

Replacement Reserve Study

2007

KIAWAH ISLAND

Community Association

July 2006



Client:

Kiawah Island Community Association

Mr. Joe Bunting, PCAM
General Manager

23 Beach Walker Road
Kiawah Island, South Carolina 29455
843.768.9194

Miller ❖ Dodson Associates, Inc.

929 West Street, Suite 310 Annapolis, Maryland 21401
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July 12, 2006

Mr. Joe Bunting, PCAM
Kiawah Island Community Association
23 Beach Walker Road
Kiawah Island, SC 29455

Tel: 843-768-9194
Fax: 843-768-4019

RE: KIAWAH ISLAND COMMUNITY ASSOCIATION, INC.
Replacement Reserve Report

Dear Mr. Bunting,

Pursuant to your acceptance of our proposal of February 23, 2006, we have completed our evaluation of the Kiawah Island Community Association, Inc. in Kiawah Island, South Carolina. The purpose of this evaluation was to obtain data for the preparation of the enclosed Replacement Reserve Study.

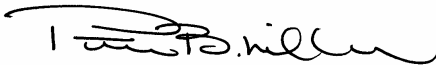
The following sections are included in this Report:

- ~ A written narrative which includes a financial summary, additional information describing and clarifying the enclosed *Replacement Reserve Report*, and a summary of conditions found on the site;
- ~ The *Replacement Reserve Analysis* with tables listing the inventory of components, estimated replacement costs, estimated remaining life, and the graphical presentation of the calculated data;
- ~ An *Appendix* describing the standard procedures and definitions.

Please review the narrative and data in this study with your Board of Directors. We will provide further revisions to this document if items have been improperly included or omitted, or if the Board wishes to suggest other modifications to the component inventory herein. We welcome the input and suggestions from your Board on these items. Such review and input always helps to hone the accuracy of the report. Such revisions should be requested in writing by the Board of Directors within ninety (90) days of the date of the original report.

If you have any questions regarding this report, please do not hesitate to contact my office.

Sincerely,
MILLER ♦ DODSON ASSOCIATES, INC.



Peter B. Miller, Arch., RS
Principal

Enclosures: Replacement Reserve Report

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REPLACEMENT RESERVE REPORT

KIAWAH ISLAND COMMUNITY ASSOCIATION, INC.

Kiawah Island, South Carolina

July 12, 2006

Property Management by:

Mr. Joe Bunting, PCAM General Manager
Kiawah Island Community Association
23 Beach Walker Road
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Replacement Reserve Report

KIAWAH ISLAND COMMUNITY ASSOCIATION, INC.

Kiawah Island, South Carolina

July 12, 2006

Table of Contents

SECTION 1 Replacement Reserve Report

Financial Summary	Page 1
Replacement Reserve Analysis - Narrative	Page 3
Summary of Conditions	Page 5
Life Expectancy and Cost Estimates	Page 7
Survey Methodology	Page 7

SECTION 2 Replacement Reserve Analysis

Summary Sheet	Page A-1
Funding Methods Comparison Graph	Page A-2
Cash Flow Method Graph	Page A-3
Component Method Graph	Page A-4
Current Association Funding Graph	Page A-5
Graph of Annual Replacement Expenditures	Page A-6
Inventory of Components	Pages 1 to 22
Schedule of Replacements-Years 1 to 30	Pages 23 to 32

SECTION 3 Appendix

Pages 1 to 3

Replacement Reserve Report

KIAWAH ISLAND COMMUNITY ASSOCIATION, INC.

Kiawah Island, South Carolina

July 12, 2006

The subject property is a planned residential development on the South Carolina coast. The fieldwork for this study was conducted on March 13th through 17th, 2006. The weather was clear, and the temperature was approximately degrees 72 to 77 Fahrenheit. The survey covered the common elements of the community including roads, paths, drainage systems, ponds, community recreation center, docks, boardwalks, piers,

Miller-Dodson Associates has visually inspected the common elements in the community in order to ascertain the remaining useful life and the replacement costs of these components. In conjunction with this inspection, we have also reviewed the following drawing and documents for the new Maintenance Building. Miller-Dodson Associates would like to acknowledge the assistance and input of Mr. Huggie Hindman and Connie Sanford. They have provided very helpful insight into the history of the physical condition of many of the components of the property.

Level of Service: This study has been performed as a Level II Update of US Inspect Study as defined under the National Reserve Study Standards that have been adopted by the Community Associations Institute. As such, the component inventory from the previous Miller - Dodson Reserve Study was reviewed, verified and adjusted where necessary. New component quantities were derived from field measurement and from quantity takeoffs from to-scale engineering drawings that have been made available. Some cost and service date information regarding commonly-owned components was provided by the client. The condition of the components was ascertained from a site visit and the visual inspection of each component by the analyst. The life expectancy and the value of components are provided based in part on these observations, and the fund status and funding plan have been derived from analysis data.

A. FINANCIAL SUMMARY

Executive Summary: The Kiawah Island Community Association facilities and amenities are in good condition. Current maintenance practices appear to be effective in protecting these physical assets from premature deterioration.

The KICA Reserve Fund currently has a reported balance in excess of \$8,000,000. The current reported Annual Contribution to Reserves is \$1,815,500. This Annual Funding level falls squarely between the \$1,247,814 that is the Minimum Recommended Funding Level using the Cash Flow Method, and the more conservative Component Method recommendation of \$2,738,132. Given the fact that KICA generates much of its Reserve funding through property transfer fees, the current Reserve balance and current level of annual Reserve funding serve to provide a sound margin of Reserves planning should property transfers decline.

Methods of Accounting: *Important Note:* In the enclosed Replacement Reserve Analysis, the recommended annual deposit is calculated by two methods, the *Cash Flow Method* and the *Component Method*. Both methods are presented graphically, pages A-1 through A-5, with tables showing recommended annual deposits, expenditures, and balances projected over the next thirty years. Both methods of calculating Reserves are discussed in more detail below, as well as in the attached *Appendix*. It should be pointed out that most communities adopt the Cash Flow Method due to its lower annual contributions. However, the Board of Directors, in consultation with their management and accounting professionals, must decide which of the two accounting methods is more suitable for use by the Association.

Current Funding: This reserve study has been prepared for Fiscal Year 2007. The *Replacement Reserves Reported to be on Deposit* at the start of the year is reported to be \$8,557,996. The information concerning this balance has been supplied by the Association's representative, and confirmation or audit of the balance is beyond the scope of the study. The planned annual contribution to reserves for the Fiscal Year is \$1,815,500. Based on currently projected expenditures, the Association's Reserve Fund is well-funded. See Page A-5 for details.

Cash Flow Method: The *Minimum Recommended Annual Deposit* as calculated by the Cash Flow Method is \$1,247,814. This funding should be adjusted each year, as shown in the Study, to account for the factors of earned interest and annual inflation in the construction-related industry. This funding level will provide an adequate amount to cover the replacement expenses that have been projected in the study and to maintain a minimum balance Threshold of \$544,759, which is equal to 1.5% of the value of the replacement inventory. It should be recognized, however, that Cash Flow Method calculations should be reviewed annually based on recent contributions and expenditures, and should be updated every three to five years based on a physical evaluation of the conditions of the components.

Component Method: *Note: The Association has elected to use the Cash Flow Method of calculating the Reserve Contributions. Therefore, the Component Method calculations presented here are not germane to the Reserve Study and are provided only for comparative purposes.*

The *Current Funding Objective* calculated by the Component Method is \$15,259,975. With a reserves balance of \$8,557,996, the Association reserves are funded at 56% of this objective. The recommended *Minimum Recommended Annual Contribution* to the reserves as computed by the Component Method is \$2,738,132 in the first year of the study, declining to \$2,310,142 in the tenth year of the study. Projected annual deposits by the Component Method over the next ten years are shown on page A-4 of the Replacement Reserve Analysis.

The *Minimum Recommended Annual Contribution* in the study year projected by the Component method is higher than the annual deposit if reserves were fully funded. This higher deposit is due in large part to the initial acceleration that results from Component Method mathematical model. However, the high first year contribution may also be dictated by significant anticipated costs to be incurred for replacement of major common elements in the first ten years of the study. Refer to the tables and in the report for more detail.

Interest, Inflation and Taxes on Reserves: This study assumes a 5% after tax interest return on the Reserves on Deposit. In order to account for inflation in construction costs, the Study includes a projected 4% increase in the Annual Contribution to Reserves. In addition, a 4% rate of inflation has been applied to the estimated replacement costs. The study also assumes that the principal on the Association's Reserves are not subject to tax.

NOTE: Miller-Dodson Associates will work with the Association to carefully monitor the actual construction industry inflation rate over the next several quarters. The combined effects of greater demand for construction materials and higher oil prices have significantly the inflation rate in the construction industry in the last quarter of 2005 and the first quarter of 2006. However, it is not possible to determine at this time whether this is a short-term anomaly, or a long-term trend.

B. REPLACEMENT RESERVE ANALYSIS

Components included: Every effort has been made to identify all items, which should be reasonably considered to be "common elements" for inclusion in this analysis. To that end, this report may have been made overly inclusive. Some of these components could be appropriately deleted from the analysis. Such deletions, however, should be made consciously, with the approval of the Board, recognizing that any future replacement of the deleted components would have to be funded from sources other than the replacement reserves. Components that are candidates for deletion:

1. **Small components:** For ease of administration, it may be preferable to handle replacement of relatively low cost components from the annual operating budget rather than making disbursements from the reserves. Examples might be the street signs and directional signage and site lighting. A commonly used guideline is to use operating funds for replacement of any component with replacement cost less than \$1,000. In larger Associations, this limit is often raised to \$5,000.
2. **Long lasting components:** The reserve schedule includes components with estimated economic lives equaling or exceeding thirty years, for example, the flood control structures and storm drainage. While some analysts would omit these components from the schedule entirely on the basis that the economic lives of these components approach that of the property as a whole, it is recommended that they be retained since dropping them might expose the Association to a large unfunded liability should the replacements be needed at some time in the future.
3. **Components incorrectly included:** In an effort to include all components that could reasonably be considered as "common," it is possible that some items have been included which are not the responsibility of the Association.

Components excluded: The following components have been excluded from the Replacement Reserve Analyses. If any of these exclusions have been made in error, we will reinsert the component upon the written request of the Board of Directors:

1. **Long-lived components.** The following components are expected to have a life equal to that of the project, if properly maintained:
 - a. Building foundations, structure and floor slabs.

- b. Masonry exterior.
 - c. Water piping.
 - d. Metal louvers.
 - e. Interior wood trim and doors.
 - f. Bike racks.
 - g. Acoustic tile in exercise room ceiling.
 - h. Areaway grates.
 - i. Electrical switchgear and common wiring.
 - j. Waste and supply plumbing systems.
 - k. Sprinkler and fire system.
- 2. Individual owners.** We have assumed the following components will be maintained and replaced by the individual owners:
- a. Driveways.
 - b. Utility connections, including water, sewer, and electrical
- 3. Mail boxes.** We have assumed the mailboxes are the responsibility of the U.S. Postal Service.
- 4. Small components.** Pursuant to our proposal, we have not included items with a value of less than \$500.00, or items whose replacement is funded under the operating budget. Some of these items are listed below:
- a. Interior light fixtures and small exterior light fixtures.
 - b. Space heaters.
 - c. Fire extinguishers.
 - d. Bulletin boards.
 - e. Smoke detectors.
 - f. Toilet fixtures and partitions in pool bath house area.
 - g. Tot Lot mulch.
 - h. Benches at Tot Lot.
 - i. General signage throughout the community.
 - j. Trash receptacles.
 - k. Exterior water fountain and shower at pool.
- 5. Non-capital components.** The following items were omitted because they are considered to be non-capital expenses under IRS guidelines.
- a. Painting.
 - b. Landscaping.
 - c. Future Reserve Studies.

Revisions: Revisions will be made to the Replacement Reserve Analysis 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 this report.

Updating: It is recommended to review and revise the Replacement Reserve Analysis annually to take into account replacements, which have actually occurred and known changes in replacement costs. Updating the analysis after a major replacement is made usually results in a significant reduction in the annual deposit as calculated by the Component Method. A full analysis based on a physical evaluation of the components should be performed approximately every three to five years.

C. SUMMARY OF CONDITIONS

The KICA facilities and site features appear to be in sound and well-maintained condition. Ongoing repairs and replacement serve to effectively maintain a high aesthetic quality with the Association's common areas, as well as serves to protect and enhance those commonly-owned physical assets.

The following are some comments about conditions of the components observed during the visual assessment performed as part of this Reserve Study:

Boardwalks, Pedestrian Bridges and Docks: The boardwalks, pedestrian bridges and dock decking and structure are constructed primarily of pressure-treated pine. It was observed that many of the boardwalks have been repaired to replace the decking material as it weathers, dries and splits. Several boardwalk areas have been replaced with PVC/wood composite materials and with South American hardwoods as test areas in which to evaluate alternative decking materials.

Vehicular Bridges: The bridges represent a special challenge in assessing their condition since it is not within the purview of this Report to conduct testing of concrete, asphalt and underwater piling components. However, our visual assessment of the bridge surfaces and structures did not reveal any conditions which would indicate the need for special concern. The Association should continue its current practice of having the bridges evaluated periodically by Salmon Dredging or some other qualified engineering firm.

Flood Control Structures, Piping and Drainage: A representative sampling of the flood control and drainage systems was conducted in each of the current and previous Reserve Study assessments. The flood control and drainage systems appear to be functioning as designed. In-depth visual evaluation of the underground piping is outside the purview of this Study. Therefore, the individual components of the systems, such as piping, flap gates, sluice gates, combo gates, weirs, drop inlets and junction boxes have been given an Estimated Remaining Life commensurate with their chronological age. The Remaining Life estimates have been coordinated with the assessment data contained in the KICA maintenance database.

Roadway Repair, Signage, and Irrigation Allowances: These items have been allocated an allowance based on historical expenditure levels.

Dredging: Tests conducted in 2001 show the lakes and ponds within the KICA to be in generally good health. However, data shows the need for some periodic dredging. Therefore, a budget figure of \$50,000 per year has been established to cover the cost of this dredging.

IMPORTANT NOTE: It should be noted that dredging costs can be highly variable depending on such factors as the specific method of dredging used, the presence of pesticides and heavy metals, the availability of adjacent property for drainage and drying of the spoils, and the distance to the eventual spoil disposal site.

Engineering Services Administration Costs: This budget item should be reviewed by the Association's accounting advisor to determine whether this is an appropriate expense for inclusion in the Reserve Study. It is our understanding that design and professional fees can be included if they are part of a specific project cost, but not if they are simply shown as a stand-alone expense.

Revetments and Bulkheads: The revetments and bulkheads appear to be in good condition. The recent engineering reports for the revetment inspections were reviewed as part of this Study. In addition, the new Cinder Creek bulkhead was observed to be under construction at the time of this assessment. It has been included in this Update of the Reserve Study.

Asphalt Paving: The roads and paths were visually inspected during the current Reserve Study. Jogging and Bike paths were extensively reviewed by bicycle in order to make a closer assessment as part of this Update. The currently projected paving schedule appears to be appropriate based upon the conditions observed. The paths were also found to be in good condition with some instances of minor deterioration caused primarily by tree root heave and edge deterioration.

Rhetts Bluff Facility: The boat ramp, docks and pavilion at the Rhetts Bluff facility appear to be in good condition.

Viewing Towers: The viewing towers were in somewhat weathered condition. The Marsh Viewing Tower had a section of PVC railing on the circular stair that had come loose. This condition was reported to the Mr. Hindman at the time of the observation. Replacement costs of the viewing towers is based upon information provided by KICA staff.

Main Gate House: The Main Gate House was renovated and expanded in 2003 and appears to be in good condition.

Vanderhoorst Gate House: The Vanderhoorst Gate House appears to be in good condition.

Canoe Launch & Pavilion: The Canoe Launch and Pavilion building was expanded in 2004 to provide more canoe and kayak storage. These facilities were observed to be in good condition. The Study inventory of Components has been adjusted to reflect the increased size of the storage rack facilities.

Maintenance Facility: The Maintenance facility and yard was evaluated and found to be in good and working condition. The new Maintenance Building and the new Wash Down facility were evaluated and have been included in this Update of the Reserve Study.

Sandcastle Community Facility: The Sandcastle building and recreation facilities were evaluated and found to be in good condition. The sole exception to this is the metal panels on the play structure. These panels are starting to show some rust and should be scraped, primed and painted.

The Reserve Study Inventory of Components has been adjusted to reflect the addition of the Service Elevator recently installed on the northeast end of the building. The kitchen facilities have also been revised to reflect the recently renovated condition of the kitchen area.

D. LIFE EXPECTANCY AND COST ESTIMATES

Estimated Life Left: The “Estimated Life Left in Years” column represents the number of serviceable years left in the item based on its current or repaired condition. It is not a mathematical formula directly related to “Estimated Economic Life in Years.” Some items may experience longer lives while others may experience shorter lives depending on many factors such as environment, initial quality of the component, maintenance, etc.

Cyclical Funding: The wood decking, boardwalks, docks and bridges, and drainage gates, structures, and piping are components that are typically replaced in stages rather than all in one time period. For this reason, these items were placed in the cyclic replacement section of the reserve schedule, at full replacement value.

E. SURVEY METHODOLOGY

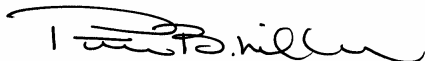
Valuation: The replacement reserve analysis depends upon estimates of total useful life, life remaining and replacement cost. These estimates were obtained from Government standards, published estimating manuals, recent experience on comparable properties and engineering judgment. We believe that the analysis will provide a useful guide for planning. Actual experience in replacing equipment may differ significantly from the projections in the analysis because of conditions beyond our control, such as maintenance practices, inflation, variations in pricing and market conditions, future technological developments and regulatory actions.

Analyst’s Credentials: Peter B. Miller, Architect, RS, is a graduate of the College of Architecture and Urban Studies at Virginia Tech, Mr. Miller began his professional experience with community associations in the early 1980's. A frequent author and lecturer on the subject of Capital Reserves, Mr. Miller has earned the CAI professional designation of Reserve Specialist (RS). He served as the 2004 President of the Washington Metropolitan Chapter of CAI and has also served on the Board of Directors of the South Carolina CAI Chapter. In addition, he has served as Vice-Chair of the CAI National Reserves Committee, and maintains a chair on the CAI National Ethics and Credentialing Committees. Mr. Miller was the 2003 Recipient of CAI National's “Award for Excellence in Chapter Leadership” and is one of the recipients of the 2004 CAI National “President’s Award”.

End of Report

Respectfully Submitted,

MILLER ❖ DODSON ASSOCIATES, INC



Peter B. Miller, Arch., RS
Principal

REPLACEMENT RESERVE ANALYSIS

Klawah Island Community Association

July 12, 2006

GENERAL INFORMATION:

2007	Study Year
\$8,557,996	Replacement Reserves reported to be on deposit at start of Study Year
\$36,317,299	Estimated value of all Components included in the Replacement Reserve Inventory
5.00%	Assumed Interest rate earned on Reserves
4.00%	Assumed rate of Inflation
4.00%	Assumed increase in Annual Reserve Contributions (Current Funding & Cash Flow Method)

REPORTED CURRENT FUNDING DATA:

\$1,815,500 REPORTED CURRENT ANNUAL CONTRIBUTION TO REPLACEMENT RESERVES

CASH FLOW METHOD CALCULATIONS:

\$1,247,814 MINIMUM RECOMMENDED ANNUAL CONTRIBUTION TO REPLACEMENT RESERVES

\$544,759	Assumed minimum recommended Replacement Reserve funding level
2040	First year Reserves fall to minimum recommended level (Design Year)

COMPONENT METHOD CALCULATIONS:

\$2,738,132 MINIMUM RECOMMENDED ANNUAL CONTRIBUTION TO RESERVES (IN STUDY YEAR)

\$15,259,975	Current Funding Objective
\$6,701,979	One time deposit required to fully fund Replacement Reserves
\$1,519,385	Annual Contribution to Replacement Reserves if Reserves were fully funded.

PROJECT INFORMATION:

PROPERTY MANAGED BY:

Kiawah Island Community Association
Mr. Joseph Bunting, PCAM
23 Beach Walker Road
Kiawah Island, SC 29455
(843) 768-9194

MAJOR COMPONENTS IN ANALYSIS:

Roads, Paths, Drainage Systems, Ponds,
Community Recreation Center, Docks,
Boardwalks, and other recreational amenities.

PROPERTY LOCATION:

Kiawah Island, SC

TYPE OF PROPERTY:

Large Scale HOA

OF UNITS:

N/A

YEAR BUILT:

1976 through Present

NOTES:

This Reserve Study complies with the National Reserve Study Standards as developed by the Community Associations Institute.

The budgeted contribution for Reserves for 2006 is \$1,452,400 for MR&R and \$363,100 for LCI.

REPLACEMENT RESERVE STUDY PREPARED BY:

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A-1

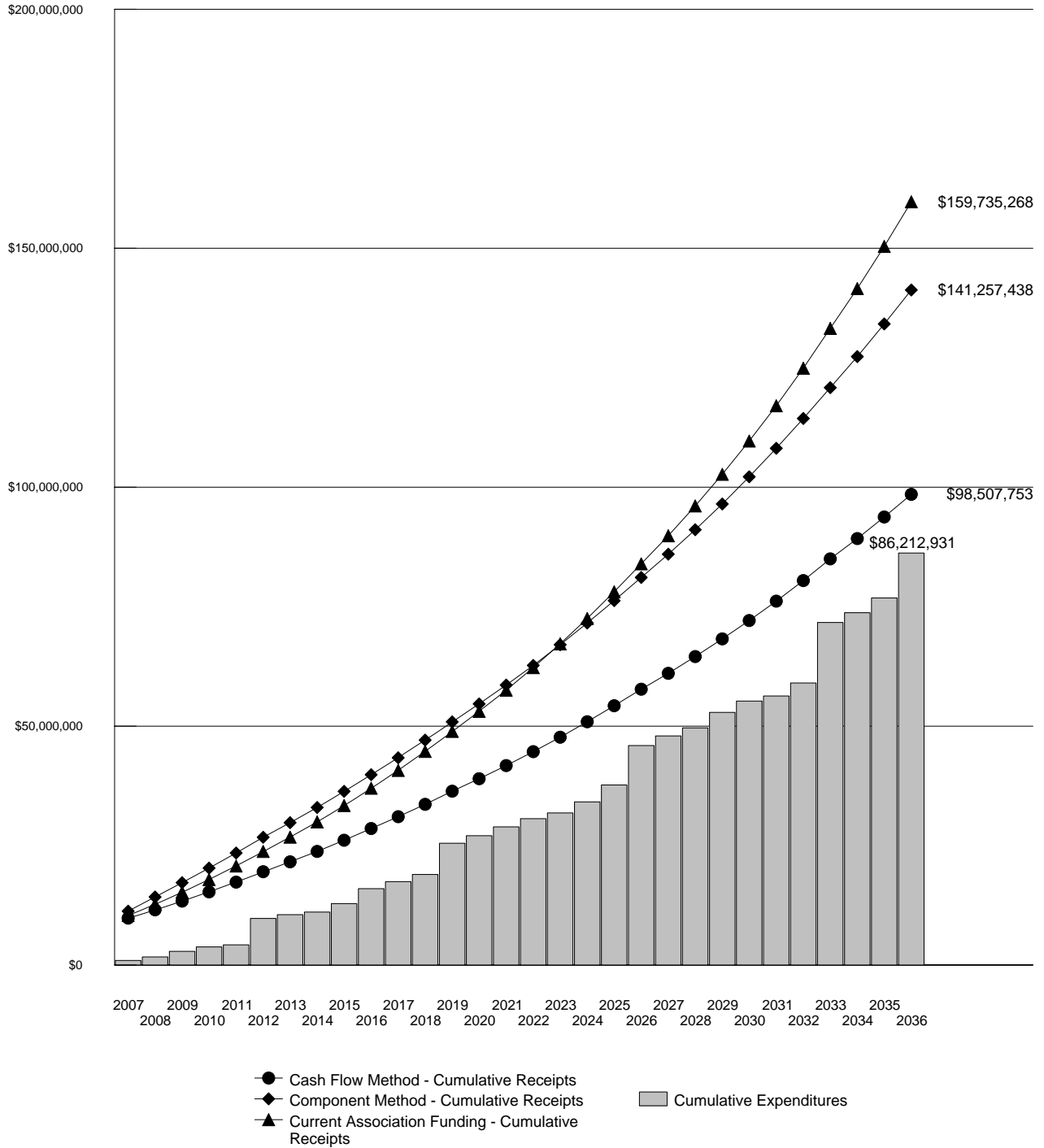
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REPLACEMENT RESERVE ANALYSIS

Klawah Island Community Association

July 12, 2006

Funding Methods Comparison Graph - Cumulative Receipts and Expenditures



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page:

A-2

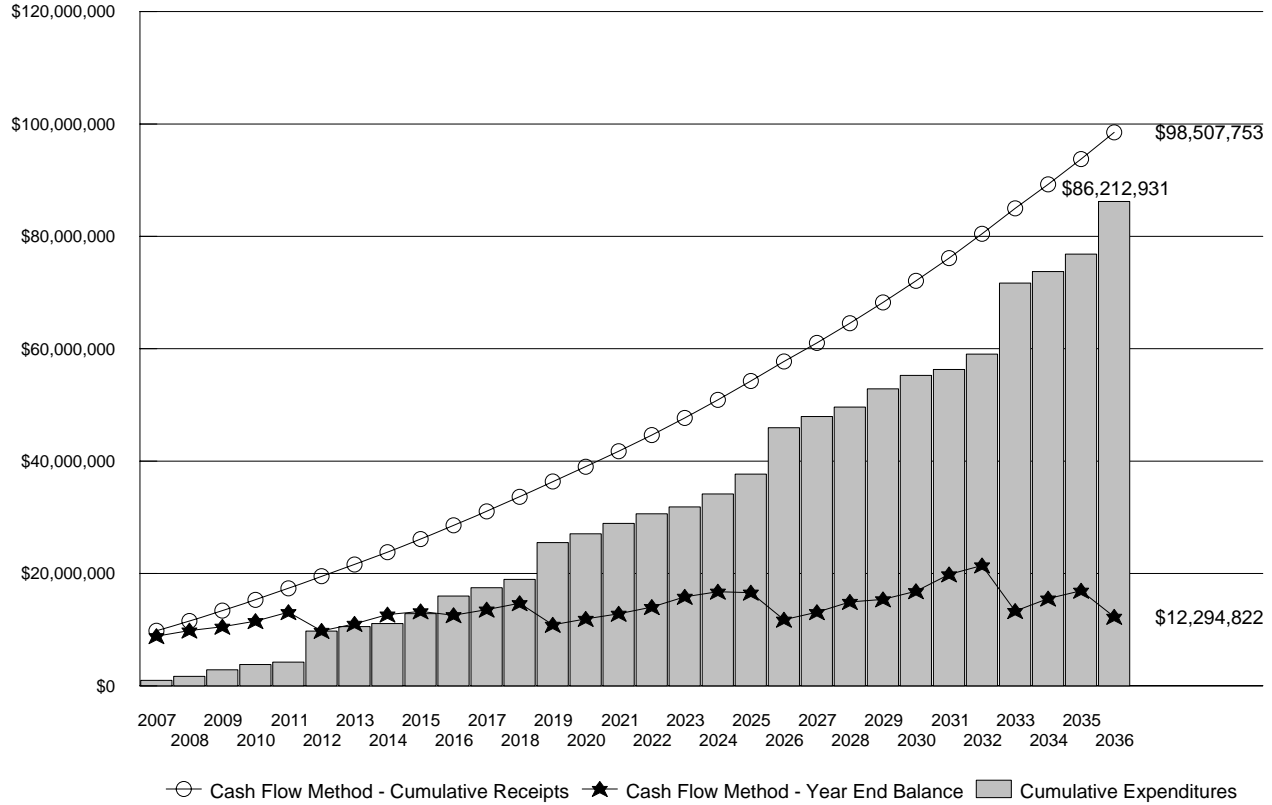
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REPLACEMENT RESERVE ANALYSIS

Klawah Island Community Association

July 12, 2006

Cash Flow Method - Cumulative Receipts and Expenditures Graph



Cash Flow Method Data - Years 1 through 30

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	TEN YEAR SUMMARIES
Starting balance	\$8,557,996										Expenditures: \$16,002,783
Annual deposit	\$1,247,814	\$1,297,726	\$1,349,635	\$1,403,621	\$1,459,766	\$1,518,156	\$1,578,882	\$1,642,038	\$1,707,719	\$1,776,028	
Interest on reserves		\$441,567	\$491,912	\$525,786	\$576,266	\$656,227	\$489,040	\$552,004	\$634,695	\$663,092	
Expenditures	\$974,479	\$732,388	\$1,164,062	\$919,800	\$436,822	\$5,518,115	\$808,650	\$540,214	\$1,774,470	\$3,133,783	
Year end balance	\$8,831,330	\$9,838,235	\$10,515,721	\$11,525,327	\$13,124,537	\$9,780,805	\$11,040,077	\$12,693,905	\$13,261,849	\$12,567,187	
Minimum rec. funding lvl.	\$544,759	\$566,550	\$589,212	\$612,780	\$637,292	\$662,783	\$689,295	\$716,866	\$745,541	\$775,363	
Cumulative expenditures	\$974,479	\$1,706,867	\$2,870,929	\$3,790,729	\$4,227,551	\$9,745,667	\$10,554,317	\$11,094,531	\$12,869,000	\$16,002,783	
Cumulative receipts	\$9,805,810	\$11,545,102	\$13,386,650	\$15,316,056	\$17,352,088	\$19,526,471	\$21,594,394	\$23,788,435	\$26,130,850	\$28,569,970	

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Expenditures:
Annual deposit	\$1,847,069	\$1,920,952	\$1,997,790	\$2,077,702	\$2,160,810	\$2,247,242	\$2,337,132	\$2,430,617	\$2,527,842	\$2,628,955	\$29,946,470
Interest on reserves	\$628,359	\$678,551	\$734,750	\$543,678	\$596,482	\$641,514	\$700,718	\$791,963	\$837,255	\$829,068	Receipts:
Expenditures	\$1,471,589	\$1,475,530	\$6,553,982	\$1,565,307	\$1,856,651	\$1,704,675	\$1,212,942	\$2,316,747	\$3,528,825	\$8,260,223	\$22,178,126
Year end balance	\$13,571,026	\$14,695,000	\$10,873,558	\$11,929,630	\$12,830,271	\$14,014,351	\$15,839,259	\$16,745,092	\$16,581,363	\$11,779,163	
Minimum rec. funding lvl.	\$806,377	\$838,632	\$872,177	\$907,065	\$943,347	\$981,081	\$1,020,324	\$1,061,137	\$1,103,583	\$1,147,726	
Cumulative expenditures	\$17,474,372	\$18,949,902	\$25,503,884	\$27,069,191	\$28,925,842	\$30,630,517	\$31,843,458	\$34,160,205	\$37,689,030	\$45,949,253	
Cumulative receipts	\$31,045,399	\$33,644,902	\$36,377,442	\$38,998,821	\$41,756,112	\$44,644,868	\$47,682,717	\$50,905,297	\$54,270,393	\$57,728,416	

Year	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Expenditures:
Annual deposit	\$2,734,113	\$2,843,478	\$2,957,217	\$3,075,506	\$3,198,526	\$3,326,467	\$3,459,526	\$3,597,907	\$3,741,823	\$3,891,496	\$40,263,678
Interest on reserves	\$588,958	\$655,522	\$746,196	\$769,305	\$842,710	\$991,722	\$1,071,054	\$665,006	\$776,181	\$846,623	Receipts:
Expenditures	\$1,991,796	\$1,685,517	\$3,241,227	\$2,376,714	\$1,061,010	\$2,731,540	\$12,651,535	\$2,039,418	\$3,109,171	\$9,375,750	\$32,828,086
Year end balance	\$13,110,439	\$14,923,922	\$15,386,109	\$16,854,206	\$19,834,432	\$21,421,081	\$13,300,126	\$15,523,621	\$16,932,454	\$12,294,822	
Minimum rec. funding lvl.	\$1,193,635	\$1,241,381	\$1,291,036	\$1,342,677	\$1,396,384	\$1,452,240	\$1,510,329	\$1,570,742	\$1,633,572	\$1,698,915	
Cumulative expenditures	\$47,941,049	\$49,626,566	\$52,867,792	\$55,244,506	\$56,305,516	\$59,037,056	\$71,688,591	\$73,728,009	\$76,837,180	\$86,212,931	
Cumulative receipts	\$61,051,488	\$64,550,488	\$68,253,901	\$72,098,712	\$76,139,949	\$80,458,137	\$84,988,717	\$89,251,630	\$93,769,634	\$98,507,753	

FIRST TRANSITION YEAR 2040

REPLACEMENT RESERVE STUDY PREPARED BY:

Miller + Dodson Associates

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A-3

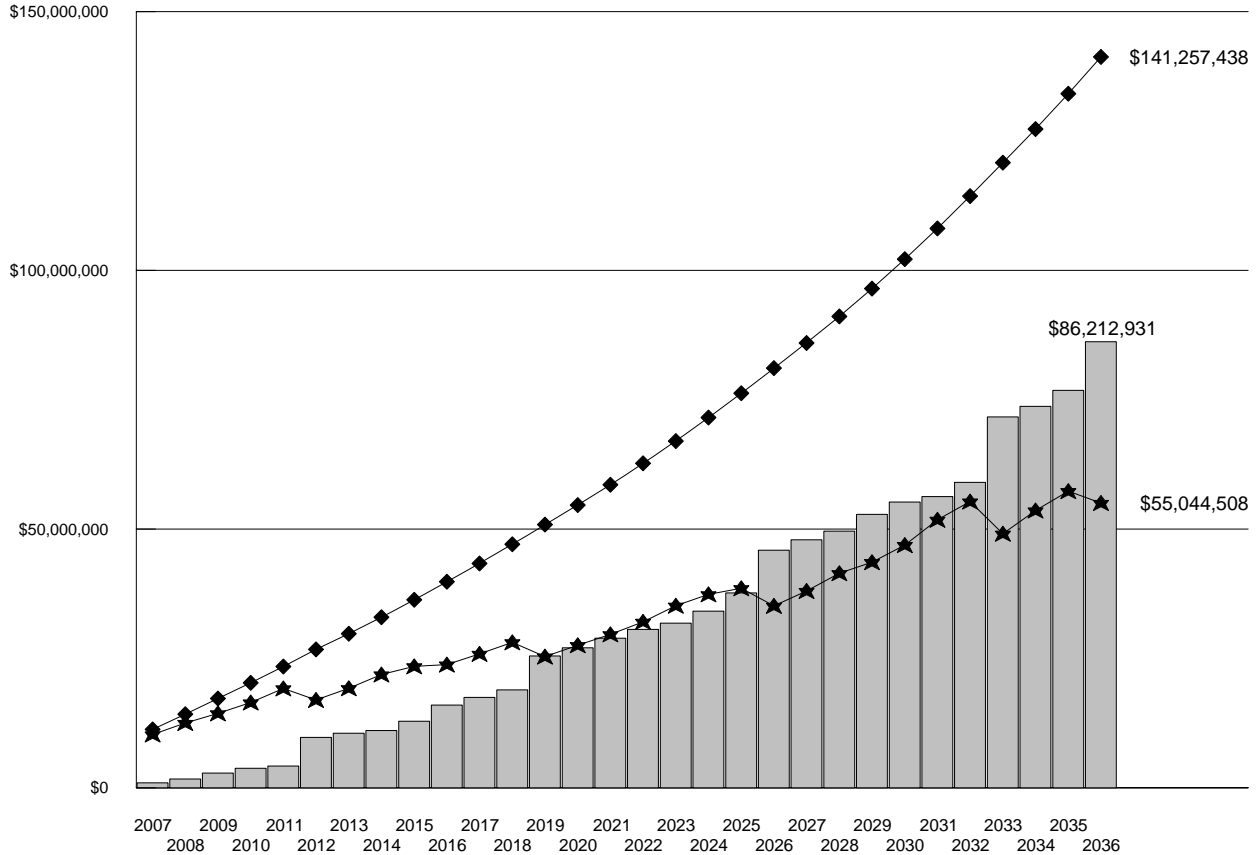
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REPLACEMENT RESERVE ANALYSIS

Klawah Island Community Association

July 12, 2006

Component Method - Cumulative Receipts and Expenditures Graph



◆ Component Method - Cumulative Receipts ★ Component Method - Year End Balance █ Cumulative Expenditures

Component Method Data - Years 1 through 30

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	TEN YEAR SUMMARIES
Starting balance	\$8,557,996										
Annual deposit	\$2,738,132	\$2,439,385	\$2,378,616	\$2,323,006	\$2,323,985	\$2,340,376	\$2,189,716	\$2,234,958	\$2,272,422	\$2,310,142	
Interest on reserves		\$516,082	\$627,236	\$719,326	\$825,452	\$961,083	\$850,250	\$961,816	\$1,094,644	\$1,174,274	Expenditures:
Expenditures	\$974,479	\$732,388	\$1,164,062	\$919,800	\$436,822	\$5,518,115	\$808,650	\$540,214	\$1,774,470	\$3,133,783	\$16,002,783
Year end balance	\$10,321,648	\$12,544,728	\$14,386,518	\$16,509,050	\$19,221,666	\$17,005,010	\$19,236,326	\$21,892,886	\$23,485,482	\$23,836,116	Receipts:
Cumulative Expenditures	\$974,479	\$1,706,867	\$2,870,929	\$3,790,729	\$4,227,551	\$9,745,667	\$10,554,317	\$11,094,531	\$12,869,000	\$16,002,783	\$32,108,733
Cumulative Receipts	\$11,296,128	\$14,251,595	\$17,257,447	\$20,299,779	\$23,449,217	\$26,750,676	\$29,790,643	\$32,987,417	\$36,354,483	\$39,838,899	
Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	TEN YEAR SUMMARIES
Annual deposit	\$2,351,256	\$2,391,014	\$2,413,311	\$2,491,779	\$2,562,562	\$2,640,942	\$2,718,816	\$2,769,840	\$2,834,657	\$2,906,620	Expenditures:
Interest on reserves	\$1,191,806	\$1,295,379	\$1,405,923	\$1,269,185	\$1,378,968	\$1,483,212	\$1,604,186	\$1,759,689	\$1,870,328	\$1,929,136	\$29,946,470
Expenditures	\$1,471,589	\$1,475,530	\$6,553,982	\$1,565,307	\$1,856,651	\$1,704,675	\$1,212,942	\$2,316,747	\$3,528,825	\$8,260,223	Receipts:
Year end balance	\$25,907,588	\$28,118,453	\$25,383,704	\$27,579,361	\$29,664,241	\$32,083,720	\$35,193,780	\$37,406,563	\$38,582,723	\$35,158,256	\$26,082,814
Cumulative Expenditures	\$17,474,372	\$18,949,902	\$25,503,884	\$27,069,191	\$28,925,842	\$30,630,517	\$31,843,458	\$34,160,205	\$37,689,030	\$45,949,253	
Cumulative Receipts	\$43,381,961	\$47,068,354	\$50,887,588	\$54,648,552	\$58,590,082	\$62,714,236	\$67,037,238	\$71,566,768	\$76,271,752	\$81,107,509	
Year	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	TEN YEAR SUMMARIES
Annual deposit	\$3,118,258	\$3,217,682	\$3,301,100	\$3,508,786	\$3,612,341	\$3,651,865	\$3,677,749	\$4,064,595	\$4,151,383	\$4,224,937	Expenditures:
Interest on reserves	\$1,757,913	\$1,902,132	\$2,073,846	\$2,180,532	\$2,346,162	\$2,591,037	\$2,766,605	\$2,456,246	\$2,680,317	\$2,866,444	\$40,263,678
Expenditures	\$1,991,796	\$1,685,517	\$3,241,227	\$2,376,714	\$1,061,010	\$2,731,540	\$12,651,535	\$2,039,418	\$3,109,171	\$9,375,750	Receipts:
Year end balance	\$38,042,630	\$41,476,927	\$43,610,646	\$46,923,250	\$51,820,743	\$55,332,105	\$49,124,924	\$53,606,348	\$57,328,877	\$55,044,508	\$36,530,721
Cumulative Expenditures	\$47,941,049	\$49,626,566	\$52,867,792	\$55,244,506	\$56,305,516	\$59,037,056	\$71,688,591	\$73,728,009	\$76,837,180	\$86,212,931	
Cumulative Receipts	\$85,983,679	\$91,103,492	\$96,478,438	*****	*****	*****	*****	*****	*****	*****	

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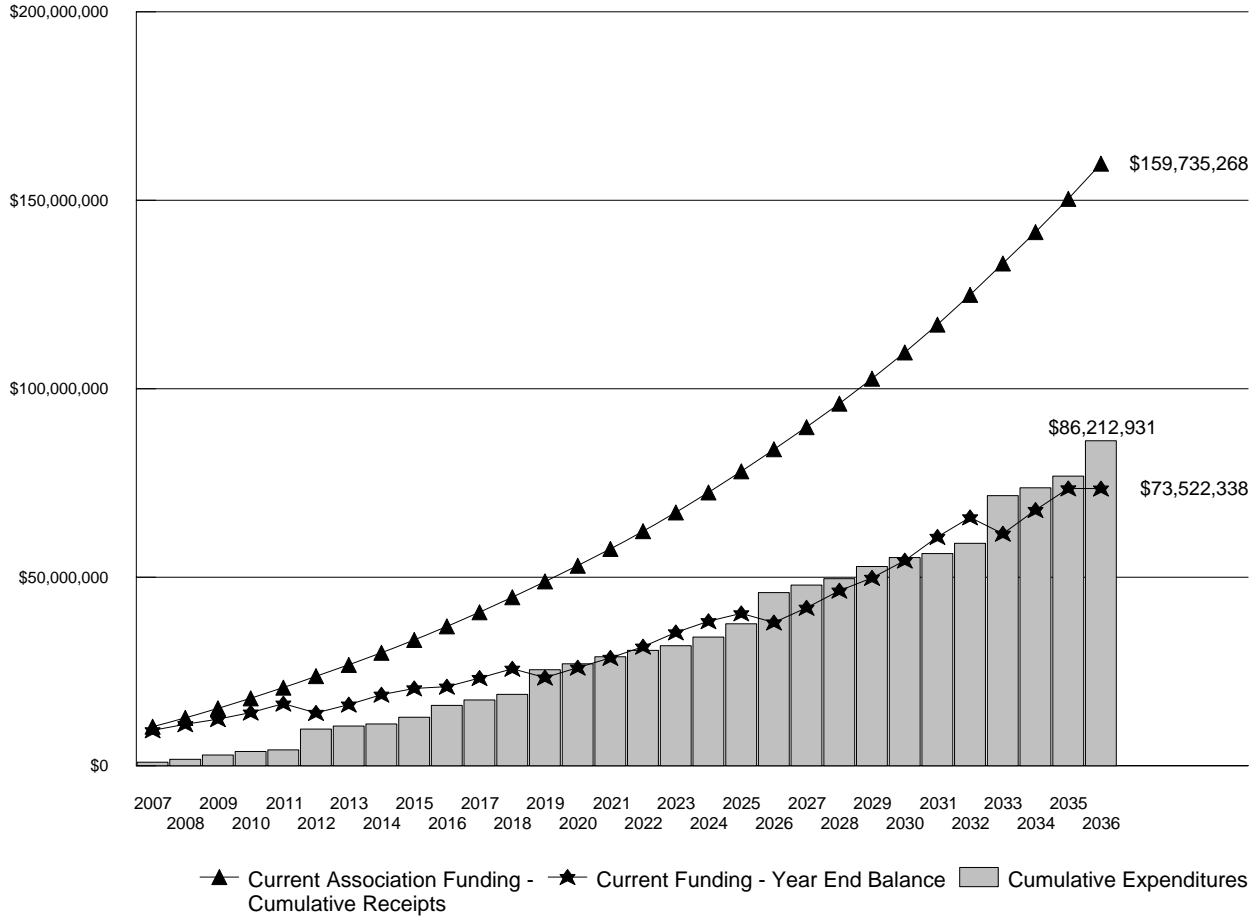
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REPLACEMENT RESERVE ANALYSIS

Klawah Island Community Association

July 12, 2006

Current Association Funding - Cumulative Receipts and Expenditures Graph



Current Funding Data - Years 1 through 30

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	TEN YEAR SUMMARIES
Starting balance	\$8,557,996										
Annual deposit	\$1,815,500	\$1,888,120	\$1,963,645	\$2,042,191	\$2,123,878	\$2,208,833	\$2,297,187	\$2,389,074	\$2,484,637	\$2,584,023	
Interest on reserves		\$469,951	\$551,235	\$618,776	\$705,834	\$825,479	\$701,289	\$810,780	\$943,762	\$1,026,458	Expenditures:
Expenditures	\$974,479	\$732,388	\$1,164,062	\$919,800	\$436,822	\$5,518,115	\$808,650	\$540,214	\$1,774,470	\$3,133,783	\$16,002,783
Year end balance	\$9,399,017	\$11,024,700	\$12,375,518	\$14,116,684	\$16,509,574	\$14,025,771	\$16,215,596	\$18,875,236	\$20,529,165	\$21,005,863	Receipts:
Cumulative Expenditures	\$974,479	\$1,706,867	\$2,870,929	\$3,790,729	\$4,227,551	\$9,745,667	\$10,554,317	\$11,094,531	\$12,869,000	\$16,002,783	\$30,355,083
Cumulative Receipts	\$10,373,496	\$12,731,567	\$15,246,447	\$17,907,413	\$20,737,126	\$23,771,438	\$26,769,913	\$29,969,767	\$33,398,166	\$37,008,647	

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	TEN YEAR SUMMARIES
Annual deposit	\$2,687,383	\$2,794,879	\$2,906,674	\$3,022,941	\$3,143,859	\$3,269,613	\$3,400,397	\$3,536,413	\$3,677,870	\$3,824,985	Expenditures:
Interest on reserves	\$1,050,293	\$1,163,598	\$1,287,745	\$1,169,767	\$1,301,137	\$1,430,554	\$1,580,329	\$1,768,718	\$1,918,137	\$2,021,496	\$29,946,470
Expenditures	\$1,471,589	\$1,475,530	\$6,553,982	\$1,565,307	\$1,856,651	\$1,704,675	\$1,212,942	\$2,316,747	\$3,528,825	\$8,260,223	Receipts:
Year end balance	\$23,271,951	\$25,754,898	\$23,395,334	\$26,022,736	\$28,611,080	\$31,606,572	\$35,374,356	\$38,362,741	\$40,429,923	\$38,016,181	\$32,265,014
Cumulative expenditures	\$17,474,372	\$18,949,902	\$25,503,884	\$27,069,191	\$28,925,842	\$30,630,517	\$31,843,458	\$34,160,205	\$37,689,030	\$45,949,253	
Cumulative receipts	\$40,746,323	\$44,704,800	\$48,899,218	\$53,091,926	\$57,536,922	\$62,237,088	\$67,217,814	\$72,522,946	\$78,118,953	\$83,965,433	

Year	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	TEN YEAR SUMMARIES
Annual deposit	\$3,977,984	\$4,137,103	\$4,302,588	\$4,474,691	\$4,653,679	\$4,839,826	\$5,033,419	\$5,234,756	\$5,444,146	\$5,661,912	Expenditures:
Interest on reserves	\$1,900,809	\$2,095,159	\$2,322,496	\$2,491,689	\$2,721,172	\$3,036,864	\$3,294,122	\$3,077,922	\$3,391,585	\$3,677,913	\$40,263,678
Expenditures	\$1,991,796	\$1,685,517	\$3,241,227	\$2,376,714	\$1,061,010	\$2,731,540	\$12,651,535	\$2,039,418	\$3,109,171	\$9,375,750	Receipts:
Year end balance	\$41,903,178	\$46,449,923	\$49,833,780	\$54,423,446	\$60,737,287	\$65,882,438	\$61,558,443	\$67,831,703	\$73,558,263	\$73,522,338	\$47,760,103
Cumulative Expenditures	\$47,941,049	\$49,626,566	\$52,867,792	\$55,244,506	\$56,305,516	\$59,037,056	\$71,688,591	\$73,728,009	\$76,837,180	\$86,212,931	
Cumulative Receipts	\$89,844,226	\$96,076,489	*****	*****	*****	*****	*****	*****	*****	*****	

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page:

A-5

1207.03

REPLACEMENT RESERVE INVENTORY

Klawah Island Community Association

July 12, 2006

INVENTORY OF COMPONENTS

ITEM #		UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	TOTAL REPLACEMENT COST (\$)
INTERVAL REPLACEMENTS							
1	Boardwalks, wood (20%)	sf	7707	\$18.00	20	1	\$138,726
2	Boardwalks, wood (20%)	sf	7707	\$18.00	20	5	\$138,726
3	Boardwalks, wood (20%)	sf	7707	\$18.00	20	9	\$138,726
4	Boardwalks, wood (20%)	sf	7707	\$18.00	20	13	\$138,726
5	Boardwalks, wood (20%)	sf	7707	\$18.00	20	17	\$138,726
6	Bridge, Walk-decking (20%)	sf	2475.4	\$18.00	20	1	\$44,557
7	Bridge, Walk-decking (20%)	sf	2475.4	\$18.00	20	5	\$44,557
8	Bridge, Walk-decking (20%)	sf	2475.4	\$18.00	20	9	\$44,557
9	Bridge, Walk-decking (20%)	sf	2475.4	\$18.00	20	13	\$44,557
10	Bridge, Walk-decking (20%)	sf	2475.4	\$18.00	20	17	\$44,557
11	Bridge, Walk-structure (20%)	sf	2475.4	\$12.00	30	1	\$29,705
12	Bridge, Walk-structure (20%)	sf	2475.4	\$12.00	30	7	\$29,705
13	Bridge, Walk-structure (20%)	sf	2475.4	\$12.00	30	13	\$29,705
14	Bridge, Walk-structure (20%)	sf	2475.4	\$12.00	30	19	\$29,705
15	Bridge, Walk-structure (20%)	sf	2475.4	\$12.00	30	25	\$29,705
BRIDGES							
16	Bridge, Vehicle, structure	sf	28708	\$35.00	40	29	\$1,004,780
17	Bridge, Vehicle, decking	sf	28708	\$35.00	20	9	\$1,004,780
18	Bridge, Vehicle, heavy	sf	2520	\$90.00	50	25	\$226,800

COMMENTS:

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page:

1

1207.03

REPLACEMENT RESERVE INVENTORY

Klawah Island Community Association

July 12, 2006

INVENTORY OF COMPONENTS

ITEM #		UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	TOTAL REPLACEMENT COST (\$)
INTERVAL REPLACEMENTS							
19	Dock Structure, wood (20%)	sf	755.4	\$12.00	40	1	\$9,065
20	Dock Structure, wood (20%)	sf	755.4	\$12.00	40	9	\$9,065
21	Dock Structure, wood (20%)	sf	755.4	\$12.00	40	17	\$9,065
22	Dock Structure, wood (20%)	sf	755.4	\$12.00	40	25	\$9,065
23	Dock Structure, wood (20%)	sf	755.4	\$12.00	40	33	\$9,065
24	Dock Decking, wood (20%)	sf	816.4	\$18.00	20	1	\$14,695
25	Dock Decking, wood (20%)	sf	816.4	\$18.00	20	5	\$14,695
26	Dock Decking, wood (20%)	sf	816.4	\$18.00	20	9	\$14,695
27	Dock Decking, wood (20%)	sf	816.4	\$18.00	20	13	\$14,695
28	Dock Decking, wood (20%)	sf	816.4	\$18.00	20	17	\$14,695
29	Dock Railings, wood (20%)	lf	204.1	\$10.00	10	1	\$2,041
30	Dock Railings, wood (20%)	lf	204.1	\$10.00	10	3	\$2,041
31	Dock Railings, wood (20%)	lf	204.1	\$10.00	10	5	\$2,041
32	Dock Railings, wood (20%)	lf	204.1	\$10.00	10	7	\$2,041
33	Dock Railings, wood (20%)	lf	204.1	\$10.00	10	9	\$2,041

COMMENTS:

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page:

2

1207.03

REPLACEMENT RESERVE INVENTORY

Klawah Island Community Association

July 12, 2006

INVENTORY OF COMPONENTS

ITEM #		UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	TOTAL REPLACEMENT COST (\$)
INTERVAL REPLACEMENTS							
34	Culverts, HDPE (flood control) 20%	lf	631	\$272.00	35	5	\$171,632
35	Culverts, HDPE (flood control) 20%	lf	631	\$272.00	35	12	\$171,632
36	Culverts, HDPE (flood control) 20%	lf	631	\$272.00	35	19	\$171,632
37	Culverts, HDPE (flood control) 20%	lf	631	\$272.00	35	26	\$171,632
38	Culverts, HDPE (flood control) 20%	lf	631	\$272.00	35	33	\$171,632
39	Culvert, RCP (flood control) 20%	lf	278	\$272.00	35	5	\$75,616
40	Culvert, RCP (flood control) 20%	lf	278	\$272.00	35	12	\$75,616
41	Culvert, RCP (flood control) 20%	lf	278	\$272.00	35	19	\$75,616
42	Culvert, RCP (flood control) 20%	lf	278	\$272.00	35	26	\$75,616
43	Culvert, RCP (flood control) 20%	lf	278	\$272.00	35	33	\$75,616
44	Culverts, Drainage 20%	lf	31994.4	\$106.52	35	5	\$3,408,043
45	Culverts, HDPE (drainage) 20%	lf	31994.4	\$106.52	35	12	\$3,408,043
46	Culverts, HDPE (drainage) 20%	lf	31994.4	\$106.52	35	19	\$3,408,043
47	Culverts, HDPE (drainage) 20%	lf	31994.4	\$106.52	35	26	\$3,408,043
48	Culverts, HDPE (drainage) 20%	lf	31994.4	\$106.52	35	33	\$3,408,043
49	Flood Ctrl Struct / Egret Pond	ea	1	\$110,000.00	30	9	\$110,000
50	Flood Ctrl Struct / Pintail Pond	ea	1	\$110,000.00	30	9	\$110,000
51	Flood Ctrl Struct / Governors Dr.	ea	1	\$110,000.00	30	2	\$110,000

COMMENTS:

Flood Control HDPE Culverts measure approximately 3155 LF at and average cost of \$272 per foot.
 Flood Control RCP Culverts measure approximately 1390 LF at and average cost of \$272 per foot.
 Drainage Culverts measure approximately 159,972 LF at an average cost of \$106.52 per foot

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page:

3

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REPLACEMENT RESERVE INVENTORY

Klawah Island Community Association

July 12, 2006

INVENTORY OF COMPONENTS

ITEM #		UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	TOTAL REPLACEMENT COST (\$)
INTERVAL REPLACEMENTS							
52	Flap Gates (25 total) 20%	ea	5	\$1,210.00	25	3	\$6,050
53	Flap Gates (25 total) 20%	ea	5	\$1,210.00	25	8	\$6,050
54	Flap Gates (25 total) 20%	ea	5	\$1,210.00	25	13	\$6,050
55	Flap Gates (25 total) 20%	ea	5	\$1,210.00	25	18	\$6,050
56	Flap Gates (25 total) 20%	ea	5	\$1,210.00	25	23	\$6,050
57	Combo Gates, 48"	ea	1	\$13,940.00	25	3	\$13,940
58	Combo Gates, 48"	ea	1	\$13,940.00	25	8	\$13,940
59	Combo Gates, 48"	ea	1	\$13,940.00	25	18	\$13,940
60	Canal Gates & Sluice gates	ea	2	\$8,000.00	25	3	\$16,000
61	Canal Gates & Sluice gates	ea	2	\$8,000.00	25	8	\$16,000
62	Canal Gates & Sluice gates	ea	2	\$8,000.00	25	13	\$16,000
63	Canal Gates & Sluice gates	ea	2	\$8,000.00	25	18	\$16,000
64	Canal Gates & Sluice gates	ea	2	\$8,000.00	25	23	\$16,000
65	Weirs, metal (8 total)	ea	2	\$450.00	20	10	\$900
66	Weirs, metal (8 total)	ea	2	\$450.00	20	20	\$900
67	Weirs, metal (8 total)	ea	2	\$450.00	20	30	\$900
68	Weirs, metal (8 total)	ea	2	\$450.00	20	40	\$900
69	Weir , concrete	ea	1	\$50,000.00	50	25	\$50,000
70	Weir , concrete	ea	1	\$50,000.00	50	48	\$50,000
71	Weir , concrete	ea	1	\$50,000.00	50	48	\$50,000

COMMENTS:

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page:

4

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REPLACEMENT RESERVE INVENTORY

Klawah Island Community Association

July 12, 2006

INVENTORY OF COMPONENTS

ITEM #		UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	TOTAL REPLACEMENT COST (\$)
INTERVAL REPLACEMENTS							
72	Headwall, concrete	cy	23	\$3,500.00	50	10	\$80,500
73	Headwall, concrete	cy	23	\$3,500.00	50	20	\$80,500
74	Headwall, concrete	cy	23	\$3,500.00	50	30	\$80,500
75	Headwall, concrete	cy	23	\$3,500.00	50	40	\$80,500
76	Headwall, concrete	cy	23	\$3,500.00	50	50	\$80,500
77	Small Drainage Structures	ea	248.4	\$600.00	20	2	\$149,040
78	Small Drainage Structures	ea	248.4	\$600.00	20	6	\$149,040
79	Small Drainage Structures	ea	248.4	\$600.00	20	10	\$149,040
80	Small Drainage Structures	ea	248.4	\$600.00	20	14	\$149,040
81	Small Drainage Structures	ea	248.4	\$600.00	20	18	\$149,040
82	Roadway Signage	ls	1	\$11,000.00	10	2	\$11,000
83	Roadway Signage	ls	1	\$11,000.00	10	4	\$11,000
84	Roadway Signage	ls	1	\$11,000.00	10	6	\$11,000
85	Roadway Signage	ls	1	\$11,000.00	10	8	\$11,000
86	Roadway Signage	ls	1	\$11,000.00	10	10	\$11,000
87	Asphalt Patching Allowance	ls	1	\$30,000.00	5	1	\$30,000
88	Asphalt Patching Allowance	ls	1	\$30,000.00	5	2	\$30,000
89	Asphalt Patching Allowance	ls	1	\$30,000.00	5	3	\$30,000
90	Asphalt Patching Allowance	ls	1	\$30,000.00	5	4	\$30,000
91	Asphalt Patching Allowance	ls	1	\$30,000.00	5	5	\$30,000

COMMENTS:

Small Drainage Structures includes all Grate Inlets, Curb Inlets, Drop Inlets, Junction Boxes, and Outfall Basins. There are approximately 1,242 Small Drainage Structures.

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page:

5

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REPLACEMENT RESERVE INVENTORY

Klawah Island Community Association

July 12, 2006

INVENTORY OF COMPONENTS

ITEM #		UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	TOTAL REPLACEMENT COST (\$)
INTERVAL REPLACEMENTS							
92	Irrigation System Kiawah Pkwy	ls	1	\$85,000.00	30	4	\$85,000
93	Irrigation System Kiawah Pkwy	ls	1	\$85,000.00	30	10	\$85,000
94	Irrigation System Kiawah Pkwy	ls	1	\$85,000.00	30	16	\$85,000
95	Irrigation System Kiawah Pkwy	ls	1	\$85,000.00	30	22	\$85,000
96	Irrigation System Kiawah Pkwy	ls	1	\$85,000.00	30	28	\$85,000
97	Dredging Allowance	ls	1	\$50,000.00	5	1	\$50,000
98	Dredging Allowance	ls	1	\$50,000.00	5	2	\$50,000
99	Dredging Allowance	ls	1	\$50,000.00	5	3	\$50,000
100	Dredging Allowance	ls	1	\$50,000.00	5	4	\$50,000
101	Dredging Allowance	ls	1	\$50,000.00	5	5	\$50,000
102	Eng. Svcs. Admin. Allowance	ls	1	\$100,000.00	5	1	\$100,000
103	Eng. Svcs. Admin. Allowance	ls	1	\$100,000.00	5	2	\$100,000
104	Eng. Svcs. Admin. Allowance	ls	1	\$100,000.00	5	3	\$100,000
105	Eng. Svcs. Admin. Allowance	ls	1	\$100,000.00	5	4	\$100,000
106	Eng. Svcs. Admin. Allowance	ls	1	\$100,000.00	5	5	\$100,000

COMMENTS:

Note: Tests conducted in 2001 shows the KICA lakes and ponds to be in generally good health. However, data to date shows the need for some dredging. Therefore, a budget figure for dredging of ponds and lakes is included in this study.

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6

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REPLACEMENT RESERVE INVENTORY

Klawah Island Community Association

July 12, 2006

INVENTORY OF COMPONENTS

ITEM #	SITE FEATURES	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	TOTAL REPLACEMENT COST (\$)
107	Revetment, Cinder Ck/Gov Dr	sf	15000	\$8.00	25	3	\$120,000
108	Revetment, Cinder Ck	sf	1800	\$8.00	25	16	\$14,400
109	Revetment, Bass Ck/Ocean Crs	sf	9000	\$8.00	25	7	\$72,000
110	Revetment, bis Pond/Ocean Crs	sf	980	\$8.00	25	9	\$7,840
111	Revetment, bis Pond/Ocean Crs	sf	462	\$8.00	25	16	\$3,696
112	Revetment, Willet Pnd/Ocean Crs	sf	168	\$8.00	25	16	\$1,344
113	Revetment, Willet Pnd/Ocean Crs	sf	1280	\$8.00	25	9	\$10,240
114	Revetment,Bass Pond/Rhetts Bluff	sf	1000	\$8.00	25	21	\$8,000
115	Bulkhead, Cinder Creek	lf	220	\$1,636.00	40	40	\$359,920
116	Rail, wood / Gov Dr/Cinder Ck	lf	1340	\$25.00	30	9	\$33,500
117	Rail, wood / Kiawah Isl. Pkwy	lf	3096	\$25.00	30	1	\$77,400
118	Rail, wood / Ocean Course Dr	lf	1324	\$25.00	30	14	\$33,100

COMMENTS:

The new Cinder Creek bulkhead has been added to the inventory.

REPLACEMENT RESERVE INVENTORY

Klawah Island Community Association

July 12, 2006

INVENTORY OF COMPONENTS

ITEM #		UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	TOTAL REPLACEMENT COST (\$)
ASPHALT ROADS OVERLAY							
119	Airy Hall	sy	3324	\$9.30	18	11	\$30,913
120	Amaranth Road	sy	1622	\$9.30	18	17	\$15,085
121	Angler Hall	sy	1633	\$9.30	18	13	\$15,187
122	Anhinga Court	sy	531	\$9.30	18	9	\$4,938
123	Arrowhead Hall	sy	1607	\$9.30	18	13	\$14,945
124	Atlantic Beach Court *	sy	3567	\$11.10	22	4	\$39,594
125	Augusta National	sy	2784	\$9.30	18	17	\$25,891
126	Avocet Lane *	sy	2200	\$11.10	22	3	\$24,420
127	Baldpate Ct.	sy	830	\$9.30	18	none	\$7,719
128	Ballybunion Drive *	sy	1630	\$11.10	22	10	\$18,093
129	Bank Swallow Way *	sy	1840	\$11.10	22	none	\$20,424
130	Bass Creek Lane	sy	3422	\$9.30	18	6	\$31,825
131	Belmeade Hall	sy	2881	\$9.30	18	9	\$26,793
132	Belted Kingfisher	sy	2267	\$9.30	18	none	\$21,083
133	Berkshire Hall	sy	1824	\$9.30	18	13	\$16,963
134	Bittern Court	sy	850	\$9.30	18	9	\$7,905
135	Black Duck Court *	sy	620	\$11.10	22	5	\$6,882
136	Blue Heron Pond Rd	sy	9720	\$9.30	18	8	\$90,396
137	Blue Heron Pond Road	sy	9200	\$9.30	18	11	\$85,560
138	Bluebill Court	sy	1900	\$9.30	18	16	\$17,670
139	Broomsedge Lane	sy	3113	\$9.30	18	10	\$28,951
140	Bufflehead Drive *	sy	13591	\$11.10	22	12	\$150,860
141	Bufflehead Drive *	sy	7184	\$11.10	22	13	\$79,742

COMMENTS:

NOTE: These pavement areas are projected to be replaced with a 2" overlay.
Items marked with " * " also include milling of existing road surface.

NOTE: No budget figure has been included for sealcoating of the paved roads.

Monitoring of tunnels for 'movement or deflection should be included in 'Operations & Maintenance budget.

REPLACEMENT RESERVE STUDY PREPARED BY:

Miller + Dodson Associates

929 West Street, Suite 310 Annapolis, MD 21401 (800) 850-2835

page:

8

1207.03

REPLACEMENT RESERVE INVENTORY

Klawah Island Community Association

July 12, 2006

INVENTORY OF COMPONENTS

ITEM #		UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	TOTAL REPLACEMENT COST (\$)
ASPHALT ROADS OVERLAY							
142	Bulrush Lane	sy	1107	\$9.30	18	none	\$10,295
143	Burroughs Hall	sy	2883	\$9.30	18	10	\$26,812
144	Catbriar Court	sy	920	\$9.30	18	9	\$8,556
145	Cedar Waxwing	sy	669	\$9.30	18	8	\$6,222
146	Clay Hall	sy	2260	\$9.30	18	11	\$21,018
147	Club Cottage Lane	sy	1650	\$9.30	18	5	\$15,345
148	Conifer Lane	sy	2660	\$9.30	18	9	\$24,738
149	Cordgrass Court *	sy	600	\$11.10	22	15	\$6,660
150	Cormorant Island Lane	sy	1769	\$9.30	18	9	\$16,452
151	Cotton Hall	sy	3245	\$9.30	18	10	\$30,179
152	Crested Flycatcher	sy	1028	\$9.30	18	9	\$9,560
153	Curlew Court *	sy	1322	\$11.10	22	9	\$14,674
154	Diodia Ct	sy	800	\$9.30	18	9	\$7,440
155	Doral Open	sy	2562	\$9.30	18	13	\$23,827
156	Duneside Road *	sy	3891	\$11.10	22	15	\$43,190
157	Dungannon Hall	sy	2021	\$9.30	18	13	\$18,795
158	Eugenia Avenue *	sy	9021	\$11.10	22	14	\$100,133
159	Evening Bend Road	sy	536	\$9.30	18	9	\$4,985
160	Falcon Point Road	sy	10024	\$9.30	18	6	\$93,223
161	Fiddlers Reach Court	sy	1549	\$9.30	18	11	\$14,406
162	Fish Hawk Lane	sy	2567	\$9.30	18	none	\$23,873
163	Fletcher Hall	sy	2250	\$9.30	18	11	\$20,925
164	Flying Squirrel Court	sy	770	\$9.30	18	9	\$7,161

COMMENTS:

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page:

9

1207.03

REPLACEMENT RESERVE INVENTORY

Klawah Island Community Association

July 12, 2006

INVENTORY OF COMPONENTS

ITEM #		UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	TOTAL REPLACEMENT COST (\$)
ASPHALT ROADS OVERLAY							
165	Flyway Drive / 100-Gov *	sy	14880	\$11.10	15	2	\$165,168
166	Flyway Drive/97Jk-100 *	sy	3749	\$11.10	15	6	\$41,614
167	Flyway Drive/Gov-97 *	sy	12310	\$11.10	15	8	\$136,641
168	Forestay Court	sy	2000	\$9.30	18	10	\$18,600
169	Friendfield Hall	sy	1060	\$9.30	10	13	\$9,858
170	Gadwall Lane	sy	1789	\$9.30	18	none	\$16,638
171	Gallinule Court	sy	947	\$9.30	18	9	\$8,807
172	Glen Abbey *	sy	9585	\$11.10	18	17	\$106,394
173	Glen Eagle	sy	1755	\$9.30	18	17	\$16,322
174	Glossy Ibis Lane *	sy	7500	\$11.10	22	8	\$83,250
175	Goldeneye Drive	sy	3800	\$9.30	18	none	\$35,340
176	Goldenrod Court	sy	1570	\$9.30	18	17	\$14,601
177	Governors Drive to Flyway *	sy	25148	\$11.10	10	8	\$279,143
178	Governors Drive past Flyway *	sy	35456	\$11.10	15	3	\$393,562
179	Green Dolphin Way *	sy	10204	\$11.10	22	20	\$113,264
180	Green Winged Teal *	sy	5925	\$11.10	22	21	\$65,768
181	Greensward Road *	sy	9600	\$11.10	22	15	\$106,560
182	Grey Fox Den	sy	780	\$9.30	18	11	\$7,254
183	Hooded Merganser	sy	1442	\$9.30	18	13	\$13,411
184	Horned Grebe Court	sy	973	\$9.30	18	none	\$9,049
185	Jackstay Court	sy	2450	\$9.30	18	10	\$22,785
186	Kiawah Beach Drive *	sy	10729	\$11.10	18	16	\$119,092
187	Kiawah Island Parkway *	sy	49000	\$11.10	10	22	\$543,900

COMMENTS:

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page:

10

1207.03

REPLACEMENT RESERVE INVENTORY

Klawah Island Community Association

July 12, 2006

INVENTORY OF COMPONENTS

ITEM #		UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	TOTAL REPLACEMENT COST (\$)
ASPHALT ROADS OVERLAY							
188	Kildeer Court	sy	720	\$9.30	18	none	\$6,696
189	Kings Island	sy	1860	\$9.30	18	17	\$17,298
190	Low Oak Woods Road *	sy	2938	\$11.10	22	13	\$32,612
191	Low Oak Woods Road	sy	1900	\$9.30	18	10	\$17,670
192	Marsh Cottage Lane *	sy	981	\$11.10	22	9	\$10,889
193	Marsh Cove Road *	sy	3240	\$11.10	22	11	\$35,964
194	Marsh Edge Ln	sy	2773	\$9.30	18	none	\$25,789
195	Marsh Elder Ct	sy	1400	\$9.30	18	none	\$13,020
196	Marsh Hawk Lane	sy	2800	\$9.30	18	13	\$26,040
197	Marsh Island Drive	sy	5300	\$9.30	18	17	\$49,290
198	Marsh Wren Ct.	sy	900	\$9.30	18	6	\$8,370
199	Masters Court	sy	1300	\$9.30	18	17	\$12,090
200	Muirfield Lane *	sy	1392	\$11.10	22	7	\$15,451
201	Needlerush Court	sy	880	\$9.30	18	14	\$8,184
202	New Settlement Road	sy	1962	\$9.30	18	3	\$18,247
203	Nicklaus Lane *	sy	1400	\$11.10	22	6	\$15,540
204	Ocean Course Drive *	sy	31400	\$11.10	15	none	\$348,540
205	Ocean Green Drive *	sy	3430	\$11.10	22	5	\$38,073
206	Ocean Marsh Road *	sy	1380	\$11.10	22	10	\$15,318
207	Ocean Oaks Court	sy	3600	\$9.30	18	8	\$33,480
208	Old Dock Road	sy	2800	\$9.30	18	11	\$26,040
209	Osprey Cottage Lane	sy	954	\$9.30	18	5	\$8,872

COMMENTS:

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page:

11

1207.03

REPLACEMENT RESERVE INVENTORY

Klawah Island Community Association

July 12, 2006

INVENTORY OF COMPONENTS

ITEM #		UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	TOTAL REPLACEMENT COST (\$)
ASPHALT ROADS OVERLAY							
210	Osprey Point Lane *	sy	1704	\$11.10	22	5	\$18,914
211	Otter Island Road	sy	5772	\$9.30	18	2	\$53,680
212	Oyster Rake Drive *	sy	6660	\$11.10	22	none	\$73,926
213	Oyster Shell Road	sy	3250	\$9.30	18	7	\$30,225
214	Painted Bunting Lane	sy	655	\$9.30	18	10	\$6,092
215	Palm Warbler Road	sy	2609	\$9.30	18	9	\$24,264
216	Park Lane Drive *	sy	2150	\$11.10	22	19	\$23,865
217	Pepper Vine	sy	718	\$9.30	18	9	\$6,677
218	Persimmon Court	sy	1500	\$9.30	18	16	\$13,950
219	Pine Siskin Court	sy	540	\$9.30	18	9	\$5,022
220	Piping Plover Lane *	sy	2320	\$11.10	22	10	\$25,752
221	Pleasant Valley	sy	3486	\$9.30	18	17	\$32,420
222	Red Bay Road	sy	1725	\$9.30	18	12	\$16,043
223	Red Cedar Lane	sy	1795	\$9.30	18	13	\$16,694
224	Rhetts Bluff Road	sy	9077	\$9.30	18	2	\$84,416
225	River Marsh Lane	sy	3430	\$9.30	18	6	\$31,899
226	Royal Beach Court *	sy	1690	\$11.10	22	2	\$18,759
227	Ruddy Duck Court *	sy	591	\$11.10	22	20	\$6,560
228	Ruddy Turnstone Road	sy	2157	\$9.30	18	9	\$20,060
229	Ryder Cup	sy	1187	\$9.30	18	18	\$11,039
230	Salt Cedar Lane	sy	7520	\$9.30	18	7	\$69,936
231	Salt Meadow Cove	sy	1811	\$9.30	18	9	\$16,842

COMMENTS:

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page:

12

1207.03

REPLACEMENT RESERVE INVENTORY

Klawah Island Community Association

July 12, 2006

INVENTORY OF COMPONENTS

ITEM #		UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	TOTAL REPLACEMENT COST (\$)
ASPHALT OVERLAY							
232	Saltgrass Court	sy	527	\$9.30	18	11	\$4,901
233	Sand Fiddler Court *	sy	1636	\$11.10	22	10	\$18,160
234	Sanderling Court	sy	778	\$9.30	18	none	\$7,235
235	Sandwedge Court	sy	1259	\$9.30	18	12	\$11,709
236	Savanna Pt.	sy	1727	\$9.30	18	8	\$16,061
237	Sawgrass Lane	sy	1063	\$9.30	18	13	\$9,886
238	Scaup Court	sy	667	\$9.30	18	9	\$6,203
239	Sea Elder Court	sy	2653	\$9.30	18	none	\$24,673
240	Sea Forest Drive *	sy	14000	\$11.10	22	none	\$155,400
241	Sea Lavender Court	sy	1398	\$9.30	18	11	\$13,001
242	Sea Marsh Drive *	sy	12700	\$11.10	22	15	\$140,970
243	Sea Myrtle Court	sy	529	\$9.30	18	11	\$4,920
244	Sea Rocket Court	sy	1438	\$9.30	18	11	\$13,373
245	Shell Creek Landing	sy	1440	\$9.30	18	10	\$13,392
246	Shipwatch Road *	sy	1914	\$11.10	22	none	\$21,245
247	Shipwatch Road *	sy	3261	\$11.10	22	15	\$36,197
248	Shoolbred Court	sy	1200	\$9.30	18	2	\$11,160
249	Shoveler Court	sy	524	\$9.30	18	9	\$4,873
250	Silver Moss Circle *	sy	1134	\$11.10	22	10	\$12,587
251	Skimmer Court *	sy	540	\$11.10	22	5	\$5,994
252	Snowy Egret Lane *	sy	5560	\$11.10	22	5	\$61,716
253	Sparrow Hawk Road	sy	1930	\$9.30	18	11	\$17,949
254	Sparrow Road *	sy	1430	\$11.10	22	20	\$15,873

COMMENTS:

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page:

13

1207.03

REPLACEMENT RESERVE INVENTORY

Klawah Island Community Association

July 12, 2006

INVENTORY OF COMPONENTS

ITEM #		UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	TOTAL REPLACEMENT COST (\$)
ASPHALT OVERLAY							
255	Spartina Court	sy	2096	\$9.30	18	15	\$19,493
256	Spotted Sandpiper	sy	900	\$9.30	18	9	\$8,370
257	Summer Duck Way *	sy	3860	\$11.10	22	none	\$42,846
258	Summer Islands Lane	sy	8160	\$9.30	18	9	\$75,888
259	Summer Tanager Court	sy	1030	\$9.30	18	12	\$9,579
260	Sundown Bend Road	sy	610	\$9.30	18	9	\$5,673
261	Sunlet Bend Road	sy	3850	\$9.30	18	9	\$35,805
262	Surfscoter Lane	sy	2829	\$9.30	18	12	\$26,310
263	Surfsong Road	sy	8038	\$9.30	22	10	\$74,753
264	Surfsong Road	sy	14170	\$9.30	22	11	\$131,781
265	Surfwatch Drive	sy	6340	\$9.30	22	16	\$58,962
266	Sweet Gum Lane	sy	680	\$9.30	18	14	\$6,324
267	Sweetgrass Lane	sy	1462	\$9.30	18	15	\$13,597
268	Tallow Tree Lane	sy	2260	\$9.30	18	3	\$21,018
269	Tennis Club Lane	sy	6169	\$9.30	22	none	\$57,372
270	Terrapin Court	sy	600	\$9.30	18	9	\$5,580
271	Thrasher Court	sy	1070	\$9.30	18	9	\$9,951
272	Treeduck Court	sy	870	\$9.30	18	none	\$8,091
273	Trumpet Creeper Lane *	sy	2075	\$11.10	22	20	\$23,033
274	Tumberry Lane	sy	1860	\$9.30	18	15	\$17,298
275	Turtle Beach Lane *	sy	4176	\$11.10	22	4	\$46,354
276	Turtle Point Lane *	sy	1924	\$11.10	22	12	\$21,356
277	Vetch Court	sy	1215	\$9.30	18	11	\$11,300

COMMENTS:

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page:

14

1207.03

REPLACEMENT RESERVE INVENTORY

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July 12, 2006

INVENTORY OF COMPONENTS

ITEM #		UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	TOTAL REPLACEMENT COST (\$)
ASPHALT OVERLAY w/ MILLING							
278	Virginia Rail Road *	sy	3170	\$11.10	22	5	\$35,187
279	Walker Cup Lane	sy	1200	\$9.30	18	7	\$11,160
280	Warbler Court	sy	640	\$9.30	18	9	\$5,952
281	Wax Myrtle Court	sy	2085	\$9.30	18	16	\$19,391
282	Whimbrel Road *	sy	2667	\$11.10	22	10	\$29,604
283	Winged Foot	sy	847	\$9.30	18	13	\$7,877
284	Woodcock Court	sy	590	\$9.30	18	11	\$5,487
285	Yellowthroat Lane	sy	3250	\$9.30	18	none	\$30,225
ASPHALT TRAIL OVERLAY							
286	Asphalt Trail Overlay	sy	15460	\$9.45	15	2	\$146,097
287	Asphalt Trail Overlay	sy	15460	\$9.45	15	5	\$146,097
288	Asphalt Trail Overlay	sy	15460	\$9.45	15	8	\$146,097
289	Asphalt Trail Overlay	sy	15460	\$9.45	15	11	\$146,097
290	Asphalt Trail Overlay	sy	15460	\$9.45	15	14	\$146,097
291	Asphalt Trail Overlay	sy	15460	\$9.45	15	2	\$146,097
292	Asphalt Trail Overlay	sy	15460	\$9.45	15	5	\$146,097
293	Asphalt Trail Overlay	sy	15460	\$9.45	15	8	\$146,097
294	Asphalt Trail Overlay	sy	15460	\$9.45	15	11	\$146,097
295	Asphalt Trail Overlay	sy	15460	\$9.45	15	14	\$146,097

COMMENTS:

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page:

15

1207.03

REPLACEMENT RESERVE INVENTORY

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July 12, 2006

INVENTORY OF COMPONENTS

ITEM #		UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	TOTAL REPLACEMENT COST (\$)
RHETTS BLUFF FACILITY							
296	Boat Ramp, concrete pad	ls	1	\$15,000.00	30	10	\$15,000
297	Pavilion Roof	ls	1	\$10,000.00	25	15	\$10,000
298	Pavilion Decking	ls	1	\$10,000.00	20	10	\$10,000
299	Pavilion Structure	ls	1	\$25,000.00	30	20	\$25,000
	Pier (Included on Page 1)						
300	Viewing Tower, Blue Heron Pond	ea	1	\$84,000.00	40	31	\$84,000
301	Viewing Tower, Marsh Island Park	ea	1	\$84,000.00	40	14	\$84,000
302	Viewing Tower, Marsh Park View	ea	1	\$84,000.00	40	9	\$84,000
MAIN GATE HOUSE (MGH)							
303	MGH Roof, copper	ls	1	\$35,000.00	30	30	\$35,000
304	MGH Siding & Trim, wood	ls	1	\$42,000.00	30	30	\$42,000
305	MGH Windows & Doors	ls	1	\$27,000.00	30	30	\$27,000
VANDERHOORST GATE HOUSE VG							
306	VGH Roof, copper	ls	1	\$28,000.00	30	30	\$28,000
307	VGH Siding & Trim, wood	ls	1	\$36,800.00	30	30	\$36,800
308	VGH Windows & Doors	ls	1	\$25,500.00	30	30	\$25,500

COMMENTS:

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page:

16

1207.03

REPLACEMENT RESERVE INVENTORY

Klawah Island Community Association

July 12, 2006

INVENTORY OF COMPONENTS

ITEM #	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	TOTAL REPLACEMENT COST (\$)	
CANOE LAUNCH & PAVILION (CL&P)							
309	CL&P Pavilion Roof, cedar shingle	sf	353	\$7.00	25	14	\$2,471
310	CL&P Pavilion Roof, metal	sf	1780	\$8.80	25	14	\$15,664
311	CL&P Pavilion Siding, birch bark plank	sf	532	\$17.80	25	14	\$9,470
312	CL&P Pavilion Siding, wood lattice	sf	628	\$6.25	25	14	\$3,925
313	CL&P Pavilion Trim, wood	lf	422	\$18.00	20	9	\$7,596
314	CL&P Pavilion toilet fixtures	ls	2	\$2,400.00	25	14	\$4,800
315	CL&P Pavilion Windows	ea	2	\$350.00	25	14	\$700
316	CL&P Floating Dock	sf	440	\$125.00	25	14	\$55,000
COMMUNITY MEETING PLACE (CMF) Cinder Creek							
317	CMP Roof, cedar shingles	sf	2293	\$7.00	25	14	\$16,051
318	CMP Siding, birch bark plank	sf	860	\$17.80	25	14	\$15,308
319	CMP Trim, wood	lf	824	\$18.00	25	14	\$14,832
320	CMP Screened Doors, wood	ea	4	\$320.00	20	9	\$1,280
321	CMP Ceiling Fans	ea	4	\$550.00	10	1	\$2,200
322	CMP Pendulum Lights	ea	7	\$330.00	10	1	\$2,310
323	CMP Electrical Panel	ls	1	\$1,200.00	20	9	\$1,200
BOAT LAUNCH & PAVILION (BL&P) Cinder Cr							
324	BL&P Boat Ramp, concrete	ls	1	\$52,500.00	30	16	\$52,500
325	BL&P Pavilion Roof, shingle	sf	488	\$6.26	25	11	\$3,055
326	BL&P Pavilion, wood elements	ls	1	\$25,000.00	25	11	\$25,000
327	BL&P Floating Dock	ls	2	\$80,000.00	20	1	\$160,000
328	Summer Island Floating Dock	sf	440	\$144.00	25	16	\$63,360

COMMENTS:

Canoe Launch & Pavilion has been adjusted to reflect the additional roof area and canoe/kayak racks.

REPLACEMENT RESERVE STUDY PREPARED BY:

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page:

17

1207.03

REPLACEMENT RESERVE INVENTORY

Klawah Island Community Association

July 12, 2006

INVENTORY OF COMPONENTS

ITEM #		UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	TOTAL REPLACEMENT COST (\$)
MAINTENANCE FACILITY							
329	New Maint. Bldg. Roof, metal	sf	3960	\$5.50	30	28	\$21,780
330	New Maint. Bldg. Windows	sf	1092	\$38.00	30	28	\$41,496
331	New Maint. Bldg. Exit Doors	ea	5	\$325.00	25	23	\$1,625
332	New Maint. Bldg. Shutters	pr	41	\$880.00	25	23	\$36,080
333	New Maint. Bldgs. HVAC System	ls	1	\$8,000.00	15	13	\$8,000
334	New Maint. Bldgs. HVAC System	ls	1	\$12,000.00	15	13	\$12,000
335	New Maint. Bldgs. Office Furniture	ls	1	\$10,000.00	10	8	\$10,000
336	New Maint. Bldg. Kitch Cabinets	ls	1	\$8,000.00	20	18	\$8,000
337	New Maint. Bldg. Plumbing Fixtures	ls	1	\$6,000.00	20	18	\$6,000
338	New Maint. Bldg. Flooring	ls	1	\$14,400.00	10	8	\$14,400
339	Maint. Bldgs. Roof, metal	sf	4220	\$5.50	30	24	\$23,210
340	Maint. Bldgs. Windows	sf	142	\$38.00	30	24	\$5,396
341	Maint. Bldgs. Exit Doors	ea	4	\$325.00	25	19	\$1,300
342	Maint. Bldgs. Overhead Doors	ea	5	\$1,780.00	20	14	\$8,900
343	Soil Storage Bldg Roof, metal	sf	1862	\$5.50	30	24	\$10,241
344	Soil Stor. Bldg Overhead Doors	ea	1	\$1,484.00	20	14	\$1,484
345	Washdown Station	ls	1	\$25,000.00	25	25	\$25,000
346	Maintenance Yard Fence, 6' cl	lf	1435	\$14.00	20	14	\$20,090
347	Pass Office Trailer	ea	1	\$15,000.00	15	none	\$15,000

COMMENTS:

The new maintenance building has been added to the inventory of the 2007 Study.

The new washdown station has been added to the inventory of the 2007 Study.

REPLACEMENT RESERVE STUDY PREPARED BY:

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page:

18

1207.03

REPLACEMENT RESERVE INVENTORY

Klawah Island Community Association

July 12, 2006

INVENTORY OF COMPONENTS

ITEM #		UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	TOTAL REPLACEMENT COST (\$)
SANDCASTLE REC. CENTER (SRC)							
348	SRC Pool Shell	sf	4600	\$52.42	40	33	\$241,132
349	SRC Pool Coping Tile	lf	438	\$57.00	15	8	\$24,966
350	SRC Pool White Coat	sf	4600	\$8.70	8	1	\$40,020
351	SRC Pool Waterline & Lane Tiles	lf	852	\$17.20	16	9	\$14,654
352	SRC Pool Deck, concrete	sf	5679	\$8.72	30	23	\$49,521
353	SRC Pool Filter System	ls	1	\$10,000.00	12	5	\$10,000
354	SRC Filter Pumps	ls	1	\$3,500.00	8	1	\$3,500
355	SRC Restroom Fixtures	ls	1	\$7,600.00	15	8	\$7,600
356	SRC Playground Equipment	ls	1	\$28,000.00	12	6	\$28,000
357	SRC Playground ground mat	sf	1292	\$12.20	12	6	\$15,762
358	SRC Fencing	lf	1200	\$13.40	15	8	\$16,080

COMMENTS:

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page:

19

1207.03

REPLACEMENT RESERVE INVENTORY

Klawah Island Community Association

July 12, 2006

INVENTORY OF COMPONENTS

ITEM #		UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	TOTAL REPLACEMENT COST (\$)
SANDCASTLE REC. CENTER (SRC)							
359	SRC Roof, asphalt shingle	sf	13250	\$16.00	25	18	\$212,000
360	SRC Gutters & DS, copper	lf	345	\$10.12	30	23	\$3,491
361	SRC Cornice & Fascia, wood	lf	886	\$18.00	40	33	\$15,948
362	SRC Soffits, wood T&G	sf	2140	\$8.00	40	33	\$17,120
363	SRC Siding, cedar shingle	sf	7145	\$8.00	30	23	\$57,160
364	SRC Trim, cedar	lf	2398	\$8.00	30	23	\$19,184
365	SRC Windows, wood w/ insul. glass	sf	1223	\$57.70	25	18	\$70,567
366	SRC Ext. Double Doors, wood & glass	ea	12	\$2,765.00	25	18	\$33,180
367	SRC Ext. Sidelite Sets, wood & glass	ea	14	\$2,180.00	25	18	\$30,520
368	SRC Plumbing Fixtures, wood	ls	1	\$7,700.00	25	18	\$7,700
369	SRC Rails, wood	lf	729	\$42.00	30	26	\$30,618
370	SRC Furnishings	ls	1	\$120,000.00	20	13	\$120,000
371	SRC Dining Furniture	ls	1	\$40,000.00	15	8	\$40,000
372	SRC Carpet	ls	1	\$27,500.00	8	6	\$27,500
373	SRC Flooring, tile	sf	644	\$8.50	25	18	\$5,474
374	SRC Window Treatment	ls	1	\$12,000.00	10	3	\$12,000

COMMENTS:

Additional roof, siding and trim area has been added to the 2007 inventory to adjust for the new service elevator which has been added.

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929 West Street, Suite 310 Annapolis, MD 21401 (800) 850-2835

page:

20

1207.03

REPLACEMENT RESERVE INVENTORY

Klawah Island Community Association

July 12, 2006

INVENTORY OF COMPONENTS

ITEM #		UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	TOTAL REPLACEMENT COST (\$)
KITCHEN EQUIPMENT (SRC)							
375	SRC Shelves & Counters SS	ls	1	\$34,560.00	25	21	\$34,560
376	SRC Freezer, 19 cf SS	ea	1	\$1,758.00	25	21	\$1,758
377	SRC Refrigerator, Victor 19 cf	ea	1	\$4,168.00	25	21	\$4,168
378	SRC Booster Heater, DW	ea	1	\$824.00	8	2	\$824
379	SRC Condenstate Exhaust Hood	ea	1	\$4,880.00	15	8	\$4,880
380	SRC Hobart Dishwasher, SS	ea	1	\$26,560.00	15	13	\$26,560
381	SRC Exhaust Hood	ea	1	\$5,040.00	20	13	\$5,040
382	SRC Convection Oven,	ea	1	\$4,220.00	10	6	\$4,220
383	SRC Charcoal Broiler	ea	1	\$2,285.00	15	8	\$2,285
384	SRC Range, 8 burner, gas	ea	1	\$6,884.00	15	11	\$6,884
385	SRC Deep Fryers	ea	1	\$1,920.00	20	16	\$1,920
386	SRC Ice Machine, Ice-O-Matic	ea	1	\$11,450.00	8	4	\$11,450
387	SRC Point of Sale machine	ea	1	\$1,095.00	10	6	\$1,095
388	SRC Warming Ovens	ea	2	\$3,500.00	10	5	\$7,000
389	SRC Exhaust fans, 4350 cfm	ea	1	\$2,820.00	10	3	\$2,820
390	SRC Exhaust Fans, 100 to 400 cfm	ea	6	\$1,267.00	10	3	\$7,602

COMMENTS:

The kitchen renovation re-used most of the existing kitchen equipment.

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page:

21

1207.03

REPLACEMENT RESERVE INVENTORY

Klawah Island Community Association

July 12, 2006

INVENTORY OF COMPONENTS

ITEM #		UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	TOTAL REPLACEMENT COST (\$)
SANDCASTLE REC. CENTER (SRC)							
391	SRC Elevator, hydraulic pump system	ls	1	\$6,250.00	20	13	\$6,250
392	SRC Elevator, control system	ls	1	\$22,200.00	20	13	\$22,200
393	SRC Elevator, cab reburishment	ls	1	\$12,000.00	15	8	\$12,000
394	SRC Elevator, hydraulic pump system	ls	1	\$6,250.00	20	19	\$6,250
395	SRC Elevator, control system	ls	1	\$22,200.00	20	19	\$22,200
396	SRC Elevator, cab reburishment	ls	1	\$12,000.00	15	14	\$12,000
397	SRC Air Handling Units, 10 ton	ea	1	\$8,000.00	15	10	\$8,000
398	SRC Air Handling Units, 6.25 ton	ea	1	\$6,990.00	15	10	\$6,990
399	SRC Air Handling Units, 5 ton	ea	1	\$6,852.00	15	10	\$6,852
400	SRC Fan Coil Units, 3200 cfm	ea	6	\$5,170.00	15	10	\$31,020
401	SRC Fan Coil Units, 2000 cfm	ea	6	\$4,460.00	15	10	\$26,760
402	SRC Fan Coil Units, 1600 cfm	ea	6	\$3,920.00	15	10	\$23,520

COMMENTS:

The new service elevator has been added to the inventory for the 2007 Study.

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page:

22

1207.03

REPLACEMENT RESERVE INVENTORY

Klawah Island Community Association

July 12, 2006

SCHEDULE OF REPLACEMENTS - YEARS ONE TO THREE

2007			2008			2009		
item	component	\$	item	component	\$	item	component	\$
204	Ocean Course Drive *	\$348,540	327	BL&P Floating Dock	\$166,400	165	Flyway Drive / 100-Gov *	\$178,646
240	Sea Forest Drive *	\$155,400	1	Boardwalks, wood (20%)	\$144,275	77	Small Drainage Structure:	\$161,202
212	Oyster Rake Drive *	\$73,926	102	Eng. Svcs. Admin. Allowa	\$104,000	286	Asphalt Trail Overlay	\$158,019
269	Tennis Club Lane	\$57,372	117	Rail, wood / Kiawah Isl. Pl	\$80,496	291	Asphalt Trail Overlay	\$158,019
257	Summer Duck Way *	\$42,846	97	Dredging Allowance	\$52,000	51	Flood Ctrl Struct / Govern	\$118,976
175	Goldeneye Drive	\$35,340	6	Bridge, Walk-decking (20'	\$46,339	103	Eng. Svcs. Admin. Allowa	\$108,160
285	Yellowthroat Lane	\$30,225	350	SRC Pool White Coat	\$41,621	224	Rhetts Bluff Road	\$91,304
194	Marsh Edge Ln	\$25,789	87	Asphalt Patching Allowan	\$31,200	211	Otter Island Road	\$58,060
239	Sea Elder Court	\$24,673	11	Bridge, Walk-structure (2C	\$30,893	98	Dredging Allowance	\$54,080
162	Fish Hawk Lane	\$23,873	24	Dock Decking, wood (20%	\$15,283	88	Asphalt Patching Allowan	\$32,448
246	Shipwatch Road *	\$21,245	19	Dock Structure, wood (20'	\$9,427	226	Royal Beach Court *	\$20,290
132	Belted Kingfisher	\$21,083	354	SRC Filter Pumps	\$3,640	248	Shoolbred Court	\$12,071
129	Bank Swallow Way *	\$20,424	322	CMP Pendulum Lights	\$2,402	82	Roadway Signage	\$11,898
170	Gadwall Lane	\$16,638	321	CMP Ceiling Fans	\$2,288	378	SRC Booster Heater, DW	\$891
347	Pass Office Trailer	\$15,000	29	Dock Railings, wood (20%	\$2,123			
195	Marsh Elder Ct	\$13,020						
142	Bulrush Lane	\$10,295						
184	Horned Grebe Court	\$9,049						
272	Treeduck Court	\$8,091						
127	Baldpate Ct.	\$7,719						
234	Sanderling Court	\$7,235						
188	Kildeer Court	\$6,696						
SCHEDULED REPLACEMENTS		\$974,479	SCHEDULED REPLACEMENTS		\$732,388	SCHEDULED REPLACEMENTS		\$1,164,062

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page:

23

1207.03

REPLACEMENT RESERVE INVENTORY

Klawah Island Community Association

July 12, 2006

SCHEDULE OF REPLACEMENTS - YEARS 4 TO 6

2010			2011			2012		
item	component	\$	item	component	\$	item	component	\$
178	Governors Drive past Flyw	\$442,703	105	Eng. Svcs. Admin. Allowa	\$116,986	44	Culverts, Drainage 20%	\$4,146,406
107	Revetment, Cinder Ck/Go	\$134,984	92	Irrigation System Kiawah I	\$99,438	34	Culverts, HDPE (flood cor	\$208,817
104	Eng. Svcs. Admin. Allowa	\$112,486	100	Dredging Allowance	\$58,493	287	Asphalt Trail Overlay	\$177,749
99	Dredging Allowance	\$56,243	275	Turtle Beach Lane *	\$54,227	292	Asphalt Trail Overlay	\$177,749
89	Asphalt Patching Allowanc	\$33,746	124	Atlantic Beach Court *	\$46,319	2	Boardwalks, wood (20%)	\$168,781
126	Avocet Lane *	\$27,469	90	Asphalt Patching Allowanc	\$35,096	106	Eng. Svcs. Admin. Allowa	\$121,665
268	Tallow Tree Lane	\$23,642	386	SRC Ice Machine, Ice-O-Fl	\$13,395	39	Culvert, RCP (flood contrc	\$91,998
202	New Settlement Road	\$20,525	83	Roadway Signage	\$12,868	252	Snowy Egret Lane *	\$75,087
60	Canal Gates & Sluice gate	\$17,998				101	Dredging Allowance	\$60,833
57	Combo Gates, 48"	\$15,681				7	Bridge, Walk-decking (20%	\$54,211
374	SRC Window Treatment	\$13,498				205	Ocean Green Drive *	\$46,322
390	SRC Exhaust Fans, 100 tr	\$8,551				278	Virginia Rail Road *	\$42,810
52	Flap Gates (25 total) 20%	\$6,805				91	Asphalt Patching Allowanc	\$36,500
389	SRC Exhaust fans, 4350 c	\$3,172				210	Osprey Point Lane *	\$23,012
30	Dock Railings, wood (20%	\$2,296				147	Club Cottage Lane	\$18,670
						25	Dock Decking, wood (20%	\$17,879
						353	SRC Pool Filter System	\$12,167
						209	Osprey Cottage Lane	\$10,794
						388	SRC Warming Ovens	\$8,517
						135	Black Duck Court *	\$8,373
						251	Skimmer Court *	\$7,293
						31	Dock Railings, wood (20%	\$2,483
SCHEDULED REPLACEMENTS		\$919,800	SCHEDULED REPLACEMENTS		\$436,822	SCHEDULED REPLACEMENTS		\$5,518,115

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page:

24

1207.03

REPLACEMENT RESERVE INVENTORY

Klawah Island Community Association

July 12, 2006

SCHEDULE OF REPLACEMENTS - YEARS 7 TO 9

2013			2014			2015		
item	component	\$	item	component	\$	item	component	\$
78	Small Drainage Structures	\$188,583	103	Eng. Svcs. Admin. Allowa	\$131,593	177	Governors Drive to Flyway	\$382,026
102	Eng. Svcs. Admin. Allowa	\$126,532	109	Revetment, Bass Ck/Ocea	\$94,747	288	Asphalt Trail Overlay	\$199,944
160	Falcon Point Road	\$117,957	230	Salt Cedar Lane	\$92,031	293	Asphalt Trail Overlay	\$199,944
97	Dredging Allowance	\$63,266	98	Dredging Allowance	\$65,797	167	Flyway Drive/Gov-97 *	\$187,003
166	Flyway Drive/97Jk-100 *	\$52,655	213	Oyster Shell Road	\$39,774	104	Eng. Svcs. Admin. Allowa	\$136,857
225	River Marsh Lane	\$40,362	88	Asphalt Patching Allowan	\$39,478	136	Blue Heron Pond Rd	\$123,713
130	Bass Creek Lane	\$40,268	12	Bridge, Walk-structure (2C	\$39,089	174	Glossy Ibis Lane *	\$113,933
87	Asphalt Patching Allowan	\$37,960	200	Muirfield Lane *	\$20,333	99	Dredging Allowance	\$68,428
356	SRC Playground Equipme	\$35,429	279	Walker Cup Lane	\$14,686	371	SRC Dining Furniture	\$54,743
372	SRC Carpet	\$34,796	32	Dock Railings, wood (20%	\$2,686	207	Ocean Oaks Court	\$45,820
357	SRC Playground ground r	\$19,944				89	Asphalt Patching Allowan	\$41,057
203	Nicklaus Lane *	\$19,663				349	SRC Pool Coping Tile	\$34,168
84	Roadway Signage	\$13,919				358	SRC Fencing	\$22,007
198	Marsh Wren Ct.	\$10,591				236	Savanna Pt.	\$21,981
382	SRC Convection Oven,	\$5,340				61	Canal Gates & Sluice gate	\$21,897
387	SRC Point of Sale machin	\$1,386				338	New Maint. Bldg. Flooring	\$19,707
						58	Combo Gates, 48"	\$19,078
						393	SRC Elevator, cab reburb	\$16,423
						85	Roadway Signage	\$15,054
						335	New Maint. Bldgs. Office f	\$13,686
						355	SRC Restroom Fixtures	\$10,401
						145	Cedar Waxwing	\$8,515
						53	Flap Gates (25 total) 20%	\$8,280
						379	SRC Condensate Exhaus	\$6,679
						383	SRC Charcoal Broiler	\$3,127
SCHEDULED REPLACEMENTS		\$808,650	SCHEDULED REPLACEMENTS		\$540,214	SCHEDULED REPLACEMENTS		\$1,774,470

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page:

25

1207.03

REPLACEMENT RESERVE INVENTORY

Klawah Island Community Association

July 12, 2006

SCHEDULE OF REPLACEMENTS - YEARS 10 TO 12

2016			2017			2018		
item	component	\$	item	component	\$	item	component	\$
17	Bridge, Vehicle, decking	\$1,430,115	79	Small Drainage Structures	\$220,616	289	Asphalt Trail Overlay	\$224,910
3	Boardwalks, wood (20%)	\$197,450	106	Eng. Svcs. Admin. Allowa	\$148,024	294	Asphalt Trail Overlay	\$224,910
49	Flood Ctrl Struct / Egret P	\$156,564	93	Irrigation System Kiawah I	\$125,821	264	Surfsong Road	\$202,871
50	Flood Ctrl Struct / Pintail F	\$156,564	72	Headwall, concrete	\$119,160	102	Eng. Svcs. Admin. Allowa	\$153,945
105	Eng. Svcs. Admin. Allowa	\$142,331	263	Surfsong Road	\$110,653	137	Blue Heron Pond Road	\$131,716
302	Viewing Tower, Marsh Pa	\$119,558	101	Dredging Allowance	\$74,012	97	Dredging Allowance	\$76,973
258	Summer Islands Lane	\$108,012	400	SRC Fan Coil Units, 3200	\$45,917	193	Marsh Cove Road *	\$55,365
100	Dredging Allowance	\$71,166	151	Cotton Hall	\$44,672	119	Airy Hall	\$47,589
8	Bridge, Walk-decking (20%	\$63,419	91	Asphalt Patching Allowan	\$44,407	87	Asphalt Patching Allowan	\$46,184
350	SRC Pool White Coat	\$56,961	282	Whimbrel Road *	\$43,821	208	Old Dock Road	\$40,087
261	Sunlet Bend Road	\$50,962	139	Broomsedge Lane	\$42,854	326	BL&P Pavilion, wood elern	\$38,486
116	Rail, wood / Gov Dr/Cinde	\$47,681	143	Burroughs Hall	\$39,688	146	Clay Hall	\$32,356
90	Asphalt Patching Allowan	\$42,699	401	SRC Fan Coil Units, 2000	\$39,611	163	Fletcher Hall	\$32,213
131	Belmeade Hall	\$38,135	220	Piping Plover Lane *	\$38,119	253	Sparrow Hawk Road	\$27,632
148	Conifer Lane	\$35,210	402	SRC Fan Coil Units, 1600	\$34,815	161	Fiddlers Reach Court	\$22,177
215	Palm Warbler Road	\$34,535	185	Jackstay Court	\$33,727	244	Sea Rocket Court	\$20,588
228	Ruddy Turnstone Road	\$28,552	168	Forestay Court	\$27,533	241	Sea Lavender Court	\$20,015
231	Salt Meadow Cove	\$23,972	233	Sand Fiddler Court *	\$26,881	277	Vetch Court	\$17,395
150	Cormorant Island Lane	\$23,416	128	Ballybunion Drive *	\$26,782	182	Grey Fox Den	\$11,167
26	Dock Decking, wood (20%	\$20,916	191	Low Oak Woods Road	\$26,156	384	SRC Range, 8 burner, ga	\$10,598
153	Curlew Court *	\$20,886	206	Ocean Marsh Road *	\$22,674	284	Woodcock Court	\$8,447
351	SRC Pool Waterline & Lar	\$20,858	296	Boat Ramp, concrete pad	\$22,204	243	Sea Myrtle Court	\$7,574
192	Marsh Cottage Lane *	\$15,499	245	Shell Creek Landing	\$19,823	232	Saltgrass Court	\$7,545
113	Revetment, Willet Pnd/Oc	\$14,575	250	Silver Moss Circle *	\$18,632	325	BL&P Pavilion Roof, shinc	\$4,703
271	Thrasher Court	\$14,163	86	Roadway Signage	\$16,283	322	CMP Pendulum Lights	\$3,556
152	Crested Flycatcher	\$13,607	298	Pavilion Decking	\$14,802	321	CMP Ceiling Fans	\$3,387
20	Dock Structure, wood (20%	\$12,902	397	SRC Air Handling Units, 1	\$11,842	29	Dock Railings, wood (20%	\$3,142
171	Gallinule Court	\$12,535	398	SRC Air Handling Units, 6	\$10,347			
144	Catbriar Court	\$12,178	399	SRC Air Handling Units, 5	\$10,143			
256	Spotted Sandpiper	\$11,913	214	Painted Bunting Lane	\$9,017			
134	Bittern Court	\$11,251	65	Weirs, metal (8 total)	\$1,332			
110	Revetment, bis Pond/Oce	\$11,159	378	SRC Booster Heater, DW	\$1,220			
313	CL&P Pavilion Trim, wood	\$10,811						
154	Diodia Ct	\$10,589						
164	Flying Squirrel Court	\$10,192						
217	Pepper Vine	\$9,504						
238	Scaup Court	\$8,829						
280	Warbler Court	\$8,472						
260	Sundown Bend Road	\$8,074						
270	Terrapin Court	\$7,942						
219	Pine Siskin Court	\$7,148						
159	Evening Bend Road	\$7,095						
122	Anhinga Court	\$7,029						
249	Shoveler Court	\$6,936						
354	SRC Filter Pumps	\$4,982						
33	Dock Railings, wood (20%	\$2,905						
320	CMP Screened Doors, wo	\$1,822						
323	CMP Electrical Panel	\$1,708						
SCHEDULED REPLACEMENTS		\$3,133,783	SCHEDULED REPLACEMENTS		\$1,471,589	SCHEDULED REPLACEMENTS		\$1,475,530

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page:

26

1207.03

REPLACEMENT RESERVE INVENTORY

Klawah Island Community Association

July 12, 2006

SCHEDULE OF REPLACEMENTS - YEARS 13 TO 15

2019			2020			2021		
item	component	\$	item	component	\$	item	component	\$
45	Culverts, HDPE (drainage	\$5,456,387	4	Boardwalks, wood (20%)	\$230,989	80	Small Drainage Structures	\$258,089
35	Culverts, HDPE (flood cor	\$274,788	370	SRC Furnishings	\$199,809	290	Asphalt Trail Overlay	\$252,993
140	Bufflehead Drive *	\$241,532	104	Eng. Svcs. Admin. Allowa	\$166,507	295	Asphalt Trail Overlay	\$252,993
103	Eng. Svcs. Admin. Allowa	\$160,103	141	Bufflehead Drive *	\$132,777	158	Eugenia Avenue *	\$173,398
40	Culvert, RCP (flood contrc	\$121,064	99	Dredging Allowance	\$83,254	105	Eng. Svcs. Admin. Allowa	\$173,168
98	Dredging Allowance	\$80,052	9	Bridge, Walk-decking (20%	\$74,191	301	Viewing Tower, Marsh Islc	\$145,461
88	Asphalt Patching Allowan	\$48,031	190	Low Oak Woods Road *	\$54,301	316	CL&P Floating Dock	\$95,242
262	Surfscoter Lane	\$42,123	89	Asphalt Patching Allowan	\$49,952	100	Dredging Allowance	\$86,584
276	Turtle Point Lane *	\$34,192	13	Bridge, Walk-structure (20%	\$49,461	118	Rail, wood / Ocean Cours	\$57,318
222	Red Bay Road	\$25,685	380	SRC Hobart Dishwasher,	\$44,224	90	Asphalt Patching Allowan	\$51,950
235	Sandwedge Court	\$18,746	196	Marsh Hawk Lane	\$43,359	372	SRC Carpet	\$47,621
386	SRC Ice Machine, Ice-O-M	\$18,332	155	Doral Open	\$39,673	346	Maintenance Yard Fence,	\$34,789
82	Roadway Signage	\$17,611	392	SRC Elevator, control sys	\$36,965	317	CMP Roof, cedar shingles	\$27,795
259	Summer Tanager Court	\$15,336	157	Dungannon Hall	\$31,296	310	CL&P Pavilion Roof, meta	\$27,125
			133	Berkshire Hall	\$28,245	318	CMP Siding, birch bark pl	\$26,509
			223	Red Cedar Lane	\$27,796	319	CMP Trim, wood	\$25,684
			62	Canal Gates & Sluice gate	\$26,641	396	SRC Elevator, cab rebur	\$20,780
			121	Angler Hall	\$25,287	83	Roadway Signage	\$19,048
			123	Arrowhead Hall	\$24,885	311	CL&P Pavilion Siding, birc	\$16,398
			27	Dock Decking, wood (20%	\$24,469	342	Maint. Bldgs. Overhead D	\$15,412
			183	Hooded Merganser	\$22,330	201	Needlerush Court	\$14,172
			334	New Maint. Bldgs. HVAC	\$19,981	266	Sweet Gum Lane	\$10,951
			374	SRC Window Treatment	\$19,981	314	CL&P Pavilion toilet fixtur	\$8,312
			237	Sawgrass Lane	\$16,461	312	CL&P Pavilion Siding, wor	\$6,797
			169	Friendfield Hall	\$16,414	309	CL&P Pavilion Roof, ceda	\$4,279
			333	New Maint. Bldgs. HVAC	\$13,321	344	Soil Stor. Bldg Overhead l	\$2,570
			283	Winged Foot	\$13,116	315	CL&P Pavilion Windows	\$1,212
			390	SRC Exhaust Fans, 100 tr	\$12,658			
			391	SRC Elevator, hydraulic p	\$10,407			
			54	Flap Gates (25 total) 20%	\$10,074			
			381	SRC Exhaust Hood	\$8,392			
			389	SRC Exhaust fans, 4350 c	\$4,696			
			30	Dock Railings, wood (20%	\$3,398			
SCHEDULED REPLACEMENTS		\$6,553,982	SCHEDULED REPLACEMENTS		\$1,565,307	SCHEDULED REPLACEMENTS		\$1,856,651

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page:

27

1207.03

REPLACEMENT RESERVE INVENTORY

Klawah Island Community Association

July 12, 2006

SCHEDULE OF REPLACEMENTS - YEARS 16 TO 18

2022			2023			2024		
item	component	\$	item	component	\$	item	component	\$
204	Ocean Course Drive *	\$627,701	186	Kiawah Beach Drive *	\$223,057	165	Flyway Drive / 100-Gov *	\$321,731
242	Sea Marsh Drive *	\$253,879	102	Eng. Svcs. Admin. Allowa	\$187,298	286	Asphalt Trail Overlay	\$284,582
181	Greensward Road *	\$191,909	94	Irrigation System Kiawah I	\$159,203	291	Asphalt Trail Overlay	\$284,582
106	Eng. Svcs. Admin. Allowa	\$180,094	328	Summer Island Floating D	\$118,672	5	Boardwalks, wood (20%)	\$270,224
101	Dredging Allowance	\$90,047	265	Surfwatch Drive	\$110,435	172	Glen Abbey *	\$207,244
156	Duneside Road *	\$77,783	324	BL&P Boat Ramp, concre	\$98,332	103	Eng. Svcs. Admin. Allowa	\$194,790
247	Shipwatch Road *	\$65,189	97	Dredging Allowance	\$93,649	98	Dredging Allowance	\$97,395
91	Asphalt Patching Allowanc	\$54,028	87	Asphalt Patching Allowanc	\$56,189	197	Marsh Island Drive	\$96,012
255	Spartina Court	\$35,105	281	Wax Myrtle Court	\$36,318	10	Bridge, Walk-decking (20'	\$86,793
274	Turnberry Lane	\$31,153	138	Bluebill Court	\$33,096	350	SRC Pool White Coat	\$77,955
347	Pass Office Trailer	\$27,014	108	Revetment, Cinder Ck	\$26,971	221	Pleasant Valley	\$63,151
267	Sweetgrass Lane	\$24,487	218	Persimmon Court	\$26,128	88	Asphalt Patching Allowanc	\$58,437
297	Pavilion Roof	\$18,009	84	Roadway Signage	\$20,603	125	Augusta National	\$50,433
388	SRC Warming Ovens	\$12,607	382	SRC Convection Oven,	\$7,904	189	Kings Island	\$33,695
149	Cordgrass Court *	\$11,994	111	Revetment, bis Pond/Oce	\$6,923	173	Glen Eagle	\$31,793
31	Dock Railings, wood (20%	\$3,676	385	SRC Deep Fryers	\$3,596	120	Amaranth Road	\$29,383
			112	Revetment, Willet Pnd/Oc	\$2,517	28	Dock Decking, wood (20%	\$28,625
			387	SRC Point of Sale machin	\$2,051	176	Goldenrod Court	\$28,441
						199	Masters Court	\$23,550
						353	SRC Pool Filter System	\$19,479
						21	Dock Structure, wood (20'	\$17,657
						354	SRC Filter Pumps	\$6,818
						32	Dock Railings, wood (20%	\$3,976
SCHEDULED REPLACEMENTS		\$1,704,675	SCHEDULED REPLACEMENTS		\$1,212,942	SCHEDULED REPLACEMENTS		\$2,316,747

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page:

28

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REPLACEMENT RESERVE INVENTORY

Klawah Island Community Association

July 12, 2006

SCHEDULE OF REPLACEMENTS - YEARS 19 TO 21

2025			2026			2027		
item	component	\$	item	component	\$	item	component	\$
178	Governors Drive past Flyw	\$797,284	46	Culverts, HDPE (drainage	\$7,180,234	287	Asphalt Trail Overlay	\$320,117
177	Governors Drive to Flyway)	\$565,492	36	Culverts, HDPE (flood cor	\$361,603	292	Asphalt Trail Overlay	\$320,117
359	SRC Roof, asphalt shingle	\$429,473	105	Eng. Svcs. Admin. Allowa	\$210,685	179	Green Dolphin Way *	\$248,176
81	Small Drainage Structures	\$301,928	41	Culvert, RCP (flood contr	\$159,312	106	Eng. Svcs. Admin. Allowa	\$219,112
104	Eng. Svcs. Admin. Allowa	\$202,582	100	Dredging Allowance	\$105,342	224	Rhetts Bluff Road	\$184,966
365	SRC Windows, wood w/ ir	\$142,956	90	Asphalt Patching Allowan	\$63,205	73	Headwall, concrete	\$176,385
99	Dredging Allowance	\$101,291	14	Bridge, Walk-structure (2C	\$62,584	211	Otter Island Road	\$117,619
175	Goldeneye Drive	\$71,592	216	Park Lane Drive *	\$50,280	101	Dredging Allowance	\$109,556
366	SRC Ext. Double Doors, v	\$67,217	395	SRC Elevator, control sys	\$46,772	91	Asphalt Patching Allowan	\$65,734
367	SRC Ext. Sidelite Sets, w	\$61,828	394	SRC Elevator, hydraulic p	\$13,168	299	Pavilion Structure	\$54,778
285	Yellowthroat Lane	\$61,230	33	Dock Railings, wood (20%	\$4,300	273	Trumpet Creeper Lane *	\$50,467
89	Asphalt Patching Allowan	\$60,774	341	Maint. Bldgs. Exit Doors	\$2,739	254	Sparrow Road *	\$34,780
356	SRC Playground Equipme	\$56,723				386	SRC Ice Machine, Ice-O-l	\$25,088
194	Marsh Edge Ln	\$52,244				248	Shoolbred Court	\$24,453
239	Sea Elder Court	\$49,983				86	Roadway Signage	\$24,102
162	Fish Hawk Lane	\$48,363				227	Ruddy Duck Court *	\$14,374
132	Belted Kingfisher	\$42,710				66	Weirs, metal (8 total)	\$1,972
170	Gadwall Lane	\$33,705						
63	Canal Gates & Sluice gate	\$32,413						
357	SRC Playground ground r	\$31,932						
338	New Maint. Bldg. Flooring	\$29,172						
59	Combo Gates, 48"	\$28,240						
195	Marsh Elder Ct	\$26,376						
229	Ryder Cup	\$22,363						
85	Roadway Signage	\$22,284						
142	Bulrush Lane	\$20,856						
335	New Maint. Bldgs. Office f	\$20,258						
184	Horned Grebe Court	\$18,331						
272	Treeduck Court	\$16,391						
336	New Maint. Bldg. Kitch Ca	\$16,207						
127	Baldpate Ct.	\$15,637						
368	SRC Plumbing Fixtures, w	\$15,599						
234	Sanderling Court	\$14,658						
188	Kildeer Court	\$13,565						
55	Flap Gates (25 total) 20%	\$12,256						
337	New Maint. Bldg. Plumbin	\$12,155						
373	SRC Flooring, tile	\$11,089						
378	SRC Booster Heater, DW	\$1,669						
SCHEDULED REPLACEMENTS		\$3,528,825	SCHEDULED REPLACEMENTS		\$8,260,223	SCHEDULED REPLACEMENTS		\$1,991,796

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page:

29

1207.03

REPLACEMENT RESERVE INVENTORY

Klawah Island Community Association

July 12, 2006

SCHEDULE OF REPLACEMENTS - YEARS 22 TO 24

2028			2029			2030		
item	component	\$	item	component	\$	item	component	\$
327	BL&P Floating Dock	\$364,603	187	Kiawah Island Parkway *	\$1,288,999	288	Asphalt Trail Overlay	\$360,088
1	Boardwalks, wood (20%)	\$316,124	240	Sea Forest Drive *	\$368,285	293	Asphalt Trail Overlay	\$360,088
102	Eng. Svcs. Admin. Allowa	\$227,877	77	Small Drainage Structures	\$353,213	167	Flyway Drive/Gov-97 *	\$336,781
180	Green Winged Teal *	\$149,869	103	Eng. Svcs. Admin. Allowa	\$236,992	104	Eng. Svcs. Admin. Allowa	\$246,472
97	Dredging Allowance	\$113,938	95	Irrigation System Kiawah I	\$201,443	363	SRC Siding, cedar shingle	\$140,883
6	Bridge, Walk-decking (20%)	\$101,536	212	Oyster Rake Drive *	\$175,199	99	Dredging Allowance	\$123,236
166	Flyway Drive/97Jk-100 *	\$94,828	269	Tennis Club Lane	\$135,966	352	SRC Pool Deck, concrete	\$122,055
375	SRC Shelves & Counters	\$78,754	98	Dredging Allowance	\$118,496	371	SRC Dining Furniture	\$98,589
87	Asphalt Patching Allowanc	\$68,363	257	Summer Duck Way *	\$101,542	332	New Maint. Bldg. Shutters	\$88,927
268	Tallow Tree Lane	\$47,895	88	Asphalt Patching Allowanc	\$71,098	89	Asphalt Patching Allowanc	\$73,941
202	New Settlement Road	\$41,580	372	SRC Carpet	\$65,173	349	SRC Pool Coping Tile	\$61,534
24	Dock Decking, wood (20%)	\$33,487	246	Shipwatch Road *	\$50,350	364	SRC Trim, cedar	\$47,283
114	Revetment,Bass Pond/Rh	\$18,230	129	Bank Swallow Way *	\$48,403	358	SRC Fencing	\$39,633
377	SRC Refrigerator, Victor 1	\$9,498	82	Roadway Signage	\$26,069	64	Canal Gates & Sluice gate	\$39,435
322	CMP Pendulum Lights	\$5,264				147	Club Cottage Lane	\$37,821
321	CMP Ceiling Fans	\$5,013				374	SRC Window Treatment	\$29,577
29	Dock Railings, wood (20%)	\$4,651				393	SRC Elevator, cab reburb	\$29,577
376	SRC Freezer, 19 cf SS	\$4,006				169	Friendfield Hall	\$24,297
						209	Osprey Cottage Lane	\$21,867
						390	SRC Exhaust Fans, 100 tr	\$18,737
						355	SRC Restroom Fixtures	\$18,732
						56	Flap Gates (25 total) 20%	\$14,912
						379	SRC Condenstate Exhaust	\$12,028
						360	SRC Gutters & DS, coppe	\$8,605
						389	SRC Exhaust fans, 4350 c	\$6,950
						383	SRC Charcoal Broiler	\$5,632
						30	Dock Railings, wood (20%)	\$5,030
						331	New Maint. Bldg. Exit Doc	\$4,005
SCHEDULED REPLACEMENTS		\$1,685,517	SCHEDULED REPLACEMENTS		\$3,241,227	SCHEDULED REPLACEMENTS		\$2,376,714

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page:

30

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REPLACEMENT RESERVE INVENTORY

Klawah Island Community Association

July 12, 2006

SCHEDULE OF REPLACEMENTS - YEARS 25 TO 27

2031			2032			2033		
item	component	\$	item	component	\$	item	component	\$
105	Eng. Svcs. Admin. Allowa	\$256,330	18	Bridge, Vehicle, heavy	\$604,612	47	Culverts, HDPE (drainage	\$9,448,698
160	Falcon Point Road	\$238,959	2	Boardwalks, wood (20%)	\$369,821	37	Culverts, HDPE (flood cor	\$475,845
100	Dredging Allowance	\$128,165	106	Eng. Svcs. Admin. Allowa	\$266,584	78	Small Drainage Structure	\$413,209
225	River Marsh Lane	\$81,767	230	Salt Cedar Lane	\$186,438	289	Asphalt Trail Overlay	\$405,050
130	Bass Creek Lane	\$81,576	69	Weir , concrete	\$133,292	294	Asphalt Trail Overlay	\$405,050
90	Asphalt Patching Allowan	\$76,899	101	Dredging Allowance	\$133,292	102	Eng. Svcs. Admin. Allowa	\$277,247
339	Maint. Bldgs. Roof, metal	\$59,494	7	Bridge, Walk-decking (20'	\$118,782	136	Blue Heron Pond Rd	\$250,620
226	Royal Beach Court *	\$48,085	350	SRC Pool White Coat	\$106,687	42	Culvert, RCP (flood contr	\$209,643
83	Roadway Signage	\$28,196	400	SRC Fan Coil Units, 3200	\$82,694	97	Dredging Allowance	\$138,623
343	Soil Storage Bldg Roof, m	\$26,251	213	Oyster Shell Road	\$80,575	275	Turtle Beach Lane *	\$128,514
198	Marsh Wren Ct.	\$21,455	91	Asphalt Patching Allowan	\$79,975	124	Atlantic Beach Court *	\$109,772
340	Maint. Bldgs. Windows	\$13,832	15	Bridge, Walk-structure (2C	\$79,188	207	Ocean Oaks Court	\$92,822
			401	SRC Fan Coil Units, 2000	\$71,338	369	SRC Rails, wood	\$84,887
			345	Washdown Station	\$66,646	87	Asphalt Patching Allowan	\$83,174
			126	Avocet Lane *	\$65,100	236	Savanna Pt.	\$44,529
			402	SRC Fan Coil Units, 1600	\$62,700	84	Roadway Signage	\$30,497
			25	Dock Decking, wood (20%	\$39,175	384	SRC Range, 8 burner, ga	\$19,086
			351	SRC Pool Waterline & Lar	\$39,066	145	Cedar Waxwing	\$17,249
			279	Walker Cup Lane	\$29,751	382	SRC Convection Oven,	\$11,700
			22	Dock Structure, wood (20'	\$24,165	387	SRC Point of Sale machin	\$3,036
			397	SRC Air Handling Units, 1	\$21,327	378	SRC Booster Heater, DW	\$2,285
			388	SRC Warming Ovens	\$18,661			
			398	SRC Air Handling Units, 6	\$18,634			
			399	SRC Air Handling Units, 5	\$18,266			
			354	SRC Filter Pumps	\$9,330			
			31	Dock Railings, wood (20%	\$5,441			
SCHEDULED REPLACEMENTS		\$1,061,010	SCHEDULED REPLACEMENTS		\$2,731,540	SCHEDULED REPLACEMENTS		*****

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page:

31

1207.03

REPLACEMENT RESERVE INVENTORY

Klawah Island Community Association

July 12, 2006

SCHEDULE OF REPLACEMENTS - YEARS 28 TO 30

2034			2035			2036		
item	component	\$	item	component	\$	item	component	\$
103	Eng. Svcs. Admin. Allowa	\$288,337	177	Governors Drive to Flyway	\$837,066	16	Bridge, Vehicle, structure	\$3,133,559
258	Summer Islands Lane	\$218,813	107	Revetment, Cinder Ck/Go	\$359,844	17	Bridge, Vehicle, decking	\$3,133,559
252	Snowy Egret Lane *	\$177,950	104	Eng. Svcs. Admin. Allowa	\$299,870	290	Asphalt Trail Overlay	\$455,626
98	Dredging Allowance	\$144,168	96	Irrigation System Kiawah I	\$254,890	295	Asphalt Trail Overlay	\$455,626
205	Ocean Green Drive *	\$109,778	99	Dredging Allowance	\$149,935	3	Boardwalks, wood (20%)	\$432,638
261	Sunlet Bend Road	\$103,239	330	New Maint. Bldg. Window	\$124,434	105	Eng. Svcs. Admin. Allowa	\$311,865
278	Virginia Rail Road *	\$101,457	151	Cotton Hall	\$90,496	137	Blue Heron Pond Road	\$266,832
88	Asphalt Patching Allowanc	\$86,501	89	Asphalt Patching Allowanc	\$89,961	100	Dredging Allowance	\$155,933
131	Belmeade Hall	\$77,255	139	Broomsedge Lane	\$86,815	8	Bridge, Walk-decking (20%	\$138,958
148	Conifer Lane	\$71,329	143	Burroughs Hall	\$80,401	119	Airy Hall	\$96,407
215	Palm Warbler Road	\$69,961	380	SRC Hobart Dishwasher,	\$79,646	90	Asphalt Patching Allowanc	\$93,560
228	Ruddy Turnstone Road	\$57,841	185	Jackstay Court	\$68,325	208	Old Dock Road	\$81,210
210	Osprey Point Lane *	\$54,537	329	New Maint. Bldg. Roof, m	\$65,312	146	Clay Hall	\$65,548
231	Salt Meadow Cove	\$48,563	168	Forestay Court	\$55,776	163	Fletcher Hall	\$65,258
150	Cormorant Island Lane	\$47,436	191	Low Oak Woods Road	\$52,987	253	Sparrow Hawk Road	\$55,977
271	Thrasher Court	\$28,692	60	Canal Gates & Sluice gate	\$47,979	200	Muirfield Lane *	\$48,187
152	Crested Flycatcher	\$27,566	203	Nicklaus Lane *	\$46,600	26	Dock Decking, wood (20%	\$45,829
171	Gallinule Court	\$25,394	338	New Maint. Bldg. Flooring	\$43,181	161	Fiddlers Reach Court	\$44,926
144	Catbriar Court	\$24,670	57	Combo Gates, 48"	\$41,802	244	Sea Rocket Court	\$41,707
256	Spotted Sandpiper	\$24,134	245	Shell Creek Landing	\$40,159	241	Sea Lavender Court	\$40,547
134	Bittern Court	\$22,793	334	New Maint. Bldgs. HVAC	\$35,984	396	SRC Elevator, cab reburb	\$37,424
154	Diodia Ct	\$21,452	386	SRC Ice Machine, Ice-O-I	\$34,335	277	Vetch Court	\$35,239
164	Flying Squirrel Court	\$20,648	85	Roadway Signage	\$32,986	353	SRC Pool Filter System	\$31,187
135	Black Duck Court *	\$19,843	335	New Maint. Bldgs. Office f	\$29,987	313	CL&P Pavilion Trim, wood	\$23,689
217	Pepper Vine	\$19,253	333	New Maint. Bldgs. HVAC	\$23,990	182	Grey Fox Den	\$22,623
238	Scaup Court	\$17,886	214	Painted Bunting Lane	\$18,267	284	Woodcock Court	\$17,112
251	Skimmer Court *	\$17,283	52	Flap Gates (25 total) 20%	\$18,142	243	Sea Myrtle Court	\$15,343
280	Warbler Court	\$17,162				232	Saltgrass Court	\$15,285
260	Sundown Bend Road	\$16,357				33	Dock Railings, wood (20%	\$6,365
270	Terrapin Court	\$16,089				320	CMP Screened Doors, wc	\$3,992
219	Pine Siskin Court	\$14,480				323	CMP Electrical Panel	\$3,742
159	Evening Bend Road	\$14,373						
122	Anhinga Court	\$14,239						
249	Showeler Court	\$14,051						
32	Dock Railings, wood (20%	\$5,885						
SCHEDULED REPLACEMENTS		\$2,039,418	SCHEDULED REPLACEMENTS		\$3,109,171	SCHEDULED REPLACEMENTS		\$9,375,750

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page:

32

1207.03

APPENDIX Section A

PROCEDURES AND DEFINITIONS USED IN THE REPLACEMENT RESERVE SCHEDULE

A. Replacement Reserve Analysis

- **Analysis methods.** The Replacement Reserve industry generally recognizes two different methods of accounting for Replacement Reserve Analysis. Due to the difference in accounting methodologies, these methods lead to different calculated values for the *Minimum Annual Contribution* to the Reserves. The results of both methods are presented in this report. The Association should obtain the advice of its accounting professional as to which method is more appropriate for this Association. The two methods are:

1. **Component Method.** This method is a time tested mathematical model developed by HUD in the early 1980's. It treats each item in the replacement schedule as an individual line item budget. Generally, the *Minimum Annual Contribution* to Reserves is higher when calculated by the Component Method. The mathematical model for this method works as follows:

First, the total *Current Objective* is calculated, which is the reserve amount that would have accumulated had all of the items on the schedule been funded from initial construction at their current replacement costs. Next, the *Reserve Currently on Deposit* (as reported by the Association) are distributed to the components in the schedule in proportion to the *Current Objective*. The *Minimum Annual Deposit* for each component is equal to the Estimated Replacement Cost, minus the Reserves on Hand, divided by the years of life remaining.

2. **Cash Flow Method.** The Cash Flow Method is sometimes referred to as the "Pooling Method." It calculates the minimum constant annual contribution to reserves (*Minimum Annual Deposit*) required to meet projected expenditures, without allowing TOTAL reserves on hand to fall below the specified minimum level in any year. This method usually results in a calculated requirement for annual contribution somewhat less than that arrived at by the Component Method of analysis.

First, the *Minimum Recommended Reserve Level to be Held on Account* is determined based on the age, condition, and replacement cost of the individual components. The mathematical model then allocates the estimated replacement costs to the future years in which they are projected to occur. Based on these expenditures, it then calculates the minimum constant yearly contribution (*Minimum Annual Deposit*) to the reserves necessary to keep the reserve balance at the end of each year above the *Minimum Recommended Reserve Level to be Held on Account*. The Cash Flow Analysis assumes that the Association will have authority to use all of the reserves on hand for replacements as the need occurs. This method usually results in a *Minimum Annual Deposit* that is less than that arrived at by the Component Analysis.

- **Adjusted Cash Flow Analysis.** This program has the ability to modify the Cash Flow Method to take into account forecasted inflation and interest rates, thereby producing an *Adjusted Cash Flow Analysis*. Attempting to forecast future inflation and interest rates and the impact of changing technology is highly tenuous. Therefore, in most cases it is preferable to make a new schedule periodically rather than attempt to project far into the future. We will provide more information on this type of analysis upon request.
- **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 that should be incorporated into your report. Please bring any such available data to our attention, preferably before the report is commenced.

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

B. 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, "A" in the Component Method summary, this would be the amount of the Annual Deposit needed if the *Reserves Currently on Deposit* were equal to the *Total Current Objective*.
- **Cash Flow Analysis.** See *Cash Flow Method*, above.
- **Component Analysis.** See *Component Method*, above.
- **Contingency.** An allowance for unexpected requirements. Roughly the same as the *Minimum Recommended Reserve Level to be Held on Account* used in the *Cash Flow Method* of analysis.
- **Critical Year.** In the *Cash Flow Analysis*, a year in which the reserves on hand are projected to fall to the established minimum level. See *Minimum Recommended Reserve Level to be Held on Account*
 - **Current Objective.** *This* is the reserve amount that would have accumulated had the item been funded from initial construction at its current replacement costs. It is equal to the *estimated replacement cost* divided by the estimated economic life, times the number of years expended (the difference between the *Estimated Economic Life* and the *Estimated Life Left*). The *Total Current Objective* can be thought of as the amount of reserves the Association should now have on hand based on the sum of all of the Current Objectives.
- **Cyclic Replacement Item.** A component item that typically begins to fail after an initial period (*Estimated Initial Replacement*), but which will be replaced in increments over a number of years (the *Estimated Replacement Cycle*). The Reserve Analysis program divides the number of years in the *Estimated Replacement Cycle* into five equal increments. It then allocates the *Estimated Replacement Cost* equally over those five increments. (As distinguished from *Normal Replacement Items*, see below)
- **Normal Replacement Schedules.** 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*).
- **Estimated Economic Life.** Used in the *Normal Replacement Schedules*. This represents the industry average number of years that a new item should be expected to last until it has to be replaced. This figure is sometimes modified by climate, region, or original construction conditions.
- **Estimated Economic Life Left.** Used in the *Normal Replacement Schedules*. Number of years until the item is expected to need replacement. Normally, this number would be considered to be the difference between the *Estimated Economic Life* and the age of the item. However, this number must be modified to reflect maintenance practice, climate, original construction and quality, or other conditions. For the purpose of this report, this number is determined by the Reserve Analyst based on the present condition of the item relative to the actual age.

- **Estimated Initial Replacement.** For a *Cyclic Replacement Item* (see above), the number of years until the replacement cycle is expected to begin.
- **Estimated Replacement Cycle.** For a *Cyclic Replacement Item*, the number of years over which the remainder of the component's replacement occurs.
- **Minimum Annual Deposit.** Shown on the Summary Sheet, "A-1." The calculated requirement for annual contribution to reserves as calculated by the *Cash Flow Method* (see above).
- **Minimum Deposit in the Study Year.** Shown on the Summary Sheet, "A-1." The calculated requirement for contribution to reserves in the study year as calculated by the Component Method (see above).
- **Minimum Recommended Reserve Level to be Held on Account.** Shown on the Summary Sheet, "A" this number is used in the Cash Flow Method only, this is the prescribed level below which the reserves will not be allowed to fall in any year. This amount is determined based on the age, condition, and replacement cost of the individual components. This number is normally given as a percentage of the total Estimated Replacement Cost of all reserve components.
- **Normal Replacement Item.** A component of the property that, after an expected economic life, is replaced in its entirety. (As distinguished from *Cyclic Replacement Items*, see above.)
- **Normal Replacement Schedules.** The list of Normal Replacement Items by category or location. These items appear on pages designated.
- **Number of Years of the Study.** The number of years into the future for which expenditures are projected and reserve levels calculated. This number should be large enough to include the projected replacement of every item on the schedule, at least once. This study covers a 40-year period.
- **One Time Deposit Required to Fully Fund Reserves.** Shown on the Summary Sheet, "A-1" in the Component Method summary, this is the difference between the *Total Current Objective* and the *Reserves Currently on Deposit*.
- **Reserves Currently on Deposit.** Shown on the Summary Sheet, "A-1", this is the amount of accumulated reserves as reported by the Association in the current year.
- **Reserves on Hand.** Shown in the *Cyclic Replacement* and *Normal Replacement Schedules*, this is the amount of reserves allocated to each component item in the *Cyclic* or *Normal Replacement* schedules. This figure is based on the ratio of *Reserves Currently on Deposit* divided by the total *Current Objective*.
- **Replacement Reserve Study.** An analysis of all of the components of the common property of the Association for which a need for replacement should be anticipated within the economic life of the property as a whole. The analysis involves estimation for each component of its estimated Replacement Cost, Estimated Economic Life, and Estimated Life Left. The objective of the study is to calculate a recommended annual contribution to the Association's Replacement Reserve Fund.
- **Total Replacement Cost.** Shown on the Summary Sheet, "A-1", 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).** The following abbreviations are used in this report:
EA: each FT: feet LS: lump sum PR: pair SF: square feet SY: square yard CU: cubic yard