MARINA and SHORELINE CONDITION SURVEY

Fishing Creek Farm
Anne Arundel County, Maryland

PREPARED FOR:
Fishing Creek Farm HOA
1228 Cherry Tree Lane
Annapolis, Maryland 21403

September 26, 2012

ANDREWS, MILLER AND ASSOCIATES
A Division of Davis, Bowen & Friedel, Inc.
106 N. Washington Street
Easton, Maryland 21601

AMA/DBF 2307A001.001

Andrews, Miller & Associates
A DIVISION OF DAVIS, BOWEN & FRIEDEL, INC.
ARCHITECTS ENGINEERS SURVEYORS

Edward T. Fulford, P E
Oner Yucel, P E
Eric W Tolley Prop L.S

September 26, 2012

Mr. Eamonn McGeady
Fishing Creek Farm
C/o Mr. Eamonn McGeady
11710 Beltsville Drive, Suite 105
Beltsville, MD 20705

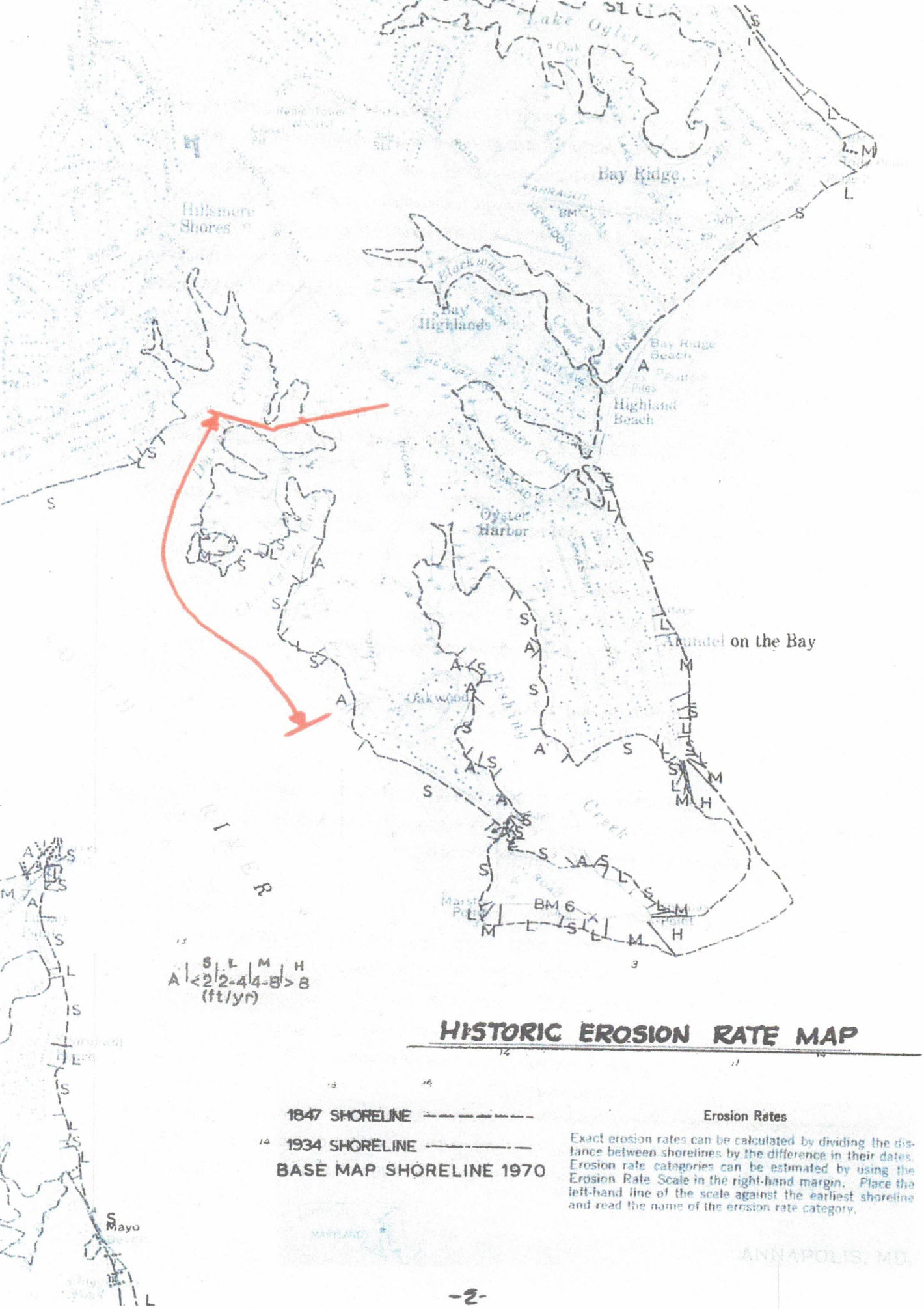
RE: Fishing Creek Farm
AMA/DBF #2307A001.001

Dear Mr. McGeady:

On Thursday afternoon, September 6, 2012 during a low tide, you and I walked and observed areas along Fishing Creek Farm HOA's (FCF) shoreline. A very limited reconnaissance level site investigation (duration about 2 hours) of the marina and boat ramp areas and selected sites along the development's shoreline was performed at that time. The entire shoreline was not investigated due to the lack of budget and time available during our meeting. You indicated that "Record Drawing" of the various shoreline improvements were not readily available. The following is a summary of items observed and discussed during our meeting. Also included are budgetary unit prices for recommended improvements to the existing shoreline and marine structures and potentially future shore erosion control measures.

The "Historic Erosion Rate Map" shown in Figure 1 compares FCF's shoreline between 1847 and 1970. Generally the shoreline has migrated landward generally <2' per year (classified as 'slight'). However, at the confluence of Cherrytree Cove's northerly shoreline at the point fronting on South River, the erosion historically has varied from slight to Low (2' to 4') to Moderate (4' to 8').

On October 1, 2008, the "Living Shoreline Protection Act of 2008 took effect in Maryland mandating that *"Improvements to protect a person's property against erosion shall consist of nonstructural shoreline stabilization measures that preserve the natural environment, such as marsh creation"*. Exceptions to this State mandate include: *1)"In areas designated by Department mapping as appropriate for structural shoreline stabilization measures, and 2) In areas where the person can demonstrate to the Department's satisfaction that such measures are not feasible, including areas of excessive erosion, areas subject to heavy tides, and areas too narrow for effective use of nonstructural shoreline stabilization measures"*. Mapping by MDE has not been developed as of the writing of this letter report.



HISTORIC EROSION RATE MAP

1847 SHORELINE ----------

1934 SHORELINE ----------

BASE MAP SHORELINE 1970

Erosion Rates

Exact erosion rates can be calculated by dividing the distance between shorelines by the difference in their dates. Erosion rate categories can be estimated by using the Erosion Rate Scale in the right-hand margin. Place the left-hand line of the scale against the earliest shoreline and read the name of the erosion rate category.

A plan showing the existing improvements along the Development's 2½ miles of shoreline is shown in Figure 2. Note that the majority of the shoreline is generally positioned within the relatively protected water bodies of Duvall Creek and Cherrytree Cove. However, the shoreline fronting on South River is exposed to long off-shore fetches which can potentially generate wave conditions causing significant erosion of the shoreline. It is AMA/DBF's opinion that South River's >5 mile fetch from the south and 2 mile fetch from the west create excessive erosive conditions where a nonstructural shoreline stabilization project is not feasible. AMA/DBF recommends structural improvements at these locations (i.e.: stone revetment).

The condition survey is divided as follows:

BOAT RAMP AREA: The existing single lane, concrete surfaced boat ramp and courtesy piers (Photo 1) appeared to be in good condition except for twisting and warping of the pier's deck planks. Although the ramp has a shallow toe (about -2' MLW) and the courtesy piers are constructed from relatively small sized piles and lumber, it is AMA/DBF's opinion that the boat ramp facility (except for deck replacement) has >15 years of life remaining before significant improvements are needed. The decking or portions thereof should be replaced within the next five years at an estimated cost of $30 to $35/ LF. A "home-made" style hinged timber gangway resting on floating pontoons is located at the waterward end of the easterly courtesy pier allowing access to the water for persons launching canoes and kayaks. Since the gangway articulates constantly with the tides and boat wakes, regular maintenance should be provided to ensure its continued safe use.

A low profile dumped riprap sill extends from both sides of the boat ramp along the mean low water line paralleling the shoreline (Photo 2 and 3). A narrow ban of wetland vegetation provides a protective buffer between the sill and the vertical bank at the road.

SHORELINE AT BOAT RAMP / MARINA AREAS: Wetland vegetation provides limited protection to the vertical banks located landward of the boat ramp (Photo 3) and marina areas (Photo 4 and 5). Drain outlets encased in stone filled gabion baskets are located at two separate areas along the shore. Scattered areas of the shoreline are void of wetland vegetation thereby exposing several sections of the vertical bank to erosive wave action (Photo 6). It is AMA/DBF's opinion that at a minimum, Spartina alterniflora should be sprigged between the mid and high tide lines at these areas ($0.70/sf to $0.85/sf). If funding allows, the sprigging should be supplemented with construction of a low profile revetment (Figure 3) located landward of the vegetation along the vertical bank scarp at an additional estimated cost of $150 to $250/ft. Alternately, a formal living shoreline consisting of a low profile stone sill and 20' to 30' width of

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EXISTING CONDITION SURVEY - PLAN -

FISHING CREEK FARMS

ANNE ARUNDEL COUNTY, MARYLAND

DRAWN	DESIGNED	CHECKED
SMS	–	ETF

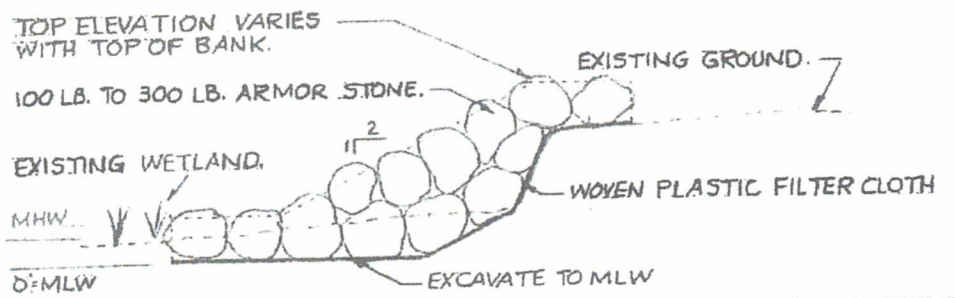
DATE: 09/10/12

SCALE: 1" = 300'±

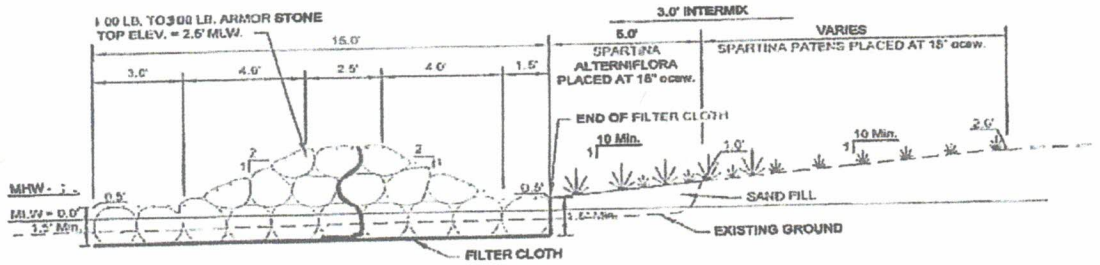
PROJ. NO.: 2307A001.001

FIGURE 2

Spartina alterniflora and Spartina patens sprigged into imported sand fill (Figure 4) should be constructed at an estimated cost of $390 to $460/ft. Except for sprigging wetland vegetation into the existing ground; environmental approvals are required prior to any construction activities.

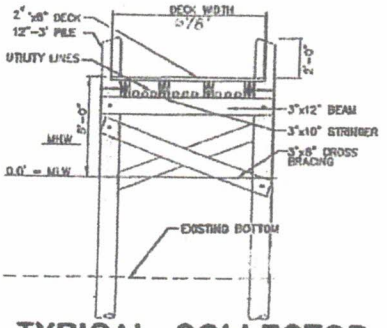


TYPICAL LOW PROFILE REVETMENT SECTION FIGURE 3

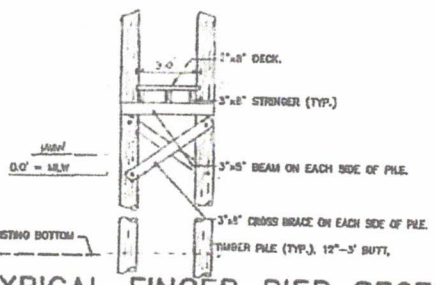


TYPICAL STONE SILL SECTION FIGURE 4

MARINA: The existing community marina is a fixed timber pier facility. Amenities include water, electric and sewage pumpout (Photo 7) services for the 42 slip (including 3 transient slips) facility (Photo 8). Eight feet of water provides deep water access to the slips. Boat lifts within several of the slips are the responsibility of individual slip users (boat lift, additional support piles, maintenance, etc). Except for a damaged finger pier (boat uplifted end of pier) located at the westerly end of the marina and twisted and warped deck planks, it is AMA/DBF's opinion that the collector pier, finger piers and mooring piles have >15 years of life remaining before significant structural improvements are needed. The estimated cost for replacement of the collector pier (Figure 5) is $400 to $450/ LF, replacement of the finger piers (Figure 6) is $7K to $8K each, and replacement of the mooring piles is $700 to $900 each, all as shown in Table 1.



TYPICAL COLLECTOR PIER SECTION FIGURE 5



TYPICAL FINGER PIER SECTION FIGURE 6

TABLE 1

OPINION OF PROBABLE CONSTRUCTION COSTS
SCHEMATIC LEVEL

BOAT RAMP

New Ramp Complete:	$90K to $110K
New Courtesy Pier:	$300 to $350/ LF.
Re-deck Pier:	$30 to $35/ LF.

SHORELINE LANDWARD MARINA & RAMP

Formal "Living Shoreline" Complete:	$390 to $460/LF.
Stone Sill Only:	$280 to $340/ LF
Low Profile Revetment Only:	$150 to $250/ LF
Wetland Grasses Only:	$0.70 to $0.85/ plant site

MARINA

Marina Complete (42 slips):	$850K to $950K (excluding boat house)
Collector Pier (8' wide):	$400 to $450/ LF
Finger Pier:	$7K to $8K each
Mooring Pile:	$700 to $900 each
Re-deck Collector Pier:	$40 to $45/ LF
Water System Only Complete:	$23 to $27/ LF
Replace Capboard:	$8 to $9/ LF
Repair Sump Areas:	$2K to $4K/ sump
Electric System Only Complete:	$5K to $6K/ slip
Fire Suppression Only Complete:	$30 to $35/ LF
Boat House Replacement:	$150K to $200K

BULKHEAD @ ROAD

New Bulkhead Complete:	$900 to $1200/ LF

SOUTHERLY END CHERRYTREE LANE

Stone Revetment:	$500 to $600/ LF

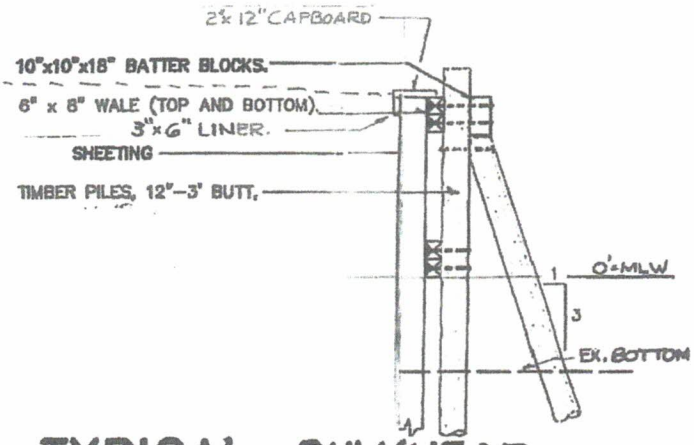
ELEVATED WALKWAY with RAILS

Walkway Complete:	$600 to $700/ LF
Re-deck (6' wide):	$30 to $40/ LF.

Although the elevation of the collector pier allow the utilities to be positioned above the still-water level during normal storm events, the wet environment and occasional inundation during severe storm events will accelerate the need for replacing the utilities. It is AMA/DBF's opinion that replacement or significant improvements to the utilities could be required within the next 10-15 years, particularly with significant storm events associated with extreme high tides becoming more frequent. The estimated cost for total replacement of the utilities is shown in Table 1.

The existing boat house located at the landward end of the marina's collector pier is in a general state of disrepair. Windows to the boathouse are broken, the electrical service is questionable and the foundation piles appear to be reaching the end of their serviceable life (Photo "Boathouse"). It is AMA/DBF's opinion that the boat house will need significant improvements or total replacement within the next 5 to 10 years at an estimated cost of $150K to $200K.

BULKHEADED SHOULDER ALONG CHERRYTREE LANE: Approximately ¼ mile east of the Clubhouse along the northerly shoulder of Cherrytree Lane, a timber bulkhead (+/- 240 L.F.) protects the paved roadway against erosion from tidal waters of Duvall Creek (Photo 9). The batter pile supported bulkhead appears to be in generally good condition except for twisted and warped timber capboards and evidence of minor soil leakage (Photo 10) at several locations. It appears that the existing structure had previously replaced an older bulkhead. Decayed anchor rods (>1" dia.) extend landward through the existing T&G sheeting from the existing bulkhead's vertical pile. AMA/DBF theorizes that this rod is attached to the earlier bulkhead's buried anchor piles thereby creating a redundant anchorage system. It is AMA/DBF's opinion that the existing timber bulkhead has >15 years of life remaining before significant improvements are needed; however, if replaced (Figure 7), the estimated cost would be from $900 to $1200/LF. AMA/DBF recommends that the capboard be replaced and the sump areas be repaired when funding becomes available. The estimated cost for these improvements is on the order of $4K to $8K.

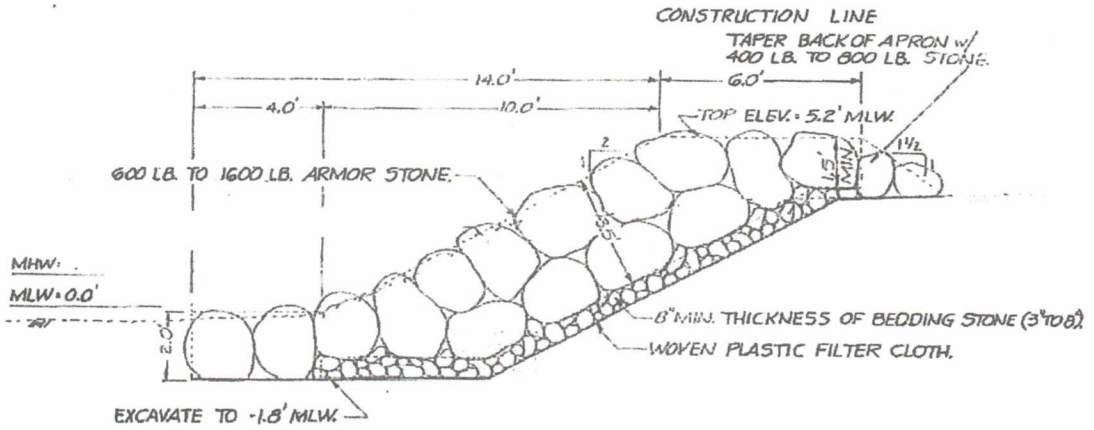


TYPICAL BULKHEAD SECTION

FIGURE 7

SOUTHERLY TERMINAL END OF CHERRYTREE LANE: According to discussions during our meeting, the property owner at the end of Cherrytree Lane constructed the existing timber bulkhead located at the end of the right-of-way. A stone revetment with splash apron provides protection against erosion west of the bulkhead (Photo 11). The revetment appears to be in generally good condition although debris litters the top of the structure (Photo 12). Unlike timber bulkheads which rot after years of service and could ultimately have a catastrophic failure if not maintained, stone revetments do not rot. Correctly designed and constructed stone revetments typically require maintenance only after severe storm events that exceed the design level of the structure and then typically only requiring repositioning of displaced armor stone units. It is AMA/DBF's opinion that the existing stone revetment has >15 years of life remaining before significant maintenance/ improvements may be needed.

Time during our visit did not allow investigating the shoreline located west of the existing revetment. However, according to the "Historic Erosion Rate Map" (Figure 1) and aerial photographs showing fallen trees along the shore, this area is actively experiencing erosion. No upland improvements at the site are endangered by erosion. It is AMA/DBF's opinion that construction of a "Living Shoreline" at this location would not be appropriate due to wave conditions generated by the >5 mile fetch. In the event FCF elects to prevent the continuing erosion of the shoreline at this location, AMA/DBF recommends construction of a stone revetment (Figure 8) at a cost on the order of $500 to $600/ ft.



TYPICAL REVETMENT SECTION

FIGURE 8

ELEVATED WALKWAY: Time did not allow for an investigation of the elevated walkway (Photo 13) leading to the sand spit located at the southerly entrance into Cherrytree Cove. Typically, a timber pier's/ walkway's life expectancy is between 25 to 35 years before significant rehabilitation or total replacement of the structure is required, provided the structure was properly designed and constructed. This time obviously varies depending upon the maintenance performed on the structure, the quality of materials used, the experience/workmanship of the Contractor who performed the work, changes in the site condition (i.e.: greater depth of water at the pier/ walkway, heavier loading exerted on the structure than originally designed, etc.). You indicated during our meeting that the existing walkway was very labor intensive to construct. In the event the elevated walkway needs to be reconstructed in the near future, AMA/DBF estimates that the cost for construction would be on the order of $600 to $700/ LF.

The proceeding is a generalized summary of the findings noted during my brief visit on September 6th. Structure's life expectancy referenced in this report are based upon conditions

observed by AMA/DBF during this very brief visit. Timing for improvements to the structures could change as the structures continue to age and deteriorate. Regular scheduled monitoring of the shoreline's condition should be implemented to ensure that shoreline improvements are functioning as intended. The plans and sections included within this report are schematic only at this time.

Further, the "Recommendations" and the "Opinion of Probable Cost" presented are based upon AMA/DBF's experience and represents our best judgment as experienced and qualified professional engineers familiar with the marine construction industry. However, we cannot and do not guarantee that proposals, bids or actual project or construction costs submitted and/or performed by the Contractors will not vary from the Opinion of Probable Costs specified.

I trust that this letter report is sufficient for your intended purposes. Should you have any questions upon reviewing this report, please feel free to give me a call.

Very truly yours,
ANDREWS, MILLER and ASSOCIATES
A Division of Davis, Bowen & Friedel, Inc.

Gary O. Williams

Enclosures
GOW/gow

APPENDIX 1

Photographs

1

2

3

4

5

6

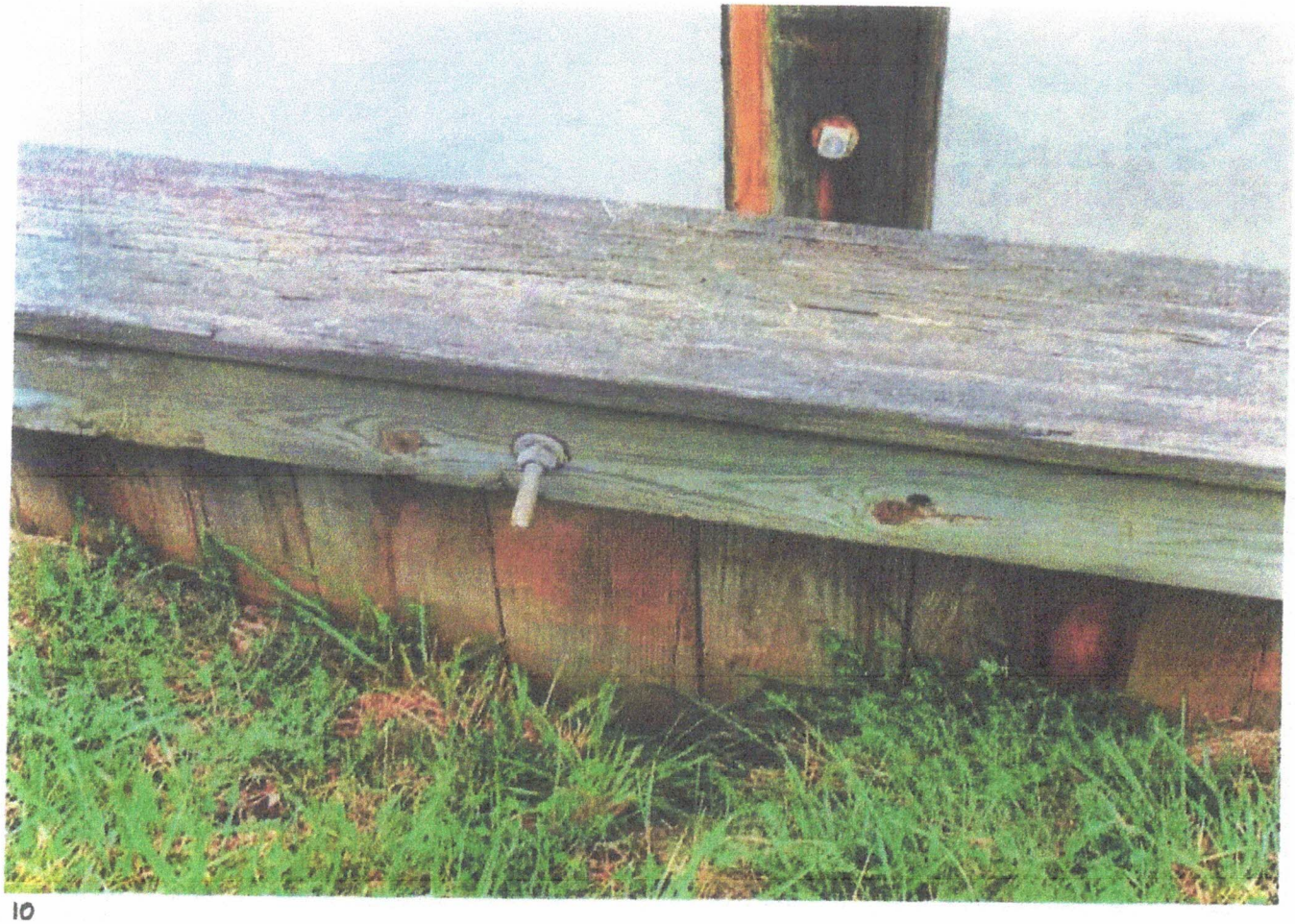
7

8

BOAT HOUSE

BOAT HOUSE

9



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NEW ENHANCEMENT
IMPROVED RESERVE STUDY INFLATION CALCULATION

Miller - Dodson Associates continually strives to provide our clients with the most reader-friendly and understandable Reserve Study report in the industry, as well as the best value for the price. To that end, we are pleased to announce the addition of a new inflation projection model in every report.

Like others, our report calculates a recommended Reserve Funding in current dollars, but now, Miller - Dodson's report also provides a separate analysis of the impact of inflation on the Reserve Funding for three ensuing years.

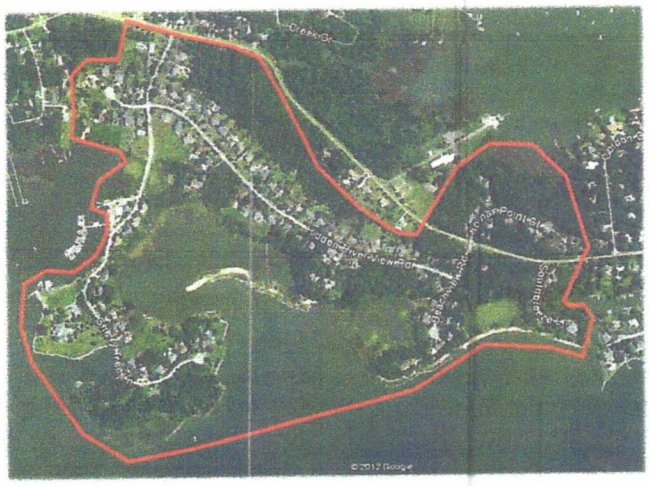
Miller - Dodson's Inflation Analysis uses a "weighted average" rate of inflation as gauged by the Producer Price Index. This is vital when an association has a large number of high inflation components, including petro-chemical based products such as asphalt paving and fiberglass shingle roofing.

This NEW feature is included in all of our reports at no additional cost as part of our ongoing effort to provide our clients with the most useful Reserve Study available in the industry!

REPLACEMENT RESERVE REPORT

FISHING CREEK FARM

ANNAPOLIS, MARYLAND



Description. Fishing Creek Farm is a Home Owner's Association community located in Annapolis, Maryland. Fishing Creek Farm was constructed in the 1989. The community consists of single family homes containing 120 units. The survey examined the common elements of the property, including:

- Paved parking areas, bulkhead, and stormwater management.
- Concrete curbs, sidewalks, and other slabs.
- Community buildings with swimming pools
- Tennis court, piers, boat ramp, and bridge.

Current Funding. This reserve study has been prepared for Fiscal Year 2012 covering the period from January 1, 2012 to December 31, 2012. The Replacement Reserves on deposit as of January 1, 2012 are reported to be $50,000. The planned contribution to reserves for the 2012 Fiscal Year is ~~$0.~~ $12K see

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

Analysis Summary. As shown on the graphs on Pages A3 and A4 of the Replacement Reserve Analysis, the Current Funding underfunds the reserves, falling short by the year 2013 indicating an inadequate Opening Balance, with no reported annual contribution.

An aggressive increase in the reserve contribution is recommended, with special assessment and bank loans being and alternative options.

After 2013, the monthly per unit contribution falls to about $38, which is considered reasonable for a community of this type and size.

In addition, to offset inflation, annual increases to the reserves are recommended until an update to the Study is performed in three to five years. For this recommendation, Miller-Dodson uses the Producer Price Index (PPI), which gauges inflation in manufacturing and construction. Please see Pages A6 and A7 for further details.

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

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 and/or quantity takeoffs from to-scale engineering drawings. 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.

Purpose. The purpose of this Replacement Reserve Study is to provide Fishing Creek Farm Home Owner's Association (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 were performed on June 20, 2012. Miller-Dodson Associates visually inspected the common elements of the property in order to ascertain the remaining useful life and the replacement costs of these components.
- Detailed drawings were not provided for use in the development of this Study.

Acknowledgement. Miller-Dodson Associates would like to acknowledge the assistance and input of Mr. Eamonn McGeady and Mr. Steve Everett who provided helpful insight into the current operations at the property.

Analyst's Credentials. Mr. William I. Scrivens holds a Bachelors of Science Degree in Civil Engineering, with an emphasis in structures, from the Pennsylvania State University. Mr. Scrivens, with 20 years of experience in structural design and inspection, has personally performed well over 1,800 inspections on wide variety of private, municipal, and military facilities throughout the United States. Bill is currently a Reserve Specialist and author lecturer on the subject of Capital Reserve Funding for Miller-Dodson Associates.

Respectfully submitted,

millerdodson
Capital Reserve Consultants

William I. Scrivens, RS
Reserve Specialist

EXECUTIVE SUMMARY

The Fishing Creek Farm Replacement Reserve Inventory identifies 94 Projected Replacements for funding from Replacement Reserves, with an estimated one-time replacement cost of $1,240,958.

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:

$301,796 **CASH FLOW METHOD MINIMUM ANNUAL FUNDING OF REPLACEMENT RESERVES IN THE STUDY YEAR, 2012.**

$209.58 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 2012 and the CFM - Minimum Annual Funding of Replacement Reserves in 2013 declines to $55,179 ($38.32 per unit, per month), after the completion of $289,748 of replacements in the Study Year, 2012.

After 2012 the CFM - Minimum Annual Funding remains constant for the remainder of the Study Period.

$346,344 **COMPONENT METHOD RECOMMENDED ANNUAL FUNDING OF REPLACEMENT RESERVES IN THE STUDY YEAR, 2012.**

$240.52 Per unit (average), recommended monthly funding of Replacement Reserves

The Component Method is a 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 $675,187.

The Association reports having $50,000 on deposit, which is 7.4% funded.

$12,000 **CURRENT ANNUAL FUNDING OF REPLACEMENT RESERVES (as reported by the Association).**

$8.33 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 30 years of the 30-year Study Period, and a maximum shortfall of $-1,255,871 occurs in 2040.

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 $1,653,871 of Projected Replacements listed in the Fishing Creek Farm Replacement Reserve Inventory.

The Funding Plan should be professionally updated 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 Producer Price Index.

Rev 10/4/2012: Opening Balance revised from $150,000 to $50,000.

REPLACEMENT RESERVE ANALYSIS - GENERAL INFORMATION

The Fishing Creek Farm 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, 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, 2012.

STUDY PERIOD

The Replacement Reserve Analysis evaluates the funding of Replacement Reserves over a 30-year Study Period that begins on January 1, 2012.

BEGINNING BALANCE

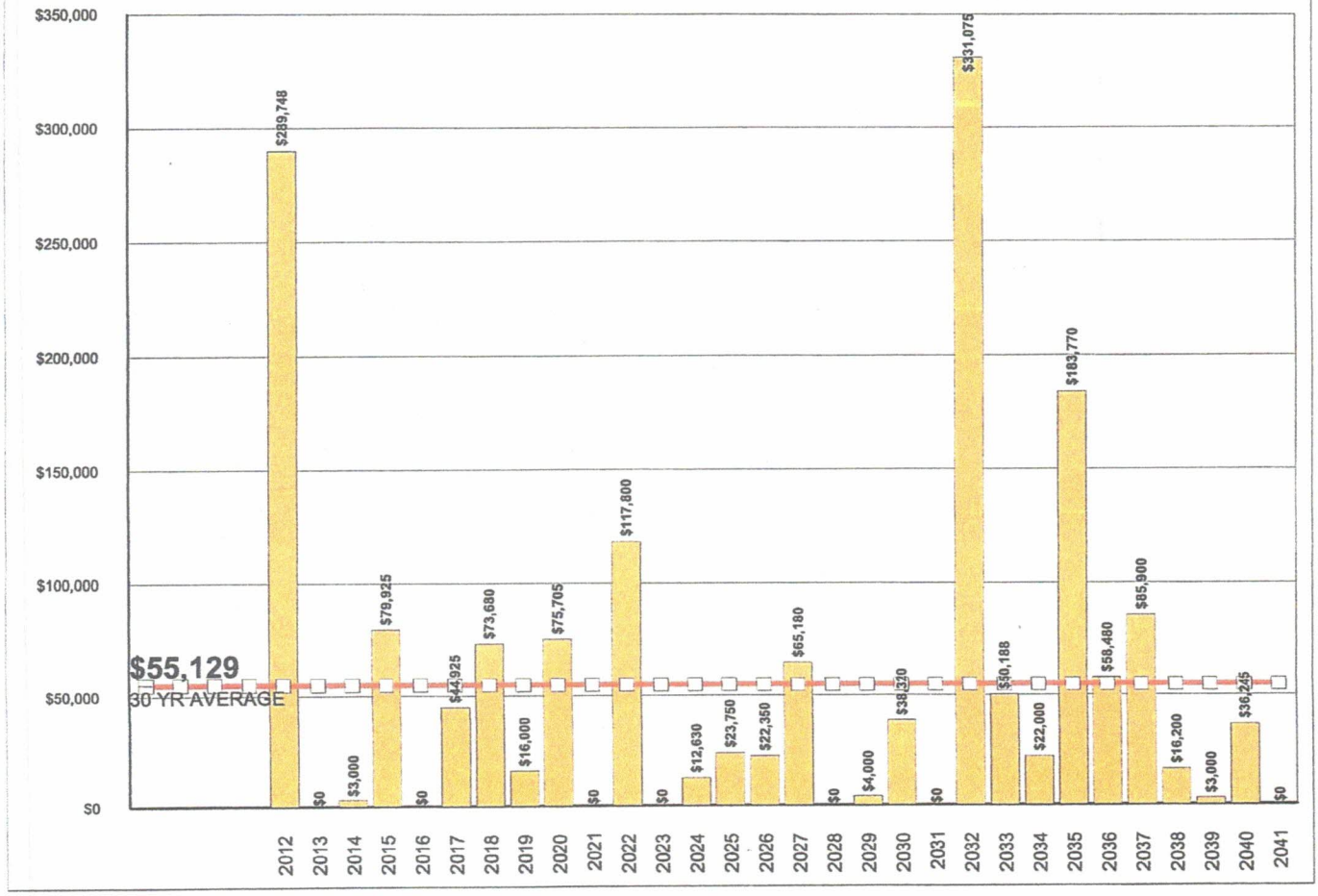
The Association reports Replacement Reserves on Deposit totaling $50,000 at the start of the Study Year.

ADJUSTMENTS AND INFLATION

The short term consequences of 4.50% inflation and no constant annual increase in Reserve funding on the Cash Flow Method, as calculated by a proprietary model developed by Miller + Dodson Associates. are shown on Pages A6 and A7. Other calculations in this Analysis do not account for inflation or a constant annual increase. The calculations in this Analysis do not account for interest earned on Replacement Reserves.

Graph #1. Annual Expenditures for Projected Replacements

This bar graph summarizes annual expenditures for the $1,653,871 of Projected Replacements identified in the Replacement Reserve Inventory over the 30-year Study Period. The red line shows the average annual expenditure of $55,129.



PROJECTED REPLACEMENTS

The Fishing Creek Farm Replacement Reserve Inventory (Section B) identifies 94 Projected Replacements with a one-time Replacement Cost of $1,240,958 and replacements totaling $1,653,871 in 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.

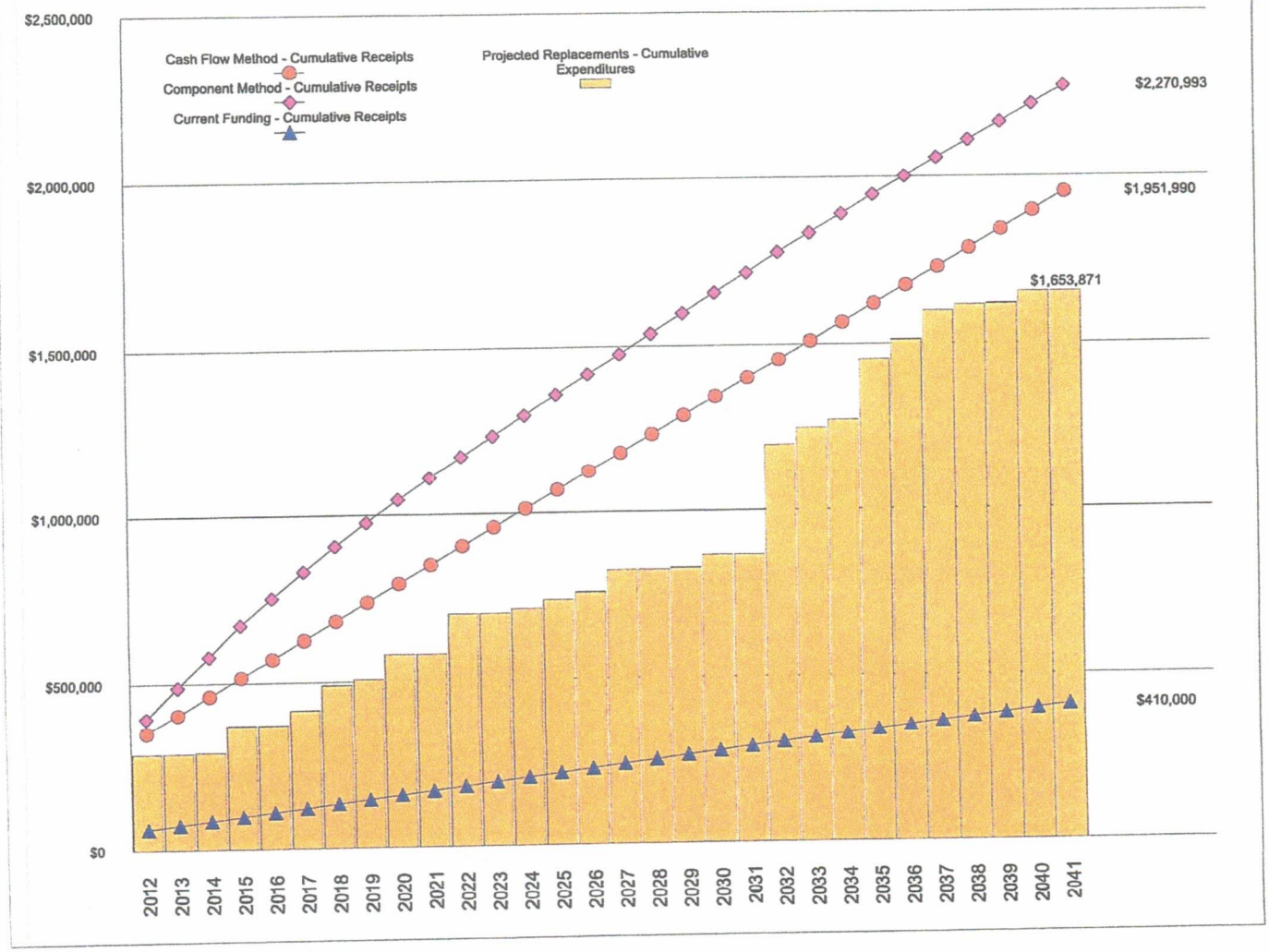
The accuracy of the Fishing Creek Farm Replacement Reserve Analysis is dependent upon expenditures from Replacement Reserves being made ONLY for the 94 Projected Replacements specifically listed in the Replacement Reserve Inventory.

To further assist in the identification of items not appropriately funded from Replacement Reserves, the Replacement Reserve Inventory identifies 62 Excluded Items. The rationale behind the exclusion of items from funding by Replacement Reserves is discussed in detail on Page B1.

The Section B - Replacement Reserve Inventory, contains Tables that list each Projected Replacement (and any Excluded Items) broken down into 15 major categories (Pages B3 to B16). 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.

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

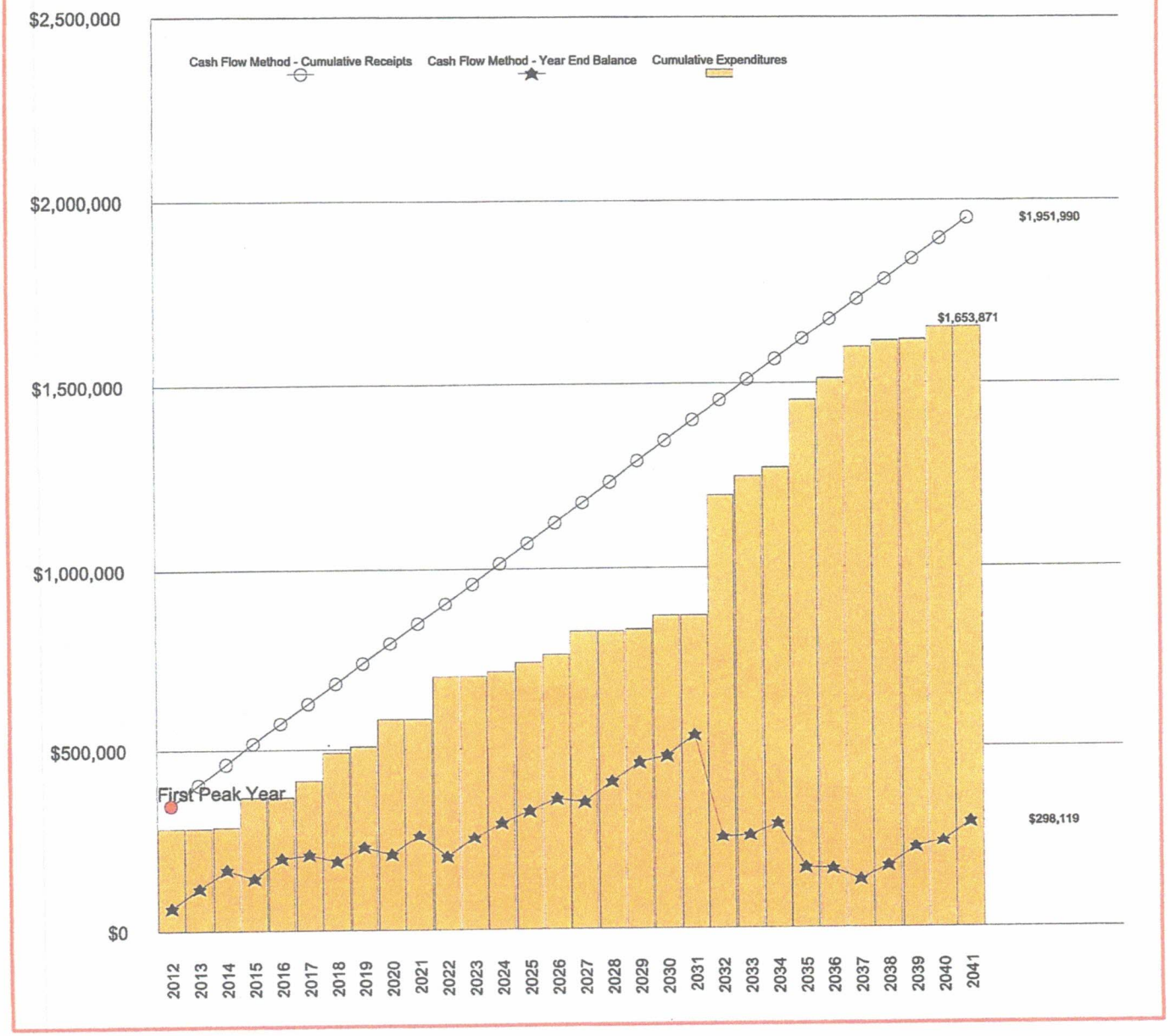
$301,796 **CASH FLOW METHOD MINIMUM ANNUAL FUNDING OF REPLACEMENT RESERVES IN THE STUDY YEAR, 2012.**

$209.58 Per unit (average), minimum monthly funding of Replacement Reserves

General. The Cash Flow Method (also referred to as the Straight Line 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 $62,048, 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 2012, after the completion of $289,748 of replacements in the Study Year, 2012. The Cash Flow Method - Minimum Annual Funding of Replacement Reserves declines fror $301,796 in 2012 to $55,179 in 2013.

  Subsequent Peak Years. There are no subsequent Peak Years and after the first Peak Year in 2012, 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 funding recommendations on Pages A4 and A5 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 $55,129 (see Graph #1). The Cash Flow Method - Minimum Annual Funding of Replacement Reserves in the Study Year is $301,796. This is 547.4 percent of the Average Annual Expenditure, indicating that the Association is building Replacement Reserves in advance of the first Peak Year in 2012.

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

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Beginning balance	$50,000									
Minimum annual funding	$301,796	$55,179	$55,179	$55,179	$55,179	$55,179	$55,179	$55,179	$55,179	$55,179
Expenditures	$289,748		$3,000	$79,925		$44,925	$73,680	$16,000	$75,705	
Year end balance	$62,048	$117,227	$169,406	$144,660	$199,839	$210,093	$191,592	$230,772	$210,246	$265,425
Minimum recommended balance	$62,048	$62,048	$62,048	$62,048	$62,048	$62,048	$62,048	$62,048	$62,048	$62,048
Cumulative expenditures	$289,748	$289,748	$292,748	$372,673	$372,673	$417,598	$491,278	$507,278	$582,983	$582,983
Cumulative receipts	$351,796	$406,975	$462,154	$517,333	$572,512	$627,691	$682,870	$738,050	$793,229	$848,408
	First Peak Year									
Year	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Minimum annual funding	$55,179	$55,179	$55,179	$55,179	$55,179	$55,179	$55,179	$55,179	$55,179	$55,179
Expenditures	$117,800		$12,630	$23,750	$22,350	$65,180		$4,000	$38,320	
Year end balance	$202,804	$257,983	$300,532	$331,961	$364,790	$354,789	$409,968	$461,148	$478,007	$533,186
Minimum recommended balance	$62,048	$62,048	$62,048	$62,048	$62,048	$62,048	$62,048	$62,048	$62,048	$62,048
Cumulative expenditures	$700,783	$700,783	$713,413	$737,163	$759,513	$824,693	$824,693	$828,693	$867,013	$867,013
Cumulative receipts	$903,587	$958,766	$1,013,945	$1,069,124	$1,124,303	$1,179,482	$1,234,661	$1,289,841	$1,345,020	$1,400,199
Year	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Minimum annual funding	$55,179	$55,179	$55,179	$55,179	$55,179	$55,179	$55,179	$55,179	$55,179	$55,179
Expenditures	$331,075	$50,188	$22,000	$183,770	$58,480	$85,900	$16,200	$3,000	$36,245	
Year end balance	$257,290	$262,281	$295,460	$166,869	$163,568	$132,847	$171,826	$224,006	$242,940	$298,119
Minimum recommended balance	$62,048	$62,048	$62,048	$62,048	$62,048	$62,048	$62,048	$62,048	$62,048	$62,048
Cumulative expenditures	$1,198,088	$1,248,276	$1,270,276	$1,454,046	$1,512,526	$1,598,426	$1,614,626	$1,617,626	$1,653,871	$1,653,871
Cumulative receipts	$1,455,378	$1,510,557	$1,565,736	$1,620,915	$1,676,094	$1,731,273	$1,786,452	$1,841,632	$1,896,811	$1,951,990

CASH FLOW METHOD - INFLATION ADJUSTED FUNDING

The Miller + Dodson Model

General. The Cash Flow Method funding recommendations shown on pages A4 and A5 have been calculated in today's dollars with no adjustment for inflation. Recent swings in construction costs demonstrate the risk facing an Association that does not consider the effects of inflation when funding Replacement Reserves.

Cash Flow Method - Inflation Adjusted Funding. Below is an outline of the proprietary model developed by Miller + Dodson Associates to forecast the short-term consequences of inflation on Replacement Reserves.

- Study Year. The Unit Replacement Costs in the Study Year (listed in Section B Inventory) reflect current construction costs. Appropriate adjustments to account for any time lag between when the Study is conducted and the Study Year have been made by the Reserve Analyst.
- Year Two Inflation Adjusted Funding calculation. The Year Two Starting Balance is calculated assuming Association compliance with the Study Year funding and replacement data listed on Page A7.
  Next, the Projected Replacement Costs are adjusted using the Construction Cost Inflation Rate (see detailed information below).
  The adjusted data is then evaluated using the Cash Flow Method, calculating the Year Two Inflation Adjusted Minimum Annual Funding of Replacement Reserves.
- Year Three Inflation Adjusted Funding Calculation. The same methodology has been used to develop the Inflation Adjusted Cash Flow Method Minimum Annual Funding of Replacement Reserves in Year Three. Simple compounding has been used to calculate the Year Three Projected Replacement Costs.
- Year Four and Beyond. We have not calculated adjusted funding recommendations beyond the third year of the Study nor do we believe it is appropriate to do so. Inflation adjusted funding recommendations are not intended to be a substitute for the periodic evaluation of the common elements by an experienced Reserve Analyst. We recommend the common elements of the community be evaluated by a Reserve Analyst every 3 to 5 years and at the completion of each major replacement project.

Base Construction Cost Inflation Rate. We have utilized a 4.50 percent base rate of inflation in our calculation of second and third year inflation adjusted funding. The rate of inflation is based upon our review of the Producer Price Indexes for Construction Materials, Structure Types & Subcontractors as published by the Bureau of Labor Statistics and our experience with recent pricing trends in your area."

Assumptions. Cash Flow Method, Inflation Adjusted Funding in Year Two and Year Three is calculated based upon three assumptions discussed below and quantified on Page A7. Prior to approving a budget based upon the calculations, the Association should review the accuracy of the assumptions. If discrepancies are noted, contact Miller + Dodson Associates to arrange for a Replacement Reserve Study Update.

- Replacement Reserve Funding. We have assumed the Association will fund Replacement Reserves as recommended in the Study.
- Scheduled Replacements. We have assumed the Association will make Scheduled Replacements as discussed in the Study (listed on Page C2) and that the cost of these replacements is in substantial compliance with the estimated replacement costs. We have further assumed that no Replacement Reserves will be used to fund replacements other than those specifically listed in the Replacement Reserve Inventory.
- Construction Cost Inflation Rate evaluation. Prior to approving a budget based upon the Year Two and Year Three Adjusted Replacement Reserve Funding calculations, the 4.50 percent base rate of inflation used in our should be compared to rates published by the Bureau of Labor Statistics. If a significant discrepancy (over 1 percent) is noted, contact Miller Dodson Associates prior to using the funding calculations.

Interest. The calculations do not account for interest earned on Replacement Reserves on Deposit. If earned interest is to be attributed to Replacement Reserves, our funding recommendation should be reduced by the actual amount of earned interest placed into Replacement Reserves.

CASH FLOW METHOD
THREE-YEAR FUNDING RECOMMENDATIONS WITH INFLATION ADJUSTMENT

2012 - STUDY YEAR

$301,796 MINIMUM ANNUAL FUNDING

$209.58 Per unit (average), minimum monthly funding of Replacement Reserves

The $301,796 funding of Replacement Reserves in the Study Year has been calculated using current construction costs (listed in Section B Inventory). The Analyst has adjusted the costs to account for any time lag between the preparation of the Study and the Study Year.

2013 - YEAR TWO

$57,755 INFLATION ADJUSTED MINIMUM ANNUAL FUNDING

$40.11 Per unit (average), minimum monthly funding of Replacement Reserves

The $57,755 inflation adjusted funding of Replacement Reserves in 2013 represents a -80.86 percent increase over the non-inflation adjusted funding recommendation of $55,179 in the Study Year.

The specific assumptions used to calculate the Year Two Inflation Adjusted Funding are listed below. If the assumptions are inaccurate, do not use the data and contact Miller Dodson Associates to arrange for a Replacement Reserve Study Update. The assumptions are:

- Replacement Reserves on Deposit totaling $62,048 on January 1, 2013.
- All 2012 Projected Replacements scheduled in the Replacement Reserve Inventory and listed on Page C2, having been accomplished in 2012 at a cost of $289,748.
- An average annual Construction Cost Inflation Rate of 4.50 percent over the previous 12 month period.

2014 - YEAR THREE

$60,540 INFLATION ADJUSTED MINIMUM ANNUAL FUNDING

$42.04 Per unit (average), minimum monthly funding of Replacement Reserves

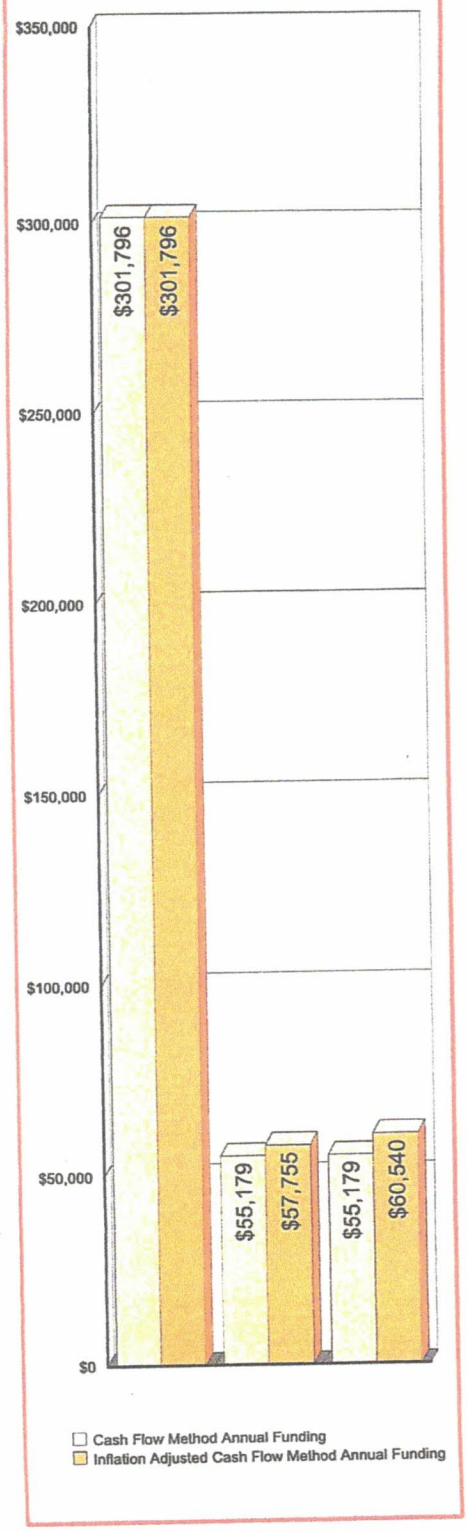
The $60,540 inflation adjusted funding of Replacement Reserves in 2014 represents a -79.94 percent increase over the non-inflation adjusted funding recommendation of $55,179 in the Study Year.

The specific assumptions used to calculate the Year Two Inflation Adjusted Funding are listed below. If the assumptions are inaccurate, do not use the data and contact Miller Dodson Associates to arrange for a Replacement Reserve Study Update. The assumptions are:

- Replacement Reserves on Deposit totaling $117,227 on January 1, 2013.
- No Expenditures from Replacement Reserves.
  Inventory and listed on Page C2, having been accomplished in 2013 at a cost of $0.
- An average annual Construction Cost Inflation Rate of 4.50 percent over the previous 24 month period.

ANNUAL FUNDING GRAPH

The bar graph below shows the Cash Flow Method Annual Funding calculated in today's dollars (lighter bars) and the Inflation Adjusted Cash Flow Method Annual Funding (dark bars)



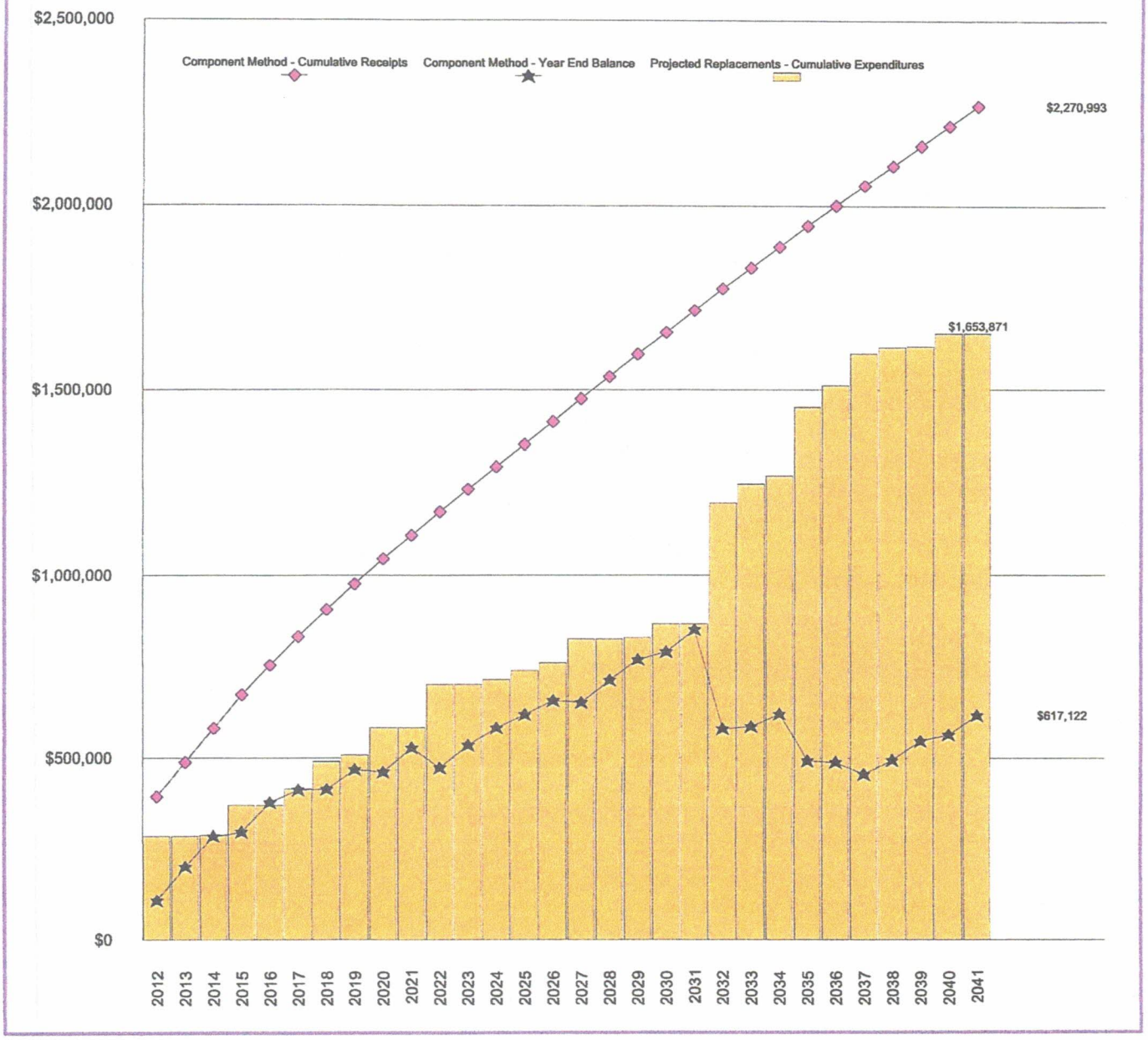
COMPONENT METHOD

$346,344 **COMPONENT METHOD RECOMMENDED ANNUAL FUNDING OF REPLACEMENT RESERVES IN THE STUDY YEAR, 2012.**

$240.52 Per unit (average), recommended monthly funding of Replacement Reserves

General. The Component Method (also referred to as the Full Funded Method) is a very conservative mathematical model developed by HUD in the early 1980s. Each of the 94 Projected Replacements listed in the Replacement Reserve Inventory is treated as a separate account. The Beginning Balance is allocated to each of the individual accounts, as is all subsequent funding of Replacement Reserves. These funds are "locked" in these individual accounts and are not available to fund other Projected Replacements. The calculation of Recommended Annual Funding of Replacement Reserves is a multi-step process outlined in more detail on Page A9.

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 94 Projected Replacements. The total, $675,187, 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 ($50,000) by the Current Funding Objective ($675,187). At Fishing Creek Farm the Funding Percentage is 7.4%

- Allocation of the Beginning Balance. The Beginning Balance is divided among the 94 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 7.4 percent funded, there is $59 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 $346,344, the Component Method Recommended Annual Funding of Replacement Reserves in the Study Year (2012).

  In our fence example, the $59 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 $470. Next year, the deposit remains $470, but in the third year, the fence is replaced and the annual funding adjusts to $100.

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

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

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Beginning balance	$50,000									
Recommended annual funding	$346,344	$92,396	$92,396	$92,026	$79,414	$79,414	$75,143	$69,424	$68,884	$64,532
Expenditures	$289,748		$3,000	$79,925		$44,925	$73,680	$16,000	$75,705	
Year end balance	$106,596	$198,992	$288,389	$300,490	$379,904	$414,393	$415,856	$469,280	$462,459	$526,991
Cumulative Expenditures	$289,748	$289,748	$292,748	$372,673	$372,673	$417,598	$491,278	$507,278	$582,983	$582,983
Cumulative Receipts	$396,344	$488,740	$581,137	$673,163	$752,577	$831,991	$907,134	$976,558	$1,045,442	$1,109,974
Year	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Recommended annual funding	$64,532	$60,470	$60,470	$60,303	$60,303	$60,303	$60,303	$60,303	$60,303	$60,257
Expenditures	$117,800		$12,630	$23,750	$22,350	$65,180		$4,000	$38,320	
Year end balance	$473,723	$534,193	$582,033	$618,585	$656,538	$651,661	$711,963	$768,266	$790,248	$850,506
Cumulative Expenditures	$700,783	$700,783	$713,413	$737,163	$759,513	$824,693	$824,693	$828,693	$867,013	$867,013
Cumulative Receipts	$1,174,506	$1,234,976	$1,295,446	$1,355,748	$1,416,051	$1,476,354	$1,536,656	$1,596,959	$1,657,261	$1,717,519
Year	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Recommended annual funding	$60,257	$56,483	$56,483	$56,483	$54,353	$54,259	$53,789	$53,789	$53,789	$53,789
Expenditures	$331,075	$50,188	$22,000	$183,770	$58,480	$85,900	$16,200	$3,000	$36,245	
Year end balance	$579,688	$585,983	$620,465	$493,178	$489,051	$457,410	$494,999	$545,789	$563,333	$617,122
Cumulative Expenditures	$1,198,088	$1,248,276	$1,270,276	$1,454,046	$1,512,526	$1,598,426	$1,614,626	$1,617,626	$1,653,871	$1,653,871
Cumulative Receipts	$1,777,776	$1,834,259	$1,890,741	$1,947,224	$2,001,577	$2,055,836	$2,109,625	$2,163,415	$2,217,204	$2,270,993

CURRENT FUNDING

$12,000 **CURRENT ANNUAL FUNDING OF REPLACEMENT RESERVES (as reported by the Association).**

$8.33 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 $12,000 per year in each of the 30 years of the Study Period.

Our evaluation is based upon this Replacement Reserve Funding Level, a $50,000 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.

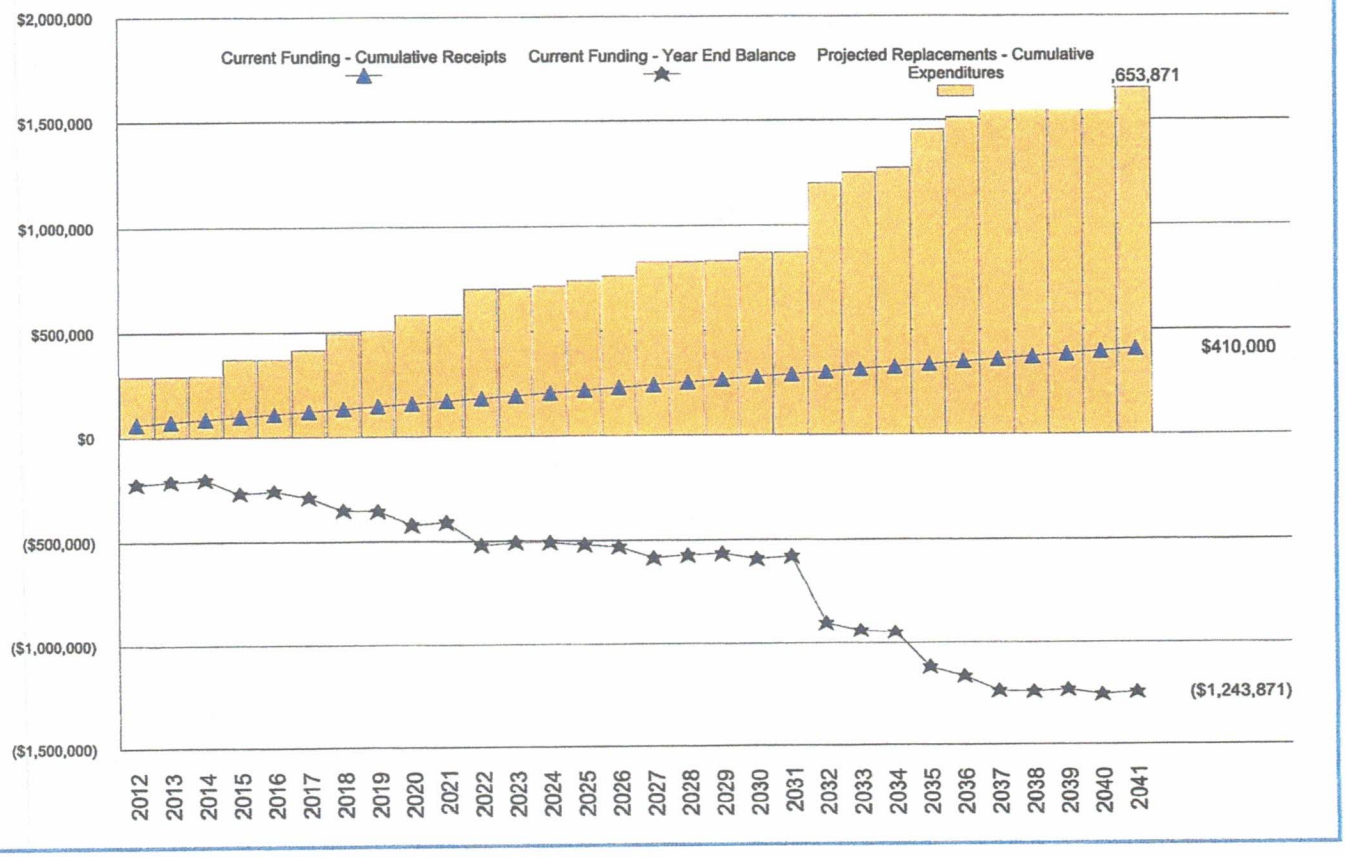
- Evaluation. Our calculations have determined that Current Annual Funding of Replacement Reserves, as reported by the Association, is inadequate to fund Projected Replacement beginning in 2012.

  The Current Annual Funding of Replacement Reserves results in insufficient funds to make Projected Replacements in 30 years of the 30-year Study Period, and a maximum shortfall of $-1,255,871 occurs in 2040.

- 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 $55,129 (see Graph #1). Current Association annual funding of Replacement Reserves is $12,000, or approximately 22 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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Beginning balance	$50,000									
Annual deposit	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000
Expenditures	$289,748		$3,000	$79,925		$44,925	$73,680	$16,000	$75,705	
Year end balance	($227,748)	($215,748)	($206,748)	($274,673)	($262,673)	($295,598)	($357,278)	($361,278)	($424,983)	($412,983)
Cumulative Expenditures	$289,748	$289,748	$292,748	$372,673	$372,673	$417,598	$491,278	$507,278	$582,983	$582,983
Cumulative Receipts	$62,000	$74,000	$86,000	$98,000	$110,000	$122,000	$134,000	$146,000	$158,000	$170,000
Year	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Annual deposit	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000
Expenditures	$117,800		$12,630	$23,750	$22,350	$65,180		$4,000	$38,320	
Year end balance	($518,783)	($506,783)	($507,413)	($519,163)	($529,513)	($582,693)	($570,693)	($562,693)	($589,013)	($577,013)
Cumulative expenditures	$700,783	$700,783	$713,413	$737,163	$759,513	$824,693	$824,693	$828,693	$867,013	$867,013
Cumulative receipts	$182,000	$194,000	$206,000	$218,000	$230,000	$242,000	$254,000	$266,000	$278,000	$290,000
Year	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Annual deposit	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000
Expenditures	$331,075	$50,188	$22,000	$183,770	$58,480	$85,900	$16,200	$3,000	$36,245	
Year end balance	($896,086)	($934,276)	($944,276)	($1,116,046)	($1,162,526)	($1,236,426)	($1,240,626)	($1,231,626)	($1,255,871)	($1,243,871)
Cumulative Expenditures	$1,198,088	$1,248,276	$1,270,276	$1,454,046	$1,512,526	$1,598,426	$1,614,626	$1,617,626	$1,653,871	$1,653,871
Cumulative Receipts	$302,000	$314,000	$326,000	$338,000	$350,000	$362,000	$374,000	$386,000	$398,000	$410,000

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.
- Fishing Creek Farm has 120 units. The type of property is a Home Owner's Association.
- Our calculations assume that Replacement Reserves are not subject to tax.

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REPLACEMENT RESERVE INVENTORY
GENERAL INFORMATION

Fishing Creek Farm - Replacement Reserve Inventory identifies 156 items. Two types of items are identified, Projected Replacements and Excluded Items:

- PROJECTED REPLACEMENTS. 94 of the items are Projected Replacements and the periodic replacements of these items are scheduled for funding from Replacement Reserves. The Projected Replacements have an estimated one-time replacement cost of $1,240,958. Replacements totaling $1,653,871 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. 62 of the items are Excluded Items, and expenditures for these items are NOT scheduled for funding from Replacement Reserves. The accuracy of the calculations made in the Replacement Reserve Analysis is dependent on expenditures NOT being made for Excluded Items. The Excluded Items are listed in the Replacement Reserve Inventory to identify specific items and categories of items that are not to be funded from Replacement Reserves. There are multiple categories of items that are typically excluded from funding by Replacement Reserves, including but not limited to:

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

  Value. Items with a replacement cost of less that $1,000 and/or a normal economic life of less than 3 years are typically excluded from funding from Replacement Reserves. This exclusion is made to accurately reflect how Replacement Reserves are administered. If the Association has selected an alternative levels, 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' sections of the Section B - Replacement Reserve Inventory.

- CATEGORIES. The 156 items included in the Fishing Creek Farm Replacement Reserve Inventory are divided into 15 major categories. Each category is printed on a separate page, Pages B3 to B16.

- 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 Association, 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 remaining economic life 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 94 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, LF-lineal 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.

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

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

  Each of the 62 Excluded Items includes the Item Description, Units, and Number of Units. Many of the Excluded Items are listed as a 'Lump Sum' with a quantity of 1. For the Excluded Items, this indicates that all of the items identified by the 'Item Description' are excluded from funding by Replacement Reserves.

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

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

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

SITE 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 pvmt, seal coat, pool & t-court	sf	16,500	$0.20	6	none	$3,300
2	Asphalt pvmt, mill/overlay, pool & t-crt	sf	16,500	$2.10	18	6	$34,650
3	Asphalt pvmt, seal coat, Southbreeze	sf	8,200	$0.20	6	none	$1,640
4	Asphalt pvmt, overlay, Southbreeze	sf	8,200	$1.50	18	6	$12,300
5	Concrete curb & gutter (20%)	ft	100	$34.00	54	6	$3,400
6	Concrete curb & gutter (20%)	ft	100	$34.00	54	24	$3,400
7	Concrete curb & gutter (20%)	ft	100	$34.00	54	42	$3,400
8	Concrete sidewalk (6%)	sf	140	$8.50	60	none	$1,190
9	Concrete sidewalk (6%)	sf	140	$8.50	60	6	$1,190
10	Concrete sidewalk (6%)	sf	140	$8.50	60	12	$1,190
11	Concrete sidewalk (6%)	sf	140	$8.50	60	18	$1,190
12	Concrete sidewalk (6%)	sf	140	$8.50	60	24	$1,190
13	Concrete sidewalk (6%)	sf	140	$8.50	60	30	$1,190
14	Concrete sidewalk (6%)	sf	140	$8.50	60	36	$1,190
15	Concrete sidewalk (6%)	sf	140	$8.50	60	42	$1,190
16	Concrete sidewalk (6%)	sf	140	$8.50	60	48	$1,190
17	Concrete sidewalk (6%)	sf	140	$8.50	60	54	$1,190
18	Pool light, heads & poles	ea	9	$1,800.00	20	6	$16,200
						SITE COMPONENT - Replacement Costs - Subtotal	$90,190

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.

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

- Site, entry, and pier lighting includes underground wires for power distribution

SITE COMPONENT (cont.)
PROJECTED REPLACEMENTS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
19	Pool well (allowance)	ea	1	$10,000.00	30	5	$10,000
20	Pool sewage ejector (allowance)	ea	1	$10,000.00	20	none	$10,000
21	Boat ramp, concrete, replace	sf	1,200	$11.00	20	10	$13,200
22	Boat ramp pier, deck	sf	950	$9.50	15	5	$9,025
23	Boat ramp pier, structure	sf	950	$25.00	30	20	$23,750
24	Boat ramp pier, pilings	ea	24	$900.00	30	20	$21,600
25	Float & hinge (allowance)	ls	1	$1,000.00	10	5	$1,000
26	Boat pier, lighting & power (allowance)	ea	6	$650.00	10	5	$3,900
27	Canoe rack & boat storage (allow.)	ls	1	$1,000.00	10	5	$1,000
28	Crab pier	ft	80	$450.00	30	25	$36,000
29	Path sign & picnic table (allowance)	ls	1	$1,500.00	10	none	$1,500
30	Pedestrian bridge	ft	240	$350.00	30	30	$84,000

SITE COMPONENT (cont.) - Replacement Costs - Subtotal $214,975

SITE COMPONENT (cont.)
COMMENTS

- Canoe rack and boat storage includes the areas adjacent to the boat ramp and the minimally improved area off Thomas Point Road.

- Rev 10/4/2012: Crab pier and pedestrian bridge revised per Board's instruction.

SITE COMPONENT (cont.)

PROJECTED REPLACEMENTS AND EXCLUDED ITEMS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
31	Shoreline revetment (20% allowance)	sf	2,400	$20.00	20	10	$48,000
32	Cherry Tree Ln, shoreline revetment	ft	80	$300.00	40	25	$24,000
33	Bulkhead, repair	ft	80	$200.00	20	10	$16,000
34	Bulkhead, replace	ft	240	$1,000.00	30	20	$240,000
35	Storm water mgmt (allowance)	ls	1	$7,000.00	10	5	$7,000
	Water cistern for fire (allowance)	ls	1				EXCLUDED
36	Tennis court, color coat	ea	1	$5,000.00	5	3	$5,000
37	Tennis court, resurface/overlay	ea	1	$18,000.00	20	3	$18,000
38	Tennis court, post & footings	pr	1	$2,600.00	20	3	$2,600
39	Tennis court, fence	ft	380	$24.00	20	3	$9,120
40	Entry monument (repointing allowance)	ls	1	$1,500.00	10	none	$1,500
41	Entry monument lettering (allowance)	ls	1	$1,000.00	20	5	$1,000
42	Entry monument trellis	sf	130	$18.00	20	18	$2,340
43	Entry monument trellis, pendent light	ea	2	$750.00	10	8	$1,500
44	Entry monument landscape light	ea	4	$450.00	10	8	$1,800
45	Entry fence, wood	ft	600	$38.00	25	10	$22,800

SITE COMPONENT (cont.) - Replacement Costs - Subtotal $400,660

SITE COMPONENT (cont.)

COMMENTS

- Comprehensive drawings detailing the components of the underground systems including storm water management were not available for our review. We have included the estimated cost allowance based upon our experience with other similar facilities. In the future, this assumption and the estimated costs should be adjusted based upon actual experience.

- Rev 10/4/2012: As instructed by Board: added Cherry Tree Ln, shoreline revetment; modified bulkhead repair and replacement; and excluded cisterns reported to be County responsibility.

BUILDING EXTERIOR
PROJECTED REPLACEMENTS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
46	Cedar shingle, synthetic	sf	2,900	$11.00	50	none	$31,900
47	Flat rubber membrane, top & frnt dck	sf	320	$20.00	30	none	$6,400
48	Roof hatch	ea	1	$1,200.00	35	30	$1,200
49	Gutter & downspout	ft	440	$6.00	30	none	$2,640
50	Siding & trim, premium vinyl	sf	2,300	$7.70	35	none	$17,710
51	Stucco repairs (10%)	sf	320	$6.25	10	none	$2,000
52	Stucco recoating	sf	3,200	$4.25	30	none	$13,600
53	Main entry, door with side lights	ea	1	$3,400.00	20	none	$3,400
54	Door glazed	ea	10	$1,100.00	20	none	$11,000
55	Door solid	ea	6	$750.00	20	none	$4,500
56	Window, fixed	sf	40	$40.00	35	none	$1,600
57	Window, opening	sf	250	$45.00	35	none	$11,250
58	Deck/stair/ramp, railing	ft	370	$75.00	15	none	$27,750
59	Deck/stair/ramp, decking	sf	1,740	$9.50	15	none	$16,530
60	Deck/stair/ramp, structure	sf	1,560	$25.00	30	none	$39,000
				BUILDING EXTERIOR - Replacement Costs - Subtotal			$190,480

BUILDING EXTERIOR
COMMENTS

BUILDING EXTERIOR (cont.)

PROJECTED REPLACEMENTS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
61	Awning refabric	sf	100	$10.00	6	none	$1,000
62	Awning structure	sf	100	$25.00	30	12	$2,500
63	Exterior building lighting (allowance)	ea	24	$125.00	15	none	$3,000

BUILDING EXTERIOR (cont.) - Replacement Costs - Subtotal $6,500

BUILDING EXTERIOR (cont.)

COMMENTS

BUILDING INTERIOR
PROJECTED REPLACEMENTS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
64	Flooring, wood laminate, replace	sf	650	$13.00	14	none	$8,450
65	Flooring, ceramic	sf	230	$32.60	21	none	$7,498
66	Flooring, carpet/vinyl (allowance)	ls	1	$1,000.00	7	none	$1,000
67	Interior lighting, general	ea	50	$75.00	21	none	$3,750
68	Audio/video (allowance)	ls	1	$2,000.00	7	none	$2,000
69	Folding chair & table (allowance)	ls	1	$2,500.00	14	none	$2,500
70	Kitchen, res., remodel	sf	160	$84.00	21	none	$13,440
71	Kitchen, res., appliance (allowance)	ls	1	$1,800.00	10	none	$1,800
72	Restroom, renovate	sf	70	$120.00	14	none	$8,400
73	Locker room, renovate	sf	450	$50.00	21	none	$22,500
74	Hot water heater	ea	1	$1,000.00	10	none	$1,000
75	HVAC handler & coil	ton	3	$3,000.00	12	10	$9,000
76	Security system	ea	1	$5,000.00	15	none	$5,000

BUILDING INTERIOR - Replacement Costs - Subtotal $86,338

BUILDING INTERIOR
COMMENTS

SWIMMING POOL
PROJECTED REPLACEMENTS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
77	Swimming pool, structure	sf	1,820	$65.00	45	23	$118,300
78	Swimming pool, whitecoat	sf	1,820	$5.25	10	3	$9,555
79	Swimming pool, waterline tile	ft	240	$15.00	10	3	$3,600
80	Swimming pool, coping	ft	240	$50.00	20	3	$12,000
81	Swimming pool, cover	sf	2,100	$1.95	5	3	$4,095
82	Swimming pool, concrete deck	sf	5,000	$11.00	30	8	$55,000
83	Swimming pool pump, wade	ea	1	$1,200.00	5	2	$1,200
84	Swimming pool pump, main	ea	1	$1,800.00	5	2	$1,800
85	Pool filter system	ea	2	$5,000.00	15	7	$10,000
86	Water treatment system	ea	1	$12,000.00	20	5	$12,000
87	Pool furniture, lounge	ea	25	$300.00	15	3	$7,500
88	Pool furniture, table	ea	6	$180.00	15	3	$1,080
89	Pool furniture, umbrella	ea	9	$325.00	15	3	$2,925
90	Pool furniture, chair	ea	23	$150.00	15	3	$3,450
91	Pool furniture, restrap (10% of repl.)	ls	1	$1,500.00	5	8	$1,500
92	BBQ Grill (allownace)	ea	1	$1,000.00	7	3	$1,000
93	Perimeter fence - 6' (chain link)	ft	320	$18.00	30	8	$5,760
94	Wading pool fence - 3' (chain link)	ft	70	$15.00	30	8	$1,050
				SWIMMING POOL - Replacement Costs - Subtotal			$251,815

SWIMMING POOL
COMMENTS

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

VALUATION EXCLUSIONS
EXCLUDED ITEMS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
	Miscellaneous signage	ls	1				EXCLUDED
	Bollard/access control devices	ls	1				EXCLUDED
	Tennis court nets	ls	1				EXCLUDED
	Handrail	ls	1				EXCLUDED
	Emergency lighting, exit light, etc.	ls	1				EXCLUDED
	Interior doors & windows	ls	1				EXCLUDED
	Electric heaters	ls	1				EXCLUDED

VALUATION EXCLUSIONS
COMMENTS

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

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

LONG-LIFE EXCLUSIONS

EXCLUDED ITEMS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
	Masonry features	ls	1				EXCLUDED
	Building foundation(s)	ls	1				EXCLUDED
	Concrete floor slabs (interior)	ls	1				EXCLUDED
	Wall, floor, & roof structure	ls	1				EXCLUDED
	Electrical wiring	ls	1				EXCLUDED
	Water piping at common facilities	ls	1				EXCLUDED
	Waste piping at common facilities	ls	1				EXCLUDED
	Stainless steel pool fixtures	ls	1				EXCLUDED

LONG-LIFE EXCLUSIONS

COMMENTS

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

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

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

UNIT IMPROVEMENTS EXCLUSIONS

EXCLUDED ITEMS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
	Water service serving one unit	ls	1				EXCLUDED
	Sanitary serving one unit	ls	1				EXCLUDED
	Electrical wiring serving one unit	ls	1				EXCLUDED
	Cable TV service serving one unit	ls	1				EXCLUDED
	Telephone service serving one unit	ls	1				EXCLUDED
	Driveway on an individual lot	ls	1				EXCLUDED
	Apron on an individual lot	ls	1				EXCLUDED
	Sidewalk on an individual lot	ls	1				EXCLUDED
	Stairs on an individual lot	ls	1				EXCLUDED
	Retaining wall on an individual lot	ls	1				EXCLUDED
	Fence on an individual lot	ls	1				EXCLUDED
	Dock on an individually lot	ls	1				EXCLUDED
	Unit exterior	ls	1				EXCLUDED
	Unit deck, patio, and/or balcony	ls	1				EXCLUDED
	Unit mailbox	ls	1				EXCLUDED
	Unit interior	ls	1				EXCLUDED
	Unit HVAC system	ls	1				EXCLUDED

UNIT IMPROVEMENTS EXCLUSIONS

COMMENTS

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

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

UTILITY EXCLUSIONS

EXCLUDED ITEMS

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

UTILITY EXCLUSIONS

COMMENTS

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

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

MAINTENANCE AND REPAIR EXCLUSIONS

EXCLUDED ITEMS

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

MAINTENANCE AND REPAIR EXCLUSIONS

COMMENTS

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

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	ls	1				EXCLUDED
	Government, stormwater mgmt.	ls	1				EXCLUDED
	Marina & dock facilities & components	ls	1				EXCLUDED
	Waterway navigation components	ls	1				EXCLUDED
	Osprey nesting stands	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 Thomas Point Rd, Cherry Tree Ln, Hidden River View Rd, Beachview Rd, Thomas Point Ct, and adjacent properties.

- 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.