Abaris Real Estate Management, Inc.
1101 Wootton Parkway # 820, Rockville MD 20852
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PROPOSED 2027 BUDGET

TO: BROWNSTONES AT PARK POTOMAC HOA HOMEOWNERS

FROM: ANDREW MOORMAN, COMMUNITY MANAGER

DATE: NOVEMBER 13, 2026

Enclosed is the proposed 2027 budget for the Brownstones at Park Potomac HOA. The proposed budget reflects an increase of approximately 11% in the monthly HOA fee. This is the first fee increase in several years. The Board has elected to balance the budget using a combination of this fee increase and carry forward equity from prior years in the amount of **$48,263**, in lieu of a larger increase in the HOA fee. The same percentage increase is applied to both fee categories, rounded to the nearest dollar. The proposed monthly HOA fees for 2027 are as follows:

Market-rate homes:	$270 per month increasing to **$300 per month**
MPDU homes:	$180 per month increasing to **$200 per month**

The increase in the HOA fee was necessary for the following reasons:

1. The single largest driver of the proposed fee increase is the annual contribution to the Association's replacement reserve fund. Maryland law requires the Association to contribute to its replacement reserves each year in the amount recommended by its Reserve Study. The Association's updated independent Reserve Study conducted by Becht Engineering BT and dated October 20, 2026, projects a reserve balance of **$750,289** at the start of 2027. Using the 10% Threshold Funding Method, the Reserve Study recommends an annual contribution of **$99,475** for 2027. In accordance with Maryland law, enclosed is a chart that summarizes the 2026 Reserve Study. The full Reserve Study is available to any homeowner upon request and is also posted in the Abaris Vantaca portal.

2. The **$48,263** in carry forward equity used to balance the budget appears as "Prior Year Revenue C/F (UME)" and comes from the Association's unappropriated members' equity, the accumulated operating surplus from prior years. The Board considered relying on this equity alone to cover the reserve contributions for the next several years without any fee increase, but doing so would steadily deplete the Association's equity and ultimately require a much larger fee increase in a few years. The Board determined that a moderate increase now, combined with a measured use of prior years' equity, is the more responsible approach given continued inflation in operating costs and the unpredictability of expenses such as snow removal.

The Brownstones at Park Potomac HOA Board of Directors has a fiduciary responsibility to ensure that the Association has appropriate reserves, operating funds and the financial capability to react to emergency situations and comfortably afford future capital replacement projects. The Board will continue to review the Association's reserve requirements, operating results and equity balance each year as part of the annual budget process.

The proposed budget will be presented at the Board Meeting of the Brownstones at Park Potomac HOA on Tuesday, December 15, 2026 at 6:30 P.M. and officially adopted by the Board

AAMC
ACCREDITED ASSOCIATION MANAGEMENT COMPANY

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of Directors at that meeting, in order to meet the 30 day notice requirement for homeowners to review the budget per Maryland law.

Homeowners who wish to participate in the meeting may do so using the following link or call instructions:

https://abarisrealty.zoom.us/j/5311631097?pwd=K1ZxczFXUjZIdldWWjJUaGtFdUxOUT09

Dial In: 301-715-8592
Meeting ID: 531 163 1097

Please feel free to participate in the upcoming meeting or you may forward any comments or questions you have on the proposed budget to the offices of Abaris Real Estate Management by email to customercare@abarisrealty.com. Your comments will be taken into consideration by the Brownstones at Park Potomac HOA Board of Directors prior to the budget being officially adopted. The final, approved budget will be sent to all homeowners soon after the meeting. The 2027 budget will become effective on January 1, 2027.

On behalf of the Brownstones at Park Potomac HOA Board of Directors, I thank you for your attention to these important matters and look forward to your participation at the upcoming meeting.

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Brownstones at Park Potomac HOA

Proposed Operating Budget — 2027

Managed by Abaris Real Estate Management, Inc.

Audited 2023	Audited 2024	Unaudited 2025 (Prior Mgmt)	GL Account #	Account Description	Actual 6 Mo. 2026 (Prior Management)	Approved 2026 Budget	Proposed 2027 Budget	% Change
				REVENUE				
				INCOME				
$455,208	$455,208	$470,880	410800	HOA Fees	$235,440	$470,880	$523,200	11.1%
$715	$740		414000	Late/Interest Fees	$1,099			-
$1,199	$1,081	$2,929	415600	Newsletter Advertisement Fees	$330		$2,000	-
$1,530	$1,500	$550	415700	Party Room Fees	$450	$3,000	$1,000	(66.7%)
$458,651	**$458,528**	**$474,359**		**TOTAL INCOME**	**$237,319**	**$473,880**	**$526,200**	**11.0%**
				OTHER INCOME				
$46,118	$40,576	$17,239	430200	Interest Revenue	$7,416	$55,323	$43,700	(21.0%)
$25	$35	$105	439200	NSF Fees				-
		$26,454	439900	Prior Year Revenue C/F (UME)	-	$40,000	$48,263	20.7%
$46,143	**$40,611**	**$43,798**		**TOTAL OTHER INCOME**	**$7,416**	**$95,323**	**$91,963**	**(3.5%)**
$504,794	**$499,139**	**$518,158**		**TOTAL REVENUE**	**$244,735**	**$569,203**	**$618,163**	**8.6%**
				EXPENSES				
				ADMINISTRATIVE EXPENSES				
$70,000	$63,958	$49,632	500200	Management Fee	$26,441	$51,223	$52,500	2.5%
$8,000	$4,436	$6,774	500210	Additional Mgmt Fees	-	$31,200	$1,200	(96.2%)
$13,108	$14,603	$5,236	500400	Legal	$3,852	$13,000	$10,000	(23.1%)
$5,055	$5,315	$6,456	500600	Audit/Tax Returns	$300	$6,100	$6,600	8.2%
$11,110	$6,589		500700	Consultant/Engineering Study		$5,000	$3,000	(40.0%)
$2,596	$1,170	$601	501300	Postage	$45	$1,500	$1,500	-
$1,574	$1,912	$3,082	501400	Printing	$938	$2,000	$2,000	-
$1,789	$1,642		501600	Pool Telephone/Clubhouse Internet	-	$1,920	$1,920	-
$5,000			501900	Community Inspections	-	$5,000	$4,500	(10.0%)
$320	$320		502800	Dues,Subscriptions	$386	$500	$500	-
$210	$364	$489	503800	Bank Charges	$161	$350	$350	-
$2,750			504600	Secretarial Services				-
			505600	Electronic Voting Platform		-	$1,000	-
			505710	Technology		-	$420	-
863	$894	975	505950	Montgomery County Assmt	488	975	975	-

Brownstones at Park Potomac HOA

Proposed Operating Budget — 2027

Managed by Abaris Real Estate Management, Inc.

Audited 2023	Audited 2024	Unaudited 2025 (Prior Mgmt)	GL Account #	Account Description	Actual 6 Mo. 2026 (Prior Management)	Approved 2026 Budget	Proposed 2027 Budget	% Change
$3,800		$1,374	506200	Engineering Study				-
$1,767	$4,225	$8,005	507100	Community Activities	$2,086	$10,000	$10,000	-
$45,198	$46,770	$48,173	507200	Master Association Dues	$24,371	$48,000	$48,000	-
$2,658	$989	$1,800	508300	Website	$300	$2,000	$300	(85.0%)
$2,462	$2,736	$5,879	509800	Miscellaneous	$2,022	$2,700	$2,700	-
$178,260	**$155,922**	**$138,475**		**TOTAL ADMINISTRATIVE EXPENSES**	**$61,389**	**$181,468**	**$147,465**	**(18.7%)**
				UTILITIES				
$8,591	$9,379	$10,583	510200	Electricity	$3,963	$11,776	$11,500	(2.3%)
$1,749	$1,752	$1,868	510400	Gas	$3,118	$3,060	$5,000	63.4%
$7,138	$19,988	$4,890	510800	Water/Sewer	$4,681	$9,899	$10,000	1.0%
		$187	510900	Pool Telephone				-
$17,478	**$31,118**	**$17,527**		**TOTAL UTILITIES**	**$11,761**	**$24,735**	**$26,500**	**7.1%**
				CONTRACTED SERVICES				
$18,165	$18,000	$19,500	520200	Trash	$9,000	$18,000	$18,000	-
$74,566	$78,013	$80,686	520400	Grounds/Landscaping	$41,843	$81,484	$79,850	(2.0%)
$1,700	$670	$955	520600	Exterminating	$491	$1,010	$1,010	-
$1,744	$1,782	$2,370	521000	HVAC	$821	$2,500	$2,500	-
		$4,927	521600	Watering Service	$4,377	$4,000	$5,000	25.0%
$38,366	$47,882	$45,618	521800	Pool	$33,564	$45,400	$46,100	1.5%
$8,872	$2,894		523000	Cleaning	$2,170	$8,942	$8,942	-
	$27,875	$62,982	523200	Snow Removal	$68,591	$55,000	$55,000	-
			52400	Fire Alarm Monitoring			$1,080	
$8,656	$9,545	$4,129	524100	Clubhouse Streaming Services	$1,300	$6,000	$1,200	(80.0%)
$152,068	**$186,660**	**$221,167**		**TOTAL CONTRACTED SERVICES**	**$162,157**	**$222,336**	**$218,682**	**(1.6%)**
				MAINTENANCE & REPAIRS				
$2,764	$1,787	$4,441	530200	Electrical	$3,542	$1,500	$5,000	233.3%
$1,006	$2,066	$2,249	530320	Fire Safety System	$541	$1,123	$3,000	167.1%
$7,400	$3,872	$2,198	530600	Plumbing	$275	$2,500	$2,500	-
$2,332	$700	$3,330	530900	Exercise Equipment	$570	$2,600	$2,600	-
	$584	$670	531200	HVAC	-	$1,000	$1,000	-
$1,231	$5,379	$1,372	531800	Security	$561	$1,166	$1,166	-

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Brownstones at Park Potomac HOA

Proposed Operating Budget — 2027

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$35,035	$30,209	$33,530	532600	Landscaping Remediation	$47,163	$60,000	$55,000	(8.3%)
$3,687	$1,070	$9,145	533100	Irrigation	$2,700	$3,500	-	(100.0%)
$23,091	$5,726	$11,107	534200	Common Area Maintenance	$12,928	$20,000	$17,000	(15.0%)
$7,668	$7,094	$23,644	538700	Pool Equipment, Supplies	$6,828	$8,000	$7,000	(12.5%)
$1,044	$1,415	$2,924	538800	Pool Repairs	$7,896	$7,500	$3,000	(60.0%)
		$10,553	539900	Kitchen Rehab				-
$85,257	**$59,900**	**$105,163**		**TOTAL MAINTENANCE & REPAIRS**	**$83,004**	**$108,889**	**$97,266**	**(10.7%)**
				INSURANCE, TAXES & LICENSES				
$12,388	$12,855	$13,976	591000	Insurance-Master Policy	$9,651	$15,275	$15,275	-
$10,630	$8,644	$13,864	593000	Taxes-Corp Inc Taxes	$7,400	$9,000	$6,000	(33.3%)
$7,034	$3,008		594000	Taxes-Real Estate	-	$6,500	$6,500	-
$870	$890		599000	Licenses	-	$1,000	$1,000	-
$30,922	**$25,398**	**$27,840**		**TOTAL INSURANCE, TAXES & LICENSES**	**$17,051**	**$31,775**	**$28,775**	**(9.4%)**
$463,986	**$458,997**	**$510,173**		**TOTAL OPERATING EXPENSES**	**$335,362**	**$569,203**	**$518,688**	**(8.9%)**
				REPLACEMENT RESERVES				
$34,224			631100	Replacement Reserve			99475	-
$34,224	**-**	**-**		**TOTAL REPLACEMENT RESERVES**	**-**	**-**	**$99,475**	**-**
$498,210	**$458,997**	**$510,173**		**TOTAL EXPENSES & RESERVES**	**$335,362**	**$569,203**	**$618,163**	**8.6%**
$6,585	**$40,141**	**$7,985**		**NET INCOME (LOSS)**	**($90,627**	**-**	**-**	**-**

Prepared by Abaris Real Estate Management, Inc. | 1101 Wootton Parkway, Suite 820, Rockville, MD 20852

Reserve Fund Scenario: 10% Threshold Funding Method

Project Name:	Brownstones At Park Potomac	**Calculation Method:**	10.00 % of Rep. Cost
Project Location:	Potomac, Maryland	**Minimum Balance:**	$162,212
Project Number:	26-0841	**Interest Rate:**	1.00%
Date of Study:	October 20, 2026	**Inflation Rate:**	3.00%
Month Contributions commence:	January 1, 2027		

Year	Opening Balance	Annual Contribution	Contribution Adjustment	Disbursements	Earned Interest	Closing Balance
2027	$750,289	$99,475	$0	$6,500	$7,503	$850,767
2028	$850,767	$102,459	$0	$27,710	$8,508	$934,024
2029	$934,024	$105,533	$0	$21,165	$9,340	$1,027,732
2030	$1,027,732	$108,699	$0	$454,458	$10,277	$692,251
2031	$692,251	$111,960	$0	$366,952	$6,923	$444,185
2032	$444,185	$115,319	$0	$71,295	$4,442	$492,651
2033	$492,651	$118,778	$0	$7,761	$4,927	$608,595
2034	$608,595	$122,342	$0	$59,279	$6,086	$677,743
2035	$677,743	$126,012	$0	$307,610	$6,777	$502,924
2036	$502,924	$129,792	$0	$50,838	$5,029	$586,908
2037	$586,908	$133,686	$0	$516,977	$5,869	$209,489
2038	$209,489	$137,697	$0	$8,998	$2,095	$340,283
2039	$340,283	$141,828	$0	$5,988	$3,403	$479,525
2040	$479,525	$146,082	$0	$435,349	$4,795	$195,054
2041	$195,054	$150,465	$0	$93,813	$1,951	$253,656
2042	$253,656	$154,979	$0	$77,899	$2,537	$333,273
2043	$333,273	$159,628	$0	$49,590	$3,333	$446,643
2044	$446,643	$164,417	$0	$17,768	$4,466	$597,758
2045	$597,758	$169,350	$0	$52,775	$5,978	$720,310
2046	$720,310	$174,430	$0	$2,986	$7,203	$898,957
2047	$898,957	$179,663	$0	$51,474	$8,990	$1,036,136
2048	$1,036,136	$185,053	$0	$12,092	$10,361	$1,219,458
2049	$1,219,458	$190,604	$0	$60,741	$12,195	$1,361,516
2050	$1,361,516	$196,323	$0	$629,179	$13,615	$942,274
2051	$942,274	$202,212	$0	$730,367	$9,423	$423,547
2052	$423,547	$208,279	$0	$128,768	$4,235	$507,293
2053	$507,293	$214,527	$0	$14,018	$5,073	$712,875
2054	$712,875	$220,963	$0	$0	$7,129	$940,967
2055	$940,967	$227,592	$0	$251,092	$9,410	$926,877
2056	$926,877	$234,419	$0	$53,551	$9,269	$1,117,014