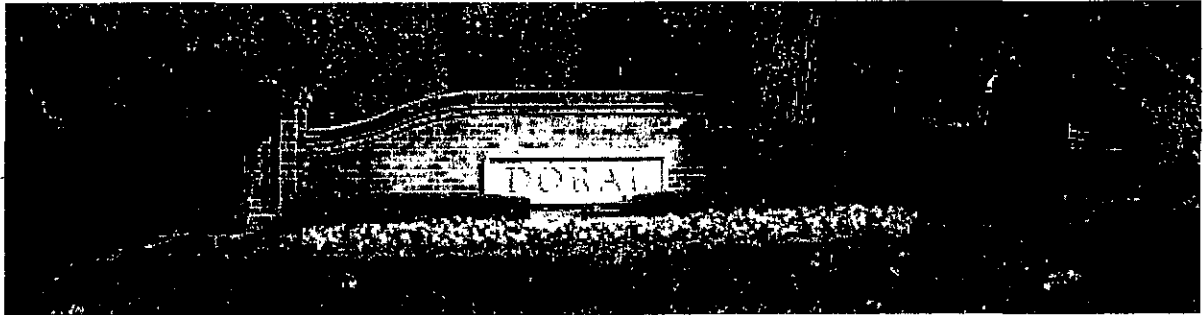


REPAIR & REPLACEMENT RESERVE REPORT

DORAL HOMEOWNERS ASSOCIATION

**606 Pebble Beach Drive
Silver Spring, Maryland 20904**



**Prepared For:
Board of Directors,
Doral Homeowners Association
c/o: Joseph Wright
Summit Management
8701 Georgia Avenue, Suite #602
Silver Spring, Maryland 20910**

Project #306090

DATE OF FINAL REPORT: April 12, 2007

Prepared by:

**PROPERTY DIAGNOSTICS, INC.
P.O. Box 3453
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DORAL HOMEOWNERS CONDOMINIUM

EXECUTIVE STATEMENT

This Repair and Replacement Reserve Schedule Report has been developed for the Doral Homeowners Association, Board of Directors, for the specific purpose of reviewing the major components and developing a Repair and Replacement Reserve Schedule based on our research and observation of the property. Our report contains two different methods of reserve analysis. The first section presents the Component Method and the second section presents the Cash Flow Method.

The analysis for both methods involved visits to the property with a walk-through of all accessible common areas of the site. Specific areas included the grounds, walkways, roofing, building exterior, mechanical, plumbing and electrical equipment, and interior common spaces.

The examination was made following generally accepted visual inspection standards and did not include testing of any equipment or physical conditions, unless specific reference is made to such testing. Unless otherwise stated, we have reported only on those items that we were able to observe visually. The inspection did not include removing portions of construction in order to expose concealed conditions. The report is intended to fairly present our professional opinion of the condition of the facility and the component parts to which reference is made in the report, as of the date of this inspection. The report is based upon the visual observations and information provided to us of the age, materials, equipment, and construction techniques that were used subject to the qualifications expressed in this report.

Based on the findings in each of the specific areas reviewed, professional judgment was used in forecasting the remaining life expectancy of the systems and components scheduled in the body of this report. The estimated cost of each component has been identified. The same basis and judgment was used in describing any existing conditions based on estimated cost of all necessary or recommended repairs. This report, therefore, does not constitute or represent a warranty of the property's condition and should not be viewed as such. Rather, the report reflects our professional opinion based on the methodology specified above.

PROPERTY DIAGNOSTICS, INC.



William D. Grimes
President

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I. PROPERTY DESCRIPTION

The Doral Homeowners Association is located at 606 Pebble Beach Drive in Silver Spring, Maryland. The property consists of 137 Single Family Homes and 20 Town Homes.

The interior roads include Brandon Green Drive, Brandon Green Court., Pebble Beach Drive, Riviera Terrace, Riviera Court, Seminole Creek Way, Princeville Court, Quail Creek Court and Hawkesbury Lane (between Randolph Road and a point about midway between Quail Creek Court and Hawkesbury Terrace.)

PDI was informed by management that all of these roadways except for the portion on Brandon Green Drive between Hawkesbury Lane and the Townhouses are publicly maintained. The Association is responsible for this portion of driveway and associated parking areas.

The association has a tot lot at the end of Brandon Green Drive. Sidewalks within the development were included in the reserve. Sidewalks along Randolph Road were not included. The association has dual entrance monuments, consisting of a stately brick wall, gas lanterns, and stone engraved "Doral."

II. COMPONENT METHOD

The Chart of Repair & Replacement Reserves is a compilation of architectural, structural, mechanical, and electrical elements, which represent estimated replacement and/or major repair items and their present day dollar value.

The charting of items identifies and quantifies the component items, the estimated cost to repair or replace those items, and the target date with which those repairs or replacements are projected to take place. The annual contribution is the total cost for repair or replacement, divided by the repair cycle or target date. This cost has been presented in today's dollars and has not been extrapolated to a future date. *Note: Monies escrowed for future repairs or replacement earns interest, which offsets additional costs caused by inflation.*

The chart delineates Reserve/Replacement items. Some items of work or systems must be totally replaced in a given year. However, many of the items, in practice, will be repaired or replaced in phases. An example would be a reserve figure to replace concrete walls shown as a total amount to be spent in ten years; in reality sectional replacement is likely.

Items listed in the Reserve/Replacement column are intended solely as conceptual estimates and overview of the project's physical facilities, and do not represent detailed estimates of system(s) based upon bid documents or other detailed engineering or architectural analysis or physical surveys.

Column #1, entitled "Item", is a brief identification of site components. For a more detailed explanation of the work task, see the narrative description of work items that follows each categorical chart. The description is an explanation of the logic involved in the preparation of the estimated costs for repair or replacement.

Column #2, entitled "Quantity", refers to the quantity of a material or system furnished and installed. Following the quantity is a unit's abbreviation, which is as follows:

Ea = Each or portion of total system.

SQ = Square of roof or 100 S.F.

SF = Square Foot

LF = Linear Foot

SY = Square Yard

LS = Lump Sum-Total costs of those items required to make the description (task) operational when finite quantities are not defined.

Lot = Entire system where quantities are not defined or are inter-dependent.

Unit = Each or portion of total system.

Sys = Mechanical system complete, including attendant mechanical work to make system function.

LOB = Life of Building

Column #3, entitled "Normal Useful Life", this figure represents a conceptual number of years, which a given item or system can be expected to last at the time of installation. This figure is derived by using professional judgment and through observations made in the field.

Column #4, entitled "Estimated Remaining Life", this figure represents the estimated time that an existing item or system can be expected to remain useful. This figure is derived by using professional judgment where items or systems show unusual wear or unusual preservation, or if the items are new by subtracting actual age of the existing item or system from the "Normal Useful Life".

Column #5, entitled "Current Replacement Cost", reflects the estimated cost to replace and install an item or system or to perform the described work task. This figure is calculated using industry-accepted standards, comparing various industry sources and using professional judgment. Property Diagnostics, Inc. refers to Means price guides, Dodge price guides, and our in-house database. These figures are for conceptual purposes only and are not based upon detailed engineering or architectural analysis, bid documents, or detailed physical surveys.

Column #6, entitled "Current Fund", reflects monies presently assigned to replacement of the indicated system or item in the Replacement Reserve Fund. This figure is derived by those parties responsible for allocating funds or by Property Diagnostics, Inc. as directed by those responsible parties.

Column #7, entitled "Required Fund", represents those funds required to reach the Current Replacement Cost. The figure is calculated using the "Current Replacement Cost" less the "Current Fund".

Column #8, entitled "Annual Contribution", reflects those monies that should be set aside on an annual basis in order to have the item or system fully funded at completion of the expected useful life period. This figure is calculated by dividing the "Required Fund" by the "Estimated Remaining Life".

DORAL HOMEOWNERS ASSOCIATION REPAIR AND REPLACEMENT RESERVE - SUMMARY PROPERTY DIAGNOSTICS, INC.					
ITEM	CURRENT REPLACEMENT COST	CURRENT FUND	REQUIRED FUND	CONTRIBUTION	ANNUAL CONTRIBUTION
A. Architectural Grounds	\$93,520.00	\$46,964.00	\$46,556.00	\$3,126.66	
TOTAL:	\$93,520.00	\$46,964.00	\$46,556.00	\$3,126.66	

DORAL HOMEOWNERS ASSOCIATION REPAIR AND REPLACEMENT RESERVE - GROUNDS PROPERTY DIAGNOSTICS, INC.									
ITEM	QUANTITY	NORMAL USEFUL LIFE (Years)	ESTIMATED REMAINING LIFE (Years)	CURRENT REPLACEMENT COST	CURRENT FUND	REQUIRED FUND	ANNUAL CONTRIBUTION		
1. Concrete Areas	5,483 SF	50	34	\$31,527.00	\$12,164.55	\$19,362.45	\$569.48		
2. Asphalt	3,205 SY	20	7	38,293.00	24,890.45	13,402.55	1,914.65		
3. Wood Fence	70 LF	20	5	1,200.00	900.00	300.00	60.00		
4. Entrance Monument Brick	1,160 SF	50	34	15,100.00	3,624.00	11,476.00	337.53		
5. Entrance Monument Letters	Lot	25	10	2,500.00	1,500.00	1,000.00	100.00		
6. Entrance Monument Lamps	4 Ea	20	1	2,000.00	2,000.00	0.00	0.00		
7. Wood Retaining Wall	136 SF	20	7	2,900.00	1,885.00	1,015.00	145.00		
TOTAL:				\$93,520.00	\$46,964.00	\$46,556.00	\$3,126.66		

A. REPAIR & REPLACEMENT RESERVE - ARCHITECTURAL GROUNDS

Item Number	Description
1. Concrete Areas	<p>The estimated replacement cost for sidewalks in the townhouse area and concrete pads for trash collection in the townhouse area includes the removal of the existing concrete and replacement of new concrete. New concrete will be reinforced with a rebar material and rated for 3,000 psi. The concrete walkways line item replacement fund should be considered a draw fund. Concrete never requires full replacement at one time. However, it does require sectional replacement. Over the life span of the concrete, it is anticipated that all concrete will be renewed at least once.</p>
2. Asphalt	<p>Most of the asphalt on the association driveways is publicly maintained. The asphalt in this item is for the drive and parking areas on Brandon Green Drive, on the side which leads to the Townhouses. The estimated replacement cost in the asphalt section represents the cost to remove all loose materials from existing surfaces, and repair alligating and potholes. Deteriorated areas should be removed with a minimum of a 4" base to reach firm support. The removed areas should extend at least 1' into good pavement outside the damaged areas. It is anticipated that approximately 10% of the loose asphalt material will require this type of removal; holes will require to be back-filled with dense graded hot asphalt plant mix; and a topcoat will be required to be applied to vertical surfaces. Large cracks will be cleaned and filled with fine sand and asphalt mix. After all surfaces are prepared, a new application of 2" asphalt topping should be applied.</p>
3. Wood Fence	<p>The estimated replacement cost for the fencing around the trash collection areas for the townhouses, is based on the replacement of the existing wood fencing system with a new fencing system of equal style and quality.</p>

A. REPAIR & REPLACEMENT RESERVE - ARCHITECTURAL GROUNDS

Item Number	Description
4. Entrance Monument Brick	Brickwork of the entrance monument should never require full replacement if properly maintained. The estimated replacement cost is for the repair and reconstruction of the wall during the remaining life. Repairs would include reconstruction and repointing of approximately 65% of the wall.
5. Entrance Monument Letters	The entrance monument has what appears to be a stone sign with the letters engraved. The estimated cost is for the refurbishment of this sign over the given time as required.
6. Entrance Monument Lamps	The entrance monuments have gas lamps which are no longer in operation. The estimated amount is for the replacement of these lamps with lamps of equal quality.
7. Wood Retaining Wall	The playground has a wood retaining wall. The estimated amount is for the removal and replacement of the wall with treated lumber at the end of its useful life.

III. CASH FLOW METHOD

The Cash Flow Method incorporates the repair and replacement needs of the property over the next thirty years, to include anticipated repair/replacement of components and materials that are performed sectionally. A percentage of these items are ascribed to the Cash Flow Chart throughout the thirty-year chart. The Cash Flow Method allows the property owners to reserve funds to maintain the property based on the limited estimated requirements over the next thirty years.

The Cash Flow Section of the report extrapolates requirements stated in the Component Method section of the report.

The Cash Flow Breakdown chart outlines the first column in years, the second column shows total expenditures for each year, column three shows the property's yearly contribution, column four shows cash on hand or total property reserve, column five shows Property Diagnostics, Inc.'s annual contribution recommendation, and column six shows cash on hand or total property reserve based on Property Diagnostics, Inc.'s recommendation. The first year of column three shows the reported current property reserve balance.

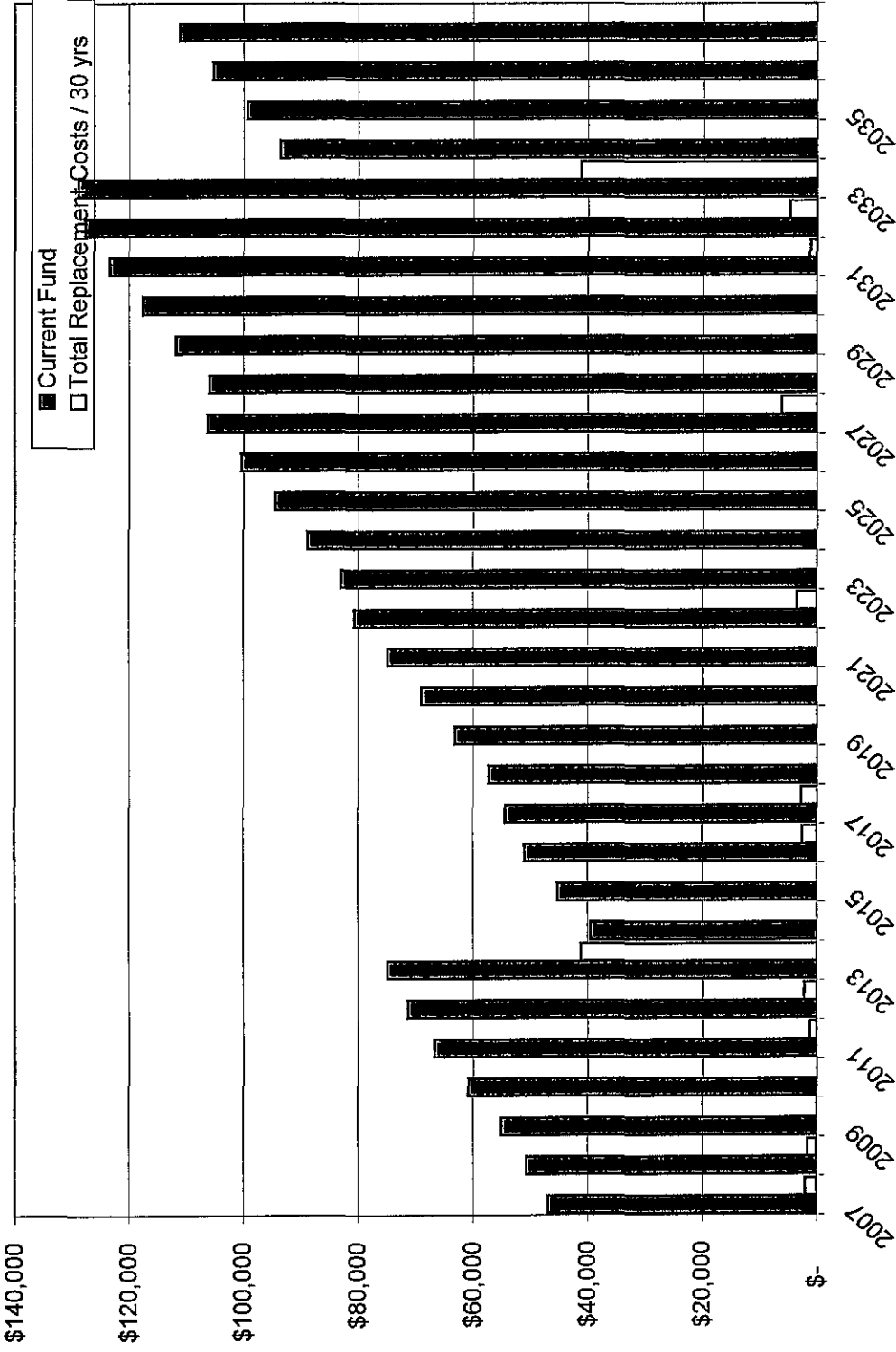
The current reserve fund provided to Property Diagnostics, Inc. as of November 22, 2006 is a total of \$46,964. The property's annual contribution is \$5,809. The amount of funding does meet the needs for this property. Therefore, we suggest decreasing the yearly contribution to \$4,500. Based on our calculations, the property will have \$71,762 at the end of thirty years.

We recommend the property update the reserve study every three to five years. This update would readjust the reserve requirements for the property based on actual experiences and conditions.

The first bar chart shows graphically the cash expenditures and cash on hand based on property's yearly contribution. The second bar chart shows graphically the cash expenditures and cash on hand based on Property Diagnostics, Inc.'s recommendation. The following section of the report identifies specifically items to be repaired/replaced for each year and the method or component which is specified.

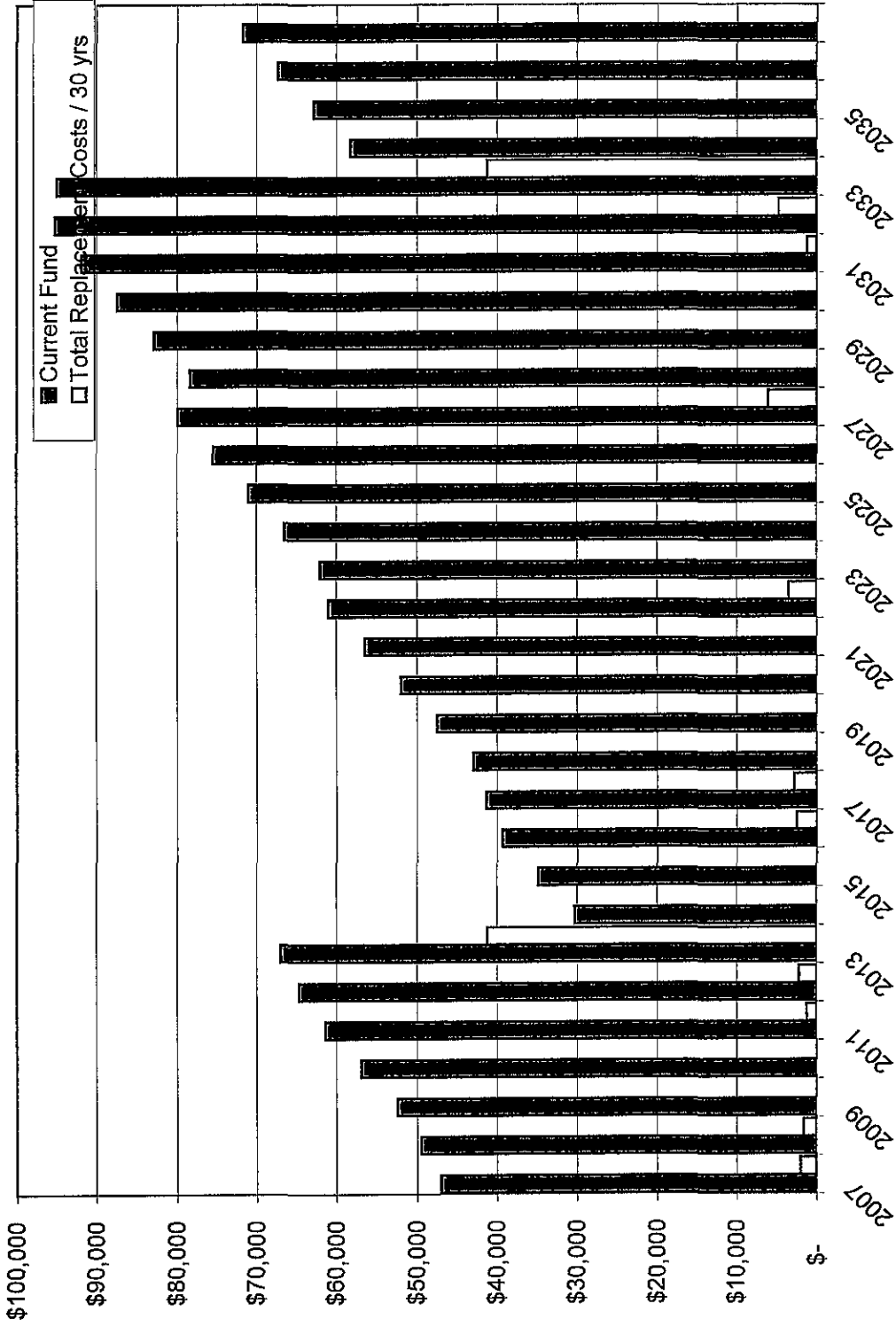
DORAL HOMEOWNERS ASSOCIATION					
CASH FLOW BREAKDOWN					
Year	Total Replacement Costs / 30yrs	Doral Homeowners Association's Yearly Contribution	Current Fund based on Doral Homeowners Association's Contribution	PDI's Yearly Contribution Recommendation	Current Fund based on PDI's Recommendation
			\$ 46,964		\$ 46,964
2007	\$ 2,000	\$ 5,809	\$ 50,773	\$ 4,500	\$ 49,464
2008	\$ 1,576	\$ 5,809	\$ 55,006	\$ 4,500	\$ 52,388
2009	\$ -	\$ 5,809	\$ 60,815	\$ 4,500	\$ 56,888
2010	\$ -	\$ 5,809	\$ 66,624	\$ 4,500	\$ 61,388
2011	\$ 1,200	\$ 5,809	\$ 71,233	\$ 4,500	\$ 64,688
2012	\$ 2,207	\$ 5,809	\$ 74,835	\$ 4,500	\$ 66,981
2013	\$ 41,193	\$ 5,809	\$ 39,451	\$ 4,500	\$ 30,288
2014	\$ -	\$ 5,809	\$ 45,260	\$ 4,500	\$ 34,788
2015	\$ -	\$ 5,809	\$ 51,069	\$ 4,500	\$ 39,288
2016	\$ 2,500	\$ 5,809	\$ 54,378	\$ 4,500	\$ 41,288
2017	\$ 2,837	\$ 5,809	\$ 57,350	\$ 4,500	\$ 42,951
2018	\$ -	\$ 5,809	\$ 63,159	\$ 4,500	\$ 47,451
2019	\$ -	\$ 5,809	\$ 68,968	\$ 4,500	\$ 51,951
2020	\$ -	\$ 5,809	\$ 74,777	\$ 4,500	\$ 56,451
2021	\$ -	\$ 5,809	\$ 80,586	\$ 4,500	\$ 60,951
2022	\$ 3,468	\$ 5,809	\$ 82,927	\$ 4,500	\$ 61,983
2023	\$ -	\$ 5,809	\$ 88,736	\$ 4,500	\$ 66,483
2024	\$ -	\$ 5,809	\$ 94,545	\$ 4,500	\$ 70,983
2025	\$ -	\$ 5,809	\$ 100,354	\$ 4,500	\$ 75,483
2026	\$ -	\$ 5,809	\$ 106,163	\$ 4,500	\$ 79,983
2027	\$ 6,099	\$ 5,809	\$ 105,873	\$ 4,500	\$ 78,384
2028	\$ -	\$ 5,809	\$ 111,682	\$ 4,500	\$ 82,884
2029	\$ -	\$ 5,809	\$ 117,491	\$ 4,500	\$ 87,384
2030	\$ -	\$ 5,809	\$ 123,300	\$ 4,500	\$ 91,884
2031	\$ 1,200	\$ 5,809	\$ 127,909	\$ 4,500	\$ 95,184
2032	\$ 4,729	\$ 5,809	\$ 128,989	\$ 4,500	\$ 94,955
2033	\$ 41,193	\$ 5,809	\$ 93,605	\$ 4,500	\$ 58,262
2034	\$ -	\$ 5,809	\$ 99,414	\$ 4,500	\$ 62,762
2035	\$ -	\$ 5,809	\$ 105,223	\$ 4,500	\$ 67,262
2036	\$ -	\$ 5,809	\$ 111,032	\$ 4,500	\$ 71,762

CASH FLOW CHART BASED ON DORAL HOMEOWNERS ASSOCIATION'S YEARLY CONTRIBUTION



This is a graphical representation of annual contributions.

CASH FLOW CHART BASED ON PDI'S RECOMMENDATION



This is a graphical representation of annual contributions.

SUMMARY OF YEARLY EXPENDITURES

Year	Item to be Replaced	Cost of Replacement
2007	Entrance Monument Lamps	\$2,000
	Total for 2007	\$2,000

SUMMARY OF YEARLY EXPENDITURES

Year	Item to be Replaced	Cost of Replacement
2008	Concrete Areas – 5%	\$1,576
	Total for 2008	\$1,576

SUMMARY OF YEARLY EXPENDITURES

Year	Item to be Replaced	Cost of Replacement
2009		
	Total for 2009	\$

SUMMARY OF YEARLY EXPENDITURES

Year	Item to be Replaced	Cost of Replacement
2010		
	Total for 2010	\$

SUMMARY OF YEARLY EXPENDITURES

Year	Item to be Replaced	Cost of Replacement
2011	Wood Fence	\$1,200
	Total for 2011	\$1,200

SUMMARY OF YEARLY EXPENDITURES

Year	Item to be Replaced	Cost of Replacement
2012	Concrete Areas – 7%	\$2,207
	Total for 2012	\$2,207

SUMMARY OF YEARLY EXPENDITURES

Year	Item to be Replaced	Cost of Replacement
2013	Asphalt	\$38,293
	Wood Retaining Wall	2,900
	Total for 2013	\$41,193

SUMMARY OF YEARLY EXPENDITURES

Year	Item to be Replaced	Cost of Replacement
2014		
	Total for 2014	\$

SUMMARY OF YEARLY EXPENDITURES

Year	Item to be Replaced	Cost of Replacement
2015		
	Total for 2015	\$

SUMMARY OF YEARLY EXPENDITURES

Year	Item to be Replaced	Cost of Replacement
2016	Entrance Monument Letters	\$2,500
	Total for 2016	\$2,500

SUMMARY OF YEARLY EXPENDITURES

Year	Item to be Replaced	Cost of Replacement
2017	Concrete Areas – 9%	\$2,837
	Total for 2017	\$2,837

SUMMARY OF YEARLY EXPENDITURES

Year	Item to be Replaced	Cost of Replacement
2018		
	Total for 2018	\$

SUMMARY OF YEARLY EXPENDITURES

Year	Item to be Replaced	Cost of Replacement
2019		
	Total for 2019	\$

SUMMARY OF YEARLY EXPENDITURES

Year	Item to be Replaced	Cost of Replacement
2020		
	Total for 2020	\$

SUMMARY OF YEARLY EXPENDITURES

Year	Item to be Replaced	Cost of Replacement
2021		
	Total for 2021	\$

SUMMARY OF YEARLY EXPENDITURES

Year	Item to be Replaced	Cost of Replacement
2022	Concrete Areas – 11%	\$3,468
	Total for 2022	\$3,468

SUMMARY OF YEARLY EXPENDITURES

Year	Item to be Replaced	Cost of Replacement
2023		
	Total for 2023	\$

SUMMARY OF YEARLY EXPENDITURES

Year	Item to be Replaced	Cost of Replacement
2024		
	Total for 2024	\$

SUMMARY OF YEARLY EXPENDITURES

Year	Item to be Replaced	Cost of Replacement
2025		
	Total for 2025	\$

SUMMARY OF YEARLY EXPENDITURES

Year	Item to be Replaced	Cost of Replacement
2026		
	Total for 2026	\$

SUMMARY OF YEARLY EXPENDITURES

Year	Item to be Replaced	Cost of Replacement
2027	Entrance Monument Lamps	\$2,000
	Concrete Areas – 13%	4,099
	Total for 2027	\$6,099

SUMMARY OF YEARLY EXPENDITURES

Year	Item to be Replaced	Cost of Replacement
2028		
	Total for 2028	\$

SUMMARY OF YEARLY EXPENDITURES

Year	Item to be Replaced	Cost of Replacement
2029		
	Total for 2029	\$

SUMMARY OF YEARLY EXPENDITURES

Year	Item to be Replaced	Cost of Replacement
2030		
	Total for 2030	\$

SUMMARY OF YEARLY EXPENDITURES

Year	Item to be Replaced	Cost of Replacement
2031	Wood Fence	\$1,200
	Total for 2031	\$1,200

SUMMARY OF YEARLY EXPENDITURES

Year	Item to be Replaced	Cost of Replacement
2032	Concrete Areas – 15%	\$4,729
	Total for 2032	\$4,729

SUMMARY OF YEARLY EXPENDITURES

Year	Item to be Replaced	Cost of Replacement
2033	Asphalt	\$38,293
	Wood Retaining Wall	2,900
	Total for 2033	\$41,193

SUMMARY OF YEARLY EXPENDITURES

Year	Item to be Replaced	Cost of Replacement
2034		
	Total for 2034	\$

SUMMARY OF YEARLY EXPENDITURES

Year	Item to be Replaced	Cost of Replacement
2035		
	Total for 2035	\$

SUMMARY OF YEARLY EXPENDITURES

Year	Item to be Replaced	Cost of Replacement
2036		
	Total for 2036	\$

IV. INSPECTION/PHOTOGRAPHS



Photo #1: The sidewalk section in front of 606 Pebble Beach Drive is out of alignment causing a trip hazard, probably because of a tree root system. It has been shaved down in the past. It is advised to shave it down more to remove the trip hazard. (Public Sidewalk)



Photo #2: Across Hawkesbury Lane from 719, the sidewalk is out of alignment in several areas by some 2" causing a trip hazard. It is advised to shave down or replace the areas that are out of alignment. (Public Sidewalk)



Photo #3: The entrance monument gas lights do not appear to be operational on either side. It is advised to refurbish them and place them into operation. In case the association has decided not to keep these operational, it is advised to remove the damaged lights, or to replace the damaged glass. Vandalized items that are not dealt with, give an invitation for more vandalism.



Photo #4: There is vegetation growing very near the monument brickwork. This can damage the brick by abrasion in wind and by retention of moisture. There is Leichen growing on the brick also. It is advised to clean the brick and trim back vegetation before these cause premature degradation to the wall.

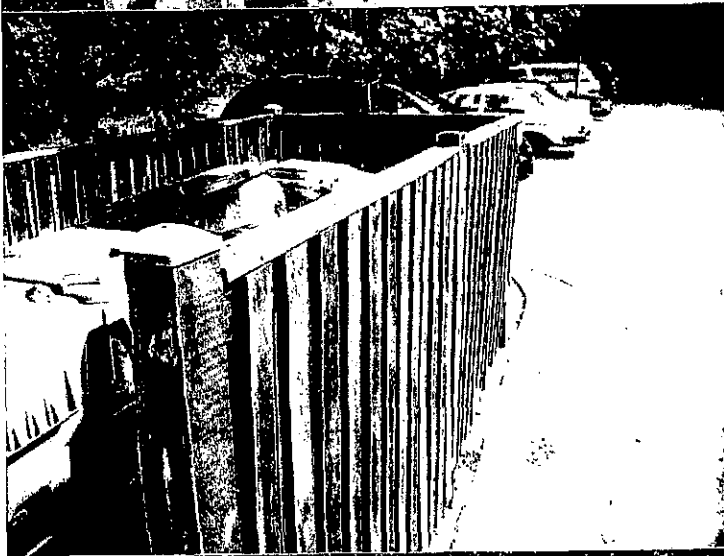


Photo #5: The paint on the wood garbage area surround has failed on the most exposed sections. It is advised to consider repainting the wall to protect the wood and extend its useful life.



Photo #6: This is a view of the tot lot. The picture is included as a reference of the equipment on the lot.