

HUNTINGTON COMMONS HOMEOWNERS ASSOCIATION



RESALE DOCUMENTS

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION
COMMONWEALTH OF VIRGINIA

EXPIRES ON
03-31-2016

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

NUMBER
0550002239

COMMON INTEREST COMMUNITY BOARD
COMMON INTEREST COMMUNITY ASSOCIATION REGISTRATION

HUNTINGTON COMMONS HOMEOWNERS ASSOCIATION
ANDREA TALAVERA
JEFFREY CHARLES & ASSOCIATES INC
6422 GROVEDALE DR SUITE 201-C
ALEXANDRIA, VA 22310



Jay W. DeBoer
Jay W. DeBoer, Director

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

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

(POCKET CARD)

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Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, October 12, 1994

This is to Certify that the certificate of incorporation of

HUNTINGTON COMMONS HOMEOWNERS ASSOCIATION

*was this day 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:*

October 12, 1994



State Corporation Commission

William J. Bridge
Clerk of the Commission

ARTICLES OF INCORPORATION
OF
HUNTINGTON COMMONS HOMEOWNERS ASSOCIATION

This is to certify that the undersigned, does hereby desire to establish a corporation in and by virtue of the provisions of the Virginia Non-Stock Corporation Act (Chapter 2, Title 13.1, Code of Virginia 1950, and acts amendatory thereof) for the purpose and in the corporation name hereinafter set forth as follows:

ARTICLE I

The name of the corporation is HUNTINGTON COMMONS HOMEOWNERS ASSOCIATION, hereinafter called the "Association".

ARTICLE II

The registered office of the Association is located at 4121 Chatelain Road, Annandale, Virginia 22003, located in the County of Fairfax, Virginia. The name of its initial registered agent is Barry K. Bedford, who is a resident of Virginia and a member of the Virginia State Bar and whose business address is the same as the address of the initial registered office of the Association.

ARTICLE III

PURPOSES AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide maintenance, preservation and architectural control of the residence Lots and Common Area within that certain tract of property located in the County of Fairfax, Virginia, and

described as:

Huntington Commons Subdivision, consisting of thirty-four (34) residential townhouse lots and approximately 2.42530 acres of Common Area, as the same are to be duly dedicated, platted and recorded among the land records of Fairfax County, Virginia. and to promote the health, safety and welfare of the residents within the above-described property, and for that purpose to:

(a) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration", applicable to the property and to be recorded in the Office of the Clerk of the Circuit Court of Fairfax County, Virginia, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

(b) Fix, levy, collect and endorse payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; 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 property of the Association;

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

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

(e) Have and to exercise any and all powers, rights, and privileges which a corporation organized under the Non-Profit Corporation Law of the State of Virginia by law may now or hereafter have or exercise.

ARTICLE IV

MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any townhouse lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of any townhouse lot which is subject to assessment by the Association. Ownership of such townhouse lot shall be the sole qualification for membership.

ARTICLE V

VOTING

The Association shall have two classes of voting membership:

CLASS A. Class A members shall be all those Owners as defined in Article IV with the exception of the Declarant. Class A members

shall be entitled to one vote for each townhouse lot in which they hold the interest required for membership by Article IV. When more than one person holds such interest in any townhouse lot, all such persons shall be members. The vote for such townhouse lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any townhouse lot and no fractional votes shall be allowed.

CLASS B. The Class B member(s) shall be the Declarant (defined in the Declaration). The Class B member(s) shall be entitled to three (3) votes for each townhouse lot in which it holds the interest required for membership by Article IV, provided that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events whichever occurs earlier:

(a) When the total votes outstanding in Class A membership equals the total votes outstanding in the Class B membership; or

(b) July 1, 1999.

ARTICLE VI

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of three (3) Directors, who need not be members of the Association. The numbers of Directors may be changed by amendment of the By-Laws of the Association but it may not be reduced below three (3) Directors. The initial persons who are to act in the capacity of the Directors until the selection of their successors shall be

named by the Declarant.

At the first annual meeting, the Directors shall be divided into three classes, as nearly equal as possible. The one receiving the highest number of votes shall be elected for a term of three years; the one receiving the next highest number of votes shall be elected for a term of two years; and the one receiving the next highest number of votes shall be elected for a term of one year. Thereafter, all Directors shall be elected for three (3) year terms.

ARTICLE VII

INDEBTEDNESS

The highest amount of indebtedness or liability, direct or contingent, to which this Association may be subject at any one time shall not exceed One Thousand Dollars (\$1,000.00) while there is a Class B membership, and thereafter shall not exceed 150 percent of its income for the previous fiscal year, provided that additional amounts may be authorized by the assent of more than two-thirds (2/3) of the entire Class A membership and more than two-thirds (2/3) of the Class B membership, if any.

ARTICLE VIII

MERGER - ANNEXATION

To the extent permitted by law, the Association may participate in mergers and consolidations with other non-profit corporation(s) organized for the same purpose, provided that any such merger or consolidation shall have the assent of more than two-thirds (2/3) of the entire Class B membership, if any.

ARTICLE IX

AUTHORITY TO MORTGAGE

Any mortgage by the Association of the Common Area defined in the Declaration shall have the assent of more than two-thirds (2/3) of the entire Class A membership and more than two-thirds (2/3) of the Class B membership, if any.

ARTICLE X

DEDICATION AND CONVEYANCE

The Association shall have power to dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be assented to by the members. No such dedication or transfer shall be effective unless it is approved at a meeting of the Association duly called for that purpose by members entitled to cast more than two-thirds (2/3) of the votes of the entire Class A membership and by members entitled to cast more than two-thirds (2/3) of the votes of the Class B membership.

ARTICLE XI

DISSOLUTION

The Association may be dissolved by a vote of more than two-thirds (2/3) of the Class A membership and more than two-thirds (2/3) of the Class B membership, if any. Upon dissolution of the Association, the assets, both real and personal, of the Association, shall be dedicated to an appropriate public agency to be devoted, as nearly as practicable, to the same purpose as those to which they were required to be devoted by the Association. In

the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization, to be devoted to purposes and uses that would most nearly reflect the purposes and uses to which they were required to be devoted by the Association.

ARTICLE XII

DURATION

The Corporation shall exist perpetually.

ARTICLE XIII

MEETINGS FOR ACTION GOVERNED BY ARTICLES VIII THROUGH XII

Any action taken under Articles VIII through XII hereof must have the assent of more than two-thirds (2/3) of the entire Class A membership and more than two-thirds (2/3) of the Class B membership, if any.

ARTICLE XIV

AMENDMENT

Amendment of these Articles shall require the vote of more than seventy-five percent (75%) of the total authorized under Article V of these Articles of Incorporation.

ARTICLE XV

FHA/VA and FNMA APPROVAL

So long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration and/or the Veterans Administration: mergers and consolidations, mortgaging of Common Area, dedication of Common

Area, dissolution and amendment of these Articles.

Until the expiration of the Class B membership, the prior written approval of the Federal Mortgage Agencies shall be obtained for any amendment of these Articles, or the dissolution of the Huntington Commons Homeowners Association.

IN WITNESS WHEREOF, for the purpose of forming this Corporation under the laws of the State of Virginia, the undersigned, being the incorporator of this Association, has executed these Articles of Incorporation this 6th day of October, 1994.


Barry K. Bedford

BY-LAWS
OF
HUNTINGTON COMMONS HOMEOWNERS ASSOCIATION

ARTICLE I
NAME AND LOCATION

The name of the corporation is Huntington Commons Homeowners Association, hereinafter referred to as the "Association". The principal office of the corporation shall be located at 4121 Chatelain Road, Annandale, Virginia, but meetings of members and directors may be held at such places within the State of Virginia, County of Fairfax, as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

Section 1. "Association" shall mean and refer to Huntington Commons Homeowners Association, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions.

Section 3. "Open Space" or "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the members of the Association. The terms Open Space and Common Area shall be interchangeable.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Open Space Area.

Section 5. "Member" shall mean and refer to every person or entity who holds a membership in the Association.

Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties, recorded, or to be recorded, in the Clerk's Office of the Circuit Court of the County of Fairfax, Virginia.

Section 8. "Declarant" shall mean and refer to Huntington Commons, Inc., its successors or assigns designated by it under a written recorded instrument to have the rights of Declarant hereunder, any builder who acquires a group of lots for the purpose of constructing townhouses thereon, or any mortgagee acquiring title to all or a portion of the Properties pursuant to the exercise of rights under or foreclosure of a Deed of Trust granted by the Declarant provided that each successor, assignee, or mortgagee acquires title to more than one Lot for the purpose of development and/or construction.

ARTICLE III

MEMBERSHIP

Section 1. Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessments by the Association. The foregoing is not intended to include persons or entities who

hold an interest merely as security for the performance of an obligation. No owners shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessments by the Association. Ownership of such Lot shall be the sole qualification for membership.

Section 2. Suspension of Membership. During any period in which a member shall be in default in payment of an annual or special assessment levied by the Association, the voting rights of such member in the Association may be suspended by the Board of Directors until such assessment has been paid. Such rights of a member may also be suspended after notice and hearing, for a period not to exceed sixty (60) days, for violation of any rules and regulations established by the Board of Directors governing the use of the Open Space Area and facilities.

ARTICLE IV

PROPERTY RIGHTS: RIGHT OF ENJOYMENT

Each member shall be entitled to the use and enjoyment of the Open Space Areas and facilities as provided in the Declaration. Any member may delegate his right of enjoyment of the Open Space Areas and facilities to members of his family, his tenants or contract purchasers, who reside on the property. Such member shall notify the secretary, in writing, of the name of any such delegee. The rights and privileges of such delegee are subject to suspension to the same extent as those of the member.

ARTICLE V

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of three (3) directors, provided, however, that so long as there exists a Class B membership, the Board may consist of Directors who need not be members of the Association during the period of time in which the Declarant is a member but thereafter all directors must be members of the Association. The number of directors cannot be changed to provide for less than three (3) directors at any time.

Section 2. Election. The initial Board of Directors shall serve until the first annual meeting at which time the Members shall elect one (1) director for a term of one (1) year, one (1) director for a term of two (2) years, and one (1) director for a term of three (3) years.

Section 3. Removal. Any director may be removed from the Board of Directors with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by a majority vote of the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting by obtaining the written approval of all directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least semi-annually without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next date which is not a legal holiday.

Section 2. Special Meetings. Special Meetings of the Board of Directors shall be held when called by the President of the Association, or by any directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Initial Board of Directors. The initial Board of Directors has been appointed by the Declarant and they shall serve

until the first meeting of the Association.

Section 2. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as may nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made among members.

Section 3. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members of their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

- (a) Adopt and publish rules and regulations governing the use of Open Space Areas and facilities, and the personal

conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) Exercise for the Association powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these by-Laws, the Articles of Incorporation, or the Declaration;

(c) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(d) Appoint and remove officers of the Association;

(e) To suspend the voting rights of any member pursuant to Article III, Section 2, hereof;

(f) Employ a manager, an independent contractor, or such other employees as they deem necessary and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members or at any special meeting, when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;

(b) Supervise all officers, agents and employees of the this Association, and to see that their duties are properly performed;

(c) As more fully provided herein, and in the Declaration to:

(1) Prepare the annual budget;

(2) Fix the amount of the annual assessments against each lot at least thirty (30) days in advance of each annual assessment period;

(3) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period;

(4) Foreclose the lien against any property for which assessments are not paid within sixty (60) days after the due date or to bring an action at law against the Owner personally obligated to pay the same.

(d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board of Directors for issuance of these certificates as well as for the resale package required by the Virginia Property Owners Association Act. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) Procure and maintain adequate liability and hazard insurance on the property owned by the Association;

(f) Cause all officers or employees having fiscal responsibilities to be honored, as it may deem appropriate; and

(g) Cause the Open Space Areas, including private streets and easements, to be maintained.

ARTICLE IX

COMMITTEES

Section 1. The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes, such as:

(a) A Maintenance Committee which shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Properties, and shall perform such other functions as the Board, in its discretion, determines;

(b) A Publicity Committee which shall inform the members of all activities and functions of the Association, and shall, after consulting with the Board of Directors, make such public releases and announcements as are in the best interests of the Association; and

(c) An Audit Committee which shall supervise the annual audit of the Association's books and approve the annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting. The Treasurer shall be an ex officio member of the Committee.

Section 2. It shall be the duty of each committee to receive complaints from members on any matter involving Association functions, duties, and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented.

ARTICLE X

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held not less than ten (10) months nor more than fourteen (14) months following the previous annual meeting. The Board of Directors shall determine the date, time and place of each such annual meeting. The day of the annual meeting of the members shall not be a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the entire membership or who are entitled to vote one-fourth (1/4) of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing

a copy of such notice, postage prepaid, not less than ten (10) days nor more than fifty (50) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members in person or by proxy entitled to cast not less than twenty-five percent (25%) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

ARTICLE XI

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of the Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a

treasurer, and such other offices as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board may from time to time determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

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

Vice-President

(b) The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings to the Board and to the members; keep appropriate current records showing the members of the Association together with their addresses; and shall perform such other duties as required by the Board.

Treasurer

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

ARTICLE XII

COVENANT FOR MAINTENANCE ASSESSMENTS FOR THE HOMEOWNERS ASSOCIATION

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be fixed, established, and collected from time to time as hereinafter provided. During the period of construction of improvements (houses), the Declarant for each Lot owned within the Properties hereby covenants and agrees to pay to the Association twenty-five percent (25%) of the annual assessments or charges and special assessments for capital improvements as provided

immediately hereinabove, on those Lots owned by a Declarant which are vacant or imposed by virtue of an unsold or unoccupied home as long as there is a Class B membership. The annual assessments and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each assessments is made. Each such assessment, together with such interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. The personal obligation shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents in the Properties and in particular for the improvement and maintenance of the Properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Areas, and of the homes situated upon the Lots in the Properties, which may include trash service, insurance, taxes, snow removal from private roads, off-site easements and parking areas, maintenance of private roads, off-site easements, parking areas, common greens, and all other areas owned by the Association.

Section 3. Determination of Association Expenses and Assessments Against Lot Owners.

(a) Fiscal Year. The fiscal year of the Association

shall consist of the calendar year.

(b) Preparation and Approval of Budget. Each year, on or before the first day of the fiscal year of the Association, the Board of Directors of the Association shall adopt a budget for the Association, containing an estimate of the total amount which it considers necessary to pay the cost of maintaining the Open Space Areas, the parking areas, the off-site ingress-egress easement and the private roads; the real estate taxes levied against the Association; the cost of wages, materials, insurance premiums, services, supplies and other expenses which will be incurred during the ensuing fiscal year for the administration, operation, maintenance and repair of the Common Areas. The budget may also include:

(i) Any amount necessary to discharge any lien or encumbrance levied against the Association property, or any portion thereof; and

(ii) Such reasonable amounts as the Board of Directors considers necessary to provide working funds for the Association, a general operating reserve and reserves for contingencies and replacements.

(c) Assessment and Payment of Association Expenses. The total amount of the estimated funds required for the operation of the Common Areas set forth in the budget for the fiscal year adopted by the Board of Directors shall be assessed against each Lot owner equally after the completion of construction of improvements (residential dwellings). During the period of

construction of improvements (residential dwellings), Lots owned by the Declarant shall be assessed at a rate equal to twenty-five percent (25%) of the assessment levied against Lot owners other than a Declarant, except that Declarants shall pay the full annual assessment imposed upon Class A members on all occupied units which are owned by Declarant. As long as there shall exist a Class B membership, the Declarant shall fund any budget deficit incurred by the Association for maintenance of the Open Space Areas.

It is provided, however, that the annual assessments shall be subject to the following limits:

(1) Until January 1st of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment imposed upon each Class A member shall be Seven Hundred Twenty Dollars (\$720.00) per Lot, and the maximum annual assessment imposed upon each Class B member shall be One Hundred Eighty Dollars (\$180.00) per Lot. Thereafter, the maximum annual assessment paid by each Class B member for each lot shall be twenty-five percent (25%) of the maximum annual assessment paid by the Class A members.

(2) From and after January 1st of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment may be increased each year by the annual increase on a percentage basis in the National Consumer Price Index as most recently published by the U.S. Bureau of Labor Statistics without a vote of the membership, provided, however, that any increase as provided hereinabove shall not exceed ten

percent (10%) of the preceding annual assessment.

(3) From and after January 1st of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment may be increased above the amount specified in sub-paragraph (b) above by a vote of more than two-thirds (2/3) of each class of members who are voting in person at a meeting duly called for this purpose.

(4) After consideration of current operating and maintenance costs and fixture needs of the Association, the Board of Directors may fix the annual assessment at any amount not in excess of the maximum.

(D) Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Board of Directors to prepare or adopt the annual budget for any fiscal year shall not constitute a waiver or release in any manner of a Lot Owner's obligation to pay his allocable share of the Association expenses as herein provided. Whenever the same shall be determined, and in the absence of an annual budget or adjusted budget, each Lot owner shall continue to pay the monthly charge at the then existing monthly rate established for the previous fiscal period until the new annual or adjusted budget shall have been mailed or delivered.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy in any assessment year a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction,

unexpected repair or replacement of a capital improvement upon the Open Space Areas, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of more than two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting.

Section 5. Uniform Rate of Assessment. Except as is otherwise provided for herein in regard to Lots owned by a Declarant during the period of construction of improvements (residential dwellings), both annual and special assessments must be fixed at uniform rate for all Lots, and may be collected on a quarterly basis or any other basis established by the Board of Directors.

Section 6. Date of Annual Assessments Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first date of the month following the conveyance of the Common Areas for Huntington Commons. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to each Owner subject thereto. The due dates shall be established by the Board of Directors. The

Association shall upon demand, at any time, furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A reasonable charge may be made by the Board of Directors for the issuance of such certificate. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 7. Effect of Non-Payment of Assessments; Remedies of the Association. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the highest lawful rate permitted, and the Association may bring an action at law against the Owner personally obligated to pay the same. In such action at law, the Association shall be entitled to interest, costs and reasonable attorney's fees in addition to the delinquent assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Open Space Areas or abandonment of his Lot.

Section 8. Subordination of the Lien to Mortgages or Deeds of Trust. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or deed of trust. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot which is subject to any first mortgage or deed of trust, pursuant to a decree of foreclosure under such mortgage or deed of trust, or any proceeding

in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to payments thereof which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 2. Exempt Property. The following property subject to this Declaration shall be exempt from the assessments created herein: (a) the Open Space Areas; (b) all the properties dedicated to and accepted by a local public authority.

ARTICLE XIII

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation, and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XIV

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Huntington Commons Homeowners Association and the word "Seal".

ARTICLE XV

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of the

quorum of members present in person or by proxy, except that the Federal Housing Administration and/or the Veterans Administration shall have the right to vote amendments while there is Class B membership. Until the expiration of the Class B membership, the prior written approval of the aforementioned Federal Mortgage Agencies shall be obtained for any amendment of these By-Laws.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

IN WITNESS WHEREOF, WE, being all the Directors of Huntington Commons Homeowners Association, have hereunto set out hands this _____ day of _____, 199__

Willie Ann Brown
President
Jack T. Smith V.P.
Gene B. Jones
Secretary

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**/HUNTINGTON COMMONS SUBDIVISION**

THIS DECLARATION, is made this 26th day of October, 1994 by

HUNTINGTON COMMONS, INC., a Virginia corporation, hereinafter referred to as

"Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in Fairfax County, Virginia, which is the property subjected to the Deed of Dedication for Huntington Commons recorded immediately prior hereto.

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold, and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described lands or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I**DEFINITIONS**

Section 1. "Association" shall mean and refer to HUNTINGTON COMMONS HOMEOWNERS ASSOCIATION, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Deed of Dedication and to which this Declaration is attached, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Return: Waldes + Bedford

Section 3. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the members of the Association. The Common Area to be owned by the Association at the time of the conveyance of the first Lot is described as follows:

Parcel 1, Huntington Commons, consisting of approximately 2.42530 acres as shown on the plat of subdivision for HUNTINGTON COMMONS.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision plat of the Properties with the exception of the Common Area, and areas dedicated as public streets.

Section 5. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 7. "Declarant" shall mean and refer to HUNTINGTON COMMONS, INC., its successors and assigns, if such successors or assigns should acquire more than one Lot for the purpose of development and/or construction.

ARTICLE II

ANNEXATION OF ADDITIONAL PROPERTIES

Section 1. The annexation of additional property shall require the assent of more than two-thirds (2/3) of the Class A members and more than two-thirds (2/3) of the Class B members, if any, at a meeting duly called for this purpose, written notice of which shall be sent

to all members not less than twenty-five (25) days nor more than fifty (50) days in advance of the meeting, setting forth the purpose of the meeting. The presence of members or of proxies entitled to cast sixty-seven percent (67%) of the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth above, and the required quorum at such subsequent meeting shall be one-half (1/2) of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than fifty (50) days following the preceding meeting. In the event that two-thirds (2/3) of the Class A membership or two-thirds (2/3) of the Class B membership are not present in person or by proxy, members not present may give their written assent to the action taken thereat.

ARTICLE III

MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership.

ARTICLE IV

VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A: Class A members shall be all those Owners as defined in Article III with the exception of a Declarant. Class A members shall be entitled to one vote for each Lot in which they hold interest required for membership by Article III. When more than one person holds such interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B: Class B members shall be the Declarants. Class B members shall be entitled to three (3) votes for each Lot in which they hold the interest required for membership by Article III; provided, however, that the Class B membership shall cease and a Class A membership with one vote for each Lot in which they hold an interest shall be issued on the happening of either of the following events, whichever shall occur earlier:

- (a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or
- (b) On July 1, 1999.

ARTICLE V

PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every member shall have a right and easement of enjoyment in and to the Common Area and such easement shall be appurtenant to and shall pass with the title to every assessed Lot, subject to the following provisions:

- (a) The right of the Association to limit the number of guests of members;
- (b) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

(c) The right of the Association, in accordance with its Articles of Incorporation and Bylaws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage said property and to acquire property encumbered by the lien or liens of the deed or deeds of trust securing improvements on said property;

(d) The right of the Association to suspend the voting rights and right to use the Common Area and the recreational facilities by a member for any period during which any assessment against his Lot remains unpaid, and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(e) The right of the Association at any time, or upon dissolution, to dedicate or transfer all or any part of the Common Area; provided that prior to any disposition of the Common Area, by sale or otherwise, except to an organization conceived and organized to own and maintain the common open space, the Association must offer to dedicate the Common Area to the County or other appropriate governmental agency. Any such dedication or transfer shall have the assent of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting. Upon such assent and in accordance therewith, the officers of the Association shall execute the necessary documents.

(f) The right of any public utility to acquire, without the payment of damages to the Association, easements for the construction, reconstruction, installation, repair and/or necessary maintenance of utility lines through or over any portion of the Common Areas. The foregoing shall not be construed, however, to permit any such public utility to acquire or damage any improvements situate upon the Common Areas, or other structures or installations situate thereon which would otherwise be deemed to be a part of the realty, without the payment of damages,

including severance or resulting damages, if any to the Association, all in amounts and in a manner now or hereafter governing proceedings for the acquisition of private property for public use by condemnation in this State.

Section 2. Delegation of Use. Any member may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the Member's Lot.

ARTICLE VI

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association:

(a) Annual assessments or charges, and

(b) Special assessments for capital improvements, or other such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with such interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due and shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be

used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents in the Properties and in particular for the maintenance of the private streets, payment of taxes, insurance and improvements and maintenance of services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area.

Section 3. Basis and Maximum of Annual Assessments. Until January 1 of the year immediately following the conveyance of the first Lot from a Declarant to an Owner, the maximum annual assessment shall be Seven Hundred Twenty Dollars (\$720.00).

(a) From and after January 1 of the year immediately following the conveyance of the first Lot from a Declarant to an Owner, the maximum annual assessment may be increased effective January 1 of each year without a vote of the membership in conformance with the rise, if any, of the National Consumer Price Index as most recently published by the U.S. Bureau of Labor Statistics for the year ending and preceding January 1; provided, however, that any increase in the annual assessment as provided hereinabove shall not exceed ten percent (10%) of the preceding annual assessment.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot from a Declarant to an Owner, the maximum annual assessment may be increased above that established by subparagraph (a) above by a vote of the members, provided that any such change shall have the assent by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting.

(c) After consideration of current maintenance costs and further needs of the Association, the Board of Directors may fix the annual assessments at an amount not in excess of the maximum.

(d) So long as the Declarant has a Class B Membership status, the Declarant shall be responsible for any deficit of the Association.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction repair or replacement of a capital improvement upon the Common Area, including the fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting.

Section 5. Rate of Assessment. Both annual and special assessments shall be fixed at a uniform rate for all Lots not owned by a Declarant. Any Lots owned by a Declarant shall be assessed at one-fourth (1/4) of the rate of Lots not owned by a Declarant so long as the Declarant has Class B membership status. Thereafter, such Lots will be assessed at the uniform rate.

Section 6. Quorum for any Action Authorized Under Sections 3 and 4. At the first meeting called, as provided in Sections 3 and 4 thereof, the presence at the meeting of members or proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall

constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called subject to the notice requirements set forth in Sections 3 and 4, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Date of Commencement of Annual Assessments Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the first Lot from a Declarant to an Owner other than a Declarant. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessments against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall upon request at any time furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid, together with all such information required to be furnished under the Virginia Property Owners Association Act. A reasonable charge may be made by the Board for the issuance of these certificates and/or resale packages. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 8. Remedies of the Association in the Event of Default. If any assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eight percent (8%) per annum, the Association may bring an

action at law against the Owner personally obligated to pay the same, and/or foreclose the lien against the Lot, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first deed of trust or mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to a foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments thereof which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments which thereafter become due or from the lien thereof.

Section 10. Exempt Property. The following property subject to this Declaration shall be exempt from the assessments created herein: (a) all properties dedicated to and accepted by a local public authority and (b) the Common Area.

ARTICLE VII

RESTRICTIVE COVENANTS

Section 1. The Properties shall be used for residential purposes only. The Declarant, however, for itself, its successors and assigns, reserves the right, prior to sale and transfer of any Lot pursuant to a recorded subdivision plat, to alter, amend and change any lots lines or subdivision plan for Properties owned by it. No building shall be erected, altered, placed or permitted to remain on any Lot other than one townhouse, including garage, if constructed as part of the original dwelling, except original construction on any Lot by a Declarant, without

the approval of the Architectural Control Committee. No residence, or any part thereof, nor any out-buildings related thereto, shall be used for the conduct of any business, commerce, or profession other than those businesses, commercial activities or professions customarily conducted in home offices and permitted by local ordinances. Except for those signs related to real estate sales and construction, no sign, advertisement or message shall be displayed or published which offers or implies commercial or professional services, or which might constitute any other kind of business solicitation in, or from, any residence or residential property. Notwithstanding the foregoing, with the prior written consent of Declarant:

During the construction and/or sales period, real estate sales and construction offices, displays, signs, and special lighting may be erected, maintained and operated by a Declarant, on any part of the property owned by it and on or in any building or structure now or hereafter erected thereon.

Section 2. No clothing, laundry or wash shall be aired or dried on any portion of the Lots in any area other than in the rear yards of the Lots.

Section 3. No tree, hedge or shrub planting shall be maintained in such manner as to obstruct sight lines for vehicular traffic.

Section 4. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done or placed thereon which may become an annoyance or nuisance to the neighborhood. Property owners shall, at all times, maintain their property and all appurtenances thereto in good repair and in a state of neat appearance. Except for flower gardens, patios and shrubs and trees which shall be neatly maintained, all open Lot areas shall be maintained in lawns and all lawn areas shall be kept mowed and shall not be permitted to grow to a height in

excess of four (4) inches. Yards shall be kept free of decorative items, including but not limited to plastic, wood, fiberglass or plaster figures, artificial animals and the like. This provision shall not be deemed to prohibit Christmas and other holiday decorations, provided such decorations are taken down within thirty (30) days of the holiday.

Section 5. No sign of any kind that is illuminated and/or larger than two (2) square feet shall be displayed to the public view on any Lot, except temporary real estate "For Sale" or "For Rent" signs not more than four (4) square feet in area and except for temporary signs erected in connection with the development, construction, lease, or sale of improved Lots.

Section 6. No horse, pony, cow, chicken, pig, hog, sheep, goat or other domestic or wild animal shall be kept or maintained on any Lot; however, common household pets, such as dogs and cats may be kept or maintained, provided that they are not kept, bred or maintained for commercial purposes and do not create a nuisance or annoyance to surrounding Lots or the neighborhood.

Section 7. Trash and garbage containers shall not be permitted to remain in public view except on days of trash collection. No accumulation or storage of litter, new or used building materials or trash of any kind shall be permitted on any Lot.

Section 8. No person shall paint the exterior of any building a color different than the original color without the proposed color having been approved by the Board of Directors of the Association, or by an Architectural Control Committee appointed by the Board.

Section 9. No structure or addition to a structure shall be erected, placed or altered on any Lot until the plan and specifications, including elevation, material, color and texture and a site plan showing location of improvements with grading modifications shall be filed with and

approved in writing by the Board of Directors or the Architectural Control Committee appointed by the Board. Structure shall be defined to include any building or portion thereof, fence, pavement, driveway, patio, deck, wall, statue, pole, gazebo, trellis or appurtenances to any of the aforementioned. This provision shall not apply to original construction on any Lot by the Declarant. No temporary building shall be maintained on any Lot without the approval of the Association or its Architectural Control Committee. No garages may be converted to living space or to any other use inconsistent with the parking of vehicles.

Section 10. No fence or similar enclosure may be built on any Lot without first obtaining the approval required by Section 9 of this Article. This restriction shall not be construed to preclude the growth of ornamental hedge fence which shall be kept neatly trimmed to a height of not more than three (3) feet around the yard of any Lot. Any fence built on any of the Lots shall be maintained in a proper manner so as not to detract from the value and desirability of surrounding property.

Section 11. No junk vehicle, house trailer, or commercial vehicles, such as, but not limited to, moving vans, commercially licensed trucks, tractors, trailers, wreckers, hearses, compressors, concrete mixers or buses, shall be kept on, or in front of, any Lot or part of the Common Area. No storage of boats, boating equipment, travel trailers, camping equipment, or recreational vehicles shall be permitted on the Properties.

Section 12. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration of Covenants, Conditions or Restrictions. Failure by the Association or by any Owner to enforce any covenant or

restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 13. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 14. The Architectural Control Committee shall consist of the Directors of the Association, or a committee of three (3) persons appointed by them. Applications for committee approval shall be in writing. Approval or denial of applications shall also be in writing. Failure of the Committee to approve or deny a request within sixty (60) days shall be construed as Committee approval of the request.

ARTICLE VIII

EASEMENTS

Section 1. There is hereby granted a blanket easement to the Association, its directors, officers, agents, and employees, to any Manager employed by or on behalf of the Association, and to all policemen, firemen, ambulance personnel and all similar persons to enter upon the Properties in exercise of the functions provided by this Declaration and the Articles, Bylaws and Rules of the Association, in the event of emergencies, and in performance of governmental functions.

Section 2. The rights accompanying the easements provided in Section 1 of this Article shall be exercised only during reasonable daylight hours and then whenever practicable only after advance notice to, and with the permission of, any Owner or tenant directly affected when not an emergency situation or a governmental function.

Section 3. A Declarant, its agents or employees, shall have a right of ingress and egress over the Common Area as required for construction and development of the Properties.

Section 4. Easement for Utilities, Etc. There shall be and is hereby reserved to a Declarant a nonexclusive easement over any Lot or Common Area, for a distance of ten (10) feet from the front and/or rear Lot line, for the purpose of installing, repairing and/or maintaining utility lines of any sort including, but not limited to, storm drains, sanitary sewers, gas lines, electric lines and/or cables,, water lines, telephone lines, cable television lines and the like. This easement shall automatically expire as to any Lot or Parcel two (2) years from the date of subdivision of such Lot or Parcel.

Section 5. Easement for Landscaping and Related Purposes. There shall be and is hereby reserved to a Declarant a perpetual and nonexclusive easement over all Lots, and any Common Area, for a distance of ten (10) feet behind any lot line which parallels a street for the purpose of erecting and maintaining street intersection signs, directional signs, temporary promotion signs, entrance features and/or light, stone, wood or masonry wall features and/or related landscaping.

Section 6. Any rights granted to a Declarant in this Article shall extend only to Lots and Parcels submitted to this Declaration by a Declarant.

ARTICLE IX

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Properties and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of

this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire of Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

ARTICLE X

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any right, provision, covenant, or condition which may be granted by this Declaration shall not constitute a waiver of the right of the Association or an Owner to enforce such right, provision, covenant, or condition in the future. All rights, remedies and privileges granted to the Association or any Owner pursuant to any term, provision, covenant or condition of this Declaration shall be deemed to be cumulative and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such privileges as may be granted to such party by this Declaration, or at law or in equity.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of twenty (20) years from the date this Declaration is recorded, after which time said covenants, conditions and restrictions shall be automatically extended for successive periods of twenty (20) years. The covenants and restrictions of this

Declaration may be amended in whole or in part, provided that any such amendment during the first twenty (20) year period shall have the assent of at least ninety percent (90%) of the Lot Owners, and thereafter any amendment shall have the assent of seventy-five percent (75%) of the votes of the Lot Owners, at a meeting duly called for this purpose, written notice of which shall be sent to all Lot Owners not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting. Any amendment must be properly executed and acknowledged (in the manner required by law for the execution and acknowledgement of deeds) by the Association and recorded among the land records of Fairfax County, Virginia.

Section 4. FHA/VA Approval. After initial approval of the Lots for FHA and/or VA financing, for so long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration:

- (a) Annexation of additional properties;
- (b) Dedication of Common Areas; and
- (c) Amendment of the Declaration of Covenants, Conditions and Restrictions.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 26th day of October, 199 4.

HUNTINGTON COMMONS, INC.

By: Andrew J. Somerville, III
 Title: President

COMMONWEALTH OF VIRGINIA,
COUNTY OF FAIRFAX, to-wit:

I, Janice J. Coulton, a Notary Public in and for the Jurisdiction aforesaid, do hereby certify that this day personally appeared before me in said County, Andrew J. Somerville, III, President of Huntington Commons, Inc. a Virginia Corporation, whose name is signed to the foregoing deed of dedication, and acknowledged the same before me in my said County for and on behalf of said corporation, by due authority.

My commission expires: February 28, 1998

GIVEN under my hand and notarial seal this 26 day of October, 199 4.


Notary Public

DEC 20 94

**DEED OF DEDICATION, SUBDIVISION, EASEMENT,
CONVEYANCE AND RELEASE**

THIS DEED OF DEDICATION, SUBDIVISION, EASEMENT, CONVEYANCE AND RELEASE is made and entered into this 26th day of October, 1994, by and among HUNTINGTON COMMONS, INC., a Virginia Corporation, Grantor (hereinafter referred to as the "party of the first part" or "Owner"); JOHN B. TOOMEY, Trustee and LORETTA S. SEBASTIAN, Trustee (hereinafter referred to as the "parties of the second part" or "Trustees"); STARR MANAGEMENT CORPORATION, (hereinafter referred to as the "party of the third part" or "Lender"); THE BOARD OF SUPERVISORS OF FAIRFAX COUNTY, Grantee (hereinafter referred to as the "party of the fourth part" or "County"); and the HUNTINGTON COMMONS HOMEOWNERS ASSOCIATION, a Virginia nonstock corporation, Grantee (hereinafter referred to as the "party of the fifth part" or "Association").

WITNESSETH THAT:

WHEREAS, the party of the first part is the sole owner and proprietor of all that certain tract or parcel of land located in the Lee Magisterial District, Fairfax County, Virginia, containing 4.01070 acres, more particularly described on Exhibit "A", attached hereto and made a part hereof, being the land conveyed to the party of the first part by deed recorded in Deed Book 9157 at page 1449, among the Fairfax County land records; and

DEM-DIVISION OF DESIGN REVIEW															
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DOCUMENT CONTROL NUMBER															

Return: Waltons + Bedford
Box 18

63-3 (127)-7
Map No.
Tax

WHEREAS, by Deed of Trust dated the 30th day of March, 1994, and recorded in Deed Book 9157 at page 1452 of said County land records, the party of the first part conveyed to the Trustees named as parties of the second part, in trust, the land which comprises the hereinabove described tract or parcel of land, securing unto the party of the third part payment of the sum of Three Hundred Forty-Four Thousand One Hundred Forty-Four and 56/100 dollars (\$344,144.56); and

WHEREAS, the party of the first part is desirous of subdividing the hereinabove described tract or parcel of land into thirty-four (34) townhouse lots and a Parcel, in accordance with a plat dated August 1994, made by VIKI INCORPORATED, entitled "A Plat of Subdivision, Various Easements and Vacation Of Various Easements Thru Lots 1 Thru 34 and Parcel 1, HUNTINGTON COMMONS, Lee District, Fairfax County, Virginia" (hereinafter referred to as the "Plat") being attached hereto and expressly made a part hereof; and

WHEREAS, the Plat has been duly approved by the proper authorities of Fairfax County, Virginia, as is evidenced by their signatures thereon; and

WHEREAS, the party of the first part is further desirous of granting and creating certain public easements in favor of the County as set forth on the Plat; and

WHEREAS, the party of the first part is further desirous of conveying a street dedication to public use as set forth on the Plat; and

WHEREAS, the party of the first part is further desirous of conveying Parcel 1, HUNTINGTON COMMONS to the Association.

NOW, THEREFORE, THIS DEED OF DEDICATION, for and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is

hereby acknowledged, the party of the first part, together with the parties of the second part, by and with the consent of the party of the third part, the holder of the indebtedness secured by the Deed of Trust, does now resubdivide into thirty-four (34) townhouse lots and Parcel 1 all that certain tract or parcel of land described on Exhibit "A" attached hereto, and does now designate the same as Lots 1 through 34, both inclusive, and Parcel "1", HUNTINGTON COMMONS, as shown on the Plat.

THIS DEED FURTHER WITNESSETH THAT the parties of the first, second and third part do hereby grant and convey unto the County, its successors and assigns, those sanitary sewer easements, storm drain easements and rights of way for the purpose of constructing, operating, maintaining, adding to or altering present or future sanitary sewer lines or storm sewer lines plus necessary inlet structures and appurtenances for the collection of sanitary sewage or storm sewage and its transmission through and across the property of the party of the first part in the locations shown on the Plat, as follows:

1. All sewers, manholes, inlet structures and appurtenant facilities installed in easement areas in accordance with the provisions of this easement shall be and remain the property of the County, its successors and assigns.

2. The County and its duly authorized agents shall have full and free use of the said easements and right of way for the purposes set forth above, and shall have all rights and privileges reasonably necessary to the exercise of such purposes, including without limitation the right of access and the right to use, where necessary, those portions of the property abutting the easement areas, provided that such right to use any such portion of the property may and shall be exercised only during periods of actual construction or maintenance, and, then, only to the

extent necessary for such construction or maintenance, which right shall not be deemed to permit the County, its successors or assigns, to erect upon such portion any building or structure of a permanent nature.

3. The County shall have the right to trim, cut and remove trees, shrubbery, fences, structures or other obstructions or facilities in or adjacent to the easement areas which reasonably interfere with the proper and efficient construction, operation and maintenance of any lines or other appurtenant equipment; provided, however, that the County, at its sole expense, shall restore, to the extent possible the Property to its original condition, and the obligation to so restore the property shall include, without limitation, the backfilling of trenches, replacement of fences and shrubbery, reseeding or resodding of lawns or open green space, but not the replanting of trees or the replacement of structures.

4. The Owner reserves for itself and its successors and assigns, the right to make any use of the easement areas herein granted, provided this use does not interfere with the rights herein conveyed or adversely affect other properties, or interfere with the use of the sanitary sewer easements by the County for the purposes named or be inconsistent with any other right herein conveyed; provided, however, that the Owner shall not erect any building, or other structure, except fences, on the easement areas without obtaining the prior written approval of the County.

THIS DEED FURTHER WITNESSETH THAT the parties of the first, second and third part do hereby grant and convey unto the County, its successors and assigns, those storm water management easements and rights of way for the purpose of constructing, operating, maintaining, adding to or altering present or future storm water management areas, plus

necessary inlet structures and appurtenances for the management of storm water across the property of the Owner, in the location shown on the Plat, as follows:

1. The County and its duly authorized agents shall have full and free use of the said easements and rights of way for the purposes set forth above, and shall have all rights and privileges reasonably necessary to the exercise of such purposes, including without limitation the right of access and the right to use, where necessary, those portions of the property abutting the easement areas, provided that such right to use any such portion of the property may and shall be exercised only during periods of actual construction or maintenance, and, then, only to the minimum extent necessary for such construction or maintenance, which right shall not be deemed to permit the County, its successors or assigns, to erect upon such portion any building or structure of a permanent nature.

2. The County shall have the right to trim, cut and remove trees, shrubbery, fences, structures or other obstructions or facilities in or adjacent to the easement areas which reasonably interfere with the proper and efficient construction, operation and maintenance of any lines or other appurtenant equipment; provided, however, that the County, at its sole expense, shall restore, to the extent possible the Property to its original condition, and the obligation to so restore the property shall include, without limitation, the backfilling of trenches, replacement of fences and shrubbery, reseeding or resodding of lawns or open green space, but not the replanting of trees or the replacement of structures.

3. The Owner reserves for itself and its successors and assigns, the right to make any use of the easement areas herein granted, provided this use does not interfere with the rights herein conveyed or adversely affect other properties, or interfere with the use of the storm water

management easement by the County for the purposes named or be inconsistent with any other right herein conveyed; provided, however, that the Owner shall not erect any building, or other structure, except fences, on the easement areas without obtaining the prior written approval of the County.

THIS DEED FURTHER WITNESSETH, that for and in consideration of the premises and the sum of Ten Dollars (\$10.00), cash in hand paid, receipt of which is hereby acknowledged, the parties of the first, second and third part, do hereby grant and convey unto the County, its successors and assigns, Ingress-Egress/Public Access Easements for the purpose of ingress and egress by the public and for the purpose of ingress and egress by Construction, Maintenance of Utilities, County and Other Emergency Vehicles over and across the Property of Owner, said Property and Easements being more particularly bounded and described on the Plat attached hereto and incorporated herein. The easements are subject to the following terms and conditions:

1. All streets, service drives, sidewalks and driveways and all appurtenant facilities installed in the easements and rights-of-way shall remain the Property of the Owner, its successor and assigns, who shall properly maintain the Property and said facilities.
2. The County and its agents shall have full and free use of the easements and rights-of-way for the purposes named, and shall have all rights and privileges reasonably necessary to the exercise of the easements and rights-of-way including the right, but not the obligation to perform, if the Owner fails to do so, such repairs and maintenance as the County may deem necessary. The cost of such repairs and maintenance shall be reimbursed to the County by the Owner, its successors and assigns, upon demand.

3. The Owner agrees that the agreements and covenants stated in this Deed are not covenants personal to the Owner but are covenants running with the land which are and shall be binding upon the Owner, its heirs, personal representatives, successors and assigns.

THIS DEED FURTHER WITNESSETH, that for and in consideration of the premises and the sum of Ten Dollars (\$10.00), cash in hand paid, receipt of which is hereby acknowledged, the parties of the first, second and third part, do hereby grant and convey unto the County, its successors and assigns, a Pedestrian Access Easement for the purpose of access by pedestrians over the property of the Owner, said Property and easement being more particularly bounded and described on the Plat attached hereto and incorporated herein. The easements are subject to the following terms and conditions:

1. All sidewalks, pathways, footpaths and passages and all appurtenant facilities installed in the easement and right-of-way shall remain the Property of the Owner, its successors and assigns, with the owner(s) of those lots designated Lot 14 and Lot 15, HUNTINGTON COMMONS, their successors and assigns, to properly maintain the property and said facilities.

2. The public shall have full and free use of the easement and right-of-way for the purpose named. If the owner(s), their successors or assigns, fail to maintain or keep in repair the easement, the County may make such repairs as deemed necessary, and the cost of such repairs and maintenance shall be reimbursed to the County by the owner(s), their successors and assigns, upon demand.

3. The Owner agrees that the agreements and covenants stated in this Deed are not covenants personal to the Owner but are covenants running with the land which are and shall be binding upon the Owner, its heirs, personal representatives, successors and assigns.

THIS DEED FURTHER WITNESSETH, that for and in consideration of the premises and the sum of Ten Dollars (\$10.00), cash in hand paid, receipt of which is hereby acknowledged, the parties of the first, second and third part, do hereby grant and convey in fee simple, with General Warranty of Title to the County, its successors and assigns, that portion of land containing 5621 square feet shown and depicted on the Plat as "STREET DEDICATION, HEREBY DEDICATED TO PUBLIC USE" and does hereby dedicate the same for public street purposes.

THIS DEED FURTHER WITNESSETH, that for and in consideration of the premises and the sum of Ten Dollars (\$10.00), cash in hand paid, receipt of which is hereby acknowledged, the parties of the second part, by and with the consent and authorization of the party of the third part, the holder of the indebtedness secured by the Deed of Trust, (i) do hereby release and discharge from the liens and operation of said Deed of Trust the 5621 square feet dedicated to public street purposes, as shown and designated on the Plat and (ii) do further ^{Typo} consent, and subordinate the lien of the Deed of Trust, to all the easements established herein and on the Plat.

It is expressly understood that the release of the portions of real estate hereinabove described from the lien and operation of the Deed of Trust shall not affect in any way the liens of the Deed of Trust upon the other land conveyed thereby and not released herein, and the Deed of Trust shall remain in full force and effect as to the land not heretofore or herein released.

THIS DEED FURTHER WITNESSETH, that for and in consideration of the sum of Ten Dollars (\$10.00), cash in hand paid, receipt of which is hereby acknowledged, the parties of the

first, second, and third part do hereby grant and convey, with Special Warranty of Title, unto the Association, Parcel "1", HUNTINGTON COMMONS, containing 105,656 square feet, more or less, as the same is shown and depicted on the Plat. The Association shall be responsible for maintenance of Parcel "1", HUNTINGTON COMMONS.


THIS DEED FURTHER WITNESSETH, that for and in consideration of the sum of Ten Dollars (\$10.00), cash in hand paid, receipt of which is hereby acknowledged, the parties of the second part, by and with the consent and authorization of the party of the third part, the holder of the indebtedness secured by the Deed of Trust, do hereby release and discharge from the lien and operation of said Deed of Trust Parcel "1", HUNTINGTON COMMONS, as the same is shown and depicted on the Plat.

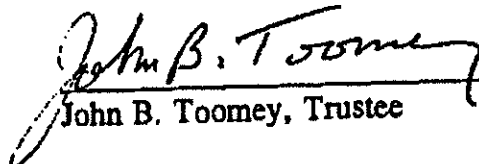
It is expressly understood that the release of Parcel "1", HUNTINGTON COMMONS, from the lien and operation of the Deed of Trust shall not affect in any way the lien of the Deed of Trust upon the other land conveyed thereby and not released herein, and the Deed of Trust shall remain in full force and effect as to the land not heretofore or herein released.

This subdivision of the aforesaid land, as shown on Plat, is made with the free consent and in accordance with the desire of the Owner, the Trustees and the Lenders, the sole owners, proprietors, trustees and beneficiaries of the said land embraced in the Plat, and said land hereby subdivided, as shown on the Plat is entirely within the boundaries of said land, and said dedication and subdivision is made in accordance with the statutes of Virginia governing the subdividing and platting of land and the ordinances duly passed by the Board of Supervisors of Fairfax County, Virginia, governing the subdividing and platting of land.

WITNESS the following signatures and seals:

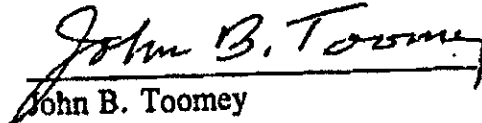
HUNTINGTON COMMONS, INC.

By:  (SEAL)
Andrew J. Somerville, III
President

 (SEAL)
John B. Toomey, Trustee

 (SEAL)
Loretta S. Sebastian, Trustee

STARR MANAGEMENT CORPORATION

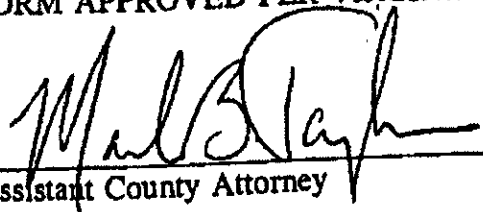
By:  (SEAL)
John B. Toomey
President

ACCEPTED PER SECTION 15.1-286,
CODE OF VIRGINIA, 1950, AS AMENDED
ADMINISTRATION

THE BOARD OF SUPERVISORS OF
FAIRFAX COUNTY, VIRGINIA
BY: DIRECTOR OF DEPARTMENT OF
ENVIRONMENTAL MANAGEMENT

By:  (SEAL)
Authorized Signature

FORM APPROVED PER VIRGINIA CODE SECTION 15.1-286

 (SEAL)
Assistant County Attorney

COMMONWEALTH OF VIRGINIA,
COUNTY OF FAIRFAX, to-wit:

I, Janice J. Coulton, a Notary Public in and for the Jurisdiction aforesaid, do hereby certify that this day personally appeared before me in said County, Andrew J. Somerville, III, President of Huntington Commons, Inc., a Virginia Corporation, whose name is signed to the foregoing instrument, and acknowledged the same before me in my said County for and on behalf of said corporation, by due authority.

GIVEN under my hand and notarial seal this 26th day of October, 1994.

Janice J. Coulton
Notary Public

My commission expires: February 28, 1998

COMMONWEALTH OF VIRGINIA,
COUNTY OF FAIRFAX, to-wit:

I, KELI A. IDLE, a Notary Public in and for the Jurisdiction aforesaid, do hereby certify that this day personally appeared before me in said County, John B. Toomey, Trustee for that Deed of Trust dated March 30, 1994 and recorded in the land records of Fairfax County in Deed Book 9157 at Page 1452, whose name is signed to the foregoing instrument, and acknowledged the same before me in my said County.

GIVEN under my hand and notarial seal this 27th day of October, 1994.

Keli A. Idle
Notary Public

My commission expires: 12-31-96

COMMONWEALTH OF VIRGINIA,
COUNTY OF FAIRFAX, to-wit:

I, KEH A. IDLE, a Notary Public in and for the Jurisdiction aforesaid, do hereby certify that this day personally appeared before me in said County, Loretta S. Sebastian, Trustee for that Deed of Trust dated March 30, 1994 and recorded in the land records of Fairfax County in Deed Book 9157 at Page 1452, whose name is signed to the foregoing instrument, and acknowledged the same before me in my said County.

GIVEN under my hand and notarial seal this 27TH day of October, 1994.

KEH A. IDLE
Notary Public

My commission expires: 12-31-96

COMMONWEALTH OF VIRGINIA,
COUNTY OF FAIRFAX, to-wit:

I, KELI A. IDLE, a Notary Public in and for the Jurisdiction aforesaid, do hereby certify that this day personally appeared before me in said County, John B. Toomey, President of Starr Management Corporation, a Virginia Corporation, whose name is signed to the foregoing instrument, and acknowledged the same before me in my said County for and on behalf of said corporation, by due authority.

GIVEN under my hand and notarial seal this 27TH day of October, 1994.

KELI A. IDLE
Notary Public

My commission expires: 12-31-96

COMMONWEALTH OF VIRGINIA,
COUNTY OF Fairfax, to-wit:

I, Luthe Shyges, a Notary Public in and for the Jurisdiction
aforesaid, do hereby certify that this day personally appeared before me in said County,
Irving Birmingham Director of the Department of Environmental
Management, for the Board of Supervisors of Fairfax County, Virginia, whose name is signed
to the foregoing instrument, and acknowledged the same before me in my said County, by due
authority.

GIVEN under my hand and notarial seal this 19th day of December,
1994.

Luthe L Shyges
Notary Public

My commission expires: 7-31-95

EXHIBIT "A" - (LEGAL DESCRIPTION)

BEGINNING at an iron pin marking the northeastern most corner of Lot 15-B, corner to Parcel "B" in the west line of Fairhaven Avenue (50 feet wide);

thence departing said Fairhaven Avenue and continuing with the north line of Lot 15-B, N. 69 degrees 30' 02" W. 120.00 feet to an iron pin, northwestern most corner of Lot 15-B;

thence continuing with the west line of Lots 15-B, 15-A, 14-B and 14-A, Jefferson Manor, S. 20 degrees 29' 58" W. 120.00 feet to an iron pin in the north line of Section 2, Jefferson Gardens;

thence continuing with the north line of Section 2, Jefferson Gardens, N. 69 degrees 30' 02" W. 181.80 feet to an iron pin, northwestern most corner of Section 2, Jefferson Gardens;

thence continuing with the west line of Section 2, Jefferson Gardens, S. 22 degrees 35' 30" W. 472.31 feet to an iron pin in the north line of Lot 63, Penn Daw Village;

thence continuing with the north line of Penn Daw Village, part of Lot 63 and Lots 64, 65 and 66, N. 67 degrees 32' 32" W. 174.09 feet to an iron pin, northwestern most corner of Lot 66, Penn Daw Village;

thence continuing with the west line of Parcel "C" and Parcel "B", Jefferson Manor, N. 27 degrees 29' 30" E. 610.26 feet to an iron pin, said pin lying in the original monumentation line of Jefferson Manor, southwestern most corner of Lot 25-A, northwestern most corner of Parcel "B";

thence continuing with the lines of Lots 25-A, Edgewood Court, 24-B, 18-A and 18-B, Jefferson Manor the following courses and distances:

with plat attached

S. 62 degrees 19' 30" E.	118.99 feet to an iron pin;
S. 27 degrees 40' 30" W.	97.90 feet to an iron pin;
S. 62 degrees 19' 30" E.	50.00 feet to an iron pin;
N. 27 degrees 40' 30" E.	62.08 feet to an iron pin;
S. 62 degrees 19' 30" E.	113.76 feet to an iron pin;
S. 25 degrees 30' 16" W.	43.22 feet to an iron pin;
S. 67 degrees 35' 44" E.	120.58 feet to an iron pin in the

west right-of-way line of aforesaid Fairhaven Avenue, southeast corner of Lot 18-A, Jefferson Manor, said point lying on a curve;

thence continuing 54.70 feet with the arc of a curve bearing to the left: (radius - 1645.46 feet; delta - 1 degree 54' 17"; tangent length - 27.35 feet; chord length - 54.70 feet; chord bearing - S. 21 degrees 26' 49" W.) to the point of tangency of said curve;

thence continuing S. 20 degrees 29' 58" W. 65.41 feet to the BEGINNING and containing 4.0308 acres or 173,584 square feet, more or less.

PRINT NOT CLEAR

RECORDED FAIRFAX CO VA

TESTED

DEC 20 94

REPLACEMENT RESERVE REPORT FY 2010

HUNTINGTON COMMONS HOA



Jeffery Charles and Associates

Ms. Ginny Crump, Property Manager

6422 Grovedale Drive, Suite 201C
Alexandria, Virginia 22310
(703) 924-5900

Consultant:

millerdodson | Capital
ASSOCIATES | Reserve
Consultants

929 West Street, Suite 310
Annapolis, MD 21401
Tel: 410.268.0479
Fax: 410.268.8483
www.mdareerves.com

REPLACEMENT RESERVE REPORT FY 20XX
HUNTINGTON COMMONS HOA

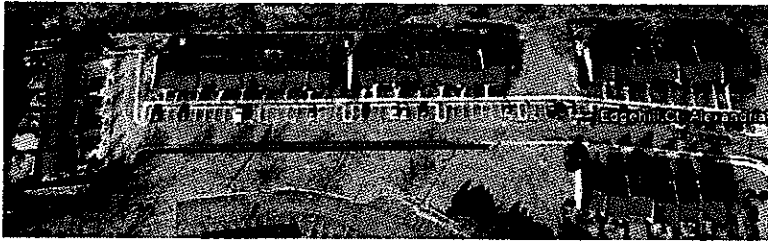
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Consultants

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REPLACEMENT RESERVE REPORT

HUNTINGTON COMMONS HOA

ALEXANDRIA, VIRGINIA 22303



Scope. Huntington Commons is a home owners association community located in Alexandria, Virginia. Huntington Commons was constructed in 1994. The community consists of five buildings with a total of thirty four (34) townhouse units. The survey examined the common elements of the property, including:

- Asphalt drive and parking.
- Concrete sidewalks and curb & gutter.
- Retaining walls and fencing.
- Storm water system and mailboxes

Level of Service. This study has been performed as a Level I, Full Service Reserve Study as defined under the National Reserve Study Standards that have been adopted by the Community Associations Institute. As such, a complete component inventory was established based on information regarding commonly-owned components provided by the community manager and upon quantities derived from field measurement. The condition of all commonly-owned components was ascertained from a site visit and the visual inspection of each component by the Analyst. The life expectancy and the value of the components are provided based in part on these observations. The fund status and funding plan have been derived from analysis of this data.

Section A

Replacement Reserve Analysis

Executive Summary - A1
Reserve Status & Funding Plan - A1
General Information - A2
Cash Flow Method - A4
Component Method - A6
Current Association Funding - A8
Reserve Analysis Comments - A9

Section B

Replacement Reserve Inventory

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

Section C

Projected Annual Replacements

Projected Annual Replacements
General Information - C1
Reserve Analysis and Inventory Policies,
Procedures, and Administration - C2
Calendar of
Projected Annual Replacements - C2

Section D

Condition Assessment

Section E

Attachments

Appendix

Purpose. The purpose of this Replacement Reserve Study is to provide Huntington Commons HOA (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 Replacement Reserve Inventory 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 Replacement Reserve Inventory includes our estimates of the normal economic life and the remaining economic life for the projected replacements. Section C Calendar of Projected Annual Replacements provides a year-by-year listing of the projected replacements. Section D Condition Assessment 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 two generally accepted accounting methods; the Cash Flow Method and the Component Method. Section A Replacement Reserve Analysis includes graphic and tabular presentations of these methods and current Association funding. An Executive Summary of these calculations is provided on Page A1.

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

- The Request for Proposal submitted and executed by the Association.
- Our visual evaluation and measurements on April 2, 2010. Miller - Dodson Associates has visually inspected the common elements of the property in order to ascertain the remaining useful life and the replacement costs of these components.

Engineering Drawings. No architectural drawings or engineering site plans were available for review in connection with this study. We recommend the Association assemble a library of site and building plans of the entire community. Reproducible drawings should be stored and kept in a secure fireproof location. The Association will find these drawings to be a valuable resource in planning and executing future projects.

Current Funding. This reserve study has been prepared for Fiscal Year 2010 covering the period from January 1, 2010 to December 31, 2010. The Replacement Reserves on deposit as of 01/01/10 are reported to be \$35,209.92. The planned contribution for the fiscal year is \$4013. This results in a Reserve Fund balance at the start of the fiscal year as follows:

06/30/11 balance	\$41,228.92
18 months contribution	(\$6,019.00)
Planned expenditures	0
01/01/10 opening balance	\$35,209.92

The balance and contribution figures have been supplied by the property management 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 Ginny Crump of Jeffrey Charles and Associates. Ms. Crump provided very helpful insight into the current operations at the property.

Analyst's Credentials. Brian J. Oates graduated from the University of Maryland with a degree in Urban Planning. He has studied the Principal and Practices of appraisal at the American University. He has owned and operated management companies in the Washington area and developed multifamily and single family properties in the Washington metropolitan area.

Respectfully submitted,
Miller-Dodson Associates

Brian J. Oates
Reserve Analyst

EXECUTIVE SUMMARY

The Huntington Commons HOA Replacement Reserve Inventory identifies 31 Projected Replacements for funding from Replacement Reserves, with an estimated one-time replacement cost of \$236,480.

The Replacement Reserve Analysis calculates recommended funding of Replacement Reserves by the two generally accepted methods, the Cash Flow Method and the Component Method. The Analysis also evaluates current funding of Replacement Reserves, as reported by the Association. The calculations and evaluation are summarized below:

● **\$10,212 CASH FLOW METHOD MINIMUM ANNUAL FUNDING OF REPLACEMENT RESERVES IN THE STUDY YEAR, 2010.**

\$25.03 Per unit (average), minimum monthly funding of Replacement Reserves

The Cash Flow Method (CFM) calculates Minimum Annual Funding of Replacement Reserves that will fund Projected Replacements identified in the Replacement Reserve Inventory from a common pool of Replacement Reserves and prevent Replacement Reserves from dropping below a Minimum Recommended Balance.

CFM - Minimum Annual Funding remains the same between peaks in cumulative expenditures called Peak Years.

The first Peak Year occurs in 2034 and the CFM - Minimum Annual Funding of Replacement Reserves in 2035 declines to \$4,016 (\$9.84 per unit, per month), after the completion of \$278,680 of replacements in 2010 to 2034.

After 2034 the CFM - Minimum Annual Funding remains constant for the remainder of the Study Period.

● **\$16,302 COMPONENT METHOD RECOMMENDED ANNUAL FUNDING OF REPLACEMENT RESERVES IN THE STUDY YEAR, 2010.**

\$39.96 Per unit (average), recommended monthly funding of Replacement Reserves

The Component Method is a time tested and very conservative funding model developed by HUD in the early 1980's.

The Component Method treats each projected replacement in the Replacement Reserve Inventory as a separate account. Deposits are made to each individual account, where funds are held for exclusive use by that item.

Based on this funding model, the Association has a Current Funding Objective of \$113,901.

The Association reports having \$35,210 on deposit, which is 30.9% funded.

● **\$4,013 CURRENT ANNUAL FUNDING OF REPLACEMENT RESERVES (as reported by the Association).**

\$9.84 Per unit (average), reported current monthly funding of Replacement Reserves

The evaluation of Current Funding, as reported by the Association, has calculated that if the Association continues to fund Replacement Reserves at the current level, there will NOT be adequate funds for Projected Replacements in 10 years of the 30-year Study Period, and a maximum shortfall of \$-143,145 occurs in 2034.

Pages A2 and A3 explain the Study Year, Study Period, Adjustments (interest & inflation), Beginning Balance, and Projected Replacements. Pages A4 to A9 explain in more detail the calculations associated with the Cash Flow Method, Component Method, and Current Funding.

REPLACEMENT RESERVE STATUS AND FUNDING PLAN

Current funding of Replacement Reserves is inadequate to fund Projected Replacements.

We recommend the Association adopt a Replacement Reserve Funding Plan based on the Cash Flow Method or the Component Method, to ensure that adequate funding is available throughout the 30-Year Study Period for the \$287,705 of Projected Replacements listed in the Huntington Commons HOA Replacement Reserve Inventory.

The Funding Plan should be professionally evaluated every three to five years or after completion of each major replacement project. The Board of Directors has a fiduciary responsibility to review the Funding Plan annually and should consider annual increases in Replacement Reserve funding at least equal to the Consumer Price Index.

REPLACEMENT RESERVE ANALYSIS - GENERAL INFORMATION

The Huntington Commons HOA Replacement Reserve Analysis calculations of recommended funding of Replacement Reserves by the Cash Flow Method and the Component Method, and the evaluation of the Current Funding, are based upon the same General Information; including the Study Year, Study Period, Adjustments (for interest, inflation, and/or a constant increase in annual funding), Beginning Balance, and Projected Replacements:

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, 2010.

STUDY PERIOD

The Replacement Reserve Analysis evaluates the funding of Replacement Reserves over a 30-year Study Period that begins on January 1, 2010.

ADJUSTMENTS

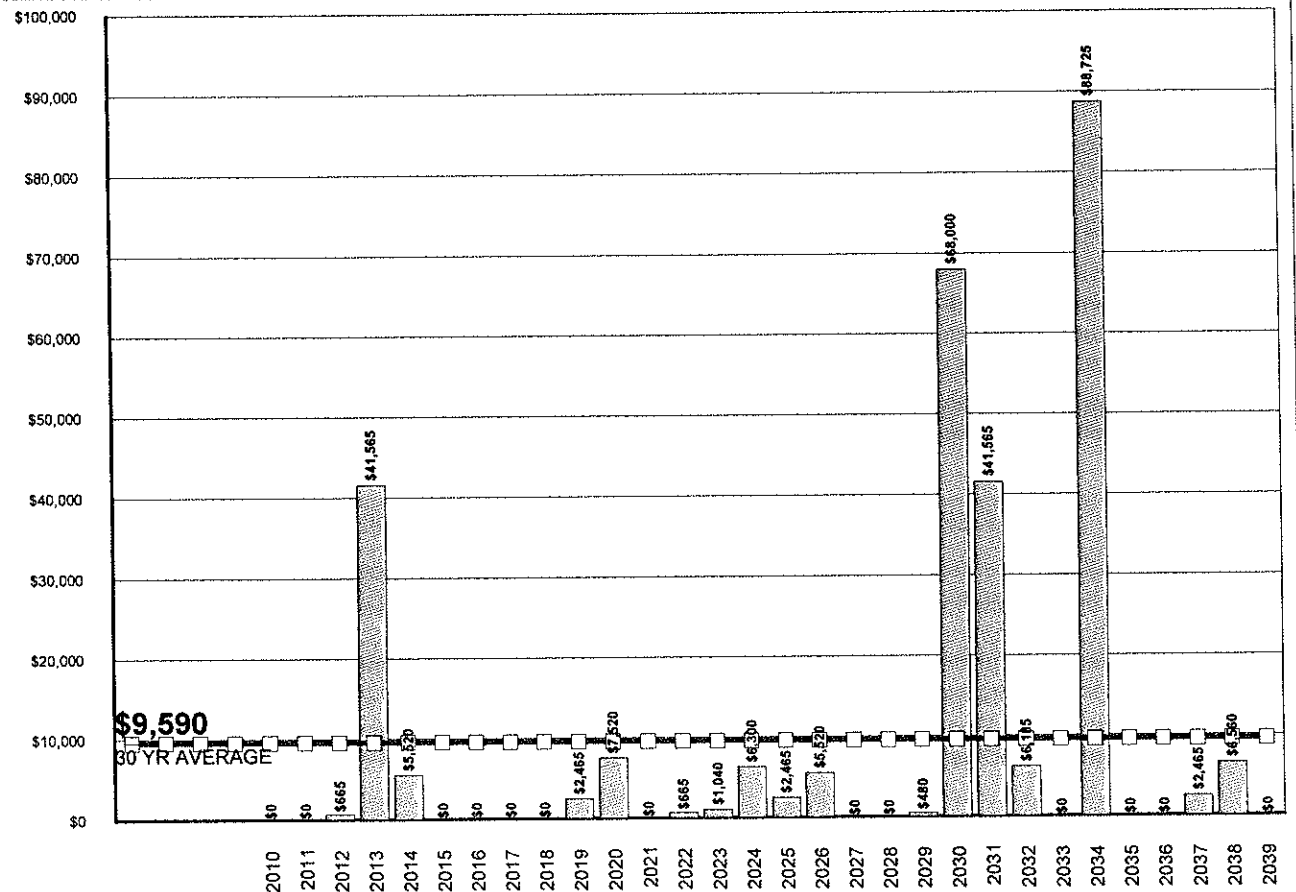
The calculations in this Replacement Reserve Analysis do not account for interest earned on Replacement Reserves, the effects of inflation on the costs of Projected Replacements, or a constant annual increase in Annual Funding of Replacement Reserves. If requested, we will provide a Replacement Reserve Analysis with adjustments for inflation, interest, and/or a constant annual increase in funding, using values provided by the Association.

BEGINNING BALANCE

The Association reports Replacement Reserves on Deposit totaling \$35,210 at the start of the Study Year.

Graph #1. Annual Expenditures for Projected Replacements

This bar graph summarizes annual expenditures for the \$287,705 of Projected Replacements identified in the Replacement Reserve Inventory over the 30-year Study Period. The red line shows the average annual expenditure of \$9,590.



PROJECTED REPLACEMENTS

The Huntington Commons HOA Replacement Reserve Inventory (Section B) identifies 31 Projected Replacements with a one-time Replacement Cost of \$236,480 and replacements totaling \$287,705 over the 30-year Study Period. Projected Replacements are the replacement of commonly-owned items that:

- require periodic replacement and
- whose replacement is to be funded from Replacement Reserves.

The Replacement Reserve Inventory also identifies 32 Excluded Items. Expenditures for the replacement of 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 rationale behind these exclusions is discussed in detail on Page B1.

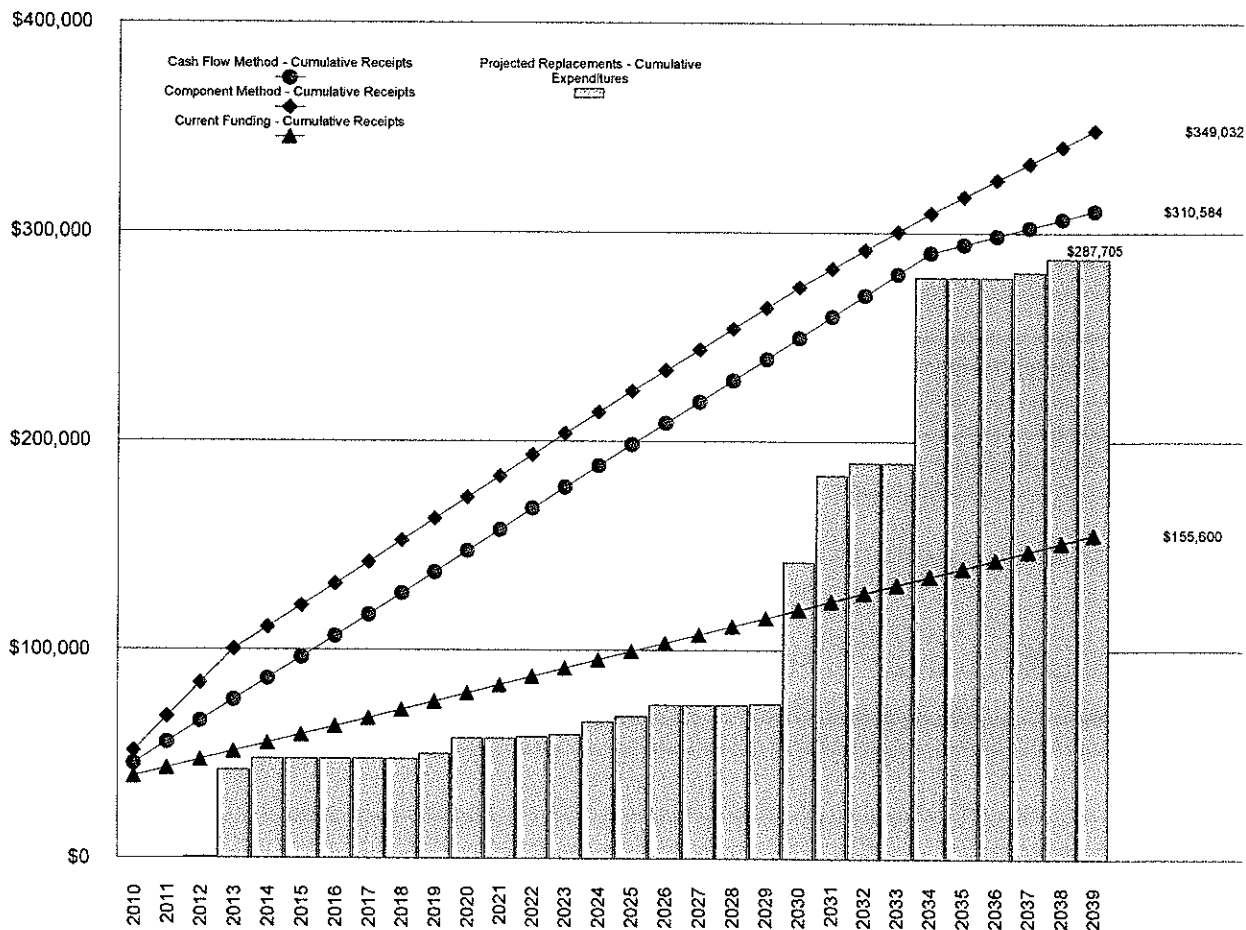
Expenditures from Replacements Reserves should be made only after consultation with an accounting professional.

The Section B - Replacement Reserve Inventory, contains Tables that list each Projected Replacement (and any Excluded Items) broken down into 9 major categories (Pages B3 to B10). Tables are also included that list each Projected Replacement by year for each of the 30 years of the Study Period beginning on Page C1.

The accuracy of this Replacement Reserve Analysis is dependent upon expenditures from Replacement Reserves being made only for the Projected Replacements specifically listed in the Replacement Reserve Inventory.

Graph #2. Comparison of Cumulative Replacement Reserve Funding and Expenditures

The line graph shows Replacement Reserves - Cumulative Receipts over the 30-year Study Period by the Cash Flow Method (red circles), Component Method (purple diamonds), and the Current Funding Plan as reported by the Association (blue triangles). The bar graph shows the Cumulative Expenditures necessary to fund the Project Replacements listed in the Replacement Reserve Inventory (Section B) and summarized in Graph #1.



CASH FLOW METHOD

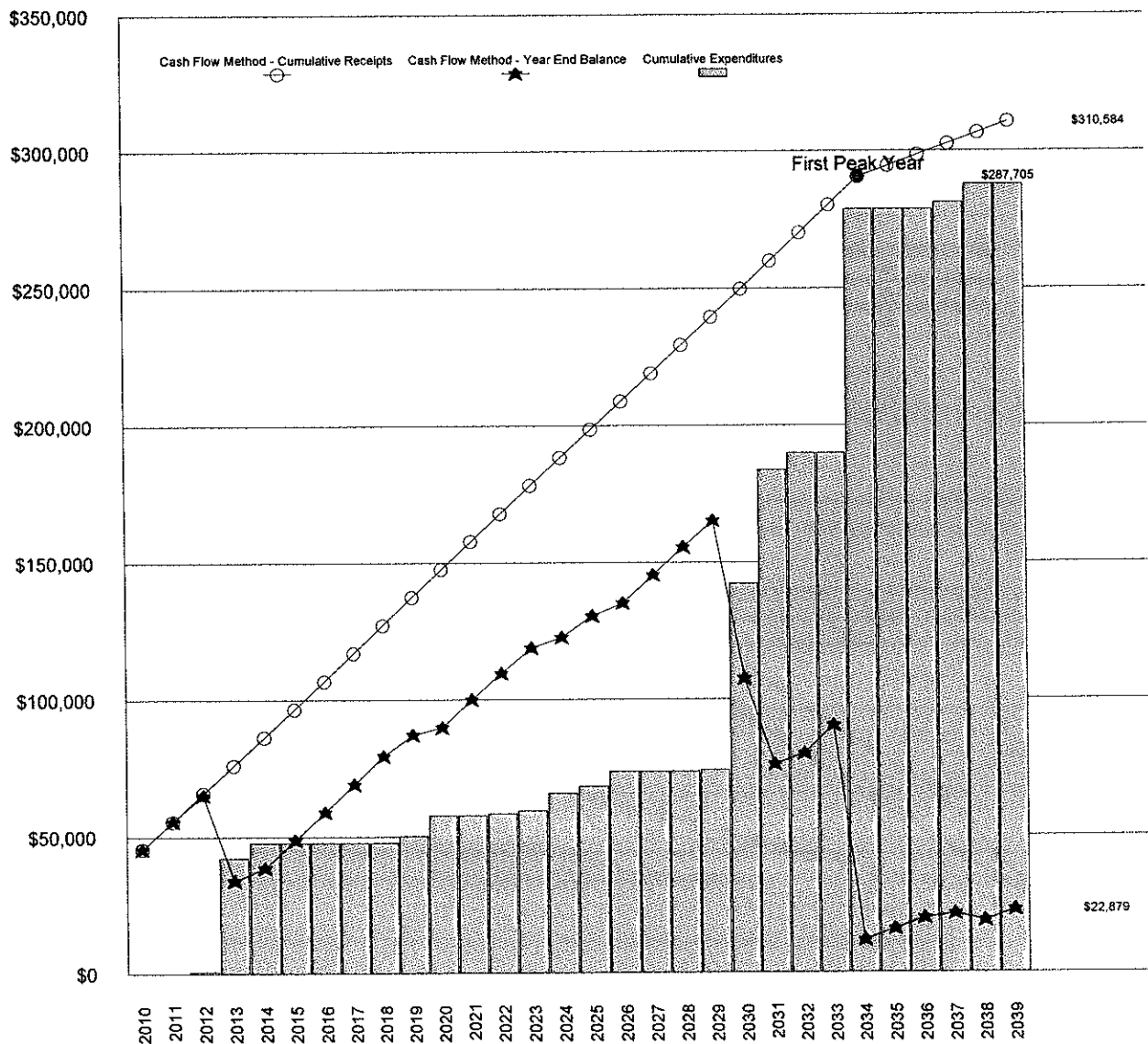
● \$10,212 CASH FLOW METHOD MINIMUM ANNUAL FUNDING OF REPLACEMENT RESERVES IN THE STUDY YEAR, 2010.

\$25.03 Per unit (average), minimum monthly funding of Replacement Reserves

General. The Cash Flow Method is founded on the concept that the Replacement Reserve Account is solvent if cumulative receipts always exceed cumulative expenses. The Cash Flow Method calculates a MINIMUM annual deposit to Replacement Reserves that will:

- Fund all Projected Replacements listed in the Replacement Reserve Inventory (see Section B)
- Prevent Replacement Reserves from dropping below the Minimum Recommended Balance (see Page A-5)
- Allow a constant annual funding level between peaks in cumulative expenditures

Graph #3. Cash Flow Method - Cumulative Receipts and Expenditures Graph



CASH FLOW METHOD (cont'd)

- **Replacement Reserves - Minimum Recommended Balance.** The Minimum Recommended Balance is \$11,824, which is 5.0 percent of the one-time replacement cost of the Projected Replacements listed in the Replacement Reserve Inventory. Unless otherwise noted in the Comments on Page A-9, the Minimum Recommended Balance has been established by the Analyst based upon an evaluation of the types of items included in the Replacement Reserve Inventory.
- **Peak Years.** The Cash Flow Method calculates a constant annual funding of Replacement Reserves between peaks in cumulative expenditures called Peak Years. In Peak Years, Replacement Reserves on Deposit decline to the Replacement Reserves - Minimum Recommended Balance discussed in the paragraph above.
First Peak Year. The First Peak Year occurs in 2034, after the completion of \$278,680 of replacements in 2010 to 2034. The Cash Flow Method - Minimum Annual Funding of Replacement Reserves declines from \$10,212 in 2034 to \$4,016 in 2035.
Subsequent Peak Years. There are no subsequent Peak Years and after the first Peak Year in 2034, the Cash Flow Method - Minimum Annual Funding remains constant for the remainder of the Study Period.
- **Study Period.** The Cash Flow Method calculates the recommended contributions to Replacement Reserves over the 30-year Study Period. These calculations are based upon a 40-year projection of expenditures for Projected Replacements to avoid the Replacement Reserve balance dropping to the Minimum Recommended Balance in the final year of the Study Period.
- **Failure to Fund.** The Cash Flow Method calculates a MINIMUM annual funding of Replacement Reserves. Failure to fund Replacement Reserves at the minimum level calculated by the Cash Flow Method will result in Replacement Reserves not being available for the Projected Replacements listed in the Replacement Reserve Inventory and/or Replacement Reserves dropping below the Minimum Recommended Balance.
- **Adjustment to the Cash Flow Method for interest and inflation.** The calculations in this Replacement Reserve Analysis do not account for interest earned on Replacement Reserves, the effects of inflation of the cost of Projected Replacements, or a constant annual increase in Annual Funding of Replacement Reserves.
- **Comparison of Cash Flow Funding and Average Annual Expenditure.** The Average Annual Expenditure for Projected Replacements listed in the Reserve Inventory over the 30-year Study Period is \$9,590 (see Graph #1). The Cash Flow Method - Minimum Annual Funding of Replacement Reserves in the Study Year is \$10,212. This is 106.5 percent of the Average Annual Expenditure, indicating that the Association is building Replacement Reserves in advance of the first Peak Year in 2034.

Table #1. Cash Flow Method Data - Years 1 through 30

[illegible]

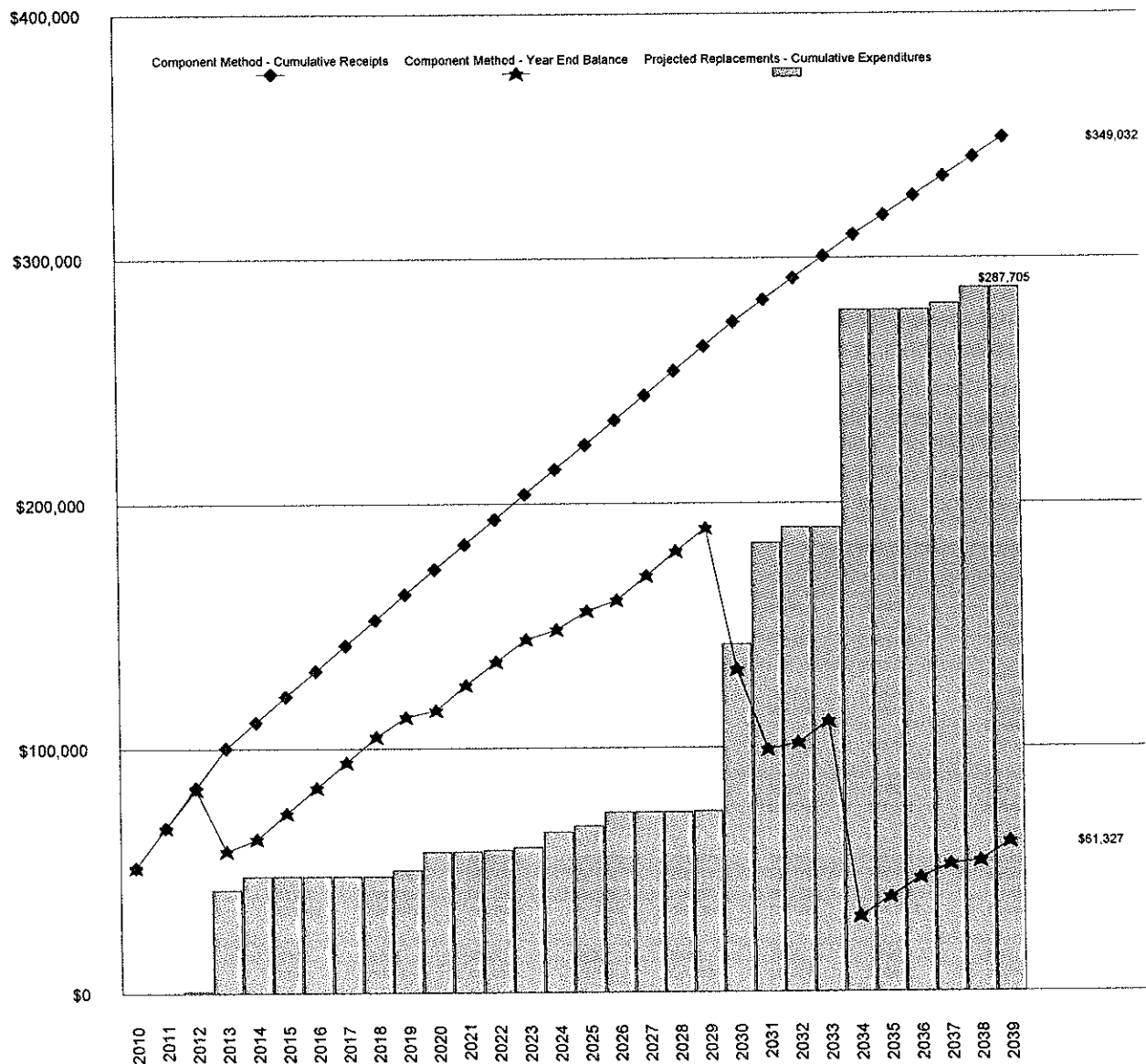
COMPONENT METHOD

\$16,302 COMPONENT METHOD RECOMMENDED ANNUAL FUNDING OF REPLACEMENT RESERVES IN THE STUDY YEAR, 2010.

\$39.96 Per unit (average), recommended monthly funding of Replacement Reserves

General. The Component Method is a time tested and very conservative mathematical model developed by HUD in the early 1980s. Each of the 31 Projected Replacements listed in the Replacement Reserve Inventory is treated as a separate account. The Beginning Balance is allocated to each of these 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 the Recommended Annual Funding of Replacement Reserves is a multi-step process outlined in more detail on Page A7.

Graph #4. 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 31 Projected Replacements. The total, \$113,901, 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 (\$35,210) by the Current Funding Objective (\$113,901). At Huntington Commons HOA the Funding Percentage is 30.9%
- **Allocation of the Beginning Balance.** The Beginning Balance is divided among the 31 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 30.9 percent funded, there is \$247 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 \$16,302, the Component Method Recommended Annual Funding of Replacement Reserves in the Study Year (2010).

In our fence example, the \$247 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 \$376. Next year, the deposit remains \$376, 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, the effects of inflation of the cost of Projected Replacements, or a constant annual increase in Annual Funding of Replacement Reserves.

Table #2. Component Method Data - Years 1 through 30

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Beginning balance	\$35,210									
Recommended annual funding	\$16,302	\$16,302	\$16,302	\$16,195	\$10,545	\$10,418	\$10,418	\$10,418	\$10,418	\$10,418
Expenditures			\$665	\$41,565	\$5,520					\$2,465
Year end balance	\$51,512	\$67,814	\$83,452	\$58,082	\$63,107	\$73,525	\$83,943	\$94,361	\$104,779	\$112,732
Cumulative Expenditures			\$665	\$42,230	\$47,750	\$47,750	\$47,750	\$47,750	\$47,750	\$50,215
Cumulative Receipts	\$51,512	\$67,814	\$84,117	\$100,312	\$110,857	\$121,275	\$131,693	\$142,111	\$152,529	\$162,947
Year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Recommended annual funding	\$10,275	\$10,201	\$10,201	\$10,201	\$10,198	\$10,053	\$9,975	\$9,975	\$9,975	\$9,975
Expenditures	\$7,520		\$665	\$1,040	\$6,300	\$2,465	\$5,520			\$480
Year end balance	\$115,488	\$125,689	\$135,226	\$144,387	\$148,284	\$155,872	\$160,327	\$170,301	\$180,276	\$189,771
Cumulative Expenditures	\$57,735	\$57,735	\$58,400	\$59,440	\$65,740	\$68,205	\$73,725	\$73,725	\$73,725	\$74,205
Cumulative Receipts	\$173,223	\$183,424	\$193,626	\$203,827	\$214,024	\$224,077	\$234,052	\$244,026	\$254,001	\$263,976
Year	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Recommended annual funding	\$9,967	\$8,905	\$8,856	\$8,856	\$8,856	\$7,936	\$7,936	\$7,936	\$7,904	\$7,904
Expenditures	\$68,000	\$41,565	\$6,185		\$88,725			\$2,465	\$6,560	
Year end balance	\$131,738	\$99,078	\$101,749	\$110,605	\$30,735	\$38,672	\$46,608	\$52,080	\$53,424	\$61,327
Cumulative Expenditures	\$142,205	\$183,770	\$189,955	\$189,955	\$278,680	\$278,680	\$278,680	\$281,145	\$287,705	\$287,705
Cumulative Receipts	\$273,943	\$282,848	\$291,704	\$300,560	\$309,415	\$317,352	\$325,288	\$333,225	\$341,129	\$349,032

CURRENT FUNDING



\$4,013 CURRENT ANNUAL FUNDING OF REPLACEMENT RESERVES (as reported by the Association).

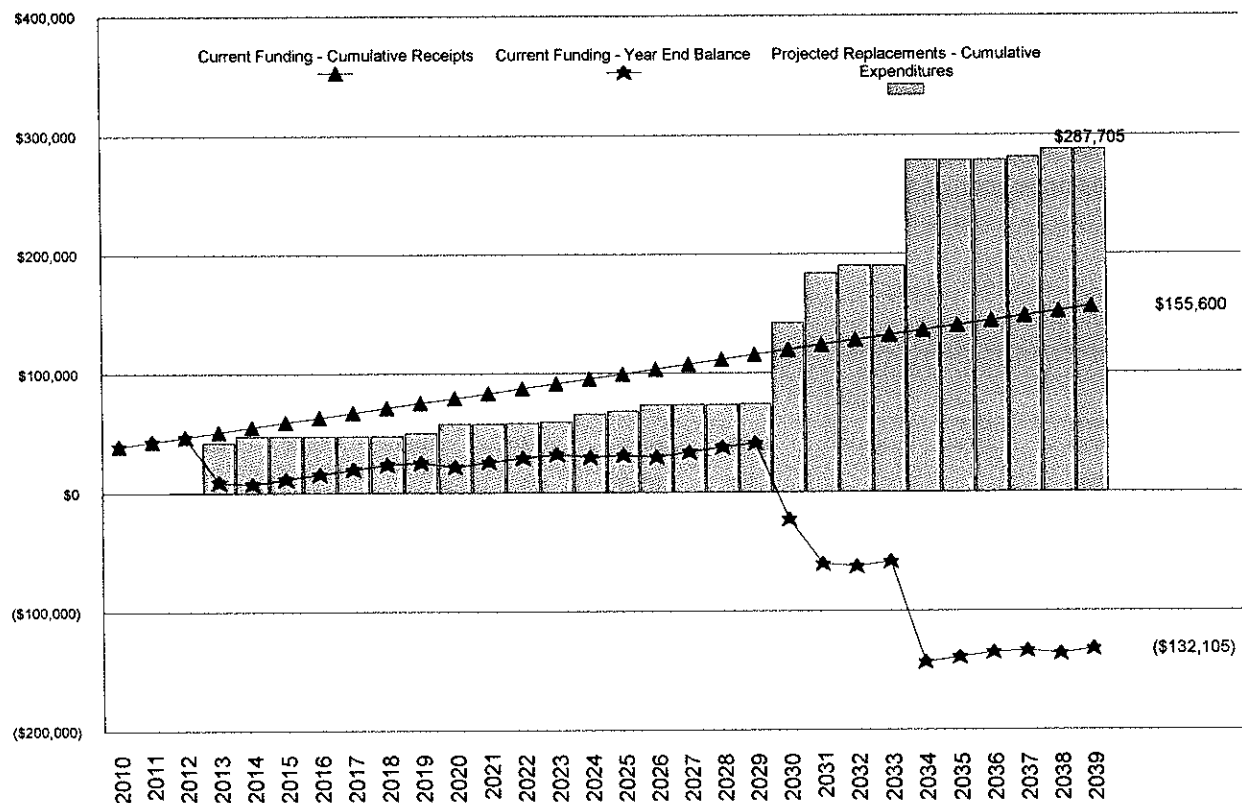
\$9.84 Per unit (average), reported current monthly funding of Replacement Reserves

General. Our evaluation of the Current Association Funding assumes that the Association will continue to fund Replacement Reserves at the current level of \$4,013 per year in each of the 30 years of the Study Period.

Our evaluation is based upon this Replacement Reserve Funding Level, a \$35,210 Beginning Balance, the Projected Annual Replacement Expenditures shown in Graph #1 and listed in the Replacement Reserve Inventory, and any interest, inflation rate, or constant annual increase in annual contribution adjustments discussed below.

- **Evaluation.** Our calculations have determined that Current Annual Funding of Replacement Reserves, as reported by the Association, is inadequate to fund Projected Replacement beginning in 2030.
- The Current Annual Funding of Replacement Reserves results in insufficient funds to make Projected Replacements in 10 years of the 30-year Study Period, and a maximum shortfall of \$-143,145 occurs in 2034.
- **Adjustment to the Current Association Funding for interest and inflation.** The Calculations in the Replacement Reserve Analysis do not account for interest earned on Replacement Reserves, the effects of inflation of the cost of Projected Replacements, or a constant annual increase in Annual Funding of Replacement Reserves.
- **Comparison of Current Association Funding and Average Annual Expenditure.** The average annual expenditure for Projected Replacements listed in the Reserve Inventory over the 30-year Study Period is \$9,590 (see Graph #1). Current Association annual funding of Replacement Reserves is \$4,013, or approximately 42 percent of the Average Annual Expenditure.

Graph #5. Current Association Funding - Cumulative Receipts and Expenditures Graph



CURRENT FUNDING (cont'd)

Table #3. Current Funding Data - Years 1 through 30

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Beginning balance	\$35,210									
Annual deposit	\$4,013	\$4,013	\$4,013	\$4,013	\$4,013	\$4,013	\$4,013	\$4,013	\$4,013	\$4,013
Expenditures			\$665	\$41,565	\$5,520					\$2,465
Year end balance	\$39,223	\$43,236	\$46,584	\$9,032	\$7,525	\$11,538	\$15,551	\$19,564	\$23,577	\$25,125
Cumulative Expenditures			\$665	\$42,230	\$47,750	\$47,750	\$47,750	\$47,750	\$47,750	\$50,215
Cumulative Receipts	\$39,223	\$43,236	\$47,249	\$51,262	\$55,275	\$59,288	\$63,301	\$67,314	\$71,327	\$75,340
Year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Annual deposit	\$4,013	\$4,013	\$4,013	\$4,013	\$4,013	\$4,013	\$4,013	\$4,013	\$4,013	\$4,013
Expenditures	\$7,520		\$665	\$1,040	\$6,300	\$2,465	\$5,520			\$480
Year end balance	\$21,618	\$25,631	\$28,979	\$31,952	\$29,665	\$31,213	\$29,706	\$33,719	\$37,732	\$41,265
Cumulative expenditures	\$57,735	\$57,735	\$58,400	\$59,440	\$65,740	\$68,205	\$73,725	\$73,725	\$73,725	\$74,205
Cumulative receipts	\$79,353	\$83,366	\$87,379	\$91,392	\$95,405	\$99,418	\$103,431	\$107,444	\$111,457	\$115,470
Year	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Annual deposit	\$4,013	\$4,013	\$4,013	\$4,013	\$4,013	\$4,013	\$4,013	\$4,013	\$4,013	\$4,013
Expenditures	\$68,000	\$41,585	\$6,185		\$88,725			\$2,485	\$6,560	
Year end balance	(\$22,722)	(\$80,274)	(\$62,446)	(\$58,433)	(\$143,145)	(\$139,132)	(\$135,119)	(\$133,571)	(\$136,118)	(\$132,105)
Cumulative Expenditures	\$142,205	\$183,770	\$189,955	\$189,955	\$278,680	\$278,680	\$278,680	\$281,145	\$287,705	\$287,705
Cumulative Receipts	\$119,483	\$123,496	\$127,509	\$131,522	\$135,535	\$139,548	\$143,561	\$147,574	\$151,587	\$155,600

COMMENTS ON THE REPLACEMENT RESERVE ANALYSIS

- This Replacement Reserve Study has been developed in compliance with the Community Associations Institute, National Reserve Study Standards, for a Level One Study - Full Service.
- Huntington Commons HOA has 34 units. The type of property is a homeowners' association.
- Our calculations assume that Replacement Reserves are not subject to tax.
- 08/19/11. Changed starting balance current contribution.

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REPLACEMENT RESERVE INVENTORY GENERAL INFORMATION

Huntington Commons HOA - Replacement Reserve Inventory identifies 63 items. Two types of items are identified, Projected Replacements and Excluded Items:

- **PROJECTED REPLACEMENTS.** 31 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 \$236,480. Replacements totaling \$287,705 are scheduled in the Replacement Reserve Inventory over the 30-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.** 32 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, partial replacements, repairs, capital improvements, and one-time only replacements.

Value. Items with a replacement cost of less than \$1,000 are typically excluded from funding from Replacement Reserves. This exclusion is made to accurately reflect how Replacement Reserves are administered. 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 located on property 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' section of its page of the Replacement Reserve Inventory.

- **CATEGORIES.** The 63 items included in the Huntington Commons HOA Replacement Reserve Inventory are divided into 9 major categories. Each category is printed on a separate page, Pages B3 to B10.
- **LEVEL OF SERVICE.** This Replacement Reserve Inventory has been developed in compliance with the standards established for a Level One Study - Full Service, as defined by the National Reserve Study Standards, established in 1998 by Community Associations Institute, which states:

A Level I - Full Service Reserve Study includes the computation of complete component inventory information regarding commonly owned components provided by the property manager, quantities derived from field measurements and/or quantity takeoffs from to-scale engineering drawings that may be made available. The condition of all components is ascertained from a visual inspection of each component by the analyst. The life expectancy and the value of the components are provided based on these observations and the funding status and funding plan are then derived from analysis of this data.

REPLACEMENT RESERVE INVENTORY - GENERAL INFORMATION (cont'd)

- **INVENTORY DATA.** Each of the 31 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 named each item included in the Inventory. Where the name of the item and the category are not sufficient to specifically identify the item, we have included additional information in the Comments section at the bottom of the page.

Units. We have used standard abbreviations to identify the number of units including SF-square feet, FT-feet, SY-square yard, LS-lump sum, EA-each, and PR-pair. Nonstandard abbreviations are noted in the Comments section on the page on which the abbreviation is used.

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

Unit Replacement Cost. We use three sources to develop the unit cost data shown in the Inventory; actual replacement cost data provided by the client, industry standard estimating manuals, and a cost database that we have developed based upon our detailed interviews with contractors and service providers who are specialists in their respective lines of work. In addition, trends in the Producers Price Index (PPI), labor rates, and transportation costs are monitored and considered. This cost database is reviewed and updated regularly by Miller Dodson and biannually by an independent professional cost estimating firm.

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

Economic Life Remaining (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 32 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.** All expenditures from Replacement Reserves should be made only after consultation with an accounting professional.
- **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 on in the Comments section.

REPLACEMENT RESERVE INVENTORY - GENERAL COMMENTS

- **PLEASE NOTE:** For inventory items with a Remaining Economic Life greater than 40 years, the replacement projections fall outside this study's limits and are not included in the annual calculations. However, tracking these items over time will bring them within the 40 year window and they will be included in the future.

**SITE COMPONENT
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	ft	23,000	\$1.70	18	3	\$39,100
2	Asphalt pavement, seal coat	sf	23,000	\$0.24	6	4	\$5,520
3	Concrete sidewalk (3%)	sf	110	\$8.50	60	3	\$935
4	Concrete sidewalk (3%)	sf	110	\$8.50	60	9	\$935
5	Concrete sidewalk (3%)	sf	110	\$8.50	60	15	\$935
6	Concrete sidewalk (3%)	sf	110	\$8.50	60	21	\$935
7	Concrete sidewalk (3%)	sf	110	\$8.50	60	27	\$935
8	Concrete sidewalk (3%)	sf	110	\$8.50	60	33	\$935
9	Concrete sidewalk (3%)	sf	110	\$8.50	60	39	\$935
10	Concrete sidewalk (3%)	sf	110	\$8.50	60	45	\$935
11	Concrete sidewalk (3%)	sf	110	\$8.50	60	51	\$935
12	Concrete sidewalk (3%)	sf	110	\$8.50	60	57	\$935
13	Concrete curb & gutter (3%)	ft	45	\$34.00	60	3	\$1,530
14	Concrete curb & gutter (3%)	ft	45	\$34.00	60	9	\$1,530
15	Concrete curb & gutter (3%)	ft	45	\$34.00	60	15	\$1,530
16	Concrete curb & gutter (3%)	ft	45	\$34.00	60	21	\$1,530
17	Concrete curb & gutter (3%)	ft	45	\$34.00	60	27	\$1,530
18	Concrete curb & gutter (3%)	ft	45	\$34.00	60	33	\$1,530
19	Concrete curb & gutter (3%)	ft	45	\$34.00	60	39	\$1,530
20	Concrete curb & gutter (3%)	ft	45	\$34.00	60	45	\$1,530
21	Concrete curb & gutter (3%)	ft	45	\$34.00	60	51	\$1,530
22	Concrete curb & gutter (3%)	ft	45	\$34.00	60	57	\$1,530
SITE COMPONENT - Replacement Costs - Subtotal							\$69,270

**SITE COMPONENT
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. Asphalt is estimated to be 15 years old. Surface cracking is apparent throughout the community.
- The community maintains approximately 3650 square feet of concrete sidewalk and driveway aprons. The garage units drive over the side walk to access garage. The sidewalks are in good condition with minor damage. The reserve is estimating replacement at one half (1/2%) percent per year.
- The community maintains approximately 1480 linear feet of concrete curb and gutter. These are in good
- condition and replacement reserve has been scheduled at one half (1/2%) percent per year.
- 08/19/11. Adjusted seal coat unit price to include crack sealing & painting of curbs at the request of the Assn.

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 (\$)
23	Concrete retaining wall (50%)	sf	1,365	\$65.00	40	24	\$88,725
24	Chain link fence 3.5'	lf	420	\$15.00	30	14	\$6,300
25	Concrete block wall -12" (50%)	sf	1,175	\$40.00	40	20	\$47,000
26	Brick columns (50%)	sf	350	\$60.00	40	20	\$21,000
27	Repoint wall (10%)	sf	70	\$9.50	10	2	\$665
28	Wood edge material	lf	260	\$4.00	15	13	\$1,040
29	Mailbox	ea	4	\$120.00	35	19	\$480
30	Site light	ea	1	\$1,000.00	30	10	\$1,000
31	Electric meter and breaker box	ls	1	\$1,000.00	25	10	\$1,000

SITE COMPONENT (cont.) - Replacement Costs - Subtotal \$167,210

SITE COMPONENT (cont.)
COMMENTS

- The community maintains a concrete retaining wall on the eastern border of Edgehill Court. This wall is long life component but should be inspected periodically. There is a separate brick column and block wall on the southern and western border of the property. It should be inspected periodically.
- 08/19/11. Deleted flagstone path and stormwater management. Changed quantity of mailboxes.

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	Is	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.

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	Is	1				EXCLUDED
	Sanitary sewers serving one unit	Is	1				EXCLUDED
	Electrical wiring serving one unit	Is	1				EXCLUDED
	Cable TV service serving one unit	Is	1				EXCLUDED
	Telephone service serving one unit	Is	1				EXCLUDED
	Gas service serving one unit	Is	1				EXCLUDED
	Driveway on an individual lot	Is	1				EXCLUDED
	Lead walk on an individual lot	Is	1				EXCLUDED
	Stairs on an individual lot	Is	1				EXCLUDED
	Fence on an individual lot	Is	1				EXCLUDED
	Unit exterior	Is	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	REPLACEMENT COST (\$)	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST (\$)
	Cleaning of asphalt pavement	ls	1					EXCLUDED
	Landscaping and site grading	ls	1					EXCLUDED
	Partial replacement	ls	1					EXCLUDED
	Capital improvements	ls	1					EXCLUDED

MAINTENANCE AND REPAIR EXCLUSIONS
COMMENTS

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

GOVERNMENT EXCLUSIONS

EXCLUDED ITEMS

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

GOVERNMENT EXCLUSIONS

COMMENTS

- Government Exclusions. We have assumed that some of the improvements installed on property owned by the Association will be maintained by the state, county, or local government, or other association or other responsible entity. Examples of items excluded from funding by Replacement Reserves by this standard are listed above.
- Excluded right-of-ways, including adjacent portion of Edge Hill Drive, and adjacent properties. There is a government stormwater drainage area adjacent to the community. The inlet is blocked with debris. The surrounding chain link fence is approximately 2.5' high, which is inadequate. Fence is damaged.
- The list above exemplifies exclusions by the cited standard(s) and is not intended to be comprehensive.

IRRIGATION SYSTEM EXCLUSIONS

EXCLUDED ITEMS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST (\$)
	Subsurface irrigation pipe	ls	1				EXCLUDED
	Subsurface irrigation valve	ls	1				EXCLUDED
	Subsurface irrigation control wiring	ls	1				EXCLUDED
	Irrigation control system	ls	1				EXCLUDED
	Irrigation system electrical service	ls	1				EXCLUDED
	Irrigation system enclosures	ls	1				EXCLUDED

IRRIGATION SYSTEM EXCLUSIONS

COMMENTS

- Irrigation System Exclusions. We have assumed that the maintenance, repair, and periodic replacement of the components of the extensive irrigation systems at the property will not be funded from Replacement Reserves. These systems should be inspected each spring when the systems are brought on line and each fall when they are winterized. Repairs/replacements should be made in conjunction with these inspections.
- It was noted that private irrigation systems were located on private properties.

PROJECTED ANNUAL REPLACEMENTS GENERAL INFORMATION

CALENDAR OF ANNUAL REPLACEMENTS. The 31 Projected Replacements in the Huntington Commons HOA 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 1020 (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 commingle 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 1020H (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.
- **UPDATING.** In the first two or possibly three years after the completion of a Level One Replacement Reserve Study, we recommend the Association review and revise the Replacement Reserve Analysis and Inventory annually to take into account replacements which have occurred and known changes in replacement costs. This can frequently be handled as a Level Two or Level Three Study (as defined by the Community Associations Institute), unless the Association has completed major replacement projects. A full analysis (Level One) based on a comprehensive visual evaluation of the site should be accomplished every three to five years or after each major replacement project.
- **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 Huntington Commons HOA 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	2010	\$
No Scheduled Replacements		

Item	2011	\$
No Scheduled Replacements		

Item	2012	\$
27	Repoint wall (10%)	\$665
Total Scheduled Replacements		\$665

Item	2013	\$
1	Asphalt pavement, mill & ov	\$39,100
3	Concrete sidewalk (3%)	\$935
13	Concrete curb & gutter (3%)	\$1,530
Total Scheduled Replacements		\$41,565

Item	2014	\$
2	Asphalt pavement, seal coat	\$5,520
Total Scheduled Replacements		\$5,520

Item	2015	\$
No Scheduled Replacements		

Item	2016	\$
No Scheduled Replacements		

Item	2017	\$
No Scheduled Replacements		

Item	2018	\$
No Scheduled Replacements		

Item	2019	\$
4	Concrete sidewalk (3%)	\$935
14	Concrete curb & gutter (3%)	\$1,530
Total Scheduled Replacements		\$2,465

Item	2020	\$
2	Asphalt pavement, seal coat	\$5,520
30	Site light	\$1,000
31	Electric meter and breaker b	\$1,000
Total Scheduled Replacements		\$7,520

Item	2021	\$
No Scheduled Replacements		

Item	2022	\$
27	Repoint wall (10%)	\$665
Total Scheduled Replacements		\$665

Item	2023	\$
28	Wood edge material	\$1,040
Total Scheduled Replacements		\$1,040

Item	2024	\$
24	Chain link fence 3.5'	\$6,300
Total Scheduled Replacements		\$6,300

PROJECTED REPLACEMENTS - YEARS SIXTEEN TO THIRTY

Item	2025	\$
5	Concrete sidewalk (3%)	\$935
15	Concrete curb & gutter (3%)	\$1,530
Total Scheduled Replacements		\$2,465

Item	2026	\$
2	Asphalt pavement, seal coat	\$5,520
Total Scheduled Replacements		\$5,520

Item	2027	\$
No Scheduled Replacements		

Item	2028	\$
No Scheduled Replacements		

Item	2029	\$
29	Mailbox	\$480
Total Scheduled Replacements		\$480

Item	2030	\$
25	Concrete block wall -12" (50)	\$47,000
26	Brick columns (50%)	\$21,000
Total Scheduled Replacements		\$68,000

Item	2031	\$
1	Asphalt pavement, mill & ov	\$39,100
6	Concrete sidewalk (3%)	\$935
16	Concrete curb & gutter (3%)	\$1,530
Total Scheduled Replacements		\$41,565

Item	2032	\$
2	Asphalt pavement, seal coat	\$5,520
27	Repoint wall (10%)	\$665
Total Scheduled Replacements		\$6,185

Item	2033	\$
No Scheduled Replacements		

Item	2034	\$
23	Concrete retaining wall (50%)	\$88,725
Total Scheduled Replacements		\$88,725

Item	2035	\$
No Scheduled Replacements		

Item	2036	\$
No Scheduled Replacements		

Item	2037	\$
7	Concrete sidewalk (3%)	\$935
17	Concrete curb & gutter (3%)	\$1,530
Total Scheduled Replacements		\$2,465

Item	2038	\$
2	Asphalt pavement, seal coat	\$5,520
28	Wood edge material	\$1,040
Total Scheduled Replacements		\$6,560

Item	2039	\$
No Scheduled Replacements		

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CONDITION ASSESSMENT

General Comments. Miller – Dodson Associates conducted a Reserve Study at Huntington Commons in April of 2010. Huntington Commons is in average condition for a townhouse community constructed in 1994. 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.

SITE IMPROVEMENTS

Asphalt Pavement. The site includes asphalt pavement for vehicle access and parking. In general, the asphalt pavement is in fair to poor condition with multiple areas of defects. The Association maintains an inventory of approximately 23,000 square feet of asphalt pavement including Edgehill Court roadway and parking areas.

The defects noted include the following:



Patched section with lateral cracking-



'Alligating' cracks

- **Open Cracks.** There are multiple locations where open cracks are allowing water to penetrate to the asphalt base and the bearing soils beneath the pavement. This water will erode the base accelerating the deterioration of the asphalt pavement. If the cracks have allowed the deterioration of the base materials and the bearing soil, the damaged areas should be removed and replaced. All other cracks should be cleaned and filled.
- **Alligating.** There are multiple locations where the asphalt has developed a pattern of cracking known as alligating. Alligating is the result of an unstable base under the asphalt. Shifting in the base causes the asphalt to crack and shift, forming the cracks that resemble the skin of an alligator. Once these cracks extend through the asphalt, they will allow water to penetrate to the base, accelerating the rate of deterioration. The only solution is to remove the defective asphalt and compact the base before new asphalt is installed.
- **Depressions.** There are areas where the asphalt surface is depressed due to deformation in the surface or underlying layers. These depressions may continue to grow with exposure to traffic.

Water ponding was noted in several of these areas. Repair will require removal of the asphalt and base material, installation and compaction of new base material, and resurfacing with asphalt.

- **Cracking Along Edges.** Sections of the asphalt pavement have developed cracks along their edges as a result of a lack of curbing to hold it in place. The pavement will continue to deteriorate with time.
- **Reflective Cracks.** The asphalt pavement has a significant number of reflective cracks. Reflective cracks occur when an asphalt overlay is installed over pavement that has existing cracks. With time and movement of the asphalt surfaces, those cracks reappear in the new asphalt. Reflective cracks can be eliminated by the installation of a material, such as Petromat, over existing cracks at the time of overlay.

As a rule of thumb, asphalt should be overlaid when approximately five percent of the surface area has become cracked or has failed. 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:

- **Crack Sealing.** All cracks should be sealed with an appropriate sealing compound to prevent water infiltration through the asphalt compound into the base. This repair should be done annually. This is an entirely different process from the seal coating discussed below. Crack sealing is normally considered a maintenance activity and is not funded from Reserves. Areas of extensive cracking or deterioration that cannot be made watertight by crack sealing should be cut out and patched.
- **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 if deterioration has penetrated the asphalt, patched. This is a maintenance activity, and we have assumed that it will not be funded from Reserves.
- **Seal Coating.** The asphalt should be seal coated every three to five years. For this maintenance activity to be effective in extending the life of the asphalt, the crack sealing and cleaning of the asphalt as discussed above should be completed first.

Pricing used in the study is based on a recent contract for a two-inch overlay and reflects the current local market.



Sidewalk with at 5988 Edgehill Ct.



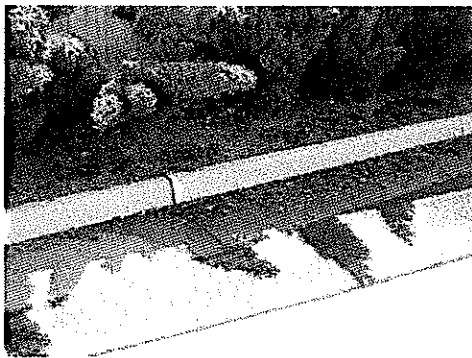
Apron crack

Concrete Flatwork. The concrete flatwork includes the community sidewalks and road aprons. The Association maintains an inventory of approximately 3650 square feet of concrete flatwork. The overall condition of the concrete flatwork is good. There was limited evidence of trip hazards and damage due to tree roots.

The standards we used for recommending replacement are as follows:

1. Trip hazard, 0.5 inch height difference.
2. Severe cracking.
3. Severe spalling
4. Uneven riser heights on steps.
5. Steps with risers in excess of 8.25 inches.

Because it is highly unlikely that all of the community's concrete components will fail and require replacement in the period of the study, we have programmed funds for the replacement of 30 percent of the inventory and spread those funds over a 60 year timeframe to reflect the incremental nature of this work. This approach assumes a failure rate of one half (1/2%) percent per year.



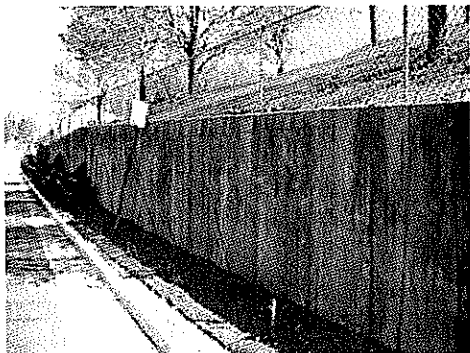
Painted curb -



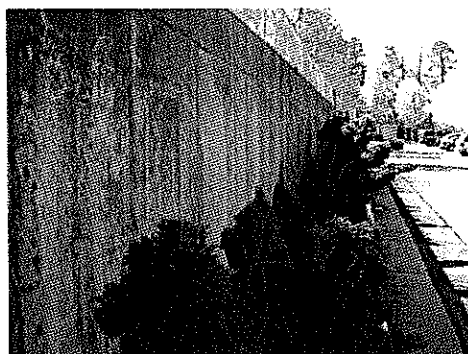
Curb & gutter

Curb and Gutter. The Association maintains an inventory of 1480 linear feet of concrete curb and gutter. All components have been well maintained and are in excellent condition. Any problems noted are in the form of minor cracks, spalling or settlement that can be repaired by continued periodic replacement of broken sections.

Because it is highly unlikely that all of the community's concrete curb and gutter sections will fail and require replacement in the period of the study, we have programmed funds for the replacement of 30 percent of the inventory and spread those funds over a 60-year timeframe to reflect the incremental nature of this work. This approach assumes a failure rate of one half (1/2%) percent per year.



Concrete retaining wall



Concrete retaining wall

Concrete Retaining Walls. The community has a single concrete retaining wall that it maintains. The total concrete retaining wall inventory is approximately 2,730 square feet. We have assumed that these walls will be replaced on an as necessary basis. This is a single structure wall and the Reserve Analysis assumes an 80 year normal economic life. Because the study period is limited to 40 years, we have included only 50% of the value of the wall in that period so that funds are being accumulated at the correct rate.

All sections of retaining walls appear to be in good condition with no significant defects. This is a major community component and should be inspected periodically.

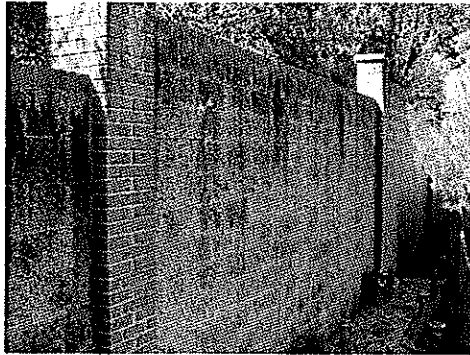
When it becomes necessary to replace these walls, we recommend the Association consider one of the segmental block retaining wall systems instead of the concrete construction. If over time the wall experiences movement, sections of the walls can be re-stacked at a very small portion of the cost of a new wall.

Chain Link Fencing. The Association maintains an inventory of 420 linear feet of vinyl coated chain link fencing. The condition of the fencing varies from good to fair. The northern section of the fencing has some damage to the fencing. The defects noted include the following:

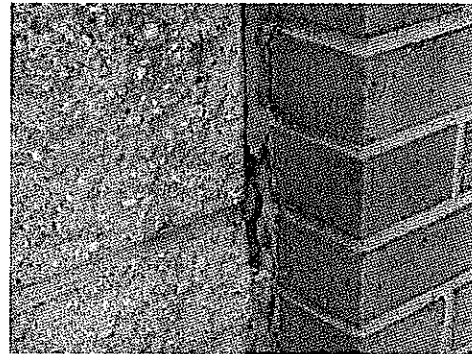
- **Damaged Fabric.** The metal fabric of the fencing has been damaged in several numerous locations. Damage includes stretched fabric and loose foot support.



Chain link fence southern section



Brick column, blocks wall -



Mortar joint

Brick Columns and Block Retaining Walls. The community maintains several concrete block retaining walls with brick columns at fifteen foot intervals. These walls are found on the southern and western borders of the community. The total concrete block retaining wall inventory is approximately 2350 square feet. The brick columns are approximately 700 square feet. All sections of the retaining walls are in good condition with no significant defects. This is a major community component and should be inspected periodically. An allowance has been incorporated for re-pointing the walls and columns. The Reserve Analysis assumes an 80 year normal economic life for wall and the brick. Because the study period is limited to 40 years, we have included only 50% of the value of the wall in that period so that funds are being accumulated at the correct rate

Flagstone Pathway. There is a flagstone pathway on the southwestern border of the community. It contains approximately 280 square feet of stone and 260 linear feet of pressure treated border. The path is in excellent condition.



Flagstone path

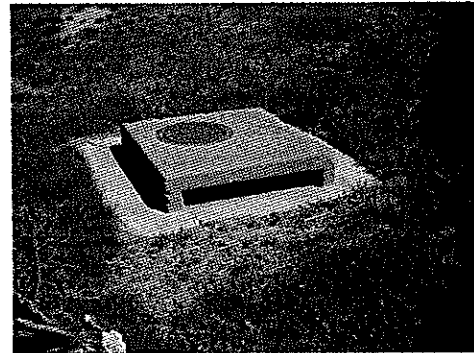
Mailboxes. The cluster mailboxes are centrally located in the community are in good condition. We have assumed that when the mailboxes are replaced, fiberglass units will be installed.



Cluster mailboxes



Curb inlet



Yard drain

Storm Water System Piping. The cost of replacing community storm water systems varies widely with the number of dwelling units in the community, the density of the housing, the local climate, and the total area of impervious surfaces. Costs for piping system replacement typically range between \$1,000 and \$3,000 per dwelling unit.

Due to the subsurface locations of the pipe, the condition of individual sections cannot be easily determined. Different types of pipe have drastically different life expectancies. Generally, both reinforced concrete pipe (RCP) and aluminized steel corrugated pipe (ASCP) have 75-year service lives. Corrugated metal pipe that has been fully coated with asphalt (FCCMP) has a service life of 32-38 years.

We have included the catch basins and underground piping portions of the storm water system in the Reserve Analysis. No engineering drawings were available to accurately determine distances, sizes of lines, and materials used for underground components 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. Inspection of the underground lines and structures is beyond the scope of work of this study.

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

CASH FLOW METHOD ACCOUNTING SUMMARY

This Huntington Commons HOA - Cash Flow Method Accounting Summary is an attachment to the Huntington Commons HOA - Replacement Reserve Study dated Revised August 19, 2011 and is for use by accounting and reserve professionals experienced in Association funding and accounting principles. This Summary consists of four reports, the 2010, 2011, and 2012 Cash Flow Method Category Funding Reports (3) and a Three-Year Replacement Funding Report.

- **CASH FLOW METHOD CATEGORY FUNDING REPORT, 2010, 2011, and 2012.** Each of the 31 Projected Replacements listed in the Huntington Commons HOA 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 \$35,210 Beginning Balance (at the start of the Study Year) and the \$30,635 of additional Replacement Reserve Funding in 2010 through 2012 (as calculated in the Replacement Reserve Analysis) to each of the 31 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 schedule in years 2010 through 2012.
 - Allocation of the \$35,210 Beginning Balance to the Projected Replacements by Chronological Allocation.
 - Allocation of the \$30,635 of additional Replacement Reserve Funding recommended in the Replacement Reserve Analysis in years 2010 through 2012, 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 \$35,210 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 Huntington Commons HOA the Beginning Balance funds 83.1% of Scheduled Replacements in the Study Year through 2012 and provides partial funding(1%) of replacements scheduled in 2013.
 - The next step is the allocation of the \$10,212 of 2010 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 Huntington Commons HOA the Beginning Balance and the 2010 Replacement Reserve Funding, funds replacements through 2013 and partial funds (57.8%) replacements in 2014.
 - Allocations of the 2011 and 2012 Reserve Funding are done using the same methodology.
 - The Three-Year Replacement Funding Report details component by component allocations made by Chronological Allocation.

2010 - CASH FLOW METHOD CATEGORY FUNDING REPORT

Each of the 31 Projected Replacements included in the Huntington Commons HOA Replacement Reserve Inventory has been assigned to one of the 2 categories listed in TABLE CF-1 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 \$35,210 as of the first day of the Study Year, January 1, 2010.
- Total reserve funding (including the Beginning Balance) of \$45,422 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.

2010 - CASH FLOW METHOD CATEGORY FUNDING - TABLE CF-1							
CATEGORY	NORMAL ECONOMIC LIFE	REMAINING ECONOMIC LIFE	ESTIMATED REPLACEMENT COST	2010 BEGINNING BALANCE	2010 RESERVE FUNDING	2010 PROJECTED REPLACEMENTS	2010 END OF YEAR BALANCE
SITE COMPONENT	6 to 60 years	3 to 57 years	\$69,270	\$34,545	\$10,212		\$44,757
SITE COMPONENT (cont.)	10 to 40 years	2 to 24 years	\$167,210	\$665			\$665

2011 - CASH FLOW METHOD CATEGORY FUNDING REPORT

Each of the 31 Projected Replacements included in the Huntington Commons HOA Replacement Reserve Inventory has been assigned to one of the 2 categories listed in TABLE CF-2 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 \$45,422 on January 1, 2011.
- Total reserve funding (including the Beginning Balance) of \$55,633 in 2010 through 2011.
- 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.

2011 - CASH FLOW METHOD CATEGORY FUNDING - TABLE CF-2

CATEGORY	NORMAL ECONOMIC LIFE	REMAINING ECONOMIC LIFE	ESTIMATED REPLACEMENT COST	2011 BEGINNING BALANCE	2011 RESERVE FUNDING	2011 PROJECTED REPLACEMENTS	2011 END OF YEAR BALANCE
SITE COMPONENT	6 to 60 years	2 to 56 years	\$69,270	\$44,757	\$8,771		\$53,527
SITE COMPONENT (cont.)	10 to 40 years	1 to 23 years	\$167,210	\$665	\$1,441		\$2,106

2012 - CASH FLOW METHOD CATEGORY FUNDING REPORT

Each of the 31 Projected Replacements included in the Huntington Commons HOA Replacement Reserve Inventory has been assigned to one of the 2 categories listed in TABLE CF-3 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 \$55,633 on January 1, 2012.
- Total Replacement Reserve funding (including the Beginning Balance) of \$65,845 in 2010 to 2012.
- 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 2012 being accomplished in 2012 at a cost of \$665.

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.

2012 - CASH FLOW METHOD CATEGORY FUNDING - TABLE CF-3

CATEGORY	NORMAL ECONOMIC LIFE	REMAINING ECONOMIC LIFE	ESTIMATED REPLACEMENT COST	2012 BEGINNING BALANCE	2012 RESERVE FUNDING	2012 PROJECTED REPLACEMENTS	2012 END OF YEAR BALANCE
SITE COMPONENT	6 to 60 years	1 to 55 years	\$69,270	\$53,527	\$1,648		\$55,175
SITE COMPONENT (cont.)	10 to 40 years	0 to 22 years	\$167,210	\$2,106	\$8,564	(\$665)	\$10,005

CASH FLOW METHOD - THREE-YEAR REPLACEMENT FUNDING REPORT

TABLE 4 below details the allocation of the \$35,210 Beginning Balance, as reported by the Association and the \$30,635 of Replacement Reserve Funding calculated by the Cash Flow Method in 2010 to 2012, to the 31 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 CF-1. The accuracy of the allocations is dependent upon many factors including the following critical financial data:

- Replacement Reserves on Deposit totaling \$35,210 on January 1, 2010.
- Replacement Reserves on Deposit totaling \$45,422 on January 1, 2011.
- Replacement Reserves on Deposit totaling \$55,633 on January 1, 2012.
- Total Replacement Reserve funding (including the Beginning Balance) of \$65,845 in 2010 to 2012.
- 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 2010 to 2012 being accomplished as scheduled in the Replacement Reserve Inventory at a cost of \$665.

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

Item #	Description of Projected Replacement	Estimated Replacement Costs	Allocation of Beginning Balance	2010 Reserve Funding	2010 Projected Replacements	2010 End of Year Balance	2011 Reserve Funding	2011 Projected Replacements	2011 End of Year Balance	2012 Reserve Funding	2012 Projected Replacements	2012 End of Year Balance
SITE COMPONENT												
1	Asphalt pavement, mill & overlay	39,100	32,496	6,604		39,100			39,100			39,100
2	Asphalt pavement, seal coat	5,520		3,192		3,192	6,306		9,497	1,543		11,040
3	Concrete sidewalk (3%)	935	777	158		935			935			935
4	Concrete sidewalk (3%)	935					935		935			935
5	Concrete sidewalk (3%)	935								40		40
6	Concrete sidewalk (3%)	935										
7	Concrete sidewalk (3%)	935										
8	Concrete sidewalk (3%)	935										
9	Concrete sidewalk (3%)	935										
10	Concrete sidewalk (3%)	935										
11	Concrete sidewalk (3%)	935										
12	Concrete sidewalk (3%)	935										
13	Concrete curb & gutter (3%)	1,530	1,272	258		1,530			1,530			1,530
14	Concrete curb & gutter (3%)	1,530					1,530		1,530			1,530
15	Concrete curb & gutter (3%)	1,530								65		65
16	Concrete curb & gutter (3%)	1,530										
17	Concrete curb & gutter (3%)	1,530										
18	Concrete curb & gutter (3%)	1,530										
19	Concrete curb & gutter (3%)	1,530										
20	Concrete curb & gutter (3%)	1,530										
21	Concrete curb & gutter (3%)	1,530										
22	Concrete curb & gutter (3%)	1,530										
SITE COMPONENT (cont.)												
23	Concrete retaining wall (50%)	88,725										
24	Chain link fence 3.5'	6,300								6,300		6,300
25	Concrete block wall -12" (50%)	47,000										
26	Brick columns (50%)	21,000										
27	Repoint wall (10%)	665	665			665			665	665	(665)	665
28	Wood edge material	1,040								1,040		1,040
29	Mailbox	480										
30	Site light	1,000					721		721	279		1,000
31	Electric meter and breaker box	1,000					721		721	279		1,000

COMPONENT METHOD ACCOUNTING SUMMARY

This Huntington Commons HOA - Component Method Accounting Summary is an attachment to the Huntington Commons HOA - Replacement Reserve Study dated Revised August 19, 2011 and is for use by accounting and reserve professionals experienced in Association funding and accounting principals. This Summary consists of four reports, the 2010, 2011, and 2012 Cash Flow Method Category Funding Reports (3) and a Three-Year Replacement Funding Report.

- **COMPONENT METHOD CATEGORY FUNDING REPORT, 2010, 2011, and 2012.** Each of the 31 Projected Replacements listed in the Huntington Commons HOA 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 \$35,210 Beginning Balance (at the start of the Study Year) and the \$48,907 of additional Replacement Reserve funding in 2010 through 2012 (as calculated in the Replacement Reserve Analysis) to each of the 31 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 2010 through 2012.
 - Allocation of the \$35,210 Beginning Balance to the Projected Replacements by the Component Method.
 - Allocation of the \$48,907 of additional Replacement Reserve Funding recommended in the Replacement Reserve Analysis in years 2010 through 2012, by the Component Method.

2010 - COMPONENT METHOD CATEGORY FUNDING REPORT

Each of the 31 Projected Replacements included in the Huntington Commons HOA Replacement Reserve Inventory has been assigned to one of the 2 categories listed in TABLE CM-1 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 \$35,210 as of the first day of the Study Year, January 1, 2010.
- Total reserve funding (including the Beginning Balance) of \$51,512 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.

2010 - COMPONENT METHOD CATEGORY FUNDING - TABLE CM-1

CATEGORY	NORMAL ECONOMIC LIFE	REMAINING ECONOMIC LIFE	ESTIMATED REPLACEMENT COST	2010 BEGINNING BALANCE	2010 RESERVE FUNDING	2010 PROJECTED REPLACEMENTS	2010 END OF YEAR BALANCE
SITE COMPONENT	6 to 60 years	3 to 57 years	\$69,270	\$13,368	\$9,631		\$23,000
SITE COMPONENT (cont.)	10 to 40 years	2 to 24 years	\$167,210	\$21,842	\$6,671		\$28,512

2011 - COMPONENT METHOD CATEGORY FUNDING REPORT

Each of the 31 Projected Replacements included in the Huntington Commons HOA Replacement Reserve Inventory has been assigned to one of the 2 categories listed in TABLE CM-2 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 \$51,512 on January 1, 2011.
- Total reserve funding (including the Beginning Balance) of \$67,814 in 2010 through 2011.
- 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.

CATEGORY	NORMAL ECONOMIC LIFE	REMAINING ECONOMIC LIFE	ESTIMATED REPLACEMENT COST	2011 BEGINNING BALANCE	2011 RESERVE FUNDING	2011 PROJECTED REPLACEMENTS	2011 END OF YEAR BALANCE
SITE COMPONENT	6 to 60 years	2 to 56 years	\$69,270	\$23,000	\$9,631		\$32,631
SITE COMPONENT (cont.)	10 to 40 years	1 to 23 years	\$167,210	\$28,512	\$6,671		\$35,183

2012 - COMPONENT METHOD CATEGORY FUNDING REPORT

Each of the 31 Projected Replacements included in the Huntington Commons HOA Replacement Reserve Inventory has been assigned to one of the 2 categories listed in TABLE CM-3 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 \$67,814 on January 1, 2012.
- Total Replacement Reserve funding (including the Beginning Balance) of \$84,117 in 2010 to 2012.
- 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 2012 being accomplished in 2012 at a cost of \$665.

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.

2012 - COMPONENT METHOD CATEGORY FUNDING - TABLE CM-3

CATEGORY	NORMAL ECONOMIC LIFE	REMAINING ECONOMIC LIFE	ESTIMATED REPLACEMENT COST	2012 BEGINNING BALANCE	2012 RESERVE FUNDING	2012 PROJECTED REPLACEMENTS	2012 END OF YEAR BALANCE
SITE COMPONENT	6 to 60 years	1 to 55 years	\$69,270	\$32,631	\$9,631		\$42,263
SITE COMPONENT (cont.)	10 to 40 years	0 to 22 years	\$167,210	\$35,183	\$6,671	\$665	\$41,189

COMPONENT METHOD - THREE-YEAR REPLACEMENT FUNDING REPORT

TABLE CM-4 below details the allocation of the \$35,210 Beginning Balance, as reported by the Association and the \$48,907 of Replacement Reserve Funding calculated by the Cash Flow Method in 2010 to 2012, to the 31 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 CF-1. The accuracy of the allocations is dependent upon many factors including the following critical financial data:

- Replacement Reserves on Deposit totaling \$35,210 on January 1, 2010.
- Replacement Reserves on Deposit totaling \$51,512 on January 1, 2011.
- Replacement Reserves on Deposit totaling \$67,814 on January 1, 2012.
- Total Replacement Reserve funding (including the Beginning Balance) of \$84,117 in 2010 to 2012.
- 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 2010 to 2012 being accomplished as scheduled in the Replacement Reserve Inventory at a cost of \$665.

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 CM-4

Item #	Description of Projected Replacement	Estimated Replacement Costs	Allocation of Beginning Balance	2010 Reserve Funding	2010 Projected Replacements	2010 End of Year Balance	2011 Reserve Funding	2011 Projected Replacements	2011 End of Year Balance	2012 Reserve Funding	2012 Projected Replacements	2012 End of Year Balance
SITE COMPONENT												
1	Asphalt pavement, mill & overlay	39,100	9,401	7,425		16,826	7,425		24,250	7,425		31,675
2	Asphalt pavement, seal coat	5,520	284	1,047		1,332	1,047		2,379	1,047		3,426
3	Concrete sidewalk (3%)	935	270	166		436	166		602	166		769
4	Concrete sidewalk (3%)	935	241	69		310	69		380	69		449
5	Concrete sidewalk (3%)	935	212	45		257	45		302	45		348
6	Concrete sidewalk (3%)	935	183	34		217	34		251	34		286
7	Concrete sidewalk (3%)	935	154	28		182	28		210	28		238
8	Concrete sidewalk (3%)	935	125	24		149	24		173	24		197
9	Concrete sidewalk (3%)	935	96	21		117	21		138	21		159
10	Concrete sidewalk (3%)	935	67	19		86	19		105	19		124
11	Concrete sidewalk (3%)	935	39	17		56	17		73	17		90
12	Concrete sidewalk (3%)	935	10	16		26	16		42	16		57
13	Concrete curb & gutter (3%)	1,530	441	272		714	272		986	272		1,258
14	Concrete curb & gutter (3%)	1,530	394	114		508	114		621	114		735
15	Concrete curb & gutter (3%)	1,530	347	74		421	74		495	74		569
16	Concrete curb & gutter (3%)	1,530	300	56		355	56		411	56		467
17	Concrete curb & gutter (3%)	1,530	252	46		298	46		344	46		389
18	Concrete curb & gutter (3%)	1,530	205	39		244	39		283	39		322
19	Concrete curb & gutter (3%)	1,530	158	34		192	34		226	34		261
20	Concrete curb & gutter (3%)	1,530	110	31		141	31		172	31		203
21	Concrete curb & gutter (3%)	1,530	63	28		91	28		119	28		148
22	Concrete curb & gutter (3%)	1,530	16	26		42	26		68	26		94
SITE COMPONENT (cont.)												
23	Concrete retaining wall (50%)	88,725	10,285	3,138		13,423	3,138		16,560	3,138		19,698
24	Chain link fence 3.5'	6,300	974	355		1,329	355		1,684	355		2,039
25	Concrete block wall -12" (50%)	47,000	6,901	1,909		8,811	1,909		10,720	1,909		12,630
26	Brick columns (50%)	21,000	3,084	853		3,937	853		4,790	853		5,643
27	Repoint wall (10%)	665	144	174		318	174		491	174	(665)	
28	Wood edge material	1,040	21	73		94	73		167	73		240
29	Mailbox	480	64	21		84	21		105	21		126
30	Site light	1,000	196	73		269	73		342	73		415
31	Electric meter and breaker box	1,000	173	75		248	75		323	75		399

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 home owner 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, street lights, 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 U.S. Census, there were 130,000 Community Associations in 1990. 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, 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 two generally accepted accounting methods; the Cash Flow Method and the Component Method. Section A Replacement Reserve Analysis includes graphic and tabular presentations of these methods and current Association funding.
- **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.
- **Section E Attachments.** 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).

Appendix

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:

- **Component Method.** This method is a time tested mathematical model developed by HUD in the early 1980s. It 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.

- **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. This method usually results in a calculated requirement for annual contribution somewhat less than that arrived at by the Component Method of analysis.

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 which is less than that arrived at by the Component Method.

- **Adjusted Cash Flow Analysis.** This program has the ability to modify the Cash Flow Method to take into account forecasted inflation and interest rates, thereby producing an Adjusted Cash Flow Analysis. Attempting to forecast future inflation and interest rates and the impact of changing technology is highly tenuous. Therefore, in most cases it is preferable to make a new schedule periodically rather than attempt to project far into the future. We will provide more information on this type of analysis upon request.

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 number 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

6. LIST OF RECOMMENDED REPAIRS - PROCEDURES

A List of Recommended Repairs is offered as a supplemental report to the Replacement Reserve Study (at an additional fee) to assist the Association in understanding the financial implications of all items owned by the Association, not just the items included for funding by Replacement Reserves listed in the Replacement Reserve Inventory. The following information relates to the List of Recommended Repairs:

- **Repair costs.** Cost range estimates given in the repair list assume that all work by a given trade will be done together as a single project. If repairs are done piece-meal, the costs would be significantly higher. The costs of any repairs to be funded out of the Reserve Fund should be subtracted from the Reserves Currently on Deposit figure. The Board or Property Manager should coordinate this decision with the Reserve Analyst as part of the revision process.
- **Completion of repairs.** The Replacement Reserve Analysis assumes that all repairs cited in the Repair List will be completed within a twelve-month period of time. Estimated Life Left in the Replacement Reserve Study has been factored under this assumption. Any deletions or delays of the projects included in the List of Recommended Repairs may result in major inaccuracies in the Replacement Reserve Analysis.
- **Safety issues.** If safety issues have been cited, they should be given the highest priority and should be done immediately upon receipt of this report. The Board must recognize that from a liability standpoint, they have been made aware of the existence of these unsafe conditions, if any, once the report is delivered for their review.
- **Unit costs.** Nationally published standards and standard estimating manuals have been used in the development of this report. Contractor proposals or actual cost experience may be available as part of the Association records. We will adjust our figures to conform to your experience if the material or information is disclosed to us and/or made available for our use.

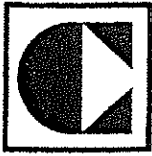
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

**HUNTINGTON COMMONS
HOMEOWNERS ASSOCIATION**

December 31, 2014 and 2013

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DOUGLAS COREY & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Huntington Commons Homeowners Association

We have audited the accompanying financial statements of Huntington Commons Homeowners Association, which comprise the balance sheets as of December 31, 2014 and 2013 and the related statements of revenues and expenses, changes in association equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Huntington Commons Homeowners Association as of December 31, 2014 and 2013 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that supplementary information on future repairs and replacements on page 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

July 21, 2015

Daughm Corey, & Associates, P.C.

Huntington Commons Home Owners Association
Balance Sheets
December 31, 2014 and 2013
(See Independent Auditor's Report and notes to financial statements)

	2014	2013
Assets		
Current Assets		
Cash - operating	\$ 39,293	\$ 38,358
Assessments receivable	3,540	2,832
Prepaid expenses	<u>208</u>	<u>204</u>
Total Current Assets	43,041	41,394
Investment - Certificate of Deposit	<u>10,208</u>	<u>10,146</u>
	\$ <u><u>53,249</u></u>	\$ <u><u>51,540</u></u>
Liabilities and Association Equity		
Current Liabilities		
Accounts payable	\$ 535	\$ 1,099
Prepaid assessments	<u>4,099</u>	<u>5,555</u>
	4,634	6,654
Association Equity		
Replacements reserve	47,587	42,137
Association equity	<u>1,028</u>	<u>2,749</u>
Total Association Equity	<u>48,615</u>	<u>44,886</u>
	\$ <u><u>53,249</u></u>	\$ <u><u>51,540</u></u>

Huntington Commons Homeowners Association
Statements of Revenues and Expenses
For the years ended December 31, 2014 and 2013
(See Independent Auditor's Report and notes to financial statements)

	2014	2013
Revenues		
Assessments - homeowners	\$ 31,824	\$ 31,008
Interest	63	73
Appropriations to replacement reserves	<u>(5,450)</u>	<u>(5,436)</u>
	26,437	25,645
Expenses		
Repairs and maintenance		
Grounds maintenance	8,250	7,176
Snow removal	3,035	680
General maintenance and utilities	<u>139</u>	<u>2,015</u>
	11,424	9,871
Administrative and general		
Management fees	7,892	7,655
Professional fees	6,387	2,950
Other administrative charges	1,465	1,426
Insurance	<u>990</u>	<u>994</u>
	<u>16,734</u>	<u>13,025</u>
	<u>28,158</u>	<u>22,896</u>
Excess of revenues over expenses	<u>\$ (1,721)</u>	<u>\$ 2,749</u>

Huntington Commons Homeowners Association
Statements of Changes in Association Equity
For the years ended December 31, 2014 and 2013
(See Independent Auditor's Report and notes to financial statements)

	<u>Association Equity</u>	<u>Replacements Reserves</u>	<u>Total</u>
Balance, January 1, 2013	\$ (11,924)	\$ 48,625	\$ 36,701
Excess of revenues over expenses	2,749	-	2,749
Transfer to association equity	11,924	(11,924)	-
Appropriations to reserves	<u>-</u>	<u>5,436</u>	<u>5,436</u>
Balance, December 31, 2013	2,749	42,137	44,886
Excess of expenses over revenues	(1,721)	-	(1,721)
Appropriations to reserves	<u>-</u>	<u>5,450</u>	<u>5,450</u>
Balance, December 31, 2014	<u>\$ 1,028</u>	<u>\$ 47,587</u>	<u>\$ 48,615</u>

Huntington Commons Homeowners Association
Statements of Cash Flows
For the years ended December 31, 2014 and 2013
(See Independent Auditor's Report and notes to financial statements)

	2014	2013
Cash flows from operating activities:		
Excess of revenues over expenses	\$ (1,721)	\$ 2,749
Adjustments to reconcile excess of revenues over expenses to net cash provided (used) by operating activities:		
(Increase) decrease in assessments receivable	(708)	(1,062)
(Increase) decrease in prepaid expenses	(4)	113
Increase (decrease) in accounts payable	(564)	911
Increase (decrease) in prepaid assessments	<u>(1,456)</u>	<u>1,691</u>
Net cash provided (used) by operating activities	(4,453)	4,402
Cash flows from investment activities		
(Increase) decrease in certificate of deposit	(62)	(73)
Cash flows from financing activities		
Appropriations to replacement reserves	<u>5,450</u>	<u>5,436</u>
Net (decrease) increase in cash and cash equivalents	935	9,765
Cash and cash equivalents, beginning of year	<u>38,358</u>	<u>28,593</u>
Cash and cash equivalents, end of year	<u>\$ 39,293</u>	<u>\$ 38,358</u>
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Income taxes	\$ <u>-</u>	\$ <u>-</u>
Interest expense	\$ <u>-</u>	\$ <u>-</u>

Huntington Commons Homeowners Association
Notes to Financial Statements
December 31, 2014 and 2013
(See Independent Auditors Report)

Note A - Summary of Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Method of Accounting

The Association maintains its books and prepares its financial statements on the accrual basis of accounting.

2. Nature of Association

Huntington Commons Homeowners Association was incorporated on October 12, 1994, for the purposes of operating and maintaining the common property of Huntington Commons, a residential community located in Alexandria, Virginia. The Association consists of 34 residential townhouses.

3. Assessments Receivable

Homeowners are subject to quarterly assessments on each unit to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Any excess assessments at year end are retained by the Association for use in future years. An allowance for doubtful receivables is provided equal to the estimated losses that may be incurred in the collection of all such receivables. At December 31, 2014 and 2013, management has estimated all assessments receivable to be collectible and, accordingly, no provision for doubtful receivables has been recorded.

4. Income Taxes

Homeowners associations may be taxed either as regular corporations or as homeowners associations. For the year ended December 31, 2014 and 2013, the Association elected to be taxed as a homeowners association. Under that election, the Association is taxed on its non-exempt function income, which includes interest earnings and revenue received from nonmembers, at a flat rate of 30%. Exempt function income, which consists primarily of member assessments, is not taxable.

The Association evaluated its tax positions and determined it has no uncertain tax positions as of December 31, 2014 and 2013. The association's 2011 through 2014 tax years are open for examination by federal and state taxing authorities.

Huntington Commons Homeowners Association
Notes to Financial Statements
December 31, 2014 and 2013
(See Independent Auditors Report)

Note A - Summary of Accounting Policies, continued

5. Investment

The Association's investment consists of a certificate of deposit with a maturity date in excess of three months and is considered an available-for-sale security. The certificate is recognized at fair value on the balance sheet, which approximates cost as of December 31, 2014 and 2013.

6. Property

Real property and common areas acquired from the developer and related improvements to such property are not recorded in the Association's financial statements.

7. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note B – Date of Management's Review

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through July 21, 2015, the date that the financial statements were available to be issued.

Huntington Commons Homeowners Association
Notes to Financial Statements
December 31, 2014 and 2013
(See Independent Auditors Report)

Note C – Investments

The cost and fair value as of December 31, 2014 and 2013 are as follows:

	Cost	Fair Value	Unrealized Gains (Losses)
December 31, 2014			
Certificate of deposit	<u>\$ 10,208</u>	<u>\$ 10,208</u>	-
December 31, 2013			
Certificate of deposit	<u>\$ 10,146</u>	<u>\$ 10,146</u>	-

The certificate of deposit has maturity date two months after year end, but will automatically renew each year until it is cashed.

Note D – Fair Value Measurements

FASB ASC 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

Huntington Commons Homeowners Association
Notes to Financial Statements
December 31, 2014 and 2013
(See Independent Auditors Report)

Note D – Fair Value Measurements, continued

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at December 31, 2014 and 2013 are as follows:

<u>Description</u>	<u>Fair Value</u>	<u>Significant Observable Inputs (Level 1)</u>
2014		
Certificate of Deposit	\$10,208	\$10,208
2013		
Certificate of Deposit	\$10,146	\$10,146

The carrying amounts reflected in the balance sheet for cash, accounts receivable, prepaid expenses, accounts payable and prepaid assessments approximates fair value due to the short maturities of those instruments.

Note E - Future Major Repairs and Replacements

The Association's governing documents require funds to be accumulated for future major repairs and replacements. Accumulated funds are generally not available for operating purposes. It is the Association's policy to allocate interest earned on such funds to the operating fund.

An independent engineer conducted a study in 2010 to estimate the remaining useful lives and the replacement costs of the common property components. The Association is funding for such major repairs and replacements over the estimated useful lives of the components based on the study's estimates of current replacement costs. Actual expenditures, however, may vary from the estimated amounts and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet future needs. If additional funds are needed, however, the Association has the right, subject to member approval, to increase regular assessments or levy special assessments, or it may delay major repairs and replacements until funds are available.

Note F - Related Party Transactions

The Association has received maintenance and snow removal services from a company that shares an owner with their management company. Amounts paid to the related company for services totaled \$0 and \$230 for the years ended December 31, 2014 and 2013, respectively.

SUPPLEMENTARY INFORMATION

Huntington Commons Homeowners Association
Notes to Financial Statements
December 31, 2014 and 2013
(See Independent Auditors Report)

The Association's board of directors hired an independent engineering firm to conduct a study to estimate the remaining useful lives and the replacement costs of the common property components. The study was completed in 2010. Replacement costs were based on the estimated costs to repair or replace the common property components at the date of the study. The Association has not designated the replacement reserve balance into specific categories as detailed below and utilizes the cash flow method of allocating replacement reserves.

The following information is based on the study and presents significant information about the components of common property.

<u>Component</u>	<u>Estimated Useful Life</u>	<u>Future Replacement Cost</u>	<u>Replacements Reserves December 31, 2014</u>	<u>Replacements Reserves December 31, 2013</u>
Asphalt Pavement	1-2 years	\$ 43,700		
Concrete Surfaces	1-54 years	24,650		
Concrete Walls	1-21 years	136,390		
Brick Columns	17 years	21,000		
Stormwater Mgt.	12 years	7,000		
Light and Meter	7 years	2,000		
Fencing and Paths	10-34 years	12,940		
Mailbox	16 years	<u>4,560</u>		
		<u>\$ 252,240</u>	<u>\$47,587</u>	<u>\$ 42,137</u>

Notes of Huntington Commons
Board of Directors Meeting
April 30,2013

In Attendance:

Suzanne Smith, President
Nancy Van Gulick, Vice President
Dana Partos, Treasurer
Kathy Doyle, Representative from Jeffrey Charles

Agenda

Call to order
Open forum
Approval of the previous meeting minutes
Presidents Report:
Secretary's Report
Treasurer's Report
Management Report
New software is being tested for delinquent letters with picture of the violation

Call to order

Suzanne Smith called the meeting to order at 7:45 p.m.

Secretary's Report: None available and no minutes were available from the previous meeting.

Treasurers Report:

\$1300 ahead for March and \$3,000 ahead for the year. Inexpensive snow season with only \$230 spent for salt this year so far. This puts us in a good place going into the 2013 winter season.

President's Report

The members discussed in an open forum the issue of yard maintenance in the front lawns. This has become a serious issue such that management is considering including front yard landscaping in our lawn maintenance contract....of importance is weeding and perhaps mulching the front yards. Residents could opt out if they don't want it.

Also, current contractors are not mowing inside of the fence. Management will call the account manager to let him know they need to mow inside of the fence.

Management Report:

Action:

We discussed the neighbors building a path to their house on our property next to 5940. We suggested sending a letter to them to insist they remove the walkway on our property and inform them that they are trespassing. Management will discuss with our attorney such issues as liability and preparing a letter.

Action:

Management will get a quote to remove dead trees around the circle and on property adjacent to the Fairhaven property.

Action:

Management will order replacement/repair of the fence around the drain - \$1400. And will also get a quote for building a higher fence above the retaining wall to ward off vandalism which has become a real problem..

Finances:

We are doing well with only two collections at issue. It was motioned and approved that we send one resident a letter from the attorney and we agreed to write off the \$1200 as a bad debt.

Legal:

Action

Management suggested and the board approved in a vote to remove Mercer Trigliani (sp?) as our attorneys and contract with another firm recommended by Kathy Doyle. She will get a proposal from another smaller firm who does community association law.

Annual Meeting:

Kathy will looking into the Kingstown Library for our annual meeting sometime the end of June or early July.

Meeting was adjourned at 9:00 p.m. by Suzanne Smith

HUNTINGTON COMMONS

2016 Approved Budget

	2015 Budget	2016 Approved Budget
INCOME		
Assessment Income	\$33,415.20	\$ 33,415.20
Late Fee Income	\$25.00	\$ 25.00
Interest Income	\$65.00	\$ 65.00
Total Income	\$33,505.20	\$ 33,505.20
EXPENSES		
General & Administrative (G&A)		
Management Services	\$8,208.00	\$ 8,448.00
Legal Services	\$1,300.00	\$ 1,050.00
Audit Services	\$1,800.00	\$ 1,850.00
Administrative Fees	\$500.00	\$ 500.00
Permits and Licenses	\$50.00	\$ 50.00
Insurance	\$994.00	\$ 1,200.00
Postage	\$150.00	\$ 150.00
Printing	\$500.00	\$ 500.00
Electricity	\$150.00	\$ 150.00
G&A total	\$13,652.00	\$ 13,898.00
Land & Buildings		
Grounds Contract	\$8,508.00	\$ 8,772.00
Landscaping	\$1,300.00	\$ 1,250.00
Snow Plowing	\$3,395.20	\$ 3,000.00
Land & Buildings	\$13,203.20	\$ 13,022.00
Repairs and Maintenance		
Building Repairs	\$700.00	\$ 700.00
Concrete/Sidewalk	\$500.00	\$ 400.00
Misc Expenses	\$1,200.00	\$ 1,100.00
Reserves		
Reserve Contributions	\$5,000.00	\$ 5,000.00
Operating Reserves	\$450.00	\$ 450.00
Reserves	\$5,450.00	\$ 5,450.00
Total Expenses	\$33,505.20	\$ 33,470.00
Net Income	\$0.00	\$ 35.20

Huntington Commons HOA
Balance Sheet
As of 12/31/15

ASSETS

John Marshall Bank Checking	\$	49,714.96	
JMB CD #103408		10,269.49	
Assessments Receivable		1,477.81	
Prepaid Insurance		214.00	
Prepaid Other		4.81	
		<hr/>	
TOTAL ASSETS		\$	61,681.07
=====			

LIABILITIES & EQUITY

CURRENT LIABILITIES:

Accounts Payable	\$	361.37	
Accrued Liabilities		47.58	
Prepaid Owner Assessments		5,474.17	
		<hr/>	
Subtotal Current Liab.		\$	5,883.12

RESERVES:

Replacement Reserves	\$	51,310.94	
Operating Reserves		1,726.00	
		<hr/>	
Subtotal Reserves		\$	53,036.94

EQUITY:

Prior Years Net Income/(Loss)	\$	1,027.79	
Current Year Net Income/(Loss)		1,733.22	
		<hr/>	
Subtotal Equity		\$	2,761.01

		<hr/>	
TOTAL LIABILITIES & EQUITY		\$	61,681.07
=====			

Huntington Commons HOA
Income/Expense Statement
Period: 12/01/15 to 12/31/15

Description	Actual	Current Period Budget	Variance	Actual	Year-To-Date Budget	Variance	Yearly Budget
INCOME:							
06310 Assessment Income	2,784.60	2,784.60	.00	33,017.40	33,415.20	(397.80)	33,415.20
06340 Late Fee Income	.00	2.12	(2.12)	.00	25.00	(25.00)	25.00
06350 Legal Fee Recovery	.00	.00	.00	56.00	.00	56.00	.00
06910 Interest Income	5.23	5.49	(.26)	61.42	65.00	(3.58)	65.00
Subtotal Income	2,789.83	2,792.21	(2.38)	33,134.82	33,505.20	(370.38)	33,505.20
EXPENSES							
PROFESSIONAL FEES:							
07010 Management Services	684.00	684.00	.00	8,183.00	8,208.00	25.00	8,208.00
07020 Legal Services	103.75	108.37	4.62	1,372.54	1,300.00	(72.54)	1,300.00
07030 Audit Services	.00	150.00	150.00	1,800.00	1,800.00	.00	1,800.00
PROFESSIONAL FEES:	787.75	942.37	154.62	11,355.54	11,308.00	(47.54)	11,308.00
ADMINISTRATIVE:							
07310 Administrative Fees	115.90	41.74	(74.16)	615.90	500.00	(115.90)	500.00
07320 Membership & Subscriptions	25.00	.00	(25.00)	25.00	.00	(25.00)	.00
07330 Bank Charges	25.00	.00	(25.00)	300.00	.00	(300.00)	.00
ADMINISTRATIVE:	165.90	41.74	(124.16)	940.90	500.00	(440.90)	500.00
INSURANCE & TAXES:							
07510 VA Corp License	.00	4.24	4.24	25.91	50.00	24.09	50.00
07520 Insurance	85.00	82.87	(2.13)	1,015.75	994.00	(21.75)	994.00
07530 Postage	30.99	12.50	(18.49)	252.70	150.00	(102.70)	150.00
07540 Printing	119.75	41.74	(78.01)	916.35	500.00	(416.35)	500.00
INSURANCE & TAXES:	235.74	141.35	(94.39)	2,210.71	1,694.00	(516.71)	1,694.00
UTILITIES:							
08110 Electricity	20.43	12.50	(7.93)	159.25	150.00	(9.25)	150.00
UTILITIES:	20.43	12.50	(7.93)	159.25	150.00	(9.25)	150.00

Huntington Commons HOA
Income/Expense Statement
Period: 12/01/15 to 12/31/15

Description		Current Period		Year-To-Date		Yearly
	Actual	Budget	Variance	Actual	Budget	Budget
CONTRACT SERVICES:						
08210	709.00	709.00	.00	8,508.00	8,508.00	8,508.00
08220	.00	282.99	282.99	1,282.20	3,395.00	3,395.00
08230	.00	108.37	108.37	1,495.00	1,300.00	1,300.00
CONTRACT SERVICES:		709.00	1,100.36	391.36	11,285.20	13,203.00
REPAIRS & MAINTENANCE:						
08510	.00	58.37	58.37	.00	700.00	700.00
08530	.00	41.74	41.74	.00	500.00	500.00
REPAIRS & MAINTENANCE:		.00	100.11	100.11	1,200.00	1,200.00
RESERVES:						
09910	416.74	416.74	.00	5,000.00	5,000.00	5,000.00
09920	37.50	37.50	.00	450.00	450.00	450.00
RESERVES:		454.24	454.24	.00	5,450.00	5,450.00
TOTAL EXPENSES		2,373.06	2,792.67	419.61	31,401.60	33,505.00
CURRENT YEAR NET INCOME/(LOSS)		416.77	(.46)	417.23	1,733.22	1,733.02



HUNTCOM

OP ID: AL

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

03/16/2015

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 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 Griffin-Owens & Associates Inc 847 Station St Herndon, VA 20170 Ronald Unger		CONTACT NAME: Ron Unger PHONE (A/C, No, Ext): 703-241-7847 E-MAIL ADDRESS: ronald@grifinowens.com FAX (A/C, No):		
INSURED Huntington Commons Hoa c/o Jeffrey Charles & Assoc. 6422 Grovedale Dr Ste 201c Alexandria, VA 22310-2534		INSURER(S) AFFORDING COVERAGE		NAIC #
		INSURER A : Nationwide Mutual Insurance Co		23787
		INSURER B :		
		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	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE \$ 2,000,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR			ACP2473157938	03/17/2015	03/17/2016	DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000
A	<input checked="" type="checkbox"/> Employee dishones			ACP2473157938	03/17/2015	03/17/2016	MED EXP (Any one person) \$ 5,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						PERSONAL & ADV INJURY \$ 2,000,000
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						GENERAL AGGREGATE \$ 4,000,000
	OTHER:						PRODUCTS - COMP/OP AGG \$ 4,000,000
							Emp. Dish \$ 25,000
A	AUTOMOBILE LIABILITY			ACP2473157938	03/17/2015	03/17/2016	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS						BODILY INJURY (Per accident) \$
	<input checked="" type="checkbox"/> HIRED AUTOS						PROPERTY DAMAGE (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS						
	<input checked="" type="checkbox"/> NON-OWNED AUTOS						
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR			ACP2473157938	03/17/2015	03/17/2016	EACH OCCURRENCE \$ 1,000,000
	<input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE						AGGREGATE \$ 1,000,000
	DED RETENTION \$						
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						PER STATUTE OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y/N					E.L. EACH ACCIDENT \$
	If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				E.L. DISEASE - EA EMPLOYEE \$
							E.L. DISEASE - POLICY LIMIT \$
A	Directrs & Officrs			ACP2473157938	03/17/2015	03/17/2016	2,000,000
A	HOA Property			ACP2473157938	03/17/2015	03/17/2016	BPP 1,900

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

Deductible: \$500 - 100% Replacement Cost on HOA Common Grounds ONLY

CERTIFICATE HOLDER

CANCELLATION

FOR INFORMATION ONLY	FOR INFO
	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 Ronald Unger	

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