LEVEL 2 REPLACEMENT RESERVE REPORT FY 2023
FISHING CREEK FARM

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millerdodson
Capital Reserve Consultants

Community Management by:

FISHING CREEK FARM

David Stadler

1232 Cherry Tree Lane
Annapolis, MD 21403
215.622.8471
dstadler826@gmail.com

Consultant:

millerdodson
Capital Reserve Consultants

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

MillerDodson.com

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REPLACEMENT RESERVE REPORT

FISHING CREEK FARM

ANNAPOLIS, MARYLAND
June 27, 2022
Revised September 19, 2022
Revised September 21, 2022

Description. Fishing Creek Farm is a Homeowner's Association located in Annapolis, Maryland. Constructed in or around 1990, the community consists of 120 single-family homes, Clubhouse, and a marina. The survey examined the common elements of the Homeowner's Association property, including:

- Two asphalt roadways, clubhouse parking area, and tennis court access.
- Clubhouse concert curb, gutter, and sidewalk.
- Clubhouse site lights.
- Stormwater management elements.
- Shoreline protection elements.
- Entrance monuments, and fencing.
- Certain piers, pedestrian bridge, and walkway.
- Clubhouse components.
- Swimming pool.
- Tennis court.

EXECUTIVE SUMMARY
This Reserve Study has been prepared for the Fishing Creek Farm for the Fiscal Year 2023 covering the period from January 1, 2023 to December 31, 2023. The Replacement Reserves Starting Balance as of January 1, 2023 are proposed to be $314,000. The reported Current Annual Funding for Reserves is $116,400. The Recommended Annual Reserve Funding level for 2023 is $76,801.

Fishing Creek Farm Homeowner's Association is currently funding the Reserves at a somewhat higher rate than is recommended in this Reserve Study. However, due to the high rate of inflation in today's construction industry and its effect on Replacement costs, we recommend that the Association continue to fund at its current higher level. This can be adjusted in the future when inflation rates stabilize.

Fishing Creek Farm, Marina reports to have a Starting Balance of $398,000 and Annual Funding totaling $18,250, which adequately funds projected replacements for the near-term years. The Annual Contribution for Fishing Creek Farm, Marina is $18,250.

Current Funding. The Starting Balance and Current Annual Reserve Funding figures have been supplied by the managing agent and/or Board of Directors. Confirmation or audit of these figures is beyond the scope of the study. For the purposes of this study, it is assumed that the annual contribution will be deposited at the end of each month.

Level of Service. This study has been performed as a Level 2 Update with Site Visit/On-Site Review as defined by the Community Associations Institute's, National Reserve Study Standards. As such, the component inventory is based on the study that was performed by Miller-Dodson Associates, Inc. in April 2017. This inventory was adjusted to reflect changes provided by the Community Manager and/or the Board of Directors, or adjustments made based on the site visit and visual assessment performed by the Analyst. The analysis, including fund status and funding plan, is developed from the adjusted inventory.

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

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

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

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

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

- Miller+Dodson performed a visual evaluation on June 27, 2022 to determine a remaining useful life and replacement cost for the commonly owned elements of this facility.

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

To-Scale Drawings. Site and building plans were not used in the development of this study. We recommend the Association assemble and maintain a library of site and building plans of the entire facility. Record drawings should be scanned into an electronic format for safe storage and ease of distribution. Upon request for a nominal fee, Miller+Dodson can provide scanning services.

Acknowledgment. Miller+Dodson Associates would like to acknowledge the assistance and input of Eamonn McGeady, Fishing Creek Farm, HOA who provided very helpful insight into the current operations of the property.

Analyst's Credentials. Brian J. Oates graduated from the University of Maryland with a degree in Urban Planning and studied the Principals and Practices of appraisal at the American University. Brian has owned and operated management companies and developed single and multifamily properties in the Washington metropolitan area. As a reserve analyst, Mr. Oates has performed reserve studies for Miller+Dodson Associates since 2009.

Respectfully Submitted,

millerdodson
CAPITAL RESERVE CONSULTANTS

Brian J. Oates
Brian J. Oates

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SECTION A - FINANCIAL ANALYSIS

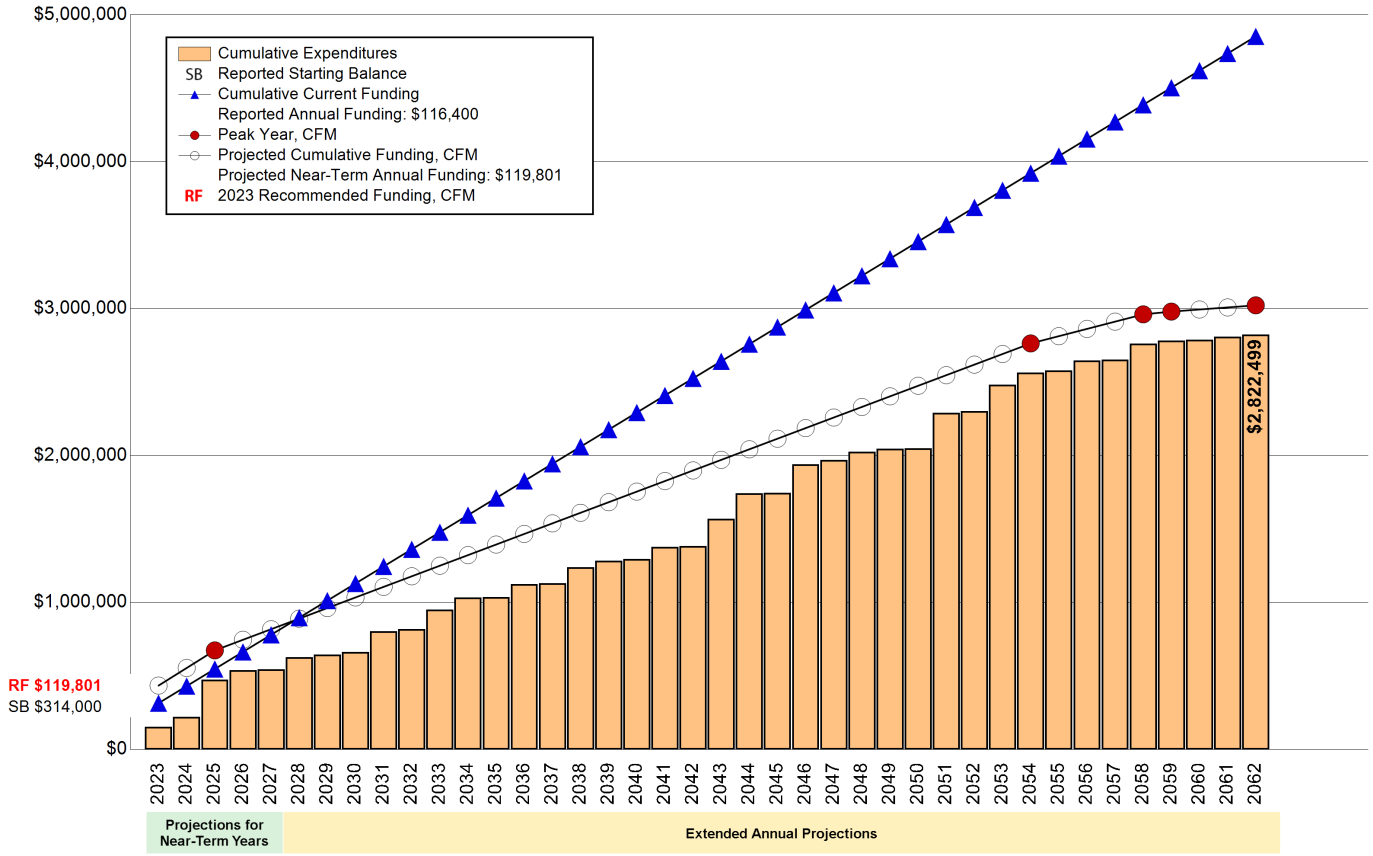
The Fishing Creek Farm Replacement Reserve Analysis uses the Cash Flow Method (CFM) to calculate Replacement Reserve funding for the periodic replacement of the 154 Projected Replacements identified in the Replacement Reserve Inventory.

$119,801 **RECOMMENDED REPLACEMENT RESERVE FUNDING FOR THE STUDY YEAR, 2023**
$83.20 Per unit (average), minimum monthly funding of Replacement Reserves

We recommend the Association adopt a Replacement Reserve Funding Plan based on the annual funding recommendation above. Inflation adjusted funding for subsequent years is shown on Page A.5.

Fishing Creek Farm reports a Starting Balance of $314,000 and Annual Funding totaling $116,400, which adequately funds projected replacements for the near-term years. See Page A.3 for a more detailed evaluation.

#1 - Cumulative Replacement Reserve Funding and Expenditures Graph



Fishing Creek Farm Homeowner's Association is currently funding the Reserves at a somewhat higher rate than is recommended in this Reserve Study. However, due to the high rate of inflation in today's construction industry and its effect on Replacement costs, we recommend that the Association continue to fund at its current higher level. This can be adjusted in the future when inflation rates stabilize.

REPLACEMENT RESERVE ANALYSIS - GENERAL INFORMATION

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

2023 **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, 2023.

40 Years **STUDY PERIOD**

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

$314,000 **STARTING BALANCE**

The Association reports Replacement Reserves on Deposit totaling $314,000 at the start of the Study Year.

Level Two **LEVEL OF SERVICE**

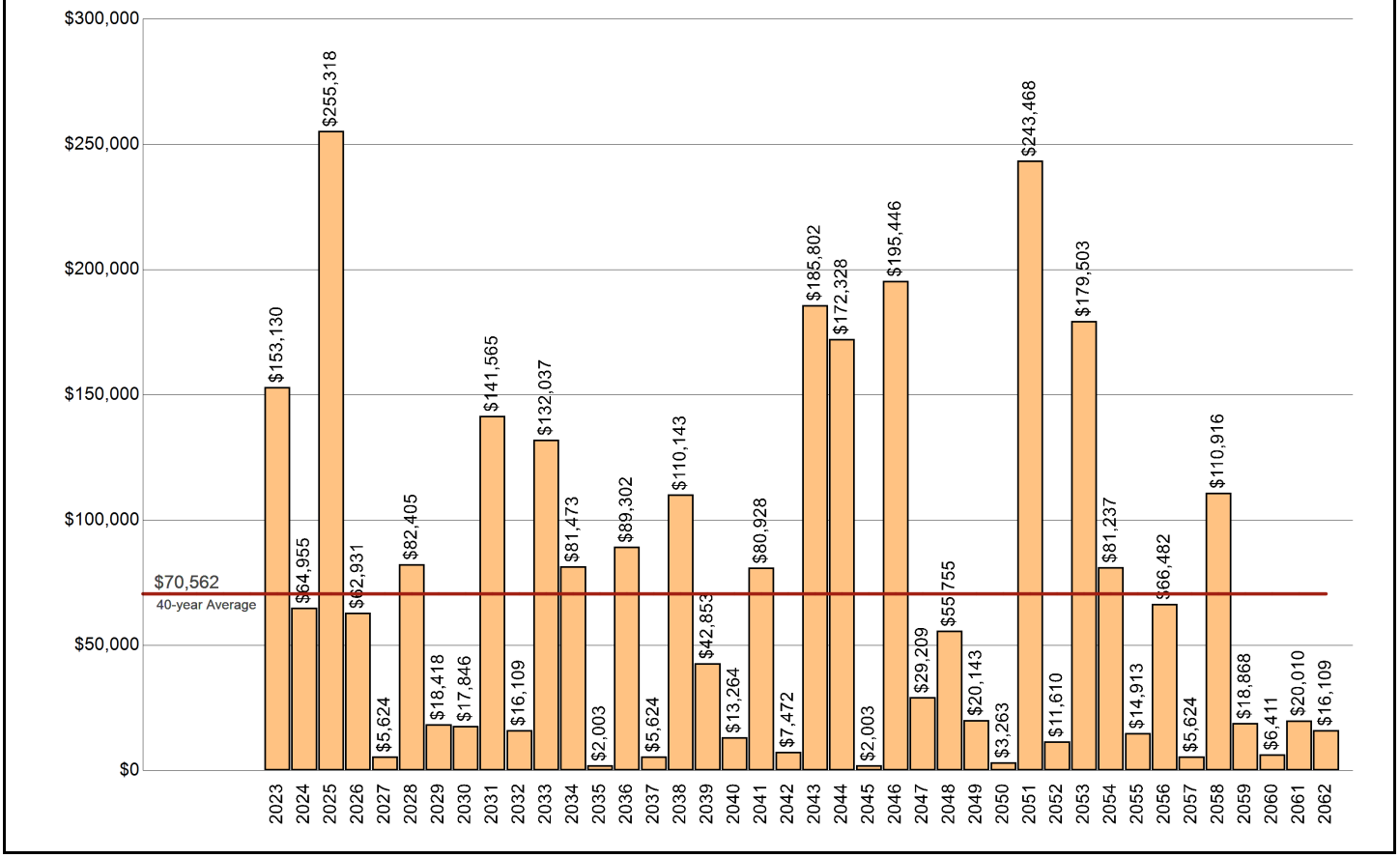
The Replacement Reserve Inventory has been developed in compliance with the National Reserve Study Standards for a Level Two Study, as defined by the Community Associations Institute (CAI).

$2,822,499 **REPLACEMENT RESERVE INVENTORY - PROJECTED REPLACEMENTS**

The Fishing Creek Farm Replacement Reserve Inventory identifies 154 items that will require periodic replacement, that are to be funded from Replacement Reserves. We estimate the cost of these replacements will be $2,822,499 over the 40-year Study Period. The Projected Replacements are divided into 5 major categories starting on Page B.3. Pages B.1-B.2 provide detailed information on the Replacement Reserve Inventory.

#2 - Annual Expenditures for Projected Replacements Graph

This graph shows annual expenditures for Projected Replacements over the 40-year Study Period. The red line shows the average annual expenditure of $70,562. Section C provides a year by year Calendar of these expenditures.



UPDATING OF THE FUNDING PLAN

The Association has a responsibility to review the Funding Plan annually. The review should include a comparison and evaluation of actual reserve funding with recommended levels shown on Page A.4 and A.5. The Projected Replacements listed on Page C.2 should be compared with any replacements accomplished and funded from Replacement Reserves. Discrepancies should be evaluated and if necessary, the Reserve Study should be updated or a new study commissioned. We recommend annual increases in replacement reserve funding to account for the impact of inflation. Inflation Adjusted Funding is discussed on Page A.5.

UPDATING OF THE REPLACEMENT RESERVE STUDY

At a minimum, the Replacement Reserve Study should be professionally updated every three to five years or after completion of a major replacement project. Updating should also be considered if during the annual review of the Funding Plan, discrepancies are noted between projected and actual reserve funding or replacement costs. Updating may also be necessary if there is a meaningful discrepancy between the actual inflation rate and the inflation rate used for the Inflation Adjusted Funding of Replacement Reserves on Page A.5.

ANNUAL EXPENDITURES AND CURRENT FUNDING

The annual expenditures that comprise the $2,822,499 of Projected Expenditures over the 40-year Study Period and the impact of the Association continuing to fund Replacement Reserves at the current level are detailed in Table 3.

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

Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Starting Balance	$314,000									
Projected Replacements	($153,130)	($64,955)	($255,318)	($62,931)	($5,624)	($82,405)	($18,418)	($17,846)	($141,565)	($16,109)
Annual Deposit	$116,400	$116,400	$116,400	$116,400	$116,400	$116,400	$116,400	$116,400	$116,400	$116,400
End of Year Balance	$277,270	$328,715	$189,797	$243,265	$354,042	$388,037	$486,019	$584,572	$559,407	$659,699
Cumulative Expenditures	($153,130)	($218,085)	($473,403)	($536,335)	($541,958)	($624,363)	($642,781)	($660,628)	($802,193)	($818,301)
Cumulative Receipts	$430,400	$546,800	$663,200	$779,600	$896,000	$1,012,400	$1,128,800	$1,245,200	$1,361,600	$1,478,000
Year	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**
Projected Replacements	($132,037)	($81,473)	($2,003)	($89,302)	($5,624)	($110,143)	($42,853)	($13,264)	($80,928)	($7,472)
Annual Deposit	$116,400	$116,400	$116,400	$116,400	$116,400	$116,400	$116,400	$116,400	$116,400	$116,400
End of Year Balance	$644,062	$678,989	$793,386	$820,484	$931,260	$937,517	$1,011,064	$1,114,200	$1,149,671	$1,258,600
Cumulative Expenditures	($950,338)	($1,031,811)	($1,033,814)	($1,123,116)	($1,128,740)	($1,238,883)	($1,281,736)	($1,295,000)	($1,375,929)	($1,383,400)
Cumulative Receipts	$1,594,400	$1,710,800	$1,827,200	$1,943,600	$2,060,000	$2,176,400	$2,292,800	$2,409,200	$2,525,600	$2,642,000
Year	**2043**	**2044**	**2045**	**2046**	**2047**	**2048**	**2049**	**2050**	**2051**	**2052**
Projected Replacements	($185,802)	($172,328)	($2,003)	($195,446)	($29,209)	($55,755)	($20,143)	($3,263)	($243,468)	($11,610)
Annual Deposit	$116,400	$116,400	$116,400	$116,400	$116,400	$116,400	$116,400	$116,400	$116,400	$116,400
End of Year Balance	$1,189,198	$1,133,270	$1,247,667	$1,168,621	$1,255,812	$1,316,457	$1,412,714	$1,525,851	$1,398,784	$1,503,574
Cumulative Expenditures	($1,569,202)	($1,741,530)	($1,743,533)	($1,938,979)	($1,968,188)	($2,023,943)	($2,044,086)	($2,047,349)	($2,290,817)	($2,302,426)
Cumulative Receipts	$2,758,400	$2,874,800	$2,991,200	$3,107,600	$3,224,000	$3,340,400	$3,456,800	$3,573,200	$3,689,600	$3,806,000
Year	**2053**	**2054**	**2055**	**2056**	**2057**	**2058**	**2059**	**2060**	**2061**	**2062**
Projected Replacements	($179,503)	($81,237)	($14,913)	($66,482)	($5,624)	($110,916)	($18,868)	($6,411)	($20,010)	($16,109)
Annual Deposit	$116,400	$116,400	$116,400	$116,400	$116,400	$116,400	$116,400	$116,400	$116,400	$116,400
End of Year Balance	$1,440,471	$1,475,634	$1,577,121	$1,627,039	$1,737,815	$1,743,299	$1,840,831	$1,950,820	$2,047,210	$2,147,501
Cumulative Expenditures	($2,481,929)	($2,563,166)	($2,578,080)	($2,644,561)	($2,650,185)	($2,761,101)	($2,779,969)	($2,786,380)	($2,806,390)	($2,822,499)
Cumulative Receipts	$3,922,400	$4,038,800	$4,155,200	$4,271,600	$4,388,000	$4,504,400	$4,620,800	$4,737,200	$4,853,600	$4,970,000

EVALUATION OF CURRENT FUNDING

The evaluation of Current Funding (Starting Balance of $314,000 & annual funding of $116,400), is done in today's dollars with no adjustments for inflation or interest earned on Replacement Reserves. The evaluation assumes Replacement Reserves will only be used for the 154 Projected Replacements identified in the Replacement Reserve Inventory and that the Association will continue Annual Funding of $116,400 throughout the 40-year Study Period.

Annual Funding of $116,400 is approximately 97 percent of the $119,801 recommended Annual Funding calculated by the Cash Flow Method for 2023, the Study Year.

See the Executive Summary for the Current Funding Statement.

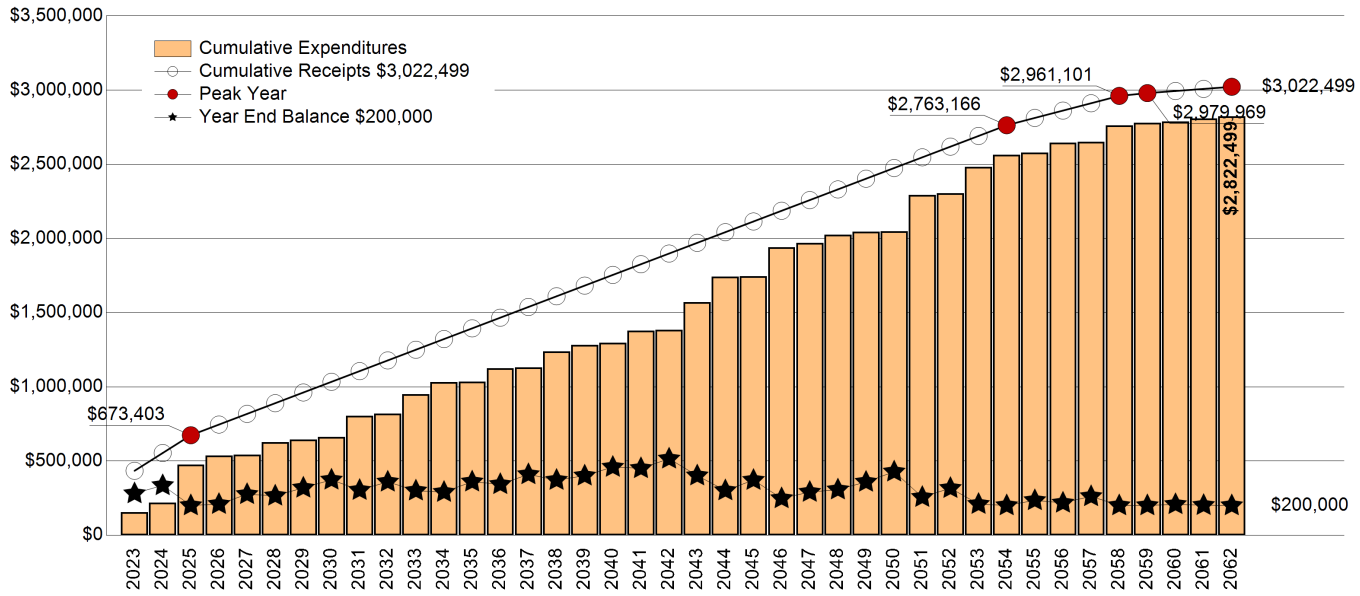
CASH FLOW METHOD FUNDING

$119,801 **RECOMMENDED REPLACEMENT RESERVE FUNDING FOR 2023**
$83.20 Per unit (average), minimum monthly funding of Replacement Reserves

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

- **Peak Years.** The First Peak Year occurs in 2025 with Replacement Reserves on Deposit dropping to the Minimum Balance after the completion of $473,403 of replacements from 2023 to 2025. Recommended funding is projected to decline from $119,801 in 2025 to $72,061 in 2026. Peak Years are identified in Chart 4 and Table 5.
- **Threshold (Minimum Balance).** The calculations assume a Minimum Balance of $200,000 will always be held in reserve, which is calculated by rounding the 12-month 40-year average annual expenditure of $70,562 as shown on Graph #2.
- **Cash Flow Method Study Period.** Cash Flow Method calculates funding for $2,822,499 of expenditures over the 40-year Study Period. It does not include funding for any projects beyond 2062 and in 2062, the end of year balance will always be the Minimum Balance.

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



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

Year	2023	2024	1st Peak - 2025	2026	2027	2028	2029	2030	2031	2032
Starting Balance	$314,000									
Projected Replacements	($153,130)	($64,955)	($255,318)	($62,931)	($5,624)	($82,405)	($18,418)	($17,846)	($141,565)	($16,109)
Annual Deposit	$119,801	$119,801	$119,801	$72,061	$72,061	$72,061	$72,061	$72,061	$72,061	$72,061
End of Year Balance	$280,671	$335,517	$200,000	$209,130	$275,567	$265,222	$318,865	$373,080	$303,575	$359,528
Cumulative Expenditures	($153,130)	($218,085)	($473,403)	($536,335)	($541,958)	($624,363)	($642,781)	($660,628)	($802,193)	($818,301)
Cumulative Receipts	$433,801	$553,602	$673,403	$745,464	$817,525	$889,586	$961,647	$1,033,707	$1,105,768	$1,177,829
Year	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**
Projected Replacements	($132,037)	($81,473)	($2,003)	($89,302)	($5,624)	($110,143)	($42,853)	($13,264)	($80,928)	($7,472)
Annual Deposit	$72,061	$72,061	$72,061	$72,061	$72,061	$72,061	$72,061	$72,061	$72,061	$72,061
End of Year Balance	$299,551	$290,139	$360,197	$342,956	$409,393	$371,311	$400,518	$459,315	$450,447	$515,036
Cumulative Expenditures	($950,338)	($1,031,811)	($1,033,814)	($1,123,116)	($1,128,740)	($1,238,883)	($1,281,736)	($1,295,000)	($1,375,929)	($1,383,400)
Cumulative Receipts	$1,249,890	$1,321,950	$1,394,011	$1,466,072	$1,538,133	$1,610,194	$1,682,254	$1,754,315	$1,826,376	$1,898,437
Year	**2043**	**2044**	**2045**	**2046**	**2047**	**2048**	**2049**	**2050**	**2051**	**2052**
Projected Replacements	($185,802)	($172,328)	($2,003)	($195,446)	($29,209)	($55,755)	($20,143)	($3,263)	($243,468)	($11,610)
Annual Deposit	$72,061	$72,061	$72,061	$72,061	$72,061	$72,061	$72,061	$72,061	$72,061	$72,061
End of Year Balance	$401,295	$301,029	$371,086	$247,701	$290,553	$306,859	$358,776	$427,574	$256,167	$316,618
Cumulative Expenditures	($1,569,202)	($1,741,530)	($1,743,533)	($1,938,979)	($1,968,188)	($2,023,943)	($2,044,086)	($2,047,349)	($2,290,817)	($2,302,426)
Cumulative Receipts	$1,970,497	$2,042,558	$2,114,619	$2,186,680	$2,258,741	$2,330,801	$2,402,862	$2,474,923	$2,546,984	$2,619,045
Year	**2053**	**2nd Peak - 2054**	**2055**	**2056**	**2057**	**3rd Peak - 2058**	**4th Peak - 2059**	**2060**	**2061**	**5th Peak - 2062**
Projected Replacements	($179,503)	($81,237)	($14,913)	($66,482)	($5,624)	($110,916)	($18,868)	($6,411)	($20,010)	($16,109)
Annual Deposit	$72,061	$72,061	$49,484	$49,484	$49,484	$49,484	$18,868	$14,177	$14,177	$14,177
End of Year Balance	$209,176	$200,000	$234,570	$217,572	$261,432	$200,000	$200,000	$207,765	$201,932	$200,000
Cumulative Expenditures	($2,481,929)	($2,563,166)	($2,578,080)	($2,644,561)	($2,650,185)	($2,761,101)	($2,779,969)	($2,786,380)	($2,806,390)	($2,822,499)
Cumulative Receipts	$2,691,105	$2,763,166	$2,812,650	$2,862,133	$2,911,617	$2,961,101	$2,979,969	$2,994,145	$3,008,322	$3,022,499

INFLATION ADJUSTED FUNDING

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

$119,801 **2023 - CASH FLOW METHOD RECOMMENDED FUNDING**

The 2023 Study Year calculations have been made using current replacement costs (see Page B.2), modified by the Analyst for any project specific conditions.

$128,187 **2024 - INFLATION ADJUSTED FUNDING**

A new analysis calculates the 2024 funding based on three assumptions:

- Replacement Reserves on Deposit totaling $280,671 on January 1, 2024.
- All 2023 Projected Replacements listed on Page C.2 accomplished at a cost to Replacement Reserves less than $153,130.
- Construction Cost Inflation of 7.00 percent in 2023.

The $128,187 inflation adjusted funding in 2024 is a 6.99 percent increase over the non-inflation adjusted funding of $119,801.

$137,160 **2025 - INFLATION ADJUSTED FUNDING**

A new analysis calculates the 2025 funding based on three assumptions:

- Replacement Reserves on Deposit totaling $360,908 on January 1, 2025.
- All 2024 Projected Replacements listed on Page C.2 accomplished at a cost to Replacement Reserves less than $65,074.
- Construction Cost Inflation of 7.00 percent in 2024.

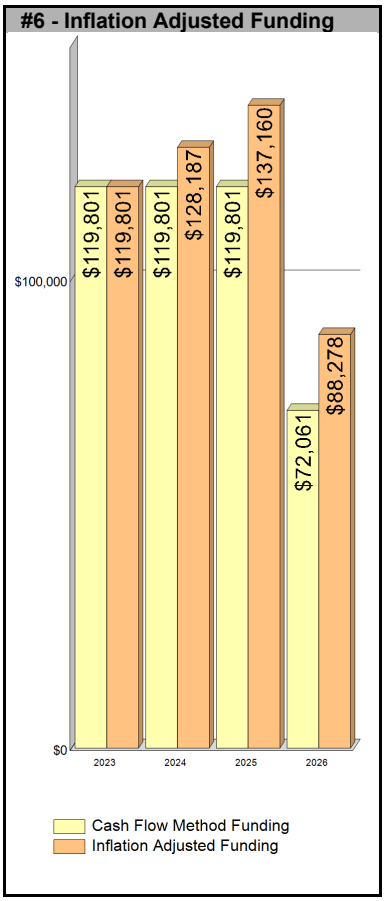
The $137,160 inflation adjusted funding in 2025 is a 14.48 percent increase over the non-inflation adjusted funding of $119,801.

$88,278 **2026 - INFLATION ADJUSTED FUNDING**

A new analysis calculates the 2026 funding based on three assumptions:

- Replacement Reserves on Deposit totaling $104,689 on January 1, 2026.
- All 2025 Projected Replacements listed on Page C.2 accomplished at a cost to Replacement Reserves less than $290,847.
- Construction Cost Inflation of 7.00 percent in 2025.

The $88,278 inflation adjusted funding in 2026 is a 22.50 percent increase over the non-inflation adjusted funding of $72,061.



Year Four and Beyond

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

Inflation Adjustment

Prior to approving a budget based upon the 2024, 2025 and 2026 inflation-adjusted funding calculations above, the 7.00 percent base rate of inflation used in our calculations should be compared to rates published by the Bureau of Labor Statistics. If there is a significant discrepancy (over 1 percentage point), contact Miller+Dodson Associates prior to using the Inflation Adjusted Funding.

Interest on Reserves

The recommended funding calculations do not account for interest earned on Replacement Reserves. In 2023, based on a 1.00 percent interest rate, we estimate the Association may earn $2,973 on an average balance of $297,336, $3,208 on an average balance of $320,789 in 2024, and $2,328 on $232,798 in 2025. The Association may elect to attribute 100 percent of the earned interest to Reserves, resulting in a reduction in the 2023 funding from $119,801 to $116,828 (a 2.48 percent reduction), $128,187 to $124,979 in 2024 (a 2.50 percent reduction), and $137,160 to $134,832 in 2025 (a 1.69 percent reduction).

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SECTION B - REPLACEMENT RESERVE INVENTORY

- **PROJECTED REPLACEMENTS.** Fishing Creek Farm - Replacement Reserve Inventory identifies 154 items which 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 $1,818,968. Cumulative Replacements totaling $2,822,499 are scheduled in the Replacement Reserve Inventory over the 40-year Study Period. Cumulative Replacements include those components that are replaced more than once during the period of the study.

  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.** Some of the items contained in the Replacement Reserve Inventory are 'Excluded Items'. Multiple categories of items 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 than $1000 and/or a normal economic life of less than 3 years are typically excluded from funding from Replacement Reserves. This exclusion should reflect the Association policy on the administration of Replacement Reserves. If the Association has selected an alternative level, it will be noted in the Replacement Reserve Inventory - General Comments on Page B.2.

  Long-lived Items. Items are excluded from the Replacement Reserve Inventory when items are properly maintained and are assumed to have a life equal to the property.

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

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

- **CATEGORIES.** The 154 items included in the Fishing Creek Farm Replacement Reserve Inventory are divided into 5 major categories. Each category is printed on a separate page, beginning on page B.3.

- **LEVEL OF SERVICE.** This Replacement Reserve Inventory has been developed in compliance with the standards established for a Level 2 Update, as defined by the National Reserve Study Standards, established in 1998 by Community Associations Institute, which states:

  This study has been performed as a Level 2 Update with Site Visit/On-Site Review as defined by the Community Associations Institute's, National Reserve Study Standards. As such, the component inventory is based on the study that was performed by Miller-Dodson Associates, Inc. in April 2017. This inventory was adjusted to reflect changes provided by the Community Manager and/or the Board of Directors, or adjustments made based on the site visit and visual assessment performed by the Analyst. The analysis, including fund status and funding plan, is developed from the adjusted inventory.

REPLACEMENT RESERVE INVENTORY - GENERAL INFORMATION (CONT'D)

- **INVENTORY DATA.** Each of the 154 Projected Replacements listed in the Replacement Reserve Inventory includes the following data:

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

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

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

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

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

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

  Remaining Economic Life (Years). 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.

- **PARTIAL FUNDING.** Items may have been included in the Replacement Reserve Inventory at less than 100 percent of their full quantity and/or replacement cost. This is done on items that will never be replaced in their entirety, but which may require periodic replacements over an extended period of time. The assumptions that provide the basis for any partial funding are noted in the Comments section.
- **REMAINING ECONOMIC LIFE GREATER THAN 40 YEARS.** The calculations do not include funding for initial replacements beyond 40 years. These replacements are included in this Study for tracking and evaluation. They should be included for funding in future Studies, when they enter the 40-year window.
- **ACCURACY OF THE ANALYSIS.** The accuracy of the Replacement Reserve Analysis is dependent upon expenditures from Replacement Reserves being made ONLY for the 154 Projected Replacements specifically listed in the Replacement Reserve Inventory. The inclusion/exclusion of items from the Replacement Reserve Inventory is discussed on Page B.1.

SITE ITEMS
PROJECTED REPLACEMENTS

NEL- Normal Economic Life (yrs)
REL- Remaining Economic Life (yrs)

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
1	Asphalt pavement, mill and overlay, Hidden River	sf	4,560	$2.45	20	1	$11,172
2	Asphalt pavement, seal coat, Hidden River View Rd	sf	4,560	$0.22	5	2	$1,003
3	Asphalt pavement, mill and overlay, common drive	sf	14,880	$2.45	20	3	$36,456
4	Asphalt pavement, seal coat, common drive and	sf	14,880	$0.22	5	4	$3,274
5	Asphalt pavement, mill and overlay, Southbreeze	sf	8,900	$2.45	20	10	$21,805
6	Asphalt pavement, crack sealing, Southbreeze Lane	ft	300	$3.45	100	none	$1,035
7	Asphalt pavement, seal coat, Southbreeze Lane	sf	8,900	$0.22	5	11	$1,958
8	Asphalt pavement, mill and overlay, Tennis court	sf	1,000	$2.45	20	15	$2,450
9	Concrete curb and gutter, barrier (20%)	ft	100	$35.50	20	20	$3,550
10	Concrete flatwork (6%)	sf	440	$13.20	100	1	$5,808
11	Concrete flatwork (6%)	sf	140	$13.20	6	7	$1,848
12	Site light, standard single head, LED	ea	9	$650.00	20	13	$5,850
13	Site light, 8' pole	ea	9	$1,850.00	30	23	$16,650
14	Well (allowance)	ls	1	$10,000.00	30	15	$10,000
15	Water treatment, softener system replacement	ls	1	$1,500.00	20	10	$1,500
16	Waste water ejector pump (allowance)	ls	1	$10,000.00	20	13	$10,000
17	Stormwater management (allowance)	ls	1	$25,000.00	5	5	$25,000
18	Shoreline revetment allowance	ls	1	$20,000.00	10	10	$20,000
19	Cherry Tree Lane, road bulkhead repair (allowance)	ls	1	$12,500.00	100	none	$12,500
20	Cherry Tree Lane, bulkhead replacement	lf	250	$500.00	40	8	$125,000
				Replacement Costs - Page Subtotal			$316,859

COMMENTS

- Item #1: Asphalt pavement, mill and overlay, Hidden River View Rd - Hidden River View Road, cul-de-sac. Built in 1993.
- Item #3: Asphalt pavement, mill and overlay, common drive and parking - Community center, pool house access drive, and parking.
- Item #5: Asphalt pavement, mill and overlay, Southbreeze Lane - Asphalt requires crack sealing. Built in 1991.
- Item #6: Asphalt pavement, crack sealing, Southbreeze Lane - One-time expenditure.
- Item #7: Asphalt pavement, seal coat, Southbreeze Lane - Allowance for sealing one year after future resurfacing of the road.
- Item #8: Asphalt pavement, mill and overlay, Tennis court - Tennis court access drive/parking area.
- Item #9: Concrete curb and gutter, barrier (20%) - Clubhouse/marina access drive and parking area.
- Item #10: Concrete flatwork (6%) - One-time expenditure to correct subsided sidewalk on the creek side of the pool area.
- Item #17: Stormwater management (allowance) - Funding for culverts, gabion, and other stormwater management devices.
- Item #19: Cherry Tree Lane, road bulkhead repair (allowance) - Capboard, sheeting, pile caps, and other repairs.
- Item #20: Cherry Tree Lane, bulkhead replacement - Concurrence with Bay Land observation.

SITE ITEMS - (cont.)

PROJECTED REPLACEMENTS

NEL- Normal Economic Life (yrs)
REL- Remaining Economic Life (yrs)

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
21	Southbreeze Beach, shoreline stabilization *	ls	1	$250,000.00	100	2	$250,000
22	Entrance monument, repoint masonry	ls	1	$1,000.00	5	5	$1,000
23	Monument gazebo/trellis roof, metal standing seam	sf	170	$13.00	40	36	$2,210
24	Monument trellis wood allowance	ea	2	$1,500.00	10	10	$3,000
25	Monument trellis pendant light	ea	2	$350.00	30	15	$700
26	Monument ground spot light	ea	4	$300.00	12	5	$1,200
27	Monument electric disconnect station	ea	1	$2,000.00	40	10	$2,000
28	Community miscellaneous signage (allowance)	ft	1	$1,000.00	1	1	$1,000
29	Fence, wood board rail (3-rails and post)	ft	510	$25.50	20	10	$13,005
30	Fence, vinyl 3-rail and post	ft	320	$27.30	40	20	$8,736
31	Wood walkway, PTL structure	sf	300	$34.20	20	none	$10,260
32	Wood walkway, PTL decking	sf	300	$14.45	15	none	$4,335
33	Pedestrian bridge piling	ea	54	$1,100.00	40	23	$59,400
34	Pedestrian bridge/walkway, PTL structure	sf	1,760	$38.50	40	23	$67,760
35	Pedestrian bridge, PTL decking	sf	1,760	$16.65	15	5	$29,304
36	Pedestrian bridge, PTL railing	ft	184	$34.00	15	5	$6,256
37	'Crab pier' piling (7" diameter)	ea	4	$980.00	35	18	$3,920
38	Crab pier piling (10" diameter)	ea	12	$1,220.00	35	18	$14,640
39	Crab pier, PTL structure	sf	540	$38.50	30	18	$20,790
40	Crab pier, PTL decking	sf	540	$14.80	15	10	$7,992
41	Piling, pier east side of launch ramp	ea	12	$1,220.00	35	13	$14,640
				Replacement Costs - Page Subtotal			$522,148

COMMENTS

- Item #22: Entrance monument, repoint masonry - Approximately 1,500 sf. of brick area comprise the community's four monuments.
- Item #29: Fence, wood board rail (3-rails and post) - Cherry Tree Lane and Thomas Point Road.
- Item #30: Fence, vinyl 3-rail and post - Beachview Road and Thomas Point Road.
- Item #31: Wood walkway, PTL structure - Located at Southbreeze Lane.
- Item #33: Pedestrian bridge piling - Pedestrian bridge west of 3400 block of Hidden River View Rd. on Cherry Tree Cove.
- Item #37: 'Crab pier' piling (7" diameter) - 'Crab' pier is located off Thomas Point Court. Built 2005.
- Item #41: Piling, pier east side of launch ramp - Approximately 81' in length.

SITE ITEMS - (cont.)
PROJECTED REPLACEMENTS

NEL- Normal Economic Life (yrs)
REL- Remaining Economic Life (yrs)

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
42	Pier PTL, structure	sf	324	$38.50	35	13	$12,474
43	Pier PTL, decking	sf	324	$14.80	15	3	$4,795
44	Piling, pier west side of launch ramp	ea	8	$1,220.00	35	15	$9,760
45	Pier PTL, structure	sf	224	$38.50	35	15	$8,624
46	Pier PTL, decking	sf	224	$14.80	15	2	$3,315
47	Piling, new platform west side of launch ramp	ea	6	$1,220.00	30	28	$7,320
48	Pier PTL, structure	sf	605	$38.50	30	28	$23,293
49	Pier PTL, decking	sf	605	$14.80	15	13	$8,954
50	Floating kayak dock	ls	1	$4,250.00	25	10	$4,250
51	Floating jet ski dock	ls	1	$13,100.00	25	24	$13,100
52	Jet ski platform, on piling cage light	ea	3	$200.00	30	29	$600
53	Boat launch concrete ramp *	sf	1,280	$40.00	40	20	$51,200
54	Flagpole, marina side of property	ea	1	$3,445.00	40	38	$3,445

Replacement Costs - Page Subtotal $151,130

COMMENTS

- Item #44: Piling, pier west side of launch ramp - Two sections: older finger pier, new end platform, and jet ski floating dock. Located west of boat ramp.
- Item #47: Piling, new platform west side of launch ramp - Installed subsequent to former boat house removal.
- Item #50: Floating kayak dock - Approximately 135 sf. Replacement cost taken from 2021 audit document.
- Item #51: Floating jet ski dock - Approximately 755 sf. Replacement cost taken from 2021 audit document.

EXTERIOR ITEMS - CLUBHOUSE

PROJECTED REPLACEMENTS

NEL- Normal Economic Life (yrs)
REL- Remaining Economic Life (yrs)

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
55	Roofing, asphalt shingles *	sf	2,600	$6.30	30	21	$16,380
56	Roofing, flat modified bitumen	sf	145	$11.00	20	11	$1,595
57	Gutter and downspouts, 6" aluminum	ft	445	$13.50	30	21	$6,008
58	Soffit and trim, vinyl	sf	280	$11.00	40	31	$3,080
59	Fascia	lf	690	$10.00	40	31	$6,900
60	Siding and trim, cementitious	sf	1,055	$11.20	40	31	$11,816
61	Stucco repair, (10% allowance)	sf	345	$13.65	10	5	$4,709
62	Stucco, recoating	sf	3,450	$7.50	30	21	$25,875
63	Window, stationary *	sf	40	$40.50	40	7	$1,620
64	Window, operating	sf	250	$49.50	40	7	$12,375
65	Door, aluminum and glass (6' X 6'8")	pr	2	$2,600.00	30	21	$5,200
66	Door sidelights, 3'	ea	4	$1,440.00	30	21	$5,760
67	Door, steel and glass (3' X 6'8")	ea	2	$1,240.00	25	16	$2,480
68	Door sidelight	ea	1	$1,240.00	25	16	$1,240
69	Door, steel, flush (3' X 6'8")	ea	3	$1,060.00	20	3	$3,180
70	Door, steel, flush (3' X 6'8")	ea	1	$1,060.00	20	11	$1,060
71	Door, steel, flush (3' X 6'8")	ea	1	$1,060.00	20	17	$1,060
72	Front deck, PTL decking	sf	145	$15.65	20	15	$2,269
73	Front deck wood railing surround (allowance)	ft	32	$70.00	20	15	$2,240
74	Ramp, PTL structure, waterside of clubhouse	sf	460	$18.50	45	30	$8,510
				Replacement Costs - Page Subtotal			$123,357

COMMENTS

- Item #56: Roofing, flat modified bitumen - Cherry Tree Lane roof atop the front entrance.
- Item #65: Door, aluminum and glass (6' X 6'8") - Cherry Tree Lane entrance and second-level deck access.
- Item #72: Front deck, PTL decking - Cherry Tree Lane roof atop the front entrance.

EXTERIOR ITEMS - CLUBHOUSE - (cont.)

PROJECTED REPLACEMENTS

NEL- Normal Economic Life (yrs)
REL- Remaining Economic Life (yrs)

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
75	Deck, PTL structure, waterside of clubhouse	sf	900	$18.50	45	30	$16,650
76	Ramp, rear deck, west step, composite decking *	sf	1,360	$18.60	30	20	$25,296
77	Ramp, deck, steel multi-strand railing	ft	335	$75.00	40	30	$25,125
78	Awning, retractable on rear deck (allowance)	ea	1	$15,716.00	15	13	$15,716
79	Awning, stairway (allowance)	ea	1	$3,220.00	15	13	$3,220
80	Awning, stairway refurbish structure	sf	160	$7.80	30	15	$1,248
81	Lighting, wall pendant	ea	4	$750.00	25	16	$3,000
82	Lighting, wall sconces	ea	20	$550.00	25	16	$11,000
83	Lighting, dual head under deck	ea	3	$350.00	25	16	$1,050
84	Ceiling fan	ea	2	$1,000.00	25	16	$2,000

Replacement Costs - Page Subtotal $104,305

COMMENTS

- Item #78: Awning, retractable on rear deck (allowance) - Pricing obtained from purchase contract.

INTERIOR ITEMS - CLUBHOUSE
PROJECTED REPLACEMENTS

NEL- Normal Economic Life (yrs)
REL- Remaining Economic Life (yrs)

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
85	Flooring, wood laminate, replace	sf	770	$15.50	20	11	$11,935
86	Flooring, vinyl tile	sf	490	$4.50	20	11	$2,205
87	Flooring, carpet interior stairway	sf	100	$4.85	10	5	$485
88	Flooring, ceramic tile, upper level powder rooms	sf	70	$37.50	25	16	$2,625
89	Sink, fixture and mirror upper level powder rooms	ea	2	$400.00	25	16	$800
90	Commode, upper level powder rooms	ea	2	$1,000.00	25	16	$2,000
91	Flooring, ceramic tile, women's shower room	sf	245	$37.50	20	15	$9,188
92	Wall tile, ceramic	sf	70	$37.50	20	15	$2,625
93	Toilet and stall	ea	1	$1,000.00	20	10	$1,000
94	Laminate counter-top	sf	12	$38.00	20	10	$456
95	Sink, fixture and mirror	ea	2	$400.00	20	10	$800
96	Lighting allowance	ea	8	$225.00	20	10	$1,800
97	Flooring, ceramic tile, men's shower room	sf	220	$37.50	20	15	$8,250
98	Wall tile, ceramic	sf	70	$37.50	20	15	$2,625
99	Toilet and stall	ea	1	$1,000.00	20	10	$1,000
100	Laminate counter-top	sf	8	$38.00	20	10	$304
101	Sink, fixture and mirror	ea	1	$400.00	20	10	$400
102	Lighting allowance	ea	8	$225.00	20	10	$1,800
103	Kitchen, residential, cabinets	ft	25	$235.00	21	11	$5,875
104	Kitchen, residential, electric range	ea	1	$1,100.00	21	11	$1,100
105	Kitchen, residential, microwave / hood	ea	1	$530.00	21	11	$530
106	Kitchen, residential,18 cf refrigerator	ea	1	$1,540.00	21	11	$1,540
107	Kitchen, residential, solid surface counter-top	sf	48	$72.00	35	25	$3,456
108	Kitchen sink with disposal	ea	1	$550.00	21	11	$550
						Replacement Costs - Page Subtotal	$63,349

COMMENTS

INTERIOR ITEMS - CLUBHOUSE - (cont.)

PROJECTED REPLACEMENTS

NEL- Normal Economic Life (yrs)
REL- Remaining Economic Life (yrs)

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
109	High boy table (4) and chairs (12)	ls	1	$3,600.00	15	13	$3,600
110	Bar stool	ls	1	$1,000.00	15	13	$1,000
111	Acoustic tile	ls	1	$1,260.00	30	27	$1,260
						Replacement Costs - Page Subtotal	$5,860

COMMENTS

BUILDING SYSTEMS - CLUBHOUSE
PROJECTED REPLACEMENTS

NEL- Normal Economic Life (yrs)
REL- Remaining Economic Life (yrs)

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
112	Heat pump system 3.5 ton	ea	1	$15,000.00	15	3	$15,000
113	Water heater, 60 gallon electric	ea	1	$1,200.00	15	5	$1,200
114	Well (allowance)	ls	1	$10,000.00	25	23	$10,000
115	Waste water ejector pump (allowance)	ls	1	$10,000.00	20	13	$10,000
116	Water treatment, system	lf	1	$15,000.00	20	10	$15,000
117	Peristaltic pump	ea	1	$10,485.00	15	9	$10,485
118	Security system	ls	1	$11,900.00	10	8	$11,900

Replacement Costs - Page Subtotal $73,585

COMMENTS

RECREATION ITEMS
PROJECTED REPLACEMENTS

NEL- Normal Economic Life (yrs)
REL- Remaining Economic Life (yrs)

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
119	Swimming pool, structure	sf	1,565	$90.00	60	28	$140,850
120	Swimming pool coping, precast concrete	ft	190	$67.50	20	1	$12,825
121	Swimming pool, waterline tile *	ft	190	$36.50	10	1	$6,935
122	Swimming pool, whitecoat	sf	1,565	$8.25	10	1	$12,911
123	Swimming pool cover, safety mesh	sf	1,565	$2.30	12	5	$3,600
124	Wading pool, structure	sf	255	$90.00	60	28	$22,950
125	Wading pool coping, precast concrete	ft	60	$67.50	20	1	$4,050
126	Wading pool, waterline tile	ft	60	$36.50	10	1	$2,190
127	Wading pool, whitecoat	sf	255	$8.25	10	1	$2,104
128	Wading pool cover, safety mesh	sf	255	$2.30	12	5	$587
129	Pool deck, concrete (10%)	sf	440	$11.50	5	1	$5,060
130	Pool pump (3 hp), swimming pool	ea	1	$3,485.00	15	11	$3,485
131	Pool filter, cartridge (700 sf), swimming pool	ea	1	$3,770.00	15	15	$3,770
132	Pool pump (1/2 hp), wading pool	ea	1	$1,000.00	5	3	$1,000
133	Pool filter, sand, wading pool	ea	1	$1,500.00	15	3	$1,500
134	Chemical feed pump system	ls	1	$1,350.00	5	4	$1,350
135	Pool ladder (4 step)	ea	3	$1,075.00	20	10	$3,225
136	Safety rail	ea	2	$450.00	20	1	$900
137	Portable life guard stand	ls	1	$3,500.00	20	10	$3,500
138	Pool Life-Pak	ea	1	$2,665.00	10	8	$2,665
139	Fence, 6' decorative aluminum	ft	298	$50.60	40	33	$15,079
140	Fence, 4' decorative aluminum, wading pool	ft	53	$42.60	40	33	$2,258
				Replacement Costs - Page Subtotal			$252,793

COMMENTS

- Item #120: Swimming pool coping, precast concrete - Removal and replacement.
- Item #122: Swimming pool, whitecoat - September 2022, revised pricing. Preparation and Bondkote plaster.
- Item #129: Pool deck, concrete (10%) - Limited cracking.
- Item #130: Pool pump (3 hp), swimming pool - Pentair Whisperflow 3 hp. pump and motor.
- Item #131: Pool filter, cartridge (700 sf), swimming pool - Hayward dual quad unit. Price information taken from 2021 audit document.
- Item #134: Chemical feed pump system - Data provided indicates replacement between the years 2020-22.

RECREATION ITEMS - (cont.)

PROJECTED REPLACEMENTS

NEL- Normal Economic Life (yrs)
REL- Remaining Economic Life (yrs)

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
141	Pool furniture, lounge, vinyl strap	ea	23	$175.00	10	5	$4,025
142	Pool furniture, chair, vinyl strap	ea	22	$120.00	10	5	$2,640
143	Pool furniture, round table (42")	ea	7	$200.00	10	5	$1,400
144	Pool furniture, umbrella (7')	ea	11	$290.00	12	6	$3,190
145	Pool furniture, umbrella stand (40 lb)	ea	11	$48.00	12	6	$528
146	Patio/deck Adirondack chair	ea	8	$225.00	15	15	$1,800
147	Patio/deck highboy tables and chairs	ls	1	$1,000.00	15	10	$1,000
148	Patio/deck table and upholstered chairs	ls	1	$1,200.00	15	10	$1,200

Replacement Costs - Page Subtotal $15,783

COMMENTS

RECREATION ITEMS - TENNIS COURT

PROJECTED REPLACEMENTS

NEL- Normal Economic Life (yrs)
REL- Remaining Economic Life (yrs)

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
149	Tennis court, rebuild, base, asphalt, color coat	ls	1	$125,000.00	100	none	$125,000
150	Tennis court, asphalt overlay	sf	7,200	$5.80	20	21	$41,760
151	Tennis court, color coat (3 coats)	sf	7,200	$1.20	5	6	$8,640
152	Tennis court, post and footings	pr	1	$1,600.00	20	21	$1,600
	Crack seal, 65'						EXCLUDED
153	Fence, tennis court, 10' vinyl coated	ft	360	$30.00	45	11	$10,800
154	Basketball pole and backboard	ea	1	$1,500.00	20	17	$1,500

Replacement Costs - Page Subtotal $189,300

COMMENTS

- Item #149: Tennis court, rebuild, base, asphalt, color coat overlay - September 2022, revised in accordance with Board's directive.
- Item #150: Tennis court, asphalt overlay - Previous resurfacing in 2013.
- Crack seal, 65' - [09/13/2022] excluded per board

VALUATION EXCLUSIONS
Excluded Items

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
	Gazebo benches						EXCLUDED
	BBQ						EXCLUDED
	Fire extinguisher cabinet						EXCLUDED
	Pet stations						EXCLUDED
	Electric heaters						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 $1000 have not been scheduled for funding from Replacement Reserve. Examples of items excluded 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 ($)	NEL	REL	REPLACEMENT COST ($)
	Masonry features						EXCLUDED
	Miscellaneous culverts						EXCLUDED
	Metal lettering at entrance monuments						EXCLUDED
	Building foundation(s)						EXCLUDED
	Concrete floor slabs (interior)						EXCLUDED
	Wall, floor, & roof structure						EXCLUDED
	Fire protection/security systems						EXCLUDED
	Electrical wiring						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 ($)	NEL	REL	REPLACEMENT COST ($)
	Domestic water pipes serving one unit						EXCLUDED
	Sanitary sewers serving one unit						EXCLUDED
	Electrical wiring serving one unit						EXCLUDED
	Cable TV service serving one unit						EXCLUDED
	Telephone service serving one unit						EXCLUDED
	Gas service serving one unit						EXCLUDED
	Driveway on an individual lot						EXCLUDED
	Apron on an individual lot						EXCLUDED
	Sidewalk on an individual lot						EXCLUDED
	Stairs on an individual lot						EXCLUDED
	Curb & gutter on an individual lot						EXCLUDED
	Retaining wall on an individual lot						EXCLUDED
	Fence on an individual lot						EXCLUDED
	Dock on an individually lot						EXCLUDED
	Unit exterior						EXCLUDED
	Unit windows						EXCLUDED
	Unit doors						EXCLUDED
	Unit skylights						EXCLUDED
	Unit deck, patio, and/or balcony						EXCLUDED
	Unit mailbox						EXCLUDED
	Unit interior						EXCLUDED
	Unit HVAC system						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 ($)	NEL	REL	REPLACEMENT COST ($)
	Primary electric feeds						EXCLUDED
	Electric transformers						EXCLUDED
	Cable TV systems and structures						EXCLUDED
	Telephone cables and structures						EXCLUDED
	Site lighting						EXCLUDED
	Gas mains and meters						EXCLUDED
	Water mains and meters						EXCLUDED
	Sanitary sewers						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 ($)	NEL	REL	REPLACEMENT COST ($)
	Cleaning of asphalt pavement						EXCLUDED
	Crack sealing of asphalt pavement						EXCLUDED
	Painting of curbs						EXCLUDED
	Striping of parking spaces						EXCLUDED
	Numbering of parking spaces						EXCLUDED
	Landscaping and site grading						EXCLUDED
	Exterior painting						EXCLUDED
	Interior painting						EXCLUDED
	Janitorial service						EXCLUDED
	Repair services						EXCLUDED
	Partial replacements						EXCLUDED
	Capital improvements						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 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 ($)	NEL	REL	REPLACEMENT COST ($)
	Government, roadways & parking						EXCLUDED
	Government, sidewalks & curbs						EXCLUDED
	Government, lighting						EXCLUDED
	Government, stormwater mgmt.						EXCLUDED
	Government, ponds						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 rights-of-way, including adjacent properties and adjacent roadways.
- 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 ($)	NEL	REL	REPLACEMENT COST ($)
	Subsurface irrigation pipe						EXCLUDED
	Subsurface irrigation valve						EXCLUDED
	Subsurface irrigation control wiring						EXCLUDED
	Irrigation control system						EXCLUDED
	Irrigation system electrical service						EXCLUDED
	Irrigation system enclosures						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 online and again each fall when they are winterized. Repair(s) and or replacement(s) should be made in conjunction with these semiannual inspections.

SECTION C - CALENDAR OF PROJECTED ANNUAL REPLACEMENTS

GENERAL STATEMENT. The 154 Projected Replacements in the Fishing Creek Farm Replacement Reserve Inventory whose replacement is scheduled to be funded from Replacement Reserves are broken down on a year-by-year basis, beginning on Page C.2.

REPLACEMENT RESERVE ANALYSIS AND INVENTORY POLICIES, PROCEDURES, AND ADMINISTRATION

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

PROJECTED REPLACEMENTS

Item	2023 - Study Year	$
6	Asphalt pavement, crack sealing, Southbreeze Lane	$1,035
19	Cherry Tree Lane, road bulkhead repair (allowance)	$12,500
31	Wood walkway, PTL structure	$10,260
32	Wood walkway, PTL decking	$4,335
149	Tennis court, rebuild, base, asphalt, color coat overlay	$125,000
	Total Scheduled Replacements	$153,130

Item	2024 - YEAR 1	$
1	Asphalt pavement, mill and overlay, Hidden River View	$11,172
10	Concrete flatwork (6%)	$5,808
28	Community miscellaneous signage (allowance)	$1,000
120	Swimming pool coping, precast concrete	$12,825
121	Swimming pool, waterline tile *	$6,935
122	Swimming pool, whitecoat	$12,911
125	Wading pool coping, precast concrete	$4,050
126	Wading pool, waterline tile	$2,190
127	Wading pool, whitecoat	$2,104
129	Pool deck, concrete (10%)	$5,060
136	Safety rail	$900
	Total Scheduled Replacements	$64,955

Item	2025 - YEAR 2	$
2	Asphalt pavement, seal coat, Hidden River View Rd	$1,003
21	Southbreeze Beach, shoreline stabilization *	$250,000
28	Community miscellaneous signage (allowance)	$1,000
46	Pier PTL, decking	$3,315
	Total Scheduled Replacements	$255,318

Item	2026 - YEAR 3	$
3	Asphalt pavement, mill and overlay, common drive and	$36,456
28	Community miscellaneous signage (allowance)	$1,000
43	Pier PTL, decking	$4,795
69	Door, steel, flush (3' X 6'8")	$3,180
112	Heat pump system 3.5 ton	$15,000
132	Pool pump (1/2 hp), wading pool	$1,000
133	Pool filter, sand, wading pool	$1,500
	Total Scheduled Replacements	$62,931

PROJECTED REPLACEMENTS

Item	2027 - YEAR 4	$
4	Asphalt pavement, seal coat, common drive and parking	$3,274
28	Community miscellaneous signage (allowance)	$1,000
134	Chemical feed pump system	$1,350
Total Scheduled Replacements		$5,624

Item	2028 - YEAR 5	$
17	Stormwater management (allowance)	$25,000
22	Entrance monument, repoint masonry	$1,000
26	Monument ground spot light	$1,200
28	Community miscellaneous signage (allowance)	$1,000
35	Pedestrian bridge, PTL decking	$29,304
36	Pedestrian bridge, PTL railing	$6,256
61	Stucco repair, (10% allowance)	$4,709
87	Flooring, carpet interior stairway	$485
113	Water heater, 60 gallon electric	$1,200
123	Swimming pool cover, safety mesh	$3,600
128	Wading pool cover, safety mesh	$587
141	Pool furniture, lounge, vinyl strap	$4,025
142	Pool furniture, chair, vinyl strap	$2,640
143	Pool furniture, round table (42")	$1,400
Total Scheduled Replacements		$82,405

Item	2029 - YEAR 6	$
28	Community miscellaneous signage (allowance)	$1,000
129	Pool deck, concrete (10%)	$5,060
144	Pool furniture, umbrella (7')	$3,190
145	Pool furniture, umbrella stand (40 lb)	$528
151	Tennis court, color coat (3 coats)	$8,640
Total Scheduled Replacements		$18,418

Item	2030 - YEAR 7	$
2	Asphalt pavement, seal coat, Hidden River View Rd	$1,003
11	Concrete flatwork (6%)	$1,848
28	Community miscellaneous signage (allowance)	$1,000
63	Window, stationary *	$1,620
64	Window, operating	$12,375
Total Scheduled Replacements		$17,846

PROJECTED REPLACEMENTS

Item	2031 - YEAR 8	$
20	Cherry Tree Lane, bulkhead replacement	$125,000
28	Community miscellaneous signage (allowance)	$1,000
118	Security system	$11,900
132	Pool pump (1/2 hp), wading pool	$1,000
138	Pool Life-Pak	$2,665
Total Scheduled Replacements		$141,565

Item	2032 - YEAR 9	$
4	Asphalt pavement, seal coat, common drive and parking	$3,274
28	Community miscellaneous signage (allowance)	$1,000
117	Peristaltic pump	$10,485
134	Chemical feed pump system	$1,350
Total Scheduled Replacements		$16,109

Item	2033 - YEAR 10	$
5	Asphalt pavement, mill and overlay, Southbreeze Lane	$21,805
15	Water treatment, softener system replacement	$1,500
17	Stormwater management (allowance)	$25,000
18	Shoreline revetment allowance	$20,000
22	Entrance monument, repoint masonry	$1,000
24	Monument trellis wood allowance	$3,000
27	Monument electric disconnect station	$2,000
28	Community miscellaneous signage (allowance)	$1,000
29	Fence, wood board rail (3-rails and post)	$13,005
40	Crab pier, PTL decking	$7,992
50	Floating kayak dock	$4,250
93	Toilet and stall	$1,000
94	Laminate counter-top	$456
95	Sink, fixture and mirror	$800
96	Lighting allowance	$1,800
99	Toilet and stall	$1,000
100	Laminate counter-top	$304
101	Sink, fixture and mirror	$400
102	Lighting allowance	$1,800
116	Water treatment, system	$15,000
135	Pool ladder (4 step)	$3,225
137	Portable life guard stand	$3,500
147	Patio/deck highboy tables and chairs	$1,000
148	Patio/deck table and upholstered chairs	$1,200
Total Scheduled Replacements		$132,037

Item	2034 - YEAR 11	$
7	Asphalt pavement, seal coat, Southbreeze Lane	$1,958
28	Community miscellaneous signage (allowance)	$1,000
56	Roofing, flat modified bitumen	$1,595
70	Door, steel, flush (3' X 6'8")	$1,060
85	Flooring, wood laminate, replace	$11,935
86	Flooring, vinyl tile	$2,205
103	Kitchen, residential, cabinets	$5,875
104	Kitchen, residential, electric range	$1,100
105	Kitchen, residential, microwave / hood	$530
106	Kitchen, residential,18 cf refrigerator	$1,540
108	Kitchen sink with disposal	$550
121	Swimming pool, waterline tile *	$6,935
122	Swimming pool, whitecoat	$12,911
126	Wading pool, waterline tile	$2,190
127	Wading pool, whitecoat	$2,104
129	Pool deck, concrete (10%)	$5,060
130	Pool pump (3 hp), swimming pool	$3,485
151	Tennis court, color coat (3 coats)	$8,640
153	Fence, tennis court, 10' vinyl coated	$10,800
Total Scheduled Replacements		$81,473

PROJECTED REPLACEMENTS

Item	2035 - YEAR 12	$
2	Asphalt pavement, seal coat, Hidden River View Rd	$1,003
28	Community miscellaneous signage (allowance)	$1,000
	Total Scheduled Replacements	$2,003

Item	2036 - YEAR 13	$
11	Concrete flatwork (6%)	$1,848
12	Site light, standard single head, LED	$5,850
16	Waste water ejector pump (allowance)	$10,000
28	Community miscellaneous signage (allowance)	$1,000
41	Piling, pier east side of launch ramp	$14,640
42	Pier PTL, structure	$12,474
49	Pier PTL, decking	$8,954
78	Awning, retractable on rear deck (allowance)	$15,716
79	Awning, stairway (allowance)	$3,220
109	High boy table (4) and chairs (12)	$3,600
110	Bar stool	$1,000
115	Waste water ejector pump (allowance)	$10,000
132	Pool pump (1/2 hp), wading pool	$1,000
	Total Scheduled Replacements	$89,302

Item	2037 - YEAR 14	$
4	Asphalt pavement, seal coat, common drive and parking	$3,274
28	Community miscellaneous signage (allowance)	$1,000
134	Chemical feed pump system	$1,350
	Total Scheduled Replacements	$5,624

Item	2038 - YEAR 15	$
8	Asphalt pavement, mill and overlay, Tennis court	$2,450
14	Well (allowance)	$10,000
17	Stormwater management (allowance)	$25,000
22	Entrance monument, repoint masonry	$1,000
25	Monument trellis pendant light	$700
28	Community miscellaneous signage (allowance)	$1,000
32	Wood walkway, PTL decking	$4,335
44	Piling, pier west side of launch ramp	$9,760
45	Pier PTL, structure	$8,624
61	Stucco repair, (10% allowance)	$4,709
72	Front deck, PTL decking	$2,269
73	Front deck wood railing surround (allowance)	$2,240
80	Awning, stairway refurbish structure	$1,248
87	Flooring, carpet interior stairway	$485
91	Flooring, ceramic tile, women's shower room	$9,188
92	Wall tile, ceramic	$2,625
97	Flooring, ceramic tile, men's shower room	$8,250
98	Wall tile, ceramic	$2,625
131	Pool filter, cartridge (700 sf), swimming pool	$3,770
141	Pool furniture, lounge, vinyl strap	$4,025
142	Pool furniture, chair, vinyl strap	$2,640
143	Pool furniture, round table (42")	$1,400
146	Patio/deck Adirondack chair	$1,800
	Total Scheduled Replacements	$110,143

PROJECTED REPLACEMENTS

Item	2039 - YEAR 16	$
7	Asphalt pavement, seal coat, Southbreeze Lane	$1,958
28	Community miscellaneous signage (allowance)	$1,000
67	Door, steel and glass (3' X 6'8")	$2,480
68	Door sidelight	$1,240
81	Lighting, wall pendant	$3,000
82	Lighting, wall sconces	$11,000
83	Lighting, dual head under deck	$1,050
84	Ceiling fan	$2,000
88	Flooring, ceramic tile, upper level powder rooms	$2,625
89	Sink, fixture and mirror upper level powder rooms	$800
90	Commode, upper level powder rooms	$2,000
129	Pool deck, concrete (10%)	$5,060
151	Tennis court, color coat (3 coats)	$8,640
	Total Scheduled Replacements	$42,853

Item	2040 - YEAR 17	$
2	Asphalt pavement, seal coat, Hidden River View Rd	$1,003
26	Monument ground spot light	$1,200
28	Community miscellaneous signage (allowance)	$1,000
46	Pier PTL, decking	$3,315
71	Door, steel, flush (3' X 6'8")	$1,060
123	Swimming pool cover, safety mesh	$3,600
128	Wading pool cover, safety mesh	$587
154	Basketball pole and backboard	$1,500
	Total Scheduled Replacements	$13,264

Item	2041 - YEAR 18	$
28	Community miscellaneous signage (allowance)	$1,000
37	'Crab pier' piling (7" diameter)	$3,920
38	Crab pier piling (10" diameter)	$14,640
39	Crab pier, PTL structure	$20,790
43	Pier PTL, decking	$4,795
112	Heat pump system 3.5 ton	$15,000
118	Security system	$11,900
132	Pool pump (1/2 hp), wading pool	$1,000
133	Pool filter, sand, wading pool	$1,500
138	Pool Life-Pak	$2,665
144	Pool furniture, umbrella (7')	$3,190
145	Pool furniture, umbrella stand (40 lb)	$528
	Total Scheduled Replacements	$80,928

Item	2042 - YEAR 19	$
4	Asphalt pavement, seal coat, common drive and parking	$3,274
11	Concrete flatwork (6%)	$1,848
28	Community miscellaneous signage (allowance)	$1,000
134	Chemical feed pump system	$1,350
	Total Scheduled Replacements	$7,472

PROJECTED REPLACEMENTS

Item	2043 - YEAR 20	$
9	Concrete curb and gutter, barrier (20%)	$3,550
17	Stormwater management (allowance)	$25,000
18	Shoreline revetment allowance	$20,000
22	Entrance monument, repoint masonry	$1,000
24	Monument trellis wood allowance	$3,000
28	Community miscellaneous signage (allowance)	$1,000
30	Fence, vinyl 3-rail and post	$8,736
31	Wood walkway, PTL structure	$10,260
35	Pedestrian bridge, PTL decking	$29,304
36	Pedestrian bridge, PTL railing	$6,256
53	Boat launch concrete ramp *	$51,200
76	Ramp, rear deck, west step, composite decking *	$25,296
113	Water heater, 60 gallon electric	$1,200
	Total Scheduled Replacements	$185,802

Item	2044 - YEAR 21	$
1	Asphalt pavement, mill and overlay, Hidden River View	$11,172
7	Asphalt pavement, seal coat, Southbreeze Lane	$1,958
28	Community miscellaneous signage (allowance)	$1,000
55	Roofing, asphalt shingles *	$16,380
57	Gutter and downspouts, 6" aluminum	$6,008
62	Stucco, recoating	$25,875
65	Door, aluminum and glass (6' X 6'8")	$5,200
66	Door sidelights, 3'	$5,760
120	Swimming pool coping, precast concrete	$12,825
121	Swimming pool, waterline tile *	$6,935
122	Swimming pool, whitecoat	$12,911
125	Wading pool coping, precast concrete	$4,050
126	Wading pool, waterline tile	$2,190
127	Wading pool, whitecoat	$2,104
129	Pool deck, concrete (10%)	$5,060
136	Safety rail	$900
150	Tennis court, asphalt overlay	$41,760
151	Tennis court, color coat (3 coats)	$8,640
152	Tennis court, post and footings	$1,600
	Total Scheduled Replacements	$172,328

Item	2045 - YEAR 22	$
2	Asphalt pavement, seal coat, Hidden River View Rd	$1,003
28	Community miscellaneous signage (allowance)	$1,000
	Total Scheduled Replacements	$2,003

Item	2046 - YEAR 23	$
3	Asphalt pavement, mill and overlay, common drive and	$36,456
13	Site light, 8' pole	$16,650
28	Community miscellaneous signage (allowance)	$1,000
33	Pedestrian bridge piling	$59,400
34	Pedestrian bridge/walkway, PTL structure	$67,760
69	Door, steel, flush (3' X 6'8")	$3,180
114	Well (allowance)	$10,000
132	Pool pump (1/2 hp), wading pool	$1,000
	Total Scheduled Replacements	$195,446

PROJECTED REPLACEMENTS

Item	2047 - YEAR 24	$
4	Asphalt pavement, seal coat, common drive and parking	$3,274
28	Community miscellaneous signage (allowance)	$1,000
51	Floating jet ski dock	$13,100
117	Peristaltic pump	$10,485
134	Chemical feed pump system	$1,350
	Total Scheduled Replacements	$29,209

Item	2048 - YEAR 25	$
11	Concrete flatwork (6%)	$1,848
17	Stormwater management (allowance)	$25,000
22	Entrance monument, repoint masonry	$1,000
28	Community miscellaneous signage (allowance)	$1,000
40	Crab pier, PTL decking	$7,992
61	Stucco repair, (10% allowance)	$4,709
87	Flooring, carpet interior stairway	$485
107	Kitchen, residential, solid surface counter-top	$3,456
141	Pool furniture, lounge, vinyl strap	$4,025
142	Pool furniture, chair, vinyl strap	$2,640
143	Pool furniture, round table (42")	$1,400
147	Patio/deck highboy tables and chairs	$1,000
148	Patio/deck table and upholstered chairs	$1,200
	Total Scheduled Replacements	$55,755

Item	2049 - YEAR 26	$
7	Asphalt pavement, seal coat, Southbreeze Lane	$1,958
28	Community miscellaneous signage (allowance)	$1,000
129	Pool deck, concrete (10%)	$5,060
130	Pool pump (3 hp), swimming pool	$3,485
151	Tennis court, color coat (3 coats)	$8,640
	Total Scheduled Replacements	$20,143

Item	2050 - YEAR 27	$
2	Asphalt pavement, seal coat, Hidden River View Rd	$1,003
28	Community miscellaneous signage (allowance)	$1,000
111	Acoustic tile	$1,260
	Total Scheduled Replacements	$3,263

PROJECTED REPLACEMENTS

Item	2051 - YEAR 28	$
28	Community miscellaneous signage (allowance)	$1,000
47	Piling, new platform west side of launch ramp	$7,320
48	Pier PTL, structure	$23,293
49	Pier PTL, decking	$8,954
78	Awning, retractable on rear deck (allowance)	$15,716
79	Awning, stairway (allowance)	$3,220
109	High boy table (4) and chairs (12)	$3,600
110	Bar stool	$1,000
118	Security system	$11,900
119	Swimming pool, structure	$140,850
124	Wading pool, structure	$22,950
132	Pool pump (1/2 hp), wading pool	$1,000
138	Pool Life-Pak	$2,665
Total Scheduled Replacements		$243,468

Item	2052 - YEAR 29	$
4	Asphalt pavement, seal coat, common drive and parking	$3,274
26	Monument ground spot light	$1,200
28	Community miscellaneous signage (allowance)	$1,000
52	Jet ski platform, on piling cage light	$600
123	Swimming pool cover, safety mesh	$3,600
128	Wading pool cover, safety mesh	$587
134	Chemical feed pump system	$1,350
Total Scheduled Replacements		$11,610

Item	2053 - YEAR 30	$
5	Asphalt pavement, mill and overlay, Southbreeze Lane	$21,805
15	Water treatment, softener system replacement	$1,500
17	Stormwater management (allowance)	$25,000
18	Shoreline revetment allowance	$20,000
22	Entrance monument, repoint masonry	$1,000
24	Monument trellis wood allowance	$3,000
28	Community miscellaneous signage (allowance)	$1,000
29	Fence, wood board rail (3-rails and post)	$13,005
32	Wood walkway, PTL decking	$4,335
74	Ramp, PTL structure, waterside of clubhouse	$8,510
75	Deck, PTL structure, waterside of clubhouse	$16,650
77	Ramp, deck, steel multi-strand railing	$25,125
93	Toilet and stall	$1,000
94	Laminate counter-top	$456
95	Sink, fixture and mirror	$800
96	Lighting allowance	$1,800
99	Toilet and stall	$1,000
100	Laminate counter-top	$304
101	Sink, fixture and mirror	$400
102	Lighting allowance	$1,800
116	Water treatment, system	$15,000
131	Pool filter, cartridge (700 sf), swimming pool	$3,770
135	Pool ladder (4 step)	$3,225
137	Portable life guard stand	$3,500
144	Pool furniture, umbrella (7')	$3,190
145	Pool furniture, umbrella stand (40 lb)	$528
146	Patio/deck Adirondack chair	$1,800
Total Scheduled Replacements		$179,503

Item	2054 - YEAR 31	$
7	Asphalt pavement, seal coat, Southbreeze Lane	$1,958
11	Concrete flatwork (6%)	$1,848
28	Community miscellaneous signage (allowance)	$1,000
56	Roofing, flat modified bitumen	$1,595
58	Soffit and trim, vinyl	$3,080
59	Fascia	$6,900
60	Siding and trim, cementitious	$11,816
70	Door, steel, flush (3' X 6'8")	$1,060
85	Flooring, wood laminate, replace	$11,935
86	Flooring, vinyl tile	$2,205
121	Swimming pool, waterline tile *	$6,935
122	Swimming pool, whitecoat	$12,911
126	Wading pool, waterline tile	$2,190
127	Wading pool, whitecoat	$2,104
129	Pool deck, concrete (10%)	$5,060
151	Tennis court, color coat (3 coats)	$8,640
Total Scheduled Replacements		$81,237

PROJECTED REPLACEMENTS

Item	2055 - YEAR 32	$
2	Asphalt pavement, seal coat, Hidden River View Rd	$1,003
28	Community miscellaneous signage (allowance)	$1,000
46	Pier PTL, decking	$3,315
103	Kitchen, residential, cabinets	$5,875
104	Kitchen, residential, electric range	$1,100
105	Kitchen, residential, microwave / hood	$530
106	Kitchen, residential,18 cf refrigerator	$1,540
108	Kitchen sink with disposal	$550
Total Scheduled Replacements		$14,913

Item	2056 - YEAR 33	$
12	Site light, standard single head, LED	$5,850
16	Waste water ejector pump (allowance)	$10,000
28	Community miscellaneous signage (allowance)	$1,000
43	Pier PTL, decking	$4,795
112	Heat pump system 3.5 ton	$15,000
115	Waste water ejector pump (allowance)	$10,000
132	Pool pump (1/2 hp), wading pool	$1,000
133	Pool filter, sand, wading pool	$1,500
139	Fence, 6' decorative aluminum	$15,079
140	Fence, 4' decorative aluminum, wading pool	$2,258
Total Scheduled Replacements		$66,482

Item	2057 - YEAR 34	$
4	Asphalt pavement, seal coat, common drive and parking	$3,274
28	Community miscellaneous signage (allowance)	$1,000
134	Chemical feed pump system	$1,350
Total Scheduled Replacements		$5,624

Item	2058 - YEAR 35	$
8	Asphalt pavement, mill and overlay, Tennis court	$2,450
17	Stormwater management (allowance)	$25,000
22	Entrance monument, repoint masonry	$1,000
28	Community miscellaneous signage (allowance)	$1,000
35	Pedestrian bridge, PTL decking	$29,304
36	Pedestrian bridge, PTL railing	$6,256
50	Floating kayak dock	$4,250
61	Stucco repair, (10% allowance)	$4,709
72	Front deck, PTL decking	$2,269
73	Front deck wood railing surround (allowance)	$2,240
87	Flooring, carpet interior stairway	$485
91	Flooring, ceramic tile, women's shower room	$9,188
92	Wall tile, ceramic	$2,625
97	Flooring, ceramic tile, men's shower room	$8,250
98	Wall tile, ceramic	$2,625
113	Water heater, 60 gallon electric	$1,200
141	Pool furniture, lounge, vinyl strap	$4,025
142	Pool furniture, chair, vinyl strap	$2,640
143	Pool furniture, round table (42")	$1,400
Total Scheduled Replacements		$110,916

PROJECTED REPLACEMENTS

Item	2059 - YEAR 36	$
7	Asphalt pavement, seal coat, Southbreeze Lane	$1,958
23	Monument gazebo/trellis roof, metal standing seam	$2,210
28	Community miscellaneous signage (allowance)	$1,000
129	Pool deck, concrete (10%)	$5,060
151	Tennis court, color coat (3 coats)	$8,640
Total Scheduled Replacements		$18,868

Item	2060 - YEAR 37	$
2	Asphalt pavement, seal coat, Hidden River View Rd	$1,003
11	Concrete flatwork (6%)	$1,848
28	Community miscellaneous signage (allowance)	$1,000
71	Door, steel, flush (3' X 6'8")	$1,060
154	Basketball pole and backboard	$1,500
Total Scheduled Replacements		$6,411

Item	2061 - YEAR 38	$
28	Community miscellaneous signage (allowance)	$1,000
54	Flagpole, marina side of property	$3,445
118	Security system	$11,900
132	Pool pump (1/2 hp), wading pool	$1,000
138	Pool Life-Pak	$2,665
Total Scheduled Replacements		$20,010

Item	2062 - YEAR 39	$
4	Asphalt pavement, seal coat, common drive and parking	$3,274
28	Community miscellaneous signage (allowance)	$1,000
117	Peristaltic pump	$10,485
134	Chemical feed pump system	$1,350
Total Scheduled Replacements		$16,109

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SECTION D - CONDITION ASSESSMENT

General Comments. Miller+Dodson Associates conducted a Reserve Study at Fishing Creek Farm in June 2022. Fishing Creek Farm is in generally good condition for a homeowner's association constructed in 1990. A review of the Replacement Reserve Inventory will show that we are anticipating most of the components achieving their normal economic lives.

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

IMPORTANT NOTE: This Condition Assessment is based upon visual and apparent conditions of the common elements of the community which were observed by the Reserve Analyst at the time of the site visit. This Condition Assessment does not constitute, nor is it a substitute for, a professional Structural Evaluation of the buildings, amenities, or systems. Miller Dodson strongly recommends that the Association retain the services of a Structural Engineer to conduct thorough and periodic evaluations of the buildings, balconies, and any other structural components of the buildings and amenities of the Association.

General Condition Statements.

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

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

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

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

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

SITE ITEMS

Asphalt Pavement. The Association is responsible for two sections of roadways, the pool/community center and tennis court parking areas. Other roadways are maintained by the County or other municipalities. In general, the Association's asphalt pavements are in varying conditions.

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

Street/Areas	sf.
Hidden River View Road cul de sac:	4,560
Southbreeze Lane:	8.900
Pool/Community Center parking area:	14,889
Tennis Court parking area:	1,000

The Defects noted include the following:

- **Open Cracks.** There are multiple locations where open cracks are allowing water to penetrate to the asphalt base and the bearing soils beneath. Over time, water will erode the base and accelerate the deterioration of the asphalt pavement. If cracks extend to the base and bearing materials, remove the damaged areas, and replace defective materials. As a part of normal maintenance, clean and fill all other cracks.
- **Alligatoring.** There are locations where the asphalt has developed a pattern of cracking known as alligatoring. The primary cause of alligatoring is an unstable base. Once these cracks extend through the asphalt, they will allow water

to penetrate to the base, accelerating the rate of deterioration, and eventually leading to potholes. The only solution is to remove the defective asphalt, compact the base, and install new base materials and asphalt.

- **Improper Grading.** The asphalt pavement is not properly graded, resulting in the ponding of water. Proper grading of the asphalt pavement will require replacing portions of the asphalt. It may also require resetting improperly sloped curb and gutter segments that are not conveying water to the stormwater management system. If ponding is left unattended it can result in unsafe travel areas, by creating conditions for hydroplaning and pockets of ice to form.
- **Depressions.** There are areas where the asphalt surface is depressed due to deformation in the surface or underlying layers. These depressions may continue to grow with exposure to traffic. Water ponding is evident in several of these areas. Repair of these areas will require the removal of the asphalt and base material and reinstallation, by compacting the new base material and it resurfacing with asphalt.
- **Wheel Rutting.** Depressions along the wheel lines extend along portions of the roadway. Repair of these areas will require full-depth and full-width pavement replacement. Wheel rutting, if left unattended can adversely affect vehicle steering.
- **Shoving.** Occurring at locations of sharp braking or turning. The primary cause of this defect is from large truck traffic. If addressed early, surface milling and overlay using a stiffer topcoat of asphalt pavement shoving can be mitigated.
- **Edge Cracking.** Sections of the asphalt pavement have developed cracks along the pavement edges due to improper confinement. Installation of curbs or installation of a compacted gravel shoulder at the time of an overlay project can address this defect.
- **Reflective Cracking.** The asphalt pavement has a significant number of reflective cracks. Reflective cracks occur when placing a new asphalt overlay over an existing cracked pavement. With time and movement, existing cracks will migrate through the new asphalt. Installing a bridging membrane or fabric at the time of overlay can control reflective cracking.

A more detailed summary of pavement distress can be found at http://www.asphaltinstitute.org/engineering/maintenance-and-rehabilitation/pavement-distress-summary/.

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

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

- **Cleaning.** Long-term exposure to oil or gas breaks down asphalt. Because this asphalt pavement is generally not used for long-term parking, it is unlikely that frequent cleaning will be necessary. When necessary, spill areas should be cleaned or patched if deterioration has penetrated the asphalt. This is a maintenance activity, and we have assumed that it will not be funded from Reserves.
- **Crack Repair.** All cracks should be repaired with an appropriate compound to prevent water infiltration through the asphalt into the base. This repair should be done annually. Crack repair is normally considered a maintenance activity and is not funded by Reserves. Areas of extensive cracking or deterioration that cannot be made watertight should be cut out and patched.
- **Seal Coating.** The asphalt should be seal coated every five to seven years. For this maintenance, activity to be effective in extending the life of the asphalt, cleaning, and crack repair should be performed first.

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

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











Concrete Work. The concrete work includes the pool/community center curb, gutter, sidewalk, and lead walks. (Pool deck is listed separately.) Curb replacement should be performed when the asphalt pavement is overlaid. The overall condition of the concrete work is good. It was noted the sidewalk in the parking area has subsided causing a tripping hazard and should be repaired.


The standards we use for recommending replacement are as follows:

- Trip hazard, ½ inch height difference.
- Severe cracking.
- Severe spalling and scale.
- Uneven riser heights on steps.
- Steps with risers over 8¼ inches.

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

Site Lighting. The Association is responsible for the operation of the community center poled site lights. The lights were not on at the time of site visit and are assumed to be in good operating condition.

This study assumes replacement of the light fixtures every 15 to 20 years, and pole replacement every 30 to 40 years. When the light poles are replaced, we assume that the underground wiring will also be replaced.

When a whole-scale lighting replacement project is called for, we recommend consulting with a lighting design expert. Many municipalities have design codes, guidelines, and restrictions when it comes to exterior illumination.

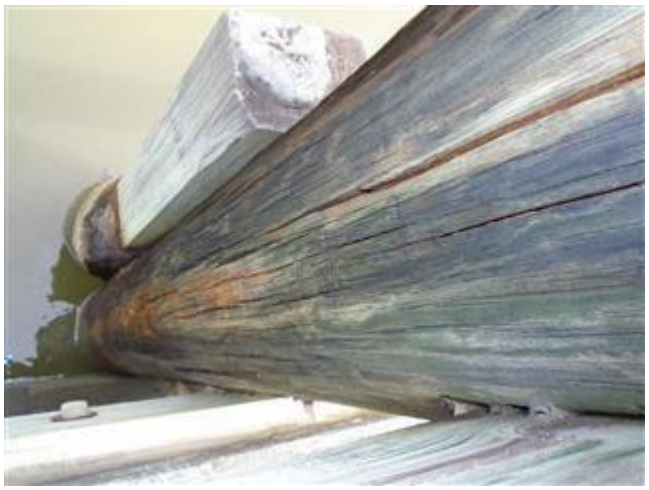
Additionally, new technology such as LED and LIFI, among others, is considered. The Association should consider factors such as environmental sustainability, longevity, and cost when they look at the replacement of their lighting.

Stormwater Management. Stormwater is conveyed through grassy swales or rip-rap swales to piping and into gabion baskets throughout the community. The swales are designed to capture and slow stormwater. An allowance for repair and improvements of these stormwater systems has been programmed in the analysis.

Shoreline Revetment. The community maintains a series of shoreline revetment and breakwater features. Many of these were recently installed and funded by grant monies. The breakwaters appear to be working as designed. A study developed by Bay Land Consultant and Designers offered several recommendations for new improvements with costs ranging from $352,000 to $410,000. No action is being scheduled at this time. An allowance for maintenance and replacement has been programmed in the analysis.

Bulkhead. The Association maintains approximately 250 ft. of wood bulkhead on the north side of Cherry Tree Lane, in the 1240 block. . The bulkhead is in fair condition. An allowance for the replacement of cap board, sheathing, and piling caps has been programmed in the analysis. In addition funds for future replacement of the bulkhead are included in the analysis.

There is a second 40' bulkhead lining the community property adjacent to a private residence at 1256 Cherry Hill Lane. The Bay Land Consultant and Designers recommend replacement with stone revetment. The estimated cost for the installation of the revetment is between $25,000 and $30,000. No action is planned for this bulkhead.



Entry Monument and Signage. The Association maintains four brick entrance monuments. Two of the monuments at Cherry Tree Lane have wooden trellis structures with metal standing seam roofs. The trellis was recently renovated and is in good condition. The monument brick is in good overall condition with minor issues at monuments located on Thomas Point Court.

We recommend re-pointing and replacement of defective areas of the masonry as needed. The Association may want to consider applying a coating of Siloxane or other appropriate breathable sealants to mitigate water penetration and further degradation of the masonry work.

In addition to monuments, the Association is responsible for certain other community signage. Funding for future replacement has been programmed in the analysis.

Monument Lighting. The monuments on Cherry Tree Lane are illuminated by ground spotlights and hanging pendant lights.

Electric Disconnect Station. The monument site lights are controlled and monitored by an electric disconnect station. This station is comprised of a simple circuit breaker panel and meter. The stations are exposed to weather elements and eventually will have to be replaced. Funding for future replacement has been programmed in the analysis.

Fencing. The Association maintains three-rail wood fencing at Cherry Tree Lane and three-rail vinyl fencing at Beachview Road. Fencing systems have a large number of configurations and finishes that can usually be repaired as a maintenance activity by replacing individual components as they become damaged or weathered.

Protection from string machine damage during lawn maintenance can extend the useful life of some fence types. Protection from this type of damage is typically provided by applying herbicides around post bases or installing protective sheathing.

Pressure-treated wood fencing should be cleaned and sealed every year or two. Typically the least cost fencing option, this type of fence can last 15 to 20 years if maintained properly.

Vinyl fencing made of 100% virgin material can last 30 to 35 years, and periodic cleaning will keep the fence looking attractive. Vinyl components with thicker walls can provide a longer useful life.

Wood Walkway. The Association has a wood walkway at the western end of Southbreeze Lane. The current walkway is unsafe. Funding for the replacement of the walkway has been programmed in the analysis. The wood in the walkway decking expands and contracts with changes in temperature and moisture levels within the wood, leading to cracks. Untreated, these cracks will expand and can lead to the development of rot within the wood.

The community may wish to consider using engineered lumber instead of pressure-treated wood when rebuilding these steps. While engineered lumber is one-third more expensive than pressure-treated wood, it offers the advantages of not splitting, cracking, creating splinters, or rotting. As a result, its rated service life is approximately 50% longer than the service life of pressure-treated wood.

Pedestrian Bridge. The Association maintains a large pedestrian bridge on the west side of Hidden River View Road that provides access to Cherrytree Cove. The bridge according to the Association was constructed in or around 2005. The bridge includes on-ground walkways and is elevated over the water section. The latter is supported by marine-grade piling. The bridge appears to be structurally sound, and the decking and railings are in fair conditions.

We recommend for the Association implement an annual inspection program. We also recommend power washing and the application of a wood sealer with UV protection every two to three years. Installation of carpet or other water trapping coverings should be prohibited, and potted plants should be placed on raised feet to allow for proper air circulation and drying of wooden components.

When installing new decking, the installation of a self-healing flashing membrane is recommended along the top and ends of all wooden horizontal structural members. Synthetic decking and railing systems should also be considered.






Wood Piers. The Association operates several piers. The 'crabbing' pier is a wood structure located off Hidden River View Court. The pier is constructed from pressure-treated lumber supported by wood pilings. The pier is approximately seventeen years old.

Wood Pier Decking. The wood decking on the pier is exposed to harsh extremes of sun and weather. It will typically require replacement before the heavier members of the underlying structure. This decking will also be removed and replaced in its entirety when the underlying structure is replaced. To model this replacement pattern, we have provided for a complete replacement incident to the replacement of the structure, and we have included an additional replacement interval for the wood pier decking at the midpoint of the service life of the underlying structure.

The wood pier decking is in fair condition.

Pier Structure. The structure consists of pressure-treated woodpiles on 10-foot centers with stringers spanning the distance between piles. We have assumed that when the pier structure requires replacement, all pilings will also be replaced.

It is recommended that all piers be inspected at least once each year to identify damage to pilings, structural members, surface boards, and railings.

Wood Piers. The Association maintains two finger piers on opposite sides of the concrete boat launch ramp. The finger piers were constructed in or around 1990. The western pier has had a recent extension with the addition of a dock and jet ski floating dock in or around 2020. The piers are constructed from pressure-treated lumber supported by wood pilings.

Wood Pier Decking. The wood decking on the piers, the finger piers, and the wood walk is exposed to harsh extremes of sun and weather. It will typically require replacement before the heavier members of the underlying structure. This decking will also be removed and replaced in its entirety when the underlying structure is replaced. To model this replacement pattern, we have provided for a complete replacement incident to the replacement of the structure, and we have included an additional replacement interval for the wood pier decking at the midpoint of the service life of the underlying structure.

The wood piers' decks are in varying conditions.

Pier Structure. The structure consists of pressure-treated woodpiles on 10-foot centers with stringers spanning the distance between piles. We have assumed that when the pier structure requires replacement, all pilings will also be replaced.

The pier structure varies in age.

Freestanding Pilings. Freestanding pilings are those pilings that are installed at the outside limit of a floating jet ski dock. These pilings provide mooring points to secure the dock. They are not a part of the pier structure. Because these pilings can be replaced individually when required without affecting other elements of the pier structure.

Floating Docks. The Association maintains two floating docks. One is for a kayak launch and the second is for jet ski docking. The kayak launch is in fair condition. The jet ski floating dock was recently installed and is in good condition.

EXTERIOR ITEMS

Building Roofing. The clubhouse house has an asphalt shingle roof with a section of flat membrane roofing on the Cherrytree Lane side of the building.

Asphalt shingle roofs can have a useful life of 20 to 50 years depending on the weight and quality of the shingle. Weathered, curled, and missing shingles are all indications that the shingles may be nearing the end of their useful life.

Flat roofing systems can have a variety of configurations that will greatly affect the cost of replacement including insulation, ballast, the height of the building, and the density of installed mechanical equipment. Flat roofing systems typically have a useful life of 15 to 25 years. The flat roof was masked by wood decking. Replacement based on age.

Annual inspections are recommended, with cleaning, repair, and mitigation of vegetation performed as needed. Access, inspection, and repair work should be performed by contractors and personnel with the appropriate access equipment who are experienced in the types of roofing used for the facility.

Gutters and Downspouts. The clubhouse buildings have aluminum gutters and downspouts. The gutters and downspouts are in good condition.

A gutter and downspout system will remove rainwater from the area of the building's roof, siding, and foundation, and protect the exterior surfaces from water damage. Gutters should run the full length of all drip edges of the building's roof. Even with full gutters, it is important to inspect the function of the gutters during heavy rain to identify any deficiencies. It may be necessary to periodically adjust the slope of sections, repair connections, replace hangers, and install shrouds to the gutter system. Downspouts should be securely attached to the side of the structure. Any broken straps should be replaced. The area of the outlet should be inspected to promote run-off in the desired direction. Long straight runs should have an elbow at the bottom. Splash blocks should be installed to fray the water out-letting from the downspout.

It is recommended that all gutters be cleaned at least twice each year. If there are a large number of trees located close to a building, consider installing a gutter debris shield that will let water into the gutters but will filter out leaves, twigs, and other debris.

It is also recommended that the discharge from the downspouts be extended at least ten feet away from the foundations.

Soffit. Soffit is an exterior or interior architectural feature, generally the horizontal, aloft underside of any construction element. Its archetypal form, sometimes incorporating or implying the projection of beams is the underside of eaves (to connect a retaining wall to the projecting edge(s) of the roof).

Fascia. Fascia is an architectural term for a vertical frieze or band under a roof edge, or which forms the outer surface of a cornice visible to an observer.

Typically consisting of a wooden board, UPVC, or non-corrosive sheet metal, many of the non-domestic fascias made of stone form an ornately carved or pieced together cornice, in which case the term fascia is rarely used.

Siding and Trim. The clubhouse has cementitious siding that is in good condition.

Wooden exterior materials are typically repaired as needed during normal painting cycles. Painting cycles for wooden exteriors vary between five and ten years depending on the grade of wood and the quality of the materials and finish work. In this study, we have modeled for an incremental wood material replacement to coincide with the painting cycle of the facility.

Vinyl trim can have an extended useful life if not damaged by impact, heat, or other physical reasons. However, the coatings and finishes typically have a useful life and over time begin to weather, chalk, and show their age. For these reasons, we have modeled for the replacement of the siding and trim every 25 years.

Cementitious materials typically have an extended useful life and require repainting and re-caulking every 10 to 15 years. Following the manufacturer's recommendations for cleaning, painting, and caulking, we expect cementitious products to have a useful life of 40 years or more.

Synthetic products are used in decorative architectural details. Often these are made of Polyvinyl-chloride or (PVC). PVC is known to have degradation problems with sunlight and in particular, ultraviolet radiation. These products come from the manufacturer with several coats of primer, and painting after installation is required. Following the manufacturer's recommendations for cleaning, painting, and caulking, we expect this product to have a useful life of 40 years or more.

Exterior Stucco. The clubhouse facade and walls have stucco finishes. Most stucco deterioration is the result of water infiltration. This is generally first evident near the roof and around chimneys, windows, doors, and other wall penetrations. Moisture can also gain access through materials that are in contact with the ground by a process called wicking. Moisture will cause the supporting lath for the stucco to rot or corrode, resulting in the stucco pulling away from the substrate. Significant deterioration of wooden and metal structural elements can occur. Similar to Exterior Insulation Finishing Systems (EIFS) a “water-managed system” is the approach for new construction. However, many older installations assume a water barrier system. It is recommended for all stucco surfaces be inspected at least once each year.

In this study, we provide an allowance for incremental stucco repairs every 10 years with a re-coating every 30 years. Further inspection of the stucco and repair of any latent and concealed damage is not accounted for in this study.

Windows and Doors. The Association is responsible for the clubhouse windows and doors. The windows and doors are generally in good condition. Some of the metal, poolside doors have corroded frames.

Window and door units play an integral part in a facility’s overall comfort, efficiency, and energy use. The quality of the installed units and the care taken in their installation and maintenance are major factors in their effectiveness and useful life. These units can have a useful life of 20 to 35 years or more depending on their use and other factors mentioned above.

In general, we recommend coordinating the replacement of these units with other exterior work, such as siding and roof replacements. The weather tightness of the building envelope often requires transitional flashing and caulking that should be performed in coordination with each other. Lastly, replacements offer the opportunity to correct initial construction defects and improve the effectiveness of details with improved construction techniques and materials.

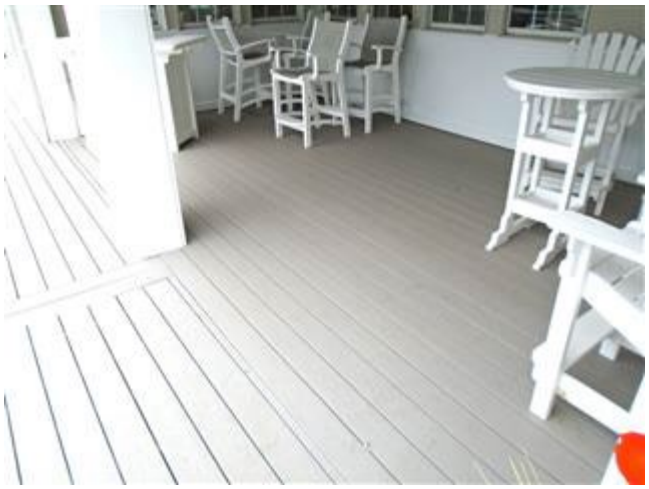
Decks. The Association maintains the clubhouse ramp, front and rear decks, and west side stairway. The ramp and decks have pressure-treated lumber structures and synthetic decking. The front deck has pressure-treated lumber decking. The ramp, decks, and stairway are in good condition.

The ramp, rear deck, and stairway have metal strand railings and the front deck has a wood surround. The railings and surround are in good condition.

We recommend for the Association implement an annual inspection program. We also recommend power washing and the application of a wood sealer with UV protection every two to three years.

When installing new decking, the installation of a self-healing flashing membrane is recommended along the top and ends of all wooden horizontal structural members. Synthetic decking and railing systems should also be considered.

Please note that your State or local jurisdiction may have specific requirements for deck and balcony inspections, such as the recently enacted Maryland HB 947 (Jonathan's Law). This level of inspection is beyond the scope of work for this Reserve Study.

Canopy/Awning. The Association maintains a fabric cover on a metal frame canopy over the western stairway and a retractable awning on the rear deck. The retractable awning was recently installed and the stairway awning material was recently replaced. The stairway metal frame appears to be in good overall condition. We have assumed a service life of 5 to 10 years for the fabric cover and 20 to 30 years for the metal framing.

To prolong the useful life of the fabric cover, we recommend periodic cleaning and the application of an appropriate sealant.


Exterior Lighting. The clubhouse exterior is illuminated with a series of wall-mounted and pendant lights. The lights were not on at the time of site visit and are assumed to be in good working order. Funding for future replacements has been programmed in the analysis.

INTERIOR ITEMS

Laminate Wood Flooring. The clubhouse's main room and hallway have laminate wood flooring. The flooring was installed in or around 2013 as part of the interior renovation project. The flooring is in good condition.

Laminate wood flooring offers the advantages of a resilient, durable floor surface that requires little maintenance. The top layer of the flooring is a photographic layer designed to mimic the appearance of wood flooring. While this layer is resistant to scratches and wear, eventually it will become damaged as the result of surface scratches. Since laminate wood floors cannot be sanded or refinished, once the wear layer has been damaged, the only option is a replacement.

Depending on the application and the level of traffic that the floor is exposed to, laminate wood floors can be expected to have a service life of 15 to 20 years.

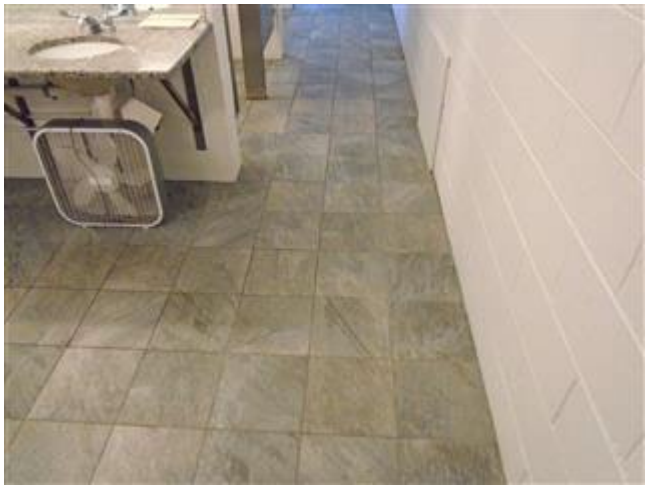
Carpet. The carpet in the building's west stairway corridor is in good top fair condition. The commercial carpet of this construction in this type of application has a typical service life of 7 to 10 years.

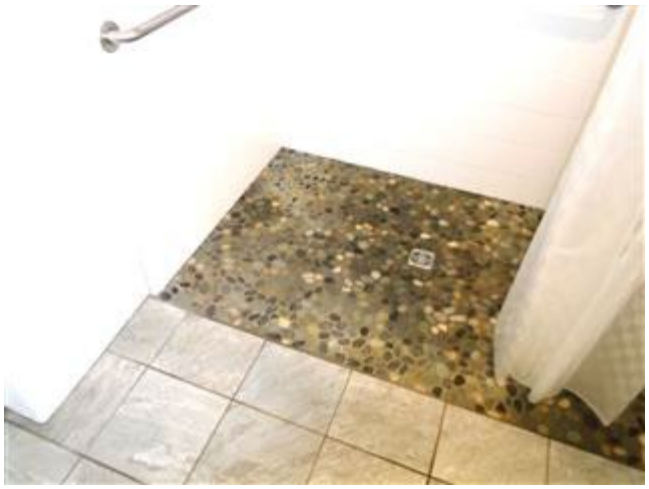
To extend the life of the carpet, it is important that the Association continues with a comprehensive maintenance program that includes regular vacuuming, spot and spill removal, interim cleaning of high traffic areas, and regularly scheduled cleanings. It is also recommended that all entrances be fitted with walk-off mats to trap soil.

Powder Rooms. The clubhouse has two powder rooms on the second level. These have a ceramic tile floor, commode, sink, and limited cabinetry. The powder rooms are in good condition. Future funding for replacements has been programmed in the analysis.

Shower Rooms. The shower rooms for the swimming pool facility are located on the ground floor of the clubhouse. The overall condition of the shower rooms is good. Listed below are the major components of the locker rooms:

- Ceramic Floor Tile. The ceramic tile in the shower rooms is in good condition.
- Ceramic Wall Tile. The ceramic wall tile in the shower rooms is in good condition.
- Light Fixtures. Illumination is provided by ceiling-mounted wall-mounted light fixtures. The fixtures use incandescent compact fluorescent lamps. The fixtures are in good working condition. Fixtures of this type have a typical service life of 25 years.
- Shower and Restroom Fixtures. All shower and restroom fixtures are in good. We have assumed a service life of 20 years for the fixtures and that all fixtures will be replaced at the same time as part of a general renovation of the restroom.





Kitchen. The clubhouse contains a residential-grade kitchen on the second level. The kitchen was renovated and new appliances were installed in or around 2013. The kitchen is in very good condition. Future funding for replacements has been programmed in the analysis.

Common Interiors. The Association maintains a limited inventory of furniture in the clubhouse. The highboy table, chairs, and bar stool are in good condition.

We have assumed that the Association will want to maintain these areas in a commercially acceptable condition. Typically, replacement cycles for common interior spaces vary between 5 to 10 years depending on the aesthetic tastes of the community, usage, and construction. Material selection and the community's preferences are the major factors in setting the reserve components for items such as refurnishing and interior refurbishment. The Association will need to establish these cycles as these facilities age. Maintaining historical records and incorporating these trends and preferences into a future Reserve Study update is the best way to adjust for these cycles.

BUILDING SYSTEMS

Heat Pump. There is a single 3.5-ton heat pump that serves the building. We have included two items in the Reserve Analysis for the heat pumps: the heat pump system and air handler. For the system, we have assumed a service life of 15 years. The unit was manufactured in June 2010.

Air Handler. The system includes air handlers as part of the heating, ventilating, and air-conditioning system. The air handlers typically include a blower, heating or cooling coils, filter racks, operating controls, and dampers. Conditioned air from the air handler is distributed through the building through a system of ductwork. We consider the ductwork to be a long-life item and have excluded it from the Reserve Analysis.

Water Heater. Domestic hot water is supplied by a single, residential-grade, electric water heater. There were no reported issues with the water heater. The base of the water heater should be kept clear. Future funding for replacement has been programmed in the analysis.

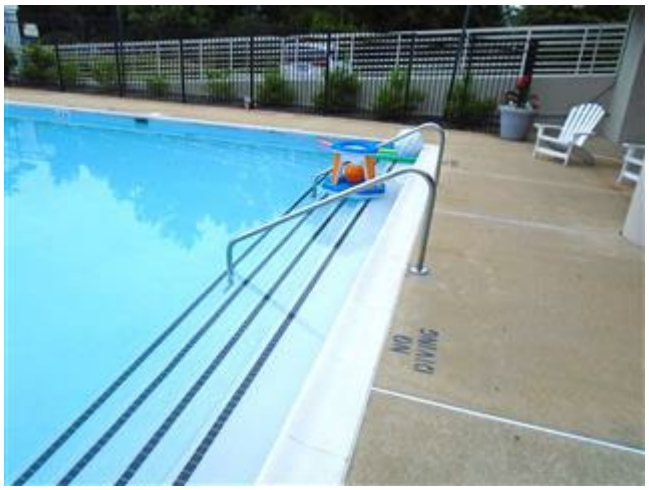
Water Treatment System. We have included an allowance for the replacement of the water treatment system. The system has had recent work and is in good working order. Conversation with Phelps provided an estimated replacement cost for the system that has been programmed in the analysis.

RECREATION ITEMS

Swimming Pool. The community operates outdoor swimming and wading pools of concrete construction. The pools were built in or around 1990.

Listed below are the major components of the pool facilities:

- Pool Shell. The shell for the swimming pool appears to be in good overall condition.
- Pool Deck. The pool has a concrete deck. The overall condition of the deck is good, with limited cracking. An allowance for a percentage replacement of the deck has been programmed in the analysis.
- Whitecoat. The pool whitecoat has been assumed to be in poor condition. There was no information provided by the Association or the pool service provider. We have assumed a service life of eight to ten years for the pool whitecoat.
- Waterline Tile. The waterline tile has been assumed to be in poor condition. We have assumed that the waterline tile will be replaced or restored when the pool is whitecoated.
- Coping. The pool is edged with cast concrete tile. The coping has been assumed to be in poor overall condition.
- Pumps and Filter Systems. The filter systems are in varying conditions.
- Pool Fence. The swimming pool is enclosed by an aluminum picket fence that is in good condition.
- Furniture. The Association maintains a significant inventory of pool and deck furniture. The furniture is in good condition.




JUST DON'T DO IT

Tennis Court. The community maintains a single tennis court in the 1200 block of Cherry Tree Lane. The court was recently top coated and new lines for the pickleball court were applied. The overall condition of the court is good. There is a lateral crack on on side of the court. This crack should be resealed as needed.

Listed below are the major components of the tennis court facilities:

- Asphalt Pavement (base layer). We have assumed a service life of 20 to 30 years for the asphalt base layer.
- Color Coat (surface layer). Annual cleaning is recommended to maintain the surface of the court. The base of a tennis court is subject to cracking and low spots known as “birdbaths” that can occur from weather and earth movement. A program to address cracks as they appear will help to prolong the useful life of the color coat. We have assumed a service life of five to ten years for the color coat.
- Fencing. We have assumed that the fencing will be replaced when the asphalt pavement is replaced. Posts and fencing should be inspected, repaired, and painted as needed to prolong their economic life. Periodic inspection of the posts, gates, hinges, and latches is also recommended, and it is important that posts and footings be protected to prevent soil erosion.
- Net Posts. We have assumed that the new posts will be replaced when the asphalt pavement is replaced.

Basketball Goal. The Association maintains a single basketball hoop in the clubhouse parking area. The hoop is in good overall condition.

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

End of Condition Assessment

SECTION A - FINANCIAL ANALYSIS

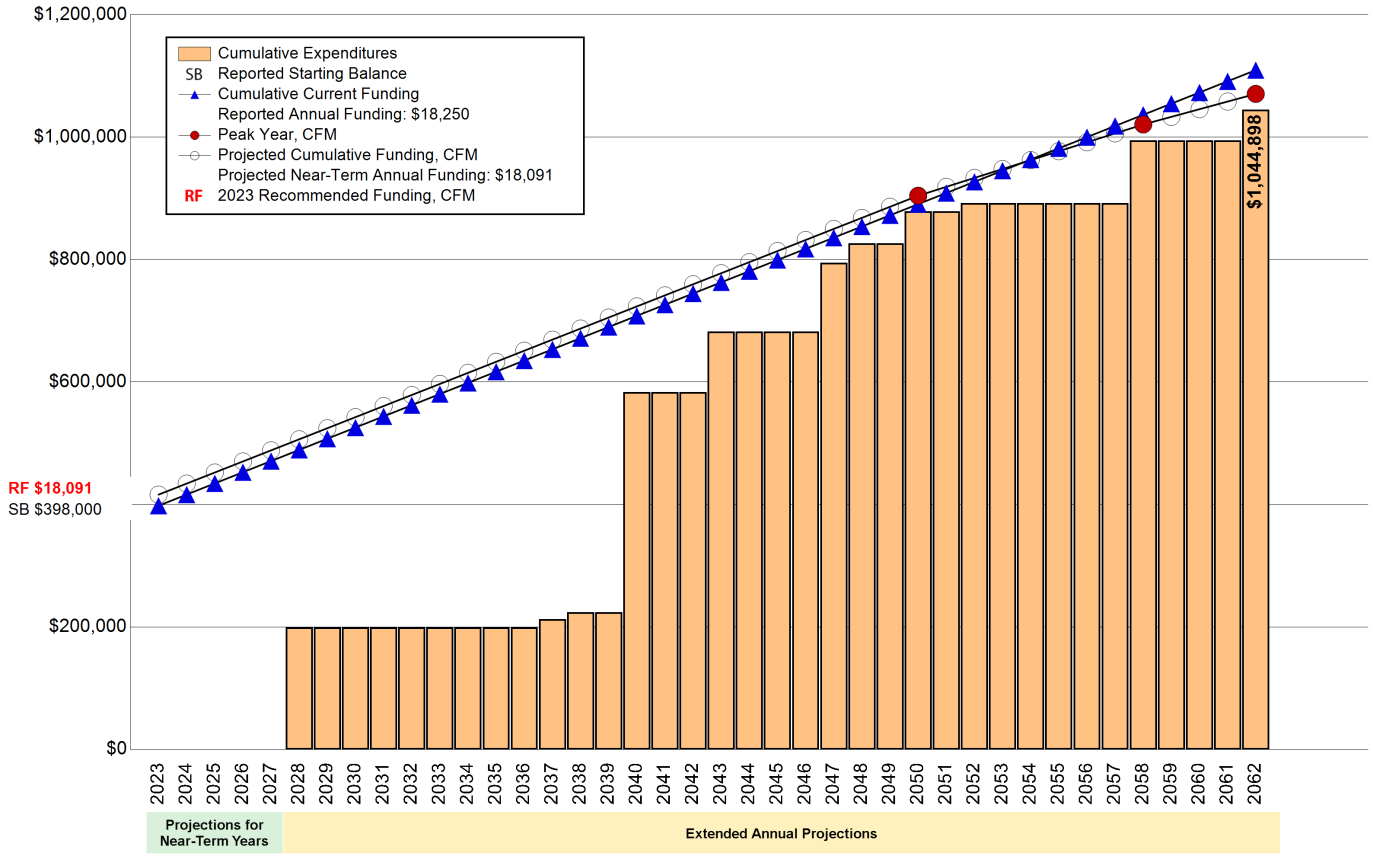
The Fishing Creek Farm, Marina Replacement Reserve Analysis uses the Cash Flow Method (CFM) to calculate Replacement Reserve funding for the periodic replacement of the 25 Projected Replacements identified in the Replacement Reserve Inventory.

$18,091 **RECOMMENDED REPLACEMENT RESERVE FUNDING FOR THE STUDY YEAR, 2023**
$1507.58 Per unit (average), minimum monthly funding of Replacement Reserves

We recommend the Association adopt a Replacement Reserve Funding Plan based on the annual funding recommendation above. Inflation adjusted funding for subsequent years is shown on Page A.5.

Fishing Creek Farm, Marina reports a Starting Balance of $398,000 and Annual Funding totaling $18,250, which adequately funds projected replacements for the near-term years. See Page A.3 for a more detailed evaluation.

#1 - Cumulative Replacement Reserve Funding and Expenditures Graph



REPLACEMENT RESERVE ANALYSIS - GENERAL INFORMATION

The Fishing Creek Farm, Marina Replacement Reserve Analysis calculations of recommended funding of Replacement Reserves by the Cash Flow Method (CFM) and the evaluation of the Current Funding are based upon the same Study Year, Study Period, Beginning Balance, Replacement Reserve Inventory and Level of Service.

2023 **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, 2023.

40 Years **STUDY PERIOD**

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

$398,000 **STARTING BALANCE**

The Association reports Replacement Reserves on Deposit totaling $398,000 at the start of the Study Year.

Level Two **LEVEL OF SERVICE**

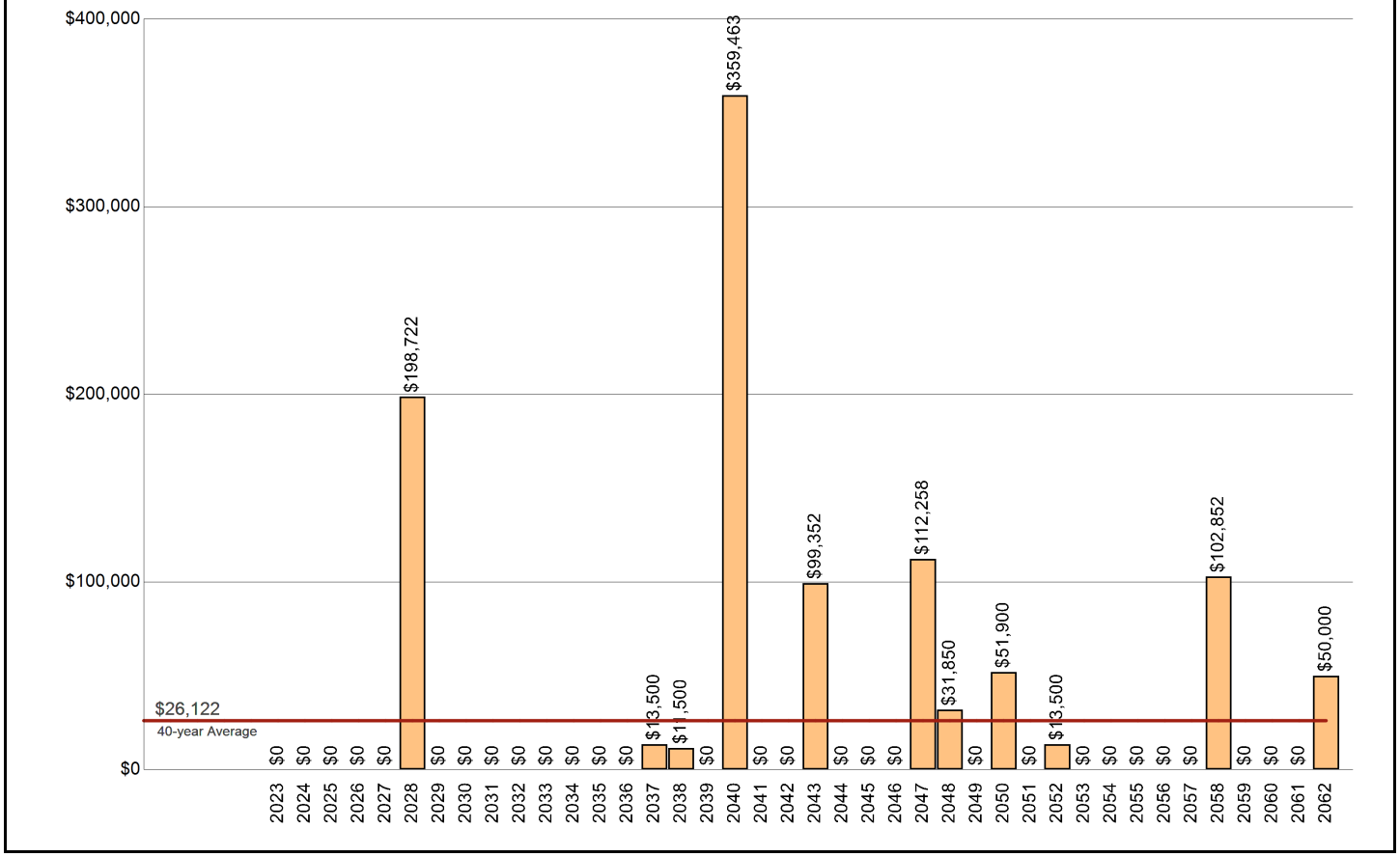
The Replacement Reserve Inventory has been developed in compliance with the National Reserve Study Standards for a Level Two Study, as defined by the Community Associations Institute (CAI).

$1,044,898 **REPLACEMENT RESERVE INVENTORY - PROJECTED REPLACEMENTS**

The Fishing Creek Farm, Marina Replacement Reserve Inventory identifies 25 items that will require periodic replacement, that are to be funded from Replacement Reserves. We estimate the cost of these replacements will be $1,044,898 over the 40-year Study Period. The Projected Replacements are divided into 1 major categories starting on Page B.3. Pages B.1-B.2 provide detailed information on the Replacement Reserve Inventory.

#2 - Annual Expenditures for Projected Replacements Graph

This graph shows annual expenditures for Projected Replacements over the 40-year Study Period. The red line shows the average annual expenditure of $26,122. Section C provides a year by year Calendar of these expenditures.



UPDATING OF THE FUNDING PLAN

The Association has a responsibility to review the Funding Plan annually. The review should include a comparison and evaluation of actual reserve funding with recommended levels shown on Page A.4 and A.5. The Projected Replacements listed on Page C.2 should be compared with any replacements accomplished and funded from Replacement Reserves. Discrepancies should be evaluated and if necessary, the Reserve Study should be updated or a new study commissioned. We recommend annual increases in replacement reserve funding to account for the impact of inflation. Inflation Adjusted Funding is discussed on Page A.5.

UPDATING OF THE REPLACEMENT RESERVE STUDY

At a minimum, the Replacement Reserve Study should be professionally updated every three to five years or after completion of a major replacement project. Updating should also be considered if during the annual review of the Funding Plan, discrepancies are noted between projected and actual reserve funding or replacement costs. Updating may also be necessary if there is a meaningful discrepancy between the actual inflation rate and the inflation rate used for the Inflation Adjusted Funding of Replacement Reserves on Page A.5.

ANNUAL EXPENDITURES AND CURRENT FUNDING

The annual expenditures that comprise the $1,044,898 of Projected Expenditures over the 40-year Study Period and the impact of the Association continuing to fund Replacement Reserves at the current level are detailed in Table 3.

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

Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Starting Balance	$398,000									
Projected Replacements						($198,722)				
Annual Deposit	$18,250	$18,250	$18,250	$18,250	$18,250	$18,250	$18,250	$18,250	$18,250	$18,250
End of Year Balance	$416,250	$434,500	$452,750	$471,000	$489,250	$308,778	$327,028	$345,278	$363,528	$381,778
Cumulative Expenditures						($198,722)	($198,722)	($198,722)	($198,722)	($198,722)
Cumulative Receipts	$416,250	$434,500	$452,750	$471,000	$489,250	$507,500	$525,750	$544,000	$562,250	$580,500
Year	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**
Projected Replacements					($13,500)	($11,500)		($359,463)		
Annual Deposit	$18,250	$18,250	$18,250	$18,250	$18,250	$18,250	$18,250	$18,250	$18,250	$18,250
End of Year Balance	$400,028	$418,278	$436,528	$454,778	$459,528	$466,278	$484,528	$143,315	$161,565	$179,815
Cumulative Expenditures	($198,722)	($198,722)	($198,722)	($198,722)	($212,222)	($223,722)	($223,722)	($583,185)	($583,185)	($583,185)
Cumulative Receipts	$598,750	$617,000	$635,250	$653,500	$671,750	$690,000	$708,250	$726,500	$744,750	$763,000
Year	**2043**	**2044**	**2045**	**2046**	**2047**	**2048**	**2049**	**2050**	**2051**	**2052**
Projected Replacements	($99,352)				($112,258)	($31,850)		($51,900)		($13,500)
Annual Deposit	$18,250	$18,250	$18,250	$18,250	$18,250	$18,250	$18,250	$18,250	$18,250	$18,250
End of Year Balance	$98,713	$116,963	$135,213	$153,463	$59,455	$45,855	$64,105	$30,455	$48,705	$53,455
Cumulative Expenditures	($682,537)	($682,537)	($682,537)	($682,537)	($794,795)	($826,645)	($826,645)	($878,545)	($878,545)	($892,045)
Cumulative Receipts	$781,250	$799,500	$817,750	$836,000	$854,250	$872,500	$890,750	$909,000	$927,250	$945,500
Year	**2053**	**2054**	**2055**	**2056**	**2057**	**2058**	**2059**	**2060**	**2061**	**2062**
Projected Replacements						($102,852)				($50,000)
Annual Deposit	$18,250	$18,250	$18,250	$18,250	$18,250	$18,250	$18,250	$18,250	$18,250	$18,250
End of Year Balance	$71,705	$89,955	$108,205	$126,455	$144,705	$60,102	$78,352	$96,602	$114,852	$83,102
Cumulative Expenditures	($892,045)	($892,045)	($892,045)	($892,045)	($892,045)	($994,898)	($994,898)	($994,898)	($994,898)	($1,044,898)
Cumulative Receipts	$963,750	$982,000	$1,000,250	$1,018,500	$1,036,750	$1,055,000	$1,073,250	$1,091,500	$1,109,750	$1,128,000

EVALUATION OF CURRENT FUNDING

The evaluation of Current Funding (Starting Balance of $398,000 & annual funding of $18,250), is done in today's dollars with no adjustments for inflation or interest earned on Replacement Reserves. The evaluation assumes Replacement Reserves will only be used for the 25 Projected Replacements identified in the Replacement Reserve Inventory and that the Association will continue Annual Funding of $18,250 throughout the 40-year Study Period.

Annual Funding of $18,250 is approximately 101 percent of the $18,091 recommended Annual Funding calculated by the Cash Flow Method for 2023, the Study Year.

See the Executive Summary for the Current Funding Statement.

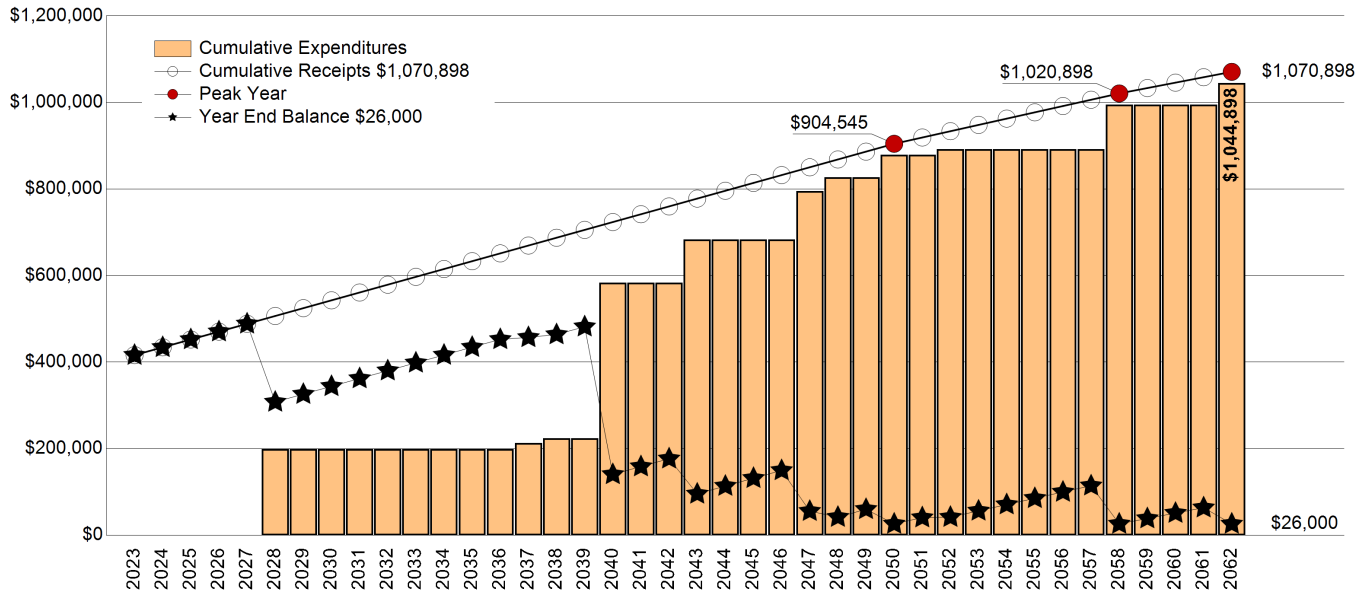
CASH FLOW METHOD FUNDING

$18,091 **RECOMMENDED REPLACEMENT RESERVE FUNDING FOR 2023**
$1507.58 Per unit (average), minimum monthly funding of Replacement Reserves

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

- **Peak Years.** The First Peak Year occurs in 2050 with Replacement Reserves on Deposit dropping to the Minimum Balance after the completion of $878,545 of replacements from 2023 to 2050. Recommended funding is anticipated to decline in 2051. Peak Years are identified in Chart 4 and Table 5.
- **Threshold (Minimum Balance).** The calculations assume a Minimum Balance of $26,000 will always be held in reserve, which is calculated by rounding the 12-month 40-year average annual expenditure of $26,122 as shown on Graph #2.
- **Cash Flow Method Study Period.** Cash Flow Method calculates funding for $1,044,898 of expenditures over the 40-year Study Period. It does not include funding for any projects beyond 2062 and in 2062, the end of year balance will always be the Minimum Balance.

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



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

Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Starting Balance	$398,000									
Projected Replacements						($198,722)				
Annual Deposit	$18,091	$18,091	$18,091	$18,091	$18,091	$18,091	$18,091	$18,091	$18,091	$18,091
End of Year Balance	$416,091	$434,182	$452,273	$470,364	$488,455	$307,823	$325,914	$344,005	$362,096	$380,187
Cumulative Expenditures						($198,722)	($198,722)	($198,722)	($198,722)	($198,722)
Cumulative Receipts	$416,091	$434,182	$452,273	$470,364	$488,455	$506,545	$524,636	$542,727	$560,818	$578,909

Year	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Projected Replacements					($13,500)	($11,500)		($359,463)		
Annual Deposit	$18,091	$18,091	$18,091	$18,091	$18,091	$18,091	$18,091	$18,091	$18,091	$18,091
End of Year Balance	$398,278	$416,368	$434,459	$452,550	$457,141	$463,732	$481,823	$140,451	$158,542	$176,633
Cumulative Expenditures	($198,722)	($198,722)	($198,722)	($198,722)	($212,222)	($223,722)	($223,722)	($583,185)	($583,185)	($583,185)
Cumulative Receipts	$597,000	$615,091	$633,182	$651,273	$669,364	$687,454	$705,545	$723,636	$741,727	$759,818

Year	2043	2044	2045	2046	2047	2048	2049	1st Peak - 2050	2051	2052
Projected Replacements	($99,352)				($112,258)	($31,850)		($51,900)		($13,500)
Annual Deposit	$18,091	$18,091	$18,091	$18,091	$18,091	$18,091	$18,091	$18,091	$14,544	$14,544
End of Year Balance	$95,372	$113,463	$131,553	$149,644	$55,477	$41,718	$59,809	$26,000	$40,544	$41,588
Cumulative Expenditures	($682,537)	($682,537)	($682,537)	($682,537)	($794,795)	($826,645)	($826,645)	($878,545)	($878,545)	($892,045)
Cumulative Receipts	$777,909	$796,000	$814,091	$832,182	$850,273	$868,363	$886,454	$904,545	$919,089	$933,633

Year	2053	2054	2055	2056	2057	2nd Peak - 2058	2059	2060	2061	3rd Peak - 2062
Projected Replacements						($102,852)				($50,000)
Annual Deposit	$14,544	$14,544	$14,544	$14,544	$14,544	$14,544	$12,500	$12,500	$12,500	$12,500
End of Year Balance	$56,132	$70,676	$85,220	$99,764	$114,308	$26,000	$38,500	$51,000	$63,500	$26,000
Cumulative Expenditures	($892,045)	($892,045)	($892,045)	($892,045)	($892,045)	($994,898)	($994,898)	($994,898)	($994,898)	($1,044,898)
Cumulative Receipts	$948,177	$962,721	$977,266	$991,810	$1,006,354	$1,020,898	$1,033,398	$1,045,898	$1,058,398	$1,070,898

INFLATION ADJUSTED FUNDING

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

$18,091 **2023 - CASH FLOW METHOD RECOMMENDED FUNDING**

The 2023 Study Year calculations have been made using current replacement costs (see Page B.2), modified by the Analyst for any project specific conditions.

$19,357 **2024 - INFLATION ADJUSTED FUNDING**

A new analysis calculates the 2024 funding based on three assumptions:

- Replacement Reserves on Deposit totaling $416,091 on January 1, 2024.
- No Expenditures from Replacement Reserves in 2023.
- Construction Cost Inflation of 7.00 percent in 2023.

The $19,357 inflation adjusted funding in 2024 is a 6.99 percent increase over the non-inflation adjusted funding of $18,091.

$20,712 **2025 - INFLATION ADJUSTED FUNDING**

A new analysis calculates the 2025 funding based on three assumptions:

- Replacement Reserves on Deposit totaling $416,840 on January 1, 2025.
- No Expenditures from Replacement Reserves in 2024.
- Construction Cost Inflation of 7.00 percent in 2024.

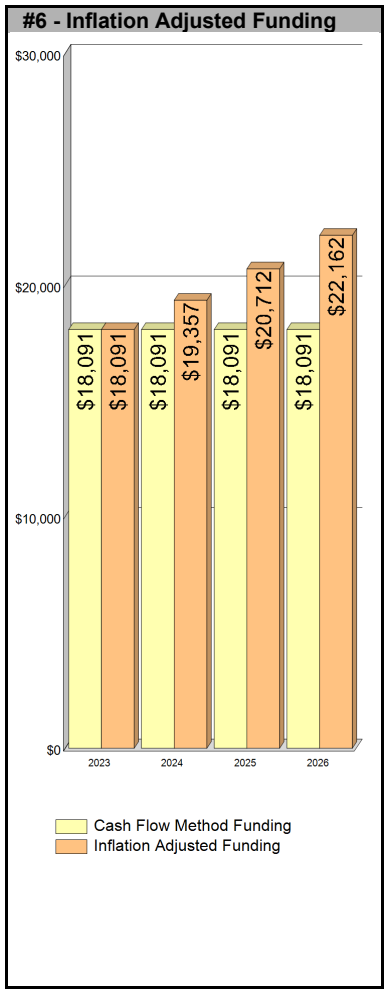
The $20,712 inflation adjusted funding in 2025 is a 14.48 percent increase over the non-inflation adjusted funding of $18,091.

$22,162 **2026 - INFLATION ADJUSTED FUNDING**

A new analysis calculates the 2026 funding based on three assumptions:

- Replacement Reserves on Deposit totaling $419,936 on January 1, 2026.
- No Expenditures from Replacement Reserves in 2025.
- Construction Cost Inflation of 7.00 percent in 2025.

The $22,162 inflation adjusted funding in 2026 is a 22.50 percent increase over the non-inflation adjusted funding of $18,091.



Year Four and Beyond

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

Inflation Adjustment

Prior to approving a budget based upon the 2024, 2025 and 2026 inflation-adjusted funding calculations above, the 7.00 percent base rate of inflation used in our calculations should be compared to rates published by the Bureau of Labor Statistics. If there is a significant discrepancy (over 1 percentage point), contact Miller+Dodson Associates prior to using the Inflation Adjusted Funding.

Interest on Reserves

The recommended funding calculations do not account for interest earned on Replacement Reserves. In 2023, based on a 1.00 percent interest rate, we estimate the Association may earn $4,070 on an average balance of $407,045, $4,165 on an average balance of $416,466 in 2024, and $4,184 on $418,388 in 2025. The Association may elect to attribute 100 percent of the earned interest to Reserves, resulting in a reduction in the 2023 funding from $18,091 to $14,020 (a 22.50 percent reduction), $19,357 to $15,193 in 2024 (a 21.51 percent reduction), and $20,712 to $16,528 in 2025 (a 20.20 percent reduction).

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SECTION B - REPLACEMENT RESERVE INVENTORY

- **PROJECTED REPLACEMENTS.** Fishing Creek Farm, Marina - Replacement Reserve Inventory identifies 25 items which 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 $793,843. Cumulative Replacements totaling $1,044,898 are scheduled in the Replacement Reserve Inventory over the 40-year Study Period. Cumulative Replacements include those components that are replaced more than once during the period of the study.

  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.** Some of the items contained in the Replacement Reserve Inventory are 'Excluded Items'. Multiple categories of items 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 than $1000 and/or a normal economic life of less than 3 years are typically excluded from funding from Replacement Reserves. This exclusion should reflect the Association policy on the administration of Replacement Reserves. If the Association has selected an alternative level, it will be noted in the Replacement Reserve Inventory - General Comments on Page B.2.

  Long-lived Items. Items are excluded from the Replacement Reserve Inventory when items are properly maintained and are assumed to have a life equal to the property.

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

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

- **CATEGORIES.** The 25 items included in the Fishing Creek Farm, Marina Replacement Reserve Inventory are divided into 1 major categories. Each category is printed on a separate page, beginning on page B.3.

- **LEVEL OF SERVICE.** This Replacement Reserve Inventory has been developed in compliance with the standards established for a Level 2 Update, as defined by the National Reserve Study Standards, established in 1998 by Community Associations Institute, which states:

  This study has been performed as a Level 2 Update with Site Visit/On-Site Review as defined by the Community Associations Institute's, National Reserve Study Standards. As such, the component inventory is based on the study that was performed by . This inventory was adjusted to reflect changes provided by the Community Manager and/or the Board of Directors, or adjustments made based on the site visit and visual assessment performed by the Analyst. The analysis, including fund status and funding plan, is developed from the adjusted inventory.

REPLACEMENT RESERVE INVENTORY - GENERAL INFORMATION (CONT'D)

- **INVENTORY DATA.** Each of the 25 Projected Replacements listed in the Replacement Reserve Inventory includes the following data:

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

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

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

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

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

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

  Remaining Economic Life (Years). 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.

- **PARTIAL FUNDING.** Items may have been included in the Replacement Reserve Inventory at less than 100 percent of their full quantity and/or replacement cost. This is done on items that will never be replaced in their entirety, but which may require periodic replacements over an extended period of time. The assumptions that provide the basis for any partial funding are noted in the Comments section.
- **REMAINING ECONOMIC LIFE GREATER THAN 40 YEARS.** The calculations do not include funding for initial replacements beyond 40 years. These replacements are included in this Study for tracking and evaluation. They should be included for funding in future Studies, when they enter the 40-year window.
- **ACCURACY OF THE ANALYSIS.** The accuracy of the Replacement Reserve Analysis is dependent upon expenditures from Replacement Reserves being made ONLY for the 25 Projected Replacements specifically listed in the Replacement Reserve Inventory. The inclusion/exclusion of items from the Replacement Reserve Inventory is discussed on Page B.1.

RECREATION ITEMS
PROJECTED REPLACEMENTS

NEL- Normal Economic Life (yrs)
REL- Remaining Economic Life (yrs)

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
1	Pier piling (10" diameter)	ea	20	$1,220.00	40	5	$24,400
2	Pier structure, PTL	sf	1,120	$38.50	40	5	$43,120
3	Pier decking, PTL	sf	1,120	$14.80	15	5	$16,576
4	Dock piling (10" diameter)	ea	58	$1,220.00	30	17	$70,760
5	Dock structure, PTL	sf	2,880	$38.50	30	17	$110,880
6	Dock decking, PTL	sf	2,880	$14.80	15	5	$42,624
7	Finger pier piling (10" diameter)	ea	73	$1,220.00	30	17	$89,060
8	Finger pier structure, PTL	sf	1,545	$38.50	30	17	$59,483
9	Finger pier decking, PTL	sf	1,545	$14.80	15	5	$22,866
10	Mooring piling (10" diameter)	ea	24	$1,220.00	30	17	$29,280
11	Dock piling (10" diameter)	ea	20	$1,220.00	30	24	$24,400
12	Dock structure, PTL	sf	688	$38.50	30	24	$26,488
13	Dock decking, PTL	sf	588	$14.80	15	5	$8,702
14	Finger pier piling (10" diameter)	ea	23	$1,220.00	30	24	$28,060
15	Finger pier structure, PTL	sf	580	$38.50	30	24	$22,330
16	Finger pier decking, PTL	sf	580	$14.80	15	5	$8,584
17	Mooring piling (10" diameter)	ea	9	$1,220.00	30	24	$10,980
18	Pier, water service (PVC)	ls	1	$50,000.00	40	39	$50,000
19	Pier, fire system (standpipes)	ls	6	$2,250.00	15	14	$13,500
20	Electric distribution panel, 1000 amp	ea	1	$5,500.00	50	27	$5,500
21	Meter panel and sockets, (allowance)	ea	40	$550.00	50	27	$22,000
22	Electrical wiring to slips (allowance)	ft	610	$40.00	50	27	$24,400
					Replacement Costs - Page Subtotal		$753,993

COMMENTS

- Item #1: Pier piling (10" diameter) - Original pier from the parking area to the northern end of the former boat house.
- Item #4: Dock piling (10" diameter) - Pier extension from former boat house and west side dock. Built in 1999.
- Item #7: Finger pier piling (10" diameter) - West side dock. Built in or around 1999.
- Item #11: Dock piling (10" diameter) - Eastern section of dock. Built in 2006.
- Item #14: Finger pier piling (10" diameter) - Eastern section of dock. Built in 2006.

RECREATION ITEMS - (cont.)

PROJECTED REPLACEMENTS

NEL- Normal Economic Life (yrs)
REL- Remaining Economic Life (yrs)

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
23	Slip power pedestals	ea	21	$1,350.00	20	5	$28,350
24	Pier entry gate and fencing	ls	1	$3,500.00	10	5	$3,500
25	Pier/dock caged lights	ea	40	$200.00	30	15	$8,000
					Replacement Costs - Page Subtotal		$39,850

COMMENTS

VALUATION EXCLUSIONS
Excluded Items

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
	Bench						EXCLUDED
	Fire extinguisher cabinet						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 $1000 have not been scheduled for funding from Replacement Reserve. Examples of items excluded 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 ($)	NEL	REL	REPLACEMENT COST ($)
	Primary electric feeds						EXCLUDED
	Boat lifts						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 ($)	NEL	REL	REPLACEMENT COST ($)
	Partial replacements						EXCLUDED
	Capital improvements						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 are listed above. The list above exemplifies exclusions by the cited standard(s) and is not intended to be comprehensive.

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SECTION C - CALENDAR OF PROJECTED ANNUAL REPLACEMENTS

GENERAL STATEMENT. The 25 Projected Replacements in the Fishing Creek Farm, Marina Replacement Reserve Inventory whose replacement is scheduled to be funded from Replacement Reserves are broken down on a year-by-year basis, beginning on Page C.2.

REPLACEMENT RESERVE ANALYSIS AND INVENTORY POLICIES, PROCEDURES, AND ADMINISTRATION

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

PROJECTED REPLACEMENTS

Item	2023 - Study Year	$

No Scheduled Replacements

Item	2024 - YEAR 1	$

No Scheduled Replacements

Item	2025 - YEAR 2	$

No Scheduled Replacements

Item	2026 - YEAR 3	$

No Scheduled Replacements

Item	2027 - YEAR 4	$

No Scheduled Replacements

Item	2028 - YEAR 5	$
1	Pier piling (10" diameter)	$24,400
2	Pier structure, PTL	$43,120
3	Pier decking, PTL	$16,576
6	Dock decking, PTL	$42,624
9	Finger pier decking, PTL	$22,866
13	Dock decking, PTL	$8,702
16	Finger pier decking, PTL	$8,584
23	Slip power pedestals	$28,350
24	Pier entry gate and fencing	$3,500
Total Scheduled Replacements		$198,722

Item	2029 - YEAR 6	$

No Scheduled Replacements

Item	2030 - YEAR 7	$

No Scheduled Replacements

Item	2031 - YEAR 8	$

No Scheduled Replacements

Item	2032 - YEAR 9	$

No Scheduled Replacements

PROJECTED REPLACEMENTS

Item	2033 - YEAR 10	$

No Scheduled Replacements

Item	2034 - YEAR 11	$

No Scheduled Replacements

Item	2035 - YEAR 12	$

No Scheduled Replacements

Item	2036 - YEAR 13	$

No Scheduled Replacements

Item	2037 - YEAR 14	$
19	Pier, fire system (standpipes)	$13,500
Total Scheduled Replacements		$13,500

Item	2038 - YEAR 15	$
24	Pier entry gate and fencing	$3,500
25	Pier/dock caged lights	$8,000
Total Scheduled Replacements		$11,500

Item	2039 - YEAR 16	$

No Scheduled Replacements

Item	2040 - YEAR 17	$
4	Dock piling (10" diameter)	$70,760
5	Dock structure, PTL	$110,880
7	Finger pier piling (10" diameter)	$89,060
8	Finger pier structure, PTL	$59,483
10	Mooring piling (10" diameter)	$29,280
Total Scheduled Replacements		$359,463

Item	2041 - YEAR 18	$

No Scheduled Replacements

Item	2042 - YEAR 19	$

No Scheduled Replacements

PROJECTED REPLACEMENTS

Item	2043 - YEAR 20	$
3	Pier decking, PTL	$16,576
6	Dock decking, PTL	$42,624
9	Finger pier decking, PTL	$22,866
13	Dock decking, PTL	$8,702
16	Finger pier decking, PTL	$8,584
Total Scheduled Replacements		$99,352

Item	2044 - YEAR 21	$
No Scheduled Replacements		

Item	2045 - YEAR 22	$
No Scheduled Replacements		

Item	2046 - YEAR 23	$
No Scheduled Replacements		

Item	2047 - YEAR 24	$
11	Dock piling (10" diameter)	$24,400
12	Dock structure, PTL	$26,488
14	Finger pier piling (10" diameter)	$28,060
15	Finger pier structure, PTL	$22,330
17	Mooring piling (10" diameter)	$10,980
Total Scheduled Replacements		$112,258

Item	2048 - YEAR 25	$
23	Slip power pedestals	$28,350
24	Pier entry gate and fencing	$3,500
Total Scheduled Replacements		$31,850

Item	2049 - YEAR 26	$
No Scheduled Replacements		

Item	2050 - YEAR 27	$
20	Electric distribution panel, 1000 amp	$5,500
21	Meter panel and sockets, (allowance)	$22,000
22	Electrical wiring to slips (allowance)	$24,400
Total Scheduled Replacements		$51,900

Item	2051 - YEAR 28	$
No Scheduled Replacements		

Item	2052 - YEAR 29	$
19	Pier, fire system (standpipes)	$13,500
Total Scheduled Replacements		$13,500

PROJECTED REPLACEMENTS

Item	2053 - YEAR 30	$
No Scheduled Replacements		

Item	2054 - YEAR 31	$
No Scheduled Replacements		

Item	2055 - YEAR 32	$
No Scheduled Replacements		

Item	2056 - YEAR 33	$
No Scheduled Replacements		

Item	2057 - YEAR 34	$
No Scheduled Replacements		

Item	2058 - YEAR 35	$
3	Pier decking, PTL	$16,576
6	Dock decking, PTL	$42,624
9	Finger pier decking, PTL	$22,866
13	Dock decking, PTL	$8,702
16	Finger pier decking, PTL	$8,584
24	Pier entry gate and fencing	$3,500
Total Scheduled Replacements		$102,852

Item	2059 - YEAR 36	$
No Scheduled Replacements		

Item	2060 - YEAR 37	$
No Scheduled Replacements		

Item	2061 - YEAR 38	$
No Scheduled Replacements		

Item	2062 - YEAR 39	$
18	Pier, water service (PVC)	$50,000
Total Scheduled Replacements		$50,000

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SECTION D - CONDITION ASSESSMENT

General Comments. Miller+Dodson Associates conducted a Reserve Study at Fishing Creek Farm, Marina in June 2022. Fishing Creek Farm, Marina is in generally good condition for a marina constructed in phases between 1999 and 2006. A review of the Replacement Reserve Inventory will show that we are anticipating most of the components achieving their normal economic lives.

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

IMPORTANT NOTE: This Condition Assessment is based upon visual and apparent conditions of the common elements of the community which were observed by the Reserve Analyst at the time of the site visit. This Condition Assessment does not constitute, nor is it a substitute for, a professional Structural Evaluation of the buildings, amenities, or systems. Miller Dodson strongly recommends that the Association retain the services of a Structural Engineer to conduct thorough and periodic evaluations of the buildings, balconies, and any other structural components of the buildings and amenities of the Association.

General Condition Statements.

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

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

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

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

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

RECREATION ITEMS

Fishing Creek Farm Marina is a facility located in the Fishing Creek Farm community on Duvall Creek off the South River in Anne Arundel County, Maryland. The marina was constructed in three phases in the years 1990, 1999, and 2006. The survey examined the components associated with the marina, including:

- Pilings, pier structure, decking, and mooring poles.
- Utility components.

Wood Piers/Docks The Fishing Creek Farm has a marina located on Duvall Creek. The pier and dock are comprised of wood piling, pressure-treated lumber structure, and decking. In addition, there are multiple finger piers. The pier and slips were developed in three phases. It appears the first section of the pier was built in or around 1990, the west portion of the facility in 1999, and the eastern portion in or around 2006. The funding for the future replacement of the marina's dock components is based on the estimated age of the components.

Wood Pier Decking. The wood decking on the piers, the finger piers, and the wood walk is exposed to harsh extremes of sun and weather. It will typically require replacement before the heavier members of the underlying structure. This decking will also be removed and replaced in its entirety when the underlying structure is replaced. To model this replacement pattern, we have provided for a complete replacement incident to the replacement of the structure, and we have included an additional replacement interval for the wood pier decking at the midpoint of the service life of the underlying structure.

The wood pier decking is in varying conditions.

Pier Structure. The structure consists of pressure-treated woodpiles on 10-foot centers with stringers spanning the distance between piles. We have assumed that when the pier structure requires replacement, all pilings will also be replaced.

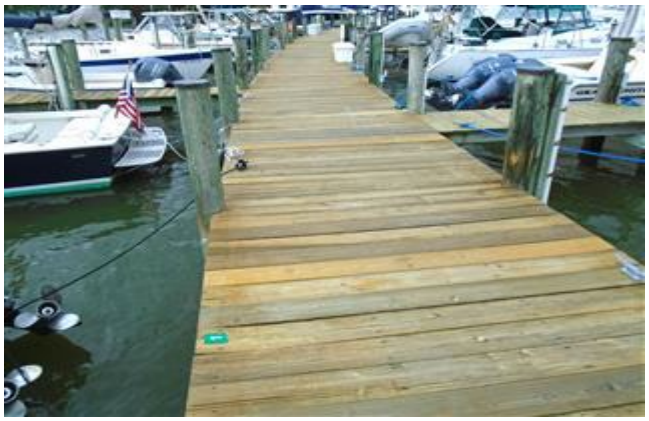
The pier structures are in varying conditions.

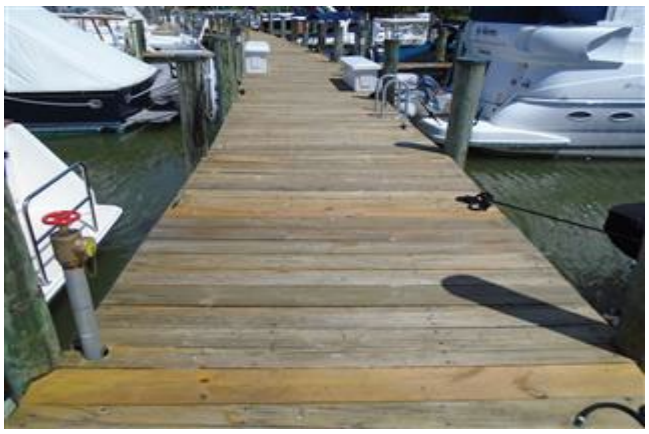
Freestanding Pilings. Freestanding/mooring pilings are those pilings that are installed at the outside limit of each slip. These pilings provide mooring points to secure the stern of the boat within the slip. They are not a part of the pier structure. Because these pilings can be replaced individually when required without affecting other elements of the pier structure, we have treated them separately in the analysis and spread the cost of their replacement over time.

Pier Utility Systems. The pier includes lighting, electrical outlets, water supply, and fire suppression water lines. Water lines were recently replaced and are assumed to be in very good condition. We have assumed that the utility systems will be removed and replaced when the pier structure is replaced. We have also assumed that the systems will be replaced at the midpoint of the service life of the pier structure.

It is recommended that all piers be inspected at least once each year to identify damage to pilings, structural members, surface boards, and railings.

Boat lifts are not a part of the marina analysis.





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

End of Condition Assessment

1. COMMON INTEREST DEVELOPMENTS - AN OVERVIEW

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

The growth of Community Associations has been explosive. In 1965, there were only approximately 500 Community Associations in the United States. According to the 1990 U.S. Census, there were roughly 130,000 Community Associations. The Community Associations Institute (CAI), a national trade association, estimates in 2020 that there were more than 350,000 communities with over 75 million residents.

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

2. REPLACEMENT RESERVE STUDY

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

Replacement Reserve Study Introduction. The introduction provides a description of the property, an Executive Summary of the Funding Recommendations, Level of Reserve Study service, and a statement of the Purpose of the Replacement Reserve Study. It also lists documents and site evaluations upon which the Replacement Reserve Study is based, and provides the Credentials of the Reserve Analyst.

Section A Replacement Reserve Analysis. Many components that are owned by the Association have a limited life and require periodic replacement. Therefore, it is essential that the Association have a financial plan that provides funding for the timely replacement of these components in order to protect the safety, appearance, and ultimately, the property value of the home sin the community. In conformance with National Reserve Study Standards, a Replacement Reserve Analysis evaluates the current funding of Replacement Reserves as reported by the Association and recommends annual funding of Replacement Reserves using the Threshold Cash Flow Method. See definition below.

Section B Replacement Reserve Inventory. The Replacement Reserve Inventory lists the commonly owned components within the community that require periodic replacement using funding from Replacement Reserves. Replacement Reserve Inventory includes estimates of the Normal Economic Life (NEL) and the Remaining Economic Life (REL) for those components whose replacement is scheduled for funding from Replacement Reserves.

The Replacement Reserve Inventory also provides information about those components which are excluded from the Replacement Reserve Inventory and whose replacement is not scheduled for funding from Replacement Reserves.

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

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

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

3. METHODS OF ANALYSIS

The Replacement Reserve industry generally recognizes two different methods of accounting for Replacement Reserve Analysis, the Cash Flow Method and the Component Method. Due to the difference in accounting methodologies, these methods lead to different calculated values for the Recommended Annual Funding to the Reserves. A brief description is included below:

Cash Flow Threshold Method. This Reserve Study uses the Threshold Cash Flow Method, sometimes referred to as the "Pooling Method." It calculates the minimum constant annual funding to reserves (Minimum Annual Deposit) required to meet projected expenditures without allowing total reserves on hand to fall below the predetermined Minimum Balance, or Threshold, in any year.

Component Method. The Component Method of calculating Reserve Funding needs is based upon an older mathematical model. Instead of calculating total funding based on yearly funding requirements, the Component method treats each component as its own “line item” budget that can only be used for that component. As a result, the Component Method is typically more conservative requiring greater Annual Reserve Funding levels.

4. REPLACEMENT RESERVE STUDY DATA

Identification of Reserve Components. The Reserve Analyst has only two methods of identifying Reserve Components; (1) information provided by the Association and (2) observations made at the site. It is important that the Reserve Analyst be provided with all available information detailing the components owned by the Association. It is our policy to request such information prior to bidding on a project and to meet with the parties responsible for maintaining the community after acceptance of our proposal. Upon submission of the initial Study, the Study should be reviewed by the Board of Directors and the individuals responsible for maintaining the community. We depend upon the Association for correct information, documentation, and drawings. We also look to the Association representative to help us fashion the Reserve Study so that it reflects what the community hopes to accomplish in the coming years.

Unit Costs. Unit costs are developed using nationally published standards and estimating guides and are adjusted by state or region. In some instances, recent data received in the course of our work is used to modify these figures. Contractor proposals or actual cost experience may be available as part of the Association records. This is useful information, which should be incorporated into your report. Please bring any such available data to our attention, preferably before the report is commenced.

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

5. DEFINITIONS

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

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

Cash Flow Analysis. See Cash Flow Threshold Method, above.

Component Analysis. See Component Method, above.

Contingency. An allowance for unexpected requirements. The “Threshold” used in the Cash Flow Method is a predetermined minimum balance that serves the same purpose as a “contingency”. However, IRS Guidelines do not allow for a “contingency” line item in the inventory. Therefore, it is built into the mathematical model as a “Threshold”.

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

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

Estimated Remaining Economic Life (REL). Used in the Normal Replacement Schedules. Number of years until the item is expected to need replacement. Normally, this number would be considered to be the difference between the Estimated

Economic Life and the age of the item. However, this number must be modified to reflect maintenance practice, climate, original construction and quality, or other conditions. For the purpose of this report, this number is determined by the Reserve Analyst based on the present condition of the item relative to the actual age.

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

Minimum Balance. Otherwise referred to as the Threshold, this amount is used in the Cash Flow Threshold Method only. Normally derived using the average annual expenditure over the study period, this is the minimum amount held in reserves in the Peak Year.

National Reserve Study Standards. A set of Standards developed by the Community Associations Institute in 1995 (and updated in 2017) which establishes the accepted methods of Reserve Calculation and stipulates what data must be included in the Reserve Study for each component listed in the inventory. These Standards can be found at CAIonline.org.

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

Number of Years of the Study. The numbers of years into the future for which expenditures are projected and reserve levels calculated. This number should be large enough to include the projected replacement of every item on the schedule, at least once. The Reserve Study must cover a minimum of 20 years to comply with the National Reserve Study Standards. However, your study covers a 40-year period.

Peak Year. In the Cash Flow Threshold Method, a year in which the reserves on hand are projected to fall to the established threshold level. See Minimum Balance, above.

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

Replacement Reserve Study. An analysis of all of the components of the common property of a Community Association for which replacement should be anticipated within the economic life of the property as a whole. The analysis involves estimation for each component of its Estimated Replacement Cost, Normal Economic Life, and Remaining Economic Life. The objective of the study is to calculate a Recommended Annual Funding to the Association's Replacement Reserve Fund.

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

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

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

ea	each	**ls**	lump sum	**sy**	square yard
ft or lf	linear foot	**pr**	pair	**cy**	cubic yard
sf	square foot				

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What is a Reserve Study?
Who are we?

https://youtu.be/m4BcOE6q3Aw

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

https://youtu.be/40SodajTW1g

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

https://youtu.be/pYSMZO13VjQ

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

https://youtu.be/Qx8WHB9Cgnc

What's in a Reserve Study and what's out?
Improvement/Component, what's the difference?

https://youtu.be/ZfBoAEhtf3E

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

https://youtu.be/1J2h7FIU3qw

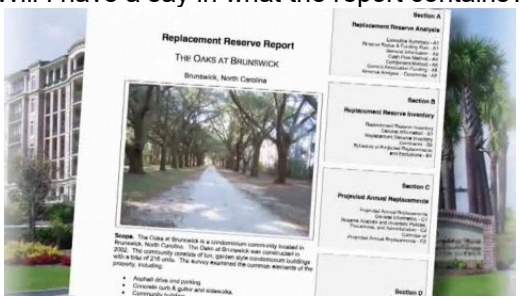
What is my role as a community Board Member?
Will a Reserve Study meet my needs?

https://youtu.be/aARD1B1Oa3o

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

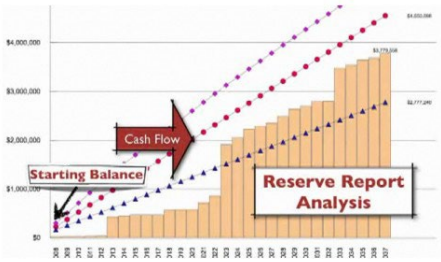
https://youtu.be/diZfM1IyJYU

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



https://youtu.be/qCeVJhFf9ag

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

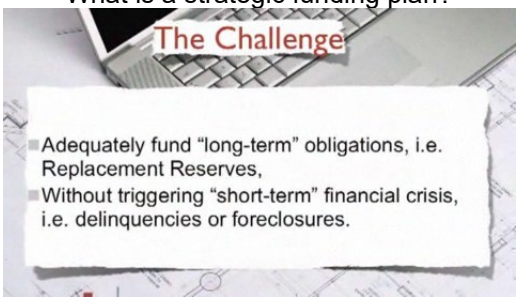


https://youtu.be/SePdwVDvHWI

How are interest and inflation addressed?
Inflation, what should we consider?

https://youtu.be/W8CDLwRIv68

A community needs more help, where do we go?
What is a strategic funding plan?



https://youtu.be/hIxV9X1tIcA