

## ***2023 FAQ's...Why are the annual assessments increasing?***

**Why is this necessary?** The Planned Community Act of North Carolina requires the board to fulfill the responsibilities outlined in the POA documents to maintain common assets owned by the community.

- **How did you determine how much to go up?** By using the data and recommendations provided by a professional engineer reserve study specialist who performed the reserve study.
  - **Hasn't BSP board always saved money for repairs?** Yes, but it was always a subjective guesstimate of anticipated costs. A reserve study is an objective, professional, analytical set of guidelines.
1. **Why hasn't a reserve study been done before?** It is not a requirement in NC under the Planned Community Act. However, it is a requirement in Virginia and is considered best management practice. This board wanted a true point of reference on funds needed to allocate for reserves.
- **Are there other benefits to the reserve study besides determining future expenses?** Yes, particularly since BSP has a small and self-governed board. Now adopted, this document is a guideline for future BSP boards at determining what has happened in the past and how they need to plan and execute for the future, to assure our common area assets and subsequently your investment is protected. This will help protect property owners from any unexpected large assessment for future repairs.
  - **Why doesn't BSP turn the roads over to the state?** This has been investigated multiple times, as recently as 2022. A copy of the state findings is available for review on the BSP website. The state will not take over roads that are not up to current state standards, without proper title documentation and documented drainage engineering. It has been determined by previous boards and outside engineers that the estimated costs of bringing our roads up to state standards will be greater than the funds that BSP has in reserves. Our roads are low priority to the State based on the traffic volume.

- **How did the board pick the reserve study company?** The committee received five proposals. This engineering company had great credentials from many HOA's, including our neighbors across Hubquarter Creek. They were the lowest cost and could execute within a reasonable time.
  - **How often will there be an update on the reserve study plan?** This will be up to the board, but about every three to seven years based on inflation, repairs needed, or other unknown factors.
  - **Could my assessment go up more than what is proposed?** Yes, depending on inflation and other factors when it comes time to actually perform the repairs or maintenance. Likewise, assessments could remain stable or go down if the reserves are up and we are able to perform repairs at a lower cost or at a longer interval. Hiring a professional property management company could also affect this.
  - **I do not live here, nor have a home, or use the amenities and this seems like a lot of money, why do I have to pay?** It was part of the agreement when you bought your property and recorded on the deed by the original developer. It is the responsibility as a community and a board to protect the value of these common assets, so everyone's property values remain stable, and to avoid special assessments. Lot owners or homeowner alike, the boat ramp, roads and pavilions are open to all.
1. **Is there any provision to add additional amenities, such as children's play areas, pickleball court, or hiking trails?** No, the board cannot borrow money, acquire lots, or raise your assessment to add additional amenities without a majority of the property owners agreeing to do so.
- **If I have questions, suggestions, or comments about the reserve study, how do I get them to the board.** Please submit them in writing through the community website and they will be directed to the appropriate committee.