be registered with James City County and be vaccinated. This is the owner's responsibility. Rabies number and license number of each animal required on form.
    - Pool management contracts reviewed. High Sierra approved for pool management.
- Transfer of funds were completed (into a Morgan Stanley account).
- Tax Returns were completed and amounts due to Federal and State approved for payment before April 15, 2019.

EXECUTIVE SESSION

- No update.

The meeting ended at 6.57pm.

Next Meeting April 22, 2019 at 6pm at Braemar Creek Clubhouse.

Gary T Ogyody 5/20/19

Braemar Creek Condominium Board of Directors Meeting

February 25, 2019

The Braemar Creek Condominium Board of Directors Meeting was called to order at 5.59pm by George Ogarzaly, President, at the Braemar Creek Clubhouse.

Board Members present: George Ogorzaly, President; Melinda King, Director; Mariellynn Maurer, Secretary; Bev Frantz, Manager

Others present: 6 Homeowners

Homeowner Forum Discussion Topics: Inquiries regarding replanting to replace the wax myrtles and junipers that were removed; address replacement of stone that has eroded over the years; fill in hole by Bldg 17 where tree was removed; need for some re-sodding. Discussion was postponed until Landscape Committee report addressing many of these questions.

Approval of Minutes: The minutes from January 28, 2019 were approved.

REPORTS

President's Updates:

- Reminder was given asking Homeowners to please sign up for committees, commitment is only 1-year term.
- Reminder was given that we have an open seat on the Board and nominations are currently happening.
- Would like to put a Code of Ethics in place for the incoming Board, posted on Town Square before April election.
- Reminders for upcoming newsletter:
    - No vehicles on unpaved areas
    - On windy days, don't put recycling out too early (wind knocks over bins creating a mess)
    - Noise Ordinance for James City County (complaints of loud, late parties)
    - Grills approved for use
    - Additional committees needed – tenant committee

Treasurer's Updates:

- Financial Statement provided. Budget looks good as new year has just begun.

COMMITTEE UPDATES

Architectural Review:

- No new requests.
- Compliance inspection week of Mar 4.
- Insulation/roof work on units 04 and 10 for 19 buildings is complete; gutters on some units are pitched and need follow up investigation.
- Power-washing will begin in May.

- Dryer vent cleaning will begin in April for Linkside; pest free vent covers will be used in replacement.

Welcoming Committee:

- 4 welcome packets ready to go out (3 for Jan 1 for Feb)

Nominating Committee:

- Nomination forms due Mar 15

Facilities Committee:

- Cones throughout complex mark areas that need repair; report will follow in March

Pool & Clubhouse:

- Pool contract will be available for Board review in March

UNFINISHED BUSINESS

- Rules and Regulations Revision reviewed and discussed
    - Move architectural guidelines to separate document
    - Cover of vehicles must be approved by Board
    - 6-year painting schedule – include garage doors
    - Separate the sections on seasonal décor and flags/flagpoles
    - Add violation policy from new governing documents to lease section
- Benches ordered; will get with Landscaping regarding placement and way to secure them.
    - 3 50" benches for total of $233.97

NEW BUSINESS

- FHA Certification (due every 2 years) approved and signed by President
- Plant replacements – 2401 already approved in November, will be completed this spring; 2201 needs mulch bed

EXECUTIVE SESSION

- No update

The meeting ended at 7.12pm.

Next Meeting March 25, 2019 at 6pm at Braemar Creek Clubhouse.

Geoff T Ogayoff
3/25/19

Melinda King 3/25/19

Braemar Creek Condominium Board of Directors Meeting

January 28, 2019

The Braemar Creek Condominium Board of Directors Meeting was called to order at 6pm by George Ogorzaly, President, at the Braemar Creek Clubhouse.

Board Members present: George Ogorzaly, President; Melinda King, Director; Mariellynn Maurer, Secretary; Bev Frantz, Manager

Others present: 4 Homeowners

Homeowner Forum Discussion Topics: none from floor

Approval of Minutes: The minutes from November 26, 2018 and December 19, 2018 were approved.

REPORTS

President's Updates:

- Reminder was given asking Homeowners to please sign up for committees.
- Reminder was given that we have an open seat on the Board.

Treasurer's Updates:

- Financial Statement provided.

UNFINISHED BUSINESS

- Rules and Regulations Revision was reviewed and discussed regarding holiday decorations.
- Benches will be revisited now that spring is coming (new line and pricing at Wal-Mart).

NEW BUSINESS

- 2019 Annual Plan presented
- Action List from November 26, 2018 Board Meeting Reviewed
- Landscaping: APPROVED Juniper and Wax Myrtles will be removed Bldgs. 28-35

EXECUTIVE SESSION

- No update

The meeting ended at 7.05pm.

George T Ogorzaly 2/25/19

Melinda King 2-25-19

COMMUNITY GROUP
11818 ROCK LANDING DRIVE SUITE 204
NEWPORT NEWS, VA 23606

RESALE PROCESSING DEPARTMENT
PHONE: (757) 873-1800
FAX: (757) 873-3441

Resale Disclosure Statement

Braemar Creek @ Greenspring

PLEASE REFER TO PAGE 2 FOR COMPLETE ESCROW INSTRUCTIONS AND DETAILS

Order #: 23-01200398

Statement Date: 08/15/2019

Property Address: 3401 Rannock Moor

Order Date:	8/15/2019	Escrow #:	
Requested By:	Shoshana Marziano	Owner / Seller:	Holly Scott
Phone #:	(757) 593-8609	Closing Date:	8/28/2019
Fax #:		Buyer's Name:	Christopher Brooks and Lisa Clemmer
Contact Name:	Jana Oren	Buyer's Address:	9450 Cres View Drive,
Contact Phone:		City/State/Zip:	Mechanicsville, VA 23116
Contact Email:	joren@lytletitle.com	Buyer's Phone #:	

FEES DUE TO COMMUNITY GROUP

Order #	Processing Fee	Expedite Fee	Delivery Fee	Adjustment	Convenience Fee	Tax	Amount Due	Amount Paid	Balance
23-01200398	$264.00	$58.65	$0.00	$0.00	$0.00	$0.00	$322.65	$0.00	$322.65

Post-closing Processing Fees	$58.65
Financial Update	$58.65
Total Due	$439.95

Please reference ALL order number(s) from above on all checks you issue.

ALL FEES/AMOUNTS PAYABLE AT CLOSING

Mail all payments to: **COMMUNITY GROUP**
11818 ROCK LANDING DRIVE SUITE 204
NEWPORT NEWS, VA 23606

PLEASE PROVIDE SEPARATE CHECKS FOR AMOUNTS BELOW:

- Please collect **$439.95** for above noted fees.

MAKE CHECK PAYABLE TO: Community Group

- Please collect **$702.00** for Association fees. *(See page 2 for Comments & Fee Details)*

MAKE CHECK PAYABLE TO: Braemar Creek @ Greenspring

Please provide Community Group with:

-Copy of HUD-1 or detailed Settlement Agreement to ensure accurate transfer of ownership.

This information is being provided by Community Group as a courtesy service to lenders and other real estate professionals. Although Community Group believes that the information provided is complete and accurate, the requesting party understands and acknowledges that this information is subject to change without notice and that Community Group is not responsible for any inaccurate or omitted information.

COMMUNITY GROUP
11818 ROCK LANDING DRIVE SUITE 204
NEWPORT NEWS, VA 23606

RESALE PROCESSING DEPARTMENT
PHONE: (757) 873-1800
FAX: (757) 873-3441

Resale Disclosure Statement

Braemar Creek @ Greenspring

FEES DUE TO ASSOCIATION

REGULAR ASSESSMENTS PAID THROUGH	**8/31/2019**
Current Balance	**$0.00**
Association Transfer Fees	$0.00
Working Capital Contribution	$504.00
Reserve Contribution	$0.00
Legal Fees	$0.00
Buyer's Advanced Assessments	$0.00
September 2019 Assessment	$168.00
Estimated water bill	$30.00
N/A	$0.00
TOTAL DUE:	**$702.00**

ADDITIONAL COMMENTS:

****25% Rental Cap at capacity; unit owners must request authorization PRIOR to renting unit through managing agent.**
****THE ESTIMATED WATER BILL SHOULD BE COLLECTED BY THE BORROWER****

In order to ensure our records are accurate and we can expedite the processing of a Welcome Package, please include the following information with the settlement paperwork and funds forwarded to us after closing:
1. The buyer's email address.
2. The address of the property being purchased.
3. A mailing address for the buyer to receive correspondence that pertains to the property.

Please note the balance as of the date specified in this document is accurate, however, the balance is subject to change on a daily basis.

ASSOCIATION ASSESSMENT INFORMATION

Amount of Property Assessment is?	**$168.00**
Frequency of Property Assessment?	**Monthly**
The late fee is (enter the actual amount):	**30.00 plus admin fees**
Assessments are due on the (for instance, "5th", "10th"):	**1st**
Late fee interest is (for instance, 10% per annum):	**N/A**
Assessment is past due on (for instance, the 5th/the 10th)?	**11th**
Other Assessment amount?	**$0.00**
Purpose of other Assessment?	

Each homeowner will receive a monthly water bill payable upon receipt to the Association.

Amount of any active Special Assessments?	**$0.00**
Purpose of Special Assessment?	

N/A

FINANCIAL INFORMATION

Is there a Community Enhancement Fee?	**Yes ☐ No ☑**
If so, how is Fee determined / calculated?	**N/A**
Amount of money in the designated reserve fund intended to be used for long term capital needs?	**$1,494,707.81**

This information is being provided by Community Group as a courtesy service to lenders and other real estate professionals. Although Community Group believes that the information provided is complete and accurate, the requesting party understands and acknowledges that this information is subject to change without notice and that Community Group is not responsible for any inaccurate or omitted information.

Portions Copyright © 2009 Community Archives (23-01200398)

COMMUNITY GROUP
11818 ROCK LANDING DRIVE SUITE 204
NEWPORT NEWS, VA 23606

RESALE PROCESSING DEPARTMENT
PHONE: (757) 873-1800
FAX: (757) 873-3441

Resale Disclosure Statement

Braemar Creek @ Greenspring

Capital expenditures, if any, approved by the Association for the next 12 months?

None at this time

Expenditure of funds, if any, approved by the Association which shall require an assessment in addition to the regular assessment during the current or immediately succeeding fiscal year?

None

Are there any other entities or facilities to which the unit owners may be liable for fees or other charges? If so, explain.

Replacement recreation card is $25; clubhouse rental has a fee and a deposit. Please contact management for more details at 757-345-6400.

If there is an Association loan, what is the loan balance? **No**

Does the Association have any active leasehold that affects the Association? If so, what is the nature of the leasehold, and what is the remaining term of said leasehold?

No

If a Unit/Home is acquired through foreclosure, is mortgage company responsible for Association Assessments? If so, explain?

Yes, from the date the unit is acquired until the unit is sold to a new owner.

Is there a working capital, and/or reserve contribution paid by current owner, which is to be refunded to the current owner, by the buyer, at resale closing/settlement? If so, what is amount?

No

As a courtesy to Title Companies, and for the purpose of Closing/Settlement assessment calculation, the Daily Assessment Rate is? **$5.60**

LEGAL INFORMATION

Does the Association hold the Right of First Refusal on this property transaction? If so, explain the process for obtaining a waiver and are first mortgage lenders Exempt?

No

Do the legal documents provide for architectural and or landscaping controls and approval? **Yes ☑ No ☐**

Do the governing documents specifically allow the Association to foreclose on an owner's property for failure to pay Assessments? **Yes ☑ No ☐**

Are there any liens against this specific Property? If so, explain?

None known

Is the Association involved with any litigation with this specific Association Member? If so, explain?

No

Are there any active judgments against the Association? If so, explain?

No

The case number of pending lawsuits in which the property owners Association is a defendant includes:

None

Do the legal documents provide for mandatory mediation or arbitration? **Yes ☐ No ☑**

Has the Association filed the Annual Report with the Virginia Common Interest Community Board? **Yes ☑ No ☐**

This information is being provided by Community Group as a courtesy service to lenders and other real estate professionals. Although Community Group believes that the information provided is complete and accurate, the requesting party understands and acknowledges that this information is subject to change without notice and that Community Group is not responsible for any inaccurate or omitted information.

COMMUNITY GROUP
11818 ROCK LANDING DRIVE SUITE 204
NEWPORT NEWS, VA 23606

RESALE PROCESSING DEPARTMENT
PHONE: (757) 873-1800
FAX: (757) 873-3441

Resale Disclosure Statement

Braemar Creek @ Greenspring

The Association is incorporated under the laws of the Commonwealth of Virginia. The name and address of the Registered Agent is:

Community Group, Inc.
3901 Westerre Parkway, Suite 100
Henrico, VA 23233

COVENANT COMPLIANCE INFORMATION

Has the Unit/Home been specifically inspected for compliance with covenants in conjunction with this inquiry? **Yes ☑ No ☐**

A description of any conditions on the owner's property, or limited common area assigned thereto that the Association has actual knowledge are in violation of the Covenants/Restrictions, Bylaws or Rules applying to the subdivision/condominium:

See Inspection Report

Has notice been received from any governmental authority concerning any health, safety or building code issues in regards to common area, or Units/Homes, to our knowledge? If so, explain?

No

GENERAL INFORMATION

Type of Association/Community?	**Condominium**
If Sub or Master Association, explain?	**No**
Date of Association Fiscal Year End?	**December 31st**
Is Unit/Home held in Fee Simple?	**Yes ☑ No ☐**
Does the association permit ownership of 2 or more units under the same master deed or mortgage (duplex-triplex-fourplex)	**Yes ☐ No ☑**
Limitation on the number of persons who may occupy a unit as a dwelling?	**Up to 3 un-related persons**
Is the project a Manufactured Home community.	**Yes ☐ No ☑**
Is the project an Assisted Living Community, if so, what services are provided?	**No**
Is any portion of the condominium association located within a development subject to the Property Owner's Association Act of Chapter 26 of Title 55?	**Yes ☐ No ☑ NA ☐**
If condominium, number of Units owned by Developer?	**0**
If condominium, do the legal documents require unit owners to participate in a rental pooling agreement?	**Yes ☐ No ☑ NA ☐**

Is renting/leasing permitted? If so, what restrictions exist?

Yes; Must obtain permission from Association first, as a 25% rental cap is in place; 12 month lease minimum; must provide managing agent occupancy information of tenants; provide tenant with copy of rules & regulations. Maximum of 2 pets per unit.

Are pets permitted? If so, are there any restrictions?

Yes, limit two per unit. See Pet Policy.

Is there a key to common areas? If so, is there a deposit/amount?

Please obtain the white swipe card from the previous owner to use the fitness room and swimming pool access. If you should need assistance, please contact the managing agent at 757-345-6400. If a new swipe card is needed, there will be a $25 replacement fee.

Is street parking permitted? If so, are there any restrictions?

No; Tow away zone. Visitor Pass Required for temporary parking for visitors only.

This information is being provided by Community Group as a courtesy service to lenders and other real estate professionals. Although Community Group believes that the information provided is complete and accurate, the requesting party understands and acknowledges that this information is subject to change without notice and that Community Group is not responsible for any inaccurate or omitted information.

COMMUNITY GROUP
11818 ROCK LANDING DRIVE SUITE 204
NEWPORT NEWS, VA 23606

RESALE PROCESSING DEPARTMENT
PHONE: (757) 873-1800
FAX: (757) 873-3441

Resale Disclosure Statement

Braemar Creek @ Greenspring

Is RV/Boat storage permitted? If so, are there any restrictions?

No

What areas of the community is the owner responsible to maintain other than their Unit/Home/Lot?

ARC modifications. See Maintenance Responsibility Worksheet.

Are signs permitted? If so, are there any restrictions?

One; window only

Are free standing flag poles permitted? If so, are there any restrictions?

See Rules and Regulations

Are temporary flag pole staffs that are attached at an incline to the wall or pillar of the dwelling permitted? **Yes ☐ No ☑**

Do flag poles require approval by the Association? **Yes ☑ No ☐**

Are there any restrictions, limitations, or prohibition on the right of a lot owner to place a sign on the owner's lot advertising the lot for sale?

Yes, One small window sign only.

Are there any restrictions, limitations or prohibition on the right of a unit owner to display the flag of the United States, including, but not limited to reasonable restrictions as to the size, time, place and manner of placement or display of such flag?

Yes. See US Flag Policy

Are there any known project approvals currently in effect that have been issued by any secondary mortgage market agencies? If so, please explain:

FHA approved

Are there any restrictions, limitations or prohibitions on the right of the unit/lot owner to install or use solar energy collection devices on the unit/lot owner's property? If so, explain:

There are not any known restrictions for solar energy collection devices; however as it is with any modification, one would need to submit an Architectural Modification Request Form and it would need to be approved.

INSURANCE INFORMATION

Insurer's Name?	**Beskin - Divers Insurance**
Contact Information?	**Roy Beskin**
Phone Number?	**757-497-1041**
The amount of Fidelity coverage for Directors and Officers?	**1,500,000.00**
Are any Common Area structures located in a Special Flood Hazard Area?	**Yes ☐ No ☑**
Does the Association have General Liability and Property Insurance coverage?	**Yes ☑ No ☐**
Amount of General Liability Insurance?	**2,000,000.00**
Amount of Property Insurance coverage?	**Full replacement cost**
Minimum number of days required for written notification to be given to association or insurance trustee before any substantial changes or cancellation of the insurance coverage?	**30**

What additional insurance coverage would normally be secured by each individual unit/homeowner in an association?

Please note that the Association does not maintain property coverage for the individual unit. It is the responsibility of each owner to obtain insurance covering their unit, to also include personal property contained therin, and personal liability. You are urged to consult with your insurance agent.

This information is being provided by Community Group as a courtesy service to lenders and other real estate professionals. Although Community Group believes that the information provided is complete and accurate, the requesting party understands and acknowledges that this information is subject to change without notice and that Community Group is not responsible for any inaccurate or omitted information.

COMMUNITY GROUP
11818 ROCK LANDING DRIVE SUITE 204
NEWPORT NEWS, VA 23606

RESALE PROCESSING DEPARTMENT
PHONE: (757) 873-1800
FAX: (757) 873-3441

Resale Disclosure Statement

Braemar Creek @ Greenspring

MANAGEMENT COMPANY INFORMATION

Community Group
3901 Westerre Parkway, Suite 100
Richmond, VA 23233
Phone: 804-270-1800
Fax: 804-346-8640

Community Group, Newport News

Community Group Virginia Beach Office:
4534 Bonney Road
Virginia Beach, VA 23462
Phone: 757-499-2200
Fax: 757-499-5928

Community Group Newport News Office:
11818 Rock Landing Drive, Suite 204
Newport News, VA 23606
Phone: 757-873-1800
Fax: 757-873-3441

I hereby certify that the above information is true and correct to the best of my knowledge and belief.

Beverly Frantz, CMCA PCAM — 08/15/2019

Signature of person completing form — Statement Date

This information is being provided by Community Group as a courtesy service to lenders and other real estate professionals. Although Community Group believes that the information provided is complete and accurate, the requesting party understands and acknowledges that this information is subject to change without notice and that Community Group is not responsible for any inaccurate or omitted information.

Portions Copyright © 2009 Community Archives (23-01200398)

COMMUNITY GROUP
11818 ROCK LANDING DRIVE SUITE 204
NEWPORT NEWS, VA 23606

RESALE PROCESSING DEPARTMENT
PHONE: (757) 873-1800
FAX: (757) 873-3441

Property Inspection Report

Braemar Creek @ Greenspring

Property Address: **3401 Rannock Moor**

Order #: **23-01200398**

Order Date: **8/15/2019**

GENERAL INFORMATION

Type of Association/Community?	**Condominium**
If Sub or Master Association, explain?	**No**

PROPERTY INSPECTION INFORMATION

Date of Inspection	**8/15/2019**
Time of Inspection	**2:25 pm**
Inspector's Name	**Beverly Frantz**
Number of Photos Taken	**0**
Inspection Observations	

Covenant Violations Noted

None

I hereby certify that the above information is true and correct to the best of my knowledge and belief.

Beverly Frantz, CMCA PCAM

Signature of person completing form

THIS INSPECTION WAS MADE TO DETERMINE IF THE UNIT/HOME IS IN COMPLIANCE WITH THE COVENANTS, BYLAWS, DESIGN STANDARDS AND RULES OF THE ASSOCIATION. IT IS NOT INTENDED TO COMMENT ON THE STRUCTURAL ASPECTS OF THE UNIT/HOME, NOR ZONING COMPLIANCE, HEALTH REGULATIONS, ETC. IT IS NOT POSSIBLE TO BE 100% CERTAIN OF ASSOCIATION RELATED COMPLIANCE AS NOT ALL AREAS OF THE UNIT/HOME ARE VISIBLE DURING THIS INSPECTION.

This information is being provided by Community Group as a courtesy service to lenders and other real estate professionals. Although Community Group believes that the information provided is complete and accurate, the requesting party understands and acknowledges that this information is subject to change without notice and that Community Group is not responsible for any inaccurate or omitted information.

Portions Copyright © 2009 Community Archives (23-01200398)

Commonwealth of Virginia
Common Interest Community Board
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

Department of Professional and Occupational Regulation

Common Interest Community Board
CONDOMINIUM UNIT OWNERS' ASSOCIATION RESALE CERTIFICATE NOTICE

Section 54.1-2350 of the *Code of Virginia* requires that this form accompany resale certificates issued pursuant to § 55-79.97 of the *Code of Virginia*.

The unit being purchased is in a development subject to the Virginia Condominium Act ("Act"). Properties subject to the Act are considered "common interest communities" under the law. Owning and living in a community governed by a common interest community association has benefits and obligations. Upon accepting title to a unit within a condominium, membership in the condominium unit owners' association ("association") is mandatory and automatic. The Act also specifies the contents of the **resale certificate**, and fees that may be charged for preparation and distribution of the resale certificate.

In addition to information provided in the resale certificate, the following are important considerations when purchasing a condominium unit.

Assessments

Each unit owner is responsible for and obligated to pay regular assessments and, if applicable, other assessments, including special assessments, and other mandatory fees to ensure that the association's financial requirements are met. Assessments are mandatory, imposed by the association for expenses incurred for maintenance and services provided for the benefit of some or all of the units, reserves for future expenditures, the maintenance, repair, and replacement of the common elements, including for the construction or maintenance of stormwater management facilities, insurance, administrative expenses, and other costs and expenses established in the condominium instruments. Failure or refusal to pay assessments and any other mandatory fees may result in imposition of late fees, interest, costs and attorney fees, recordation of a lien against the unit, filing a lawsuit and obtaining judgment against the unit owner, foreclosing on the unit to enforce the lien, and other actions permitted by the condominium instruments and the Act.

Declaration and Other Condominium instruments

The condominium instruments include the declaration and exhibits – bylaws of the unit owners' association, common element interest table, plats and plans, and other exhibits ("condominium instruments"). The condominium instruments and other information provided with the resale certificate establish the condominium and describe the basis for living in a condominium. The form of governance, nature and scope of services, as well as limitations on property use are addressed in the condominium instruments, rules and regulations, and association policies.

Unit owners have the responsibility, among other things, to comply with condominium instruments, rules and regulations, and association policies that outline what unit owners may and may not do in their units and on the common elements. Use of common elements, financial obligations of unit owners and other rights, responsibilities and benefits associated with ownership are subject to the provisions of condominium

instruments, rules and regulations, and association policies. Some decisions are made by the association executive organ (often called the board of directors), while other decisions are reserved to association members. Failure to comply with the condominium instruments, rules and regulations, and association policies may result in monetary penalties, suspension of certain privileges, and legal action taken against the unit owner.

Limitations

The condominium instruments, rules and regulations, and association policies may establish limitations affecting use of individual units and the common elements. While the limitations applicable to each condominium may vary from community to community, § 54.1-2350 of the Code of Virginia makes particular reference to the following. The condominium instruments, rules and regulations, and association policies may establish:

- Limitations on the authority of a unit owner to rent the unit.
- Limitations on parking and storage of certain types of motor vehicles and boats within the community.
- Limitations on maintenance of pets within a unit or on common elements.
- Limitations on operating a business within a unit.
- Architectural restrictions on changes to units.
- The period or length of time that the declarant (developer) may control membership on the executive organ, make decisions on behalf of the association, and therefore operate the association. This period is often referred to as the *declarant control period*. At the conclusion of the declarant control period, control of the association is transferred to the members.

This list does not represent all limitations that may affect units within the common interest community.

Important Notice for Purchasers

The contract to purchase a condominium unit is a legally binding document. The purchaser may have the right to cancel the contract after receiving the resale certificate.

Information provided in this form is a summary of select matters to consider when purchasing a condominium unit but should not be relied upon to understand the character and nature of the condominium and the unit owners' association.

The purchaser is responsible for examining the information contained in and provided with the resale certificate. The purchaser shall carefully review the entire resale certificate. The purchaser may request an update of the resale certificate.

The contents of the resale certificate control to the extent that there are any inconsistencies between this form and the resale certificate.

The Resale Certificate must include the following:

1 ☐ An appropriate statement regarding unpaid assessments pursuant to subsection H of § 55-79.84 which need not be notarized and, if applicable, an appropriate statement regarding rights of first refusal or other restraints on alienation pursuant to § 55-79.85;

2 ☐ A statement of any expenditure of funds approved by the unit owners' association or the executive organ that shall require an assessment in addition to the regular assessment during the current or the immediately succeeding fiscal year;

3 ☐ A statement, including the amount, of all assessments and any other fees or charges currently imposed by the unit owners' association, together with any known post-closing fee charged by the common interest community manager, if any, and associated with the purchase, disposition and maintenance of the condominium unit and the use of the common elements, and the status of the account;

4 ☐ A statement whether there is any other entity or facility to which the unit owner may be liable for fees or other charges;

5 ☐ 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 designated for any specified project by the executive organ;

6 ☐ A copy of the unit owners' association's current budget or a summary thereof prepared by the unit owners' association and a copy of the statement of its financial position (balance sheet) for the last fiscal year for which a statement is available, including a statement of the balance due of any outstanding loans of the unit owners' association;

7 ☐ A statement of the nature and status of any pending suits or unpaid judgments to which the unit owners' association is a party which either could or would have a material impact on the unit owners' association or the unit owners or that relates to the unit being purchased;

8 ☐ A statement setting forth what insurance coverage is provided for all unit owners by the unit owners' association, including the fidelity bond maintained by the unit owners' association, and what additional insurance coverage would normally be secured by each individual unit owner;

9 ☐ A statement that any improvements or alterations made to the unit, or the assigned limited common elements, are or are not in violation of the condominium instruments;

10 ☐ A copy of the current bylaws, rules and regulations and architectural guidelines adopted by the unit owners' association and the amendments thereto;

11 ☐ A statement of whether the condominium or any portion thereof is located within a development subject to the Property Owners' Association Act (§ 55-508 et seq.) of Chapter 26 of this title;

12 ☐ A copy of the notice given to the unit owner by the unit owners' association of any current or pending rule or architectural violation;

13 ☐ A copy of any approved minutes of the executive organ and unit owners' association meetings for the six calendar months preceding the request for the resale certificate;

14 ☐ Certification that the unit owners' association has filed with the Common Interest Community Board the annual report required by § 55-79.93:1; which certification shall indicate the filing number assigned by the Common Interest Community Board and the expiration date of such

filing;

15 ☐ A statement of any limitation on the number of persons who may occupy a unit as a dwelling;

16 ☐ A statement setting forth any restrictions, limitation or prohibition on the right of a unit owner to display the flag of the United States, including, but not limited to reasonable restrictions as to the size, time, place, and manner of placement or display of such flag;

17 ☐ A statement setting forth any restriction, limitation, or prohibition on the right of a unit owner to install or use solar energy collection devices on the unit owner's property;

18 ☐ A statement indicating any known project approvals currently in effect issued by secondary mortgage market agencies;

19 ☐ A copy of the fully completed form developed by the Common Interest Community Board pursuant to § 54.1-2350; and

20 ☐ The association complaint procedure required by 18 VAC 48-70-60 and pursuant to 18 VAC 48-70-40 and 18 VAC 48-70-50.