RESERVE STUDY

Kingston Plantation
Master Association, Inc.

Myrtle Beach, South Carolina
April 27, 2022

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Corporate Office
Reserve Advisors, LLC
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Milwaukee, WI 53202

Kingston Plantation Master Association, Inc.
Myrtle Beach, South Carolina

Dear Board of Directors of Kingston Plantation Master Association, Inc.:

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Reserve Study* of Kingston Plantation Master Association, Inc. in Myrtle Beach, South Carolina and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, April 27, 2022.

This *Reserve Study* exceeds the Association of Professional Reserve Analysts (APRA) standards fulfilling the requirements of a "Level II Reserve Study Update."

An ongoing review by the Board and an Update of this Reserve Study are necessary to ensure an equitable funding plan since a Reserve Study is a snapshot in time. We recommend the Board budget for an Update to this Reserve Study in two- to three-years. We look forward to continuing to help Kingston Plantation Master Association, Inc. plan for a successful future.

As part of our long-term thinking and everyday commitment to our clients, we are available to answer any questions you may have regarding this study.

Respectfully submitted on May 20, 2022 by

Reserve Advisors, LLC

Visual Inspection and Report by: Colin Niemeyer, RS[1]
Review by: Nicole L. Lowery, RS, PRA[2], Associate Director of Quality Assurance

[1] RS (Reserve Specialist) is the reserve provider professional designation of the Community Associations Institute (CAI) representing America's more than 300,000 condominium, cooperative and homeowners associations.
[2] PRA (Professional Reserve Analyst) is the professional designation of the Association of Professional Reserve Analysts. Learn more about APRA at http://www.apra-usa.com.

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1. RESERVE STUDY EXECUTIVE SUMMARY

Client: Kingston Plantation Master Association, Inc. (Kingston Plantation)
Location: Myrtle Beach, South Carolina
Reference: 171942

Property Basics: Kingston Plantation Master Association, Inc. is a master association which is responsible for the common elements shared by 1,386 units. The community was built in 1985. The community contains a meeting building, two pool houses and two pools.

Reserve Components Identified: 97 Reserve Components.

Inspection Date: April 27, 2022. We conducted previous inspections in 2018 and 2020.

Funding Goal: The Funding Goal of this Reserve Study is to maintain reserves above an adequate, not excessive threshold during one or more years of significant expenditures. Our recommended Funding Plan recognizes this threshold funding year in 2052 due to repaving of the streets.

Cash Flow Method: We use the Cash Flow Method to compute the Reserve Funding Plan. This method offsets future variable Reserve Expenditures with existing and future stable levels of reserve funding. Our application of this method also considers:

- Current and future local costs of replacement
- 0.1% anticipated annual rate of return on invested reserves
- 3.5% future Inflation Rate for estimating Future Replacement Costs

Sources for *Local* Costs of Replacement: Our proprietary database, historical costs and published sources, i.e., R.S. Means, Incorporated.

Unaudited Cash Status of Reserve Fund:

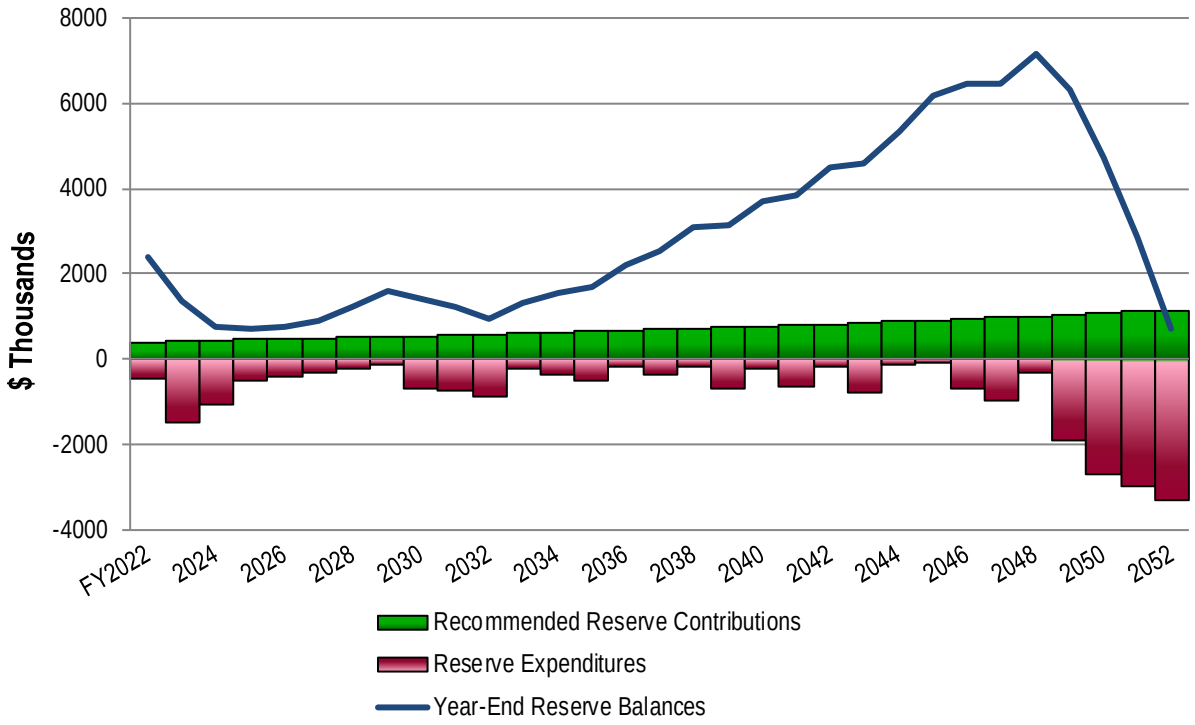
- $2,441,903 as of January 1, 2022
- 2022 budgeted Reserve Contributions of $400,000
- A potential deficit in reserves might occur by 2047 based upon continuation of the most recent annual reserve contribution of $400,000 and the identified Reserve Expenditures.

Recommended Reserve Funding: We recommend the following in order to achieve a stable and equitable Funding Plan:

- Increase to $425,000 in 2023
- Inflationary increases from 2024 through 2052, the limit of this study's Cash Flow Analysis
- Initial adjustment in Reserve Contributions of $25,000 represents an average monthly increase of $1.50 per homeowner and about a less than one percent (0.8%) adjustment in the 2022 total Operating Budget of $3,002,953.

Kingston Plantation
Recommended Reserve Funding Table and Graph

Year	Reserve Contributions ($)	Reserve Balances ($)	Year	Reserve Contributions ($)	Reserve Balances ($)	Year	Reserve Contributions ($)	Reserve Balances ($)
2023	425,000	1,349,052	2033	599,600	1,297,353	2043	845,800	4,580,625
2024	439,900	742,676	2034	620,600	1,558,991	2044	875,400	5,351,108
2025	455,300	691,790	2035	642,300	1,692,295	2045	906,000	6,188,556
2026	471,200	760,848	2036	664,800	2,197,938	2046	937,700	6,462,307
2027	487,700	910,974	2037	688,100	2,523,920	2047	970,500	6,461,874
2028	504,800	1,201,126	2038	712,200	3,082,812	2048	1,004,500	7,166,767
2029	522,500	1,586,310	2039	737,100	3,153,559	2049	1,039,700	6,322,673
2030	540,800	1,429,703	2040	762,900	3,681,727	2050	1,076,100	4,719,575
2031	559,700	1,238,871	2041	789,600	3,837,343	2051	1,113,800	2,858,414
2032	579,300	932,351	2042	817,200	4,505,796	2052	1,152,800	700,916



2. RESERVE STUDY REPORT

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Reserve Study* of

Kingston Plantation Master Association, Inc.

Myrtle Beach, South Carolina

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, April 27, 2022. We conducted previous inspections in 2018 and 2020.

We present our findings and recommendations in the following report sections and spreadsheets:

- **Identification of Property -** Segregates all property into several areas of responsibility for repair or replacement
- **Reserve Expenditures -** Identifies reserve components and related quantities, useful lives, remaining useful lives and future reserve expenditures during the next 30 years
- **Reserve Funding Plan -** Presents the recommended Reserve Contributions and year-end Reserve Balances for the next 30 years
- **Five-Year Outlook -** Identifies reserve components and anticipated reserve expenditures during the first five years
- **Reserve Component Detail -** Describes the reserve components, includes photographic documentation of the condition of various property elements, describes our recommendations for repairs or replacement, and includes detailed solutions and procedures for replacements for the benefit of current and future board members
- **Methodology -** Lists the national standards, methods and procedures used to develop the Reserve Study
- **Definitions -** Contains definitions of terms used in the Reserve Study, consistent with national standards
- **Professional Service Conditions -** Describes Assumptions and Professional Service Conditions
- **Credentials and Resources**

IDENTIFICATION OF PROPERTY

Our investigation includes Reserve Components or property elements as set forth in your Declaration. The Expenditure tables in Section 3 list the elements contained in this study. Our analysis begins by segregating the property elements into several areas of responsibility for repair and replacement.

Our process of identification helps assure that future boards and the management team understand whether reserves, the operating budget or Homeowners fund certain replacements and assists in preparation of the annual budget. We derive these segregated classes of property from our review of the information provided by the Association and through conversations with Management. These classes of property include:

- Reserve Components
- Long-Lived Property Elements
- Operating Budget Funded Repairs and Replacements
- Property Maintained by Homeowners
- Property Maintained by Others

We advise the Board conduct an annual review of these classes of property to confirm its policy concerning the manner of funding, i.e., from reserves or the operating budget. The Reserve Study identifies Reserve Components as set forth in your Declaration or which were identified as part of your request for proposed services. Reserve Components are defined by CAI as property elements with:

- Kingston Plantation responsibility
- Limited useful life expectancies
- Predictable remaining useful life expectancies
- Replacement cost above a minimum threshold

Long-Lived Property Elements may not have predictable Remaining Useful Lives or their replacement may occur beyond the 30-year scope of the study. The operating budget should fund infrequent repairs. Funding untimely or unexpected replacements from reserves will necessitate increases to Reserve Contributions. Periodic updates of this Reserve Study will help determine the merits of adjusting the Reserve Funding Plan. We identify the following Long-Lived Property Elements as excluded from the 30-year Reserve Expenditures at this time.

- Electrical Systems, Common
- Foundations, Gate House, Meeting House and Pump Houses
- Pipes, Interior Building, Domestic Water, Sanitary Waste and Vent, Gate House (2017)
- Pipes, Subsurface Utilities
- Structural Frames, Gate House, Meeting House and Pump Houses
- Walls, Fiber Cement Siding, Gate House (2017)
- Windows and Doors, Gate House (2017)

The operating budget provides money for the repair and replacement of certain Reserve Components. The Association may develop independent criteria for use of operating and reserve funds. For purposes of calculating appropriate Reserve Contributions, we identify the following list of Operating Budget Funded Repairs and Replacements:

- General Maintenance to the Common Elements
- Expenditures less than $6,000 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)
- Bus Shelters (Management informs us that there is no longer a bus route through the property and the shelters are no longer in use.)
- Doors, Metal, Laurel Court Meeting Building, Interim Replacements
- Fences, Wood, Gloucester on the Point, Paint Finish Applications
- Fences, Wood, Split-Rail
- Flagpoles
- Irrigation System (Per Management)
- Landscape (Includes Landscape Light Fixtures)
- Light Fixtures, Exterior, Laurel Court Meeting Building and Pool Houses
- Mail Stations, Interim Paint Finish Applications and Repairs
- Paint Finishes, Touch-Up
- Pipes, Interior Building, Domestic Water, Sanitary Waste and Vent, Meeting House
- Pool Houses, Interim Roof Replacements
- Pump Houses, Exterior Renovations
- Pumps Less Than Five-HP (horsepower)

- Signage, Street, Traffic and Miscellaneous
- Valves (We assume replacement as needed in lieu of an aggregate replacement of all valves as a single event.)
- Water Heaters, Common
- Other Repairs normally funded through the Operating Budget

Certain items have been designated as the responsibility of others to repair or replace. Property Maintained by Others relates to:

- Asphalt Pavement, Parking Areas at Embassy Suites, Conference Center and Splash Park (Developer)
- Asphalt Pavement, Queensway Boulevard from Wetherby Way to Plantation Lakes Drive (Developer)
- Fence, Wood, South Perimeter (Developer)
- Gate Elements, South Entrance (Developer)
- Intercom Panel (Developer)
- Lift Station (Municipality)
- Light Poles and Fixtures with Serial Numbers (Santee Cooper)
- Parking Garages, Margate (Developer)
- Ponds, Maintenance and Sediment Removal (Developer)
- Pump House #5 (Developer)
- Residence Buildings and Townhomes (Separate Associations)
- The Landing Sport and Health Center and Associated Elements (Including Sport Courts) (Developer)
- Vehicles, Maintenance Carts (Leased)

3. RESERVE EXPENDITURES and FUNDING PLAN

The tables following this introduction present:

Reserve Expenditures

- Line item numbers
- Total quantities
- Quantities replaced per phase (in a single year)
- Reserve component inventory
- Estimated first year of event (i.e., replacement, application, etc.)
- Life analysis showing
  - useful life
  - remaining useful life
- 2022 local cost of replacement
  - Per unit
  - Per phase
  - Replacement of total quantity
- Percentage of future expenditures anticipated during the next 30 years
- Schedule of estimated future costs for each reserve component including inflation

Reserve Funding Plan

- Reserves at the beginning of each year
- Total recommended reserve contributions
- Estimated interest earned from invested reserves
- Anticipated expenditures by year
- Anticipated reserves at year end

Five-Year Outlook

- Line item numbers
- Reserve component inventory of only the expenditures anticipated to occur within the first five years
- Schedule of estimated future costs for each reserve component anticipated to occur within the first five years

The purpose of a Reserve Study is to provide an opinion of reasonable annual Reserve Contributions. Prediction of exact timing and costs of minor Reserve Expenditures typically will not significantly affect the 30-year cash flow analysis. Adjustments to the times and/or costs of expenditures may not always result in an adjustment in the recommended Reserve Contributions.

Financial statements prepared by your association, by you or others might rely in part on information contained in this section. For your convenience, we have provided an electronic data file containing the tables of ***Reserve Expenditures*** and ***Reserve Funding Plan***.

RESERVE EXPENDITURES

Kingston Plantation
Master Association, Inc.
Myrtle Beach, South Carolina

Explanatory Notes:

1) 3.5% is the estimated Inflation Rate for estimating Future Replacement Costs.

2) FY2022 is Fiscal Year beginning January 1, 2022 and ending December 31, 2022.

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years Useful	Remaining	Costs, $ Unit (2022)	Per Phase (2022)	Total (2022)	Percentage of Future Expenditures	RUL = 0 FY2022	1 2023	2 2024	3 2025	4 2026	5 2027	6 2028	7 2029	8 2030	9 2031	10 2032	11 2033	12 2034	13 2035	14 2036	15 2037
				Laurel Court Meeting Building Exterior Elements																							
1.015	1	1	Allowance	Awning, Canvas	2023	5 to 10	1	7,100.00	7,100	7,100	0.2%		7,348													11,895
1.020	1	1	Allowance	Awning, Canvas and Frame (Includes Light Fixtures)	2030	to 30	8	16,000.00	16,000	16,000	0.1%									21,069						
1.151	1	1	Allowance	Fences, Trash Enclosure, Wood with Chain Link Gates	2024	15 to 20	2	6,000.00	6,000	6,000	0.1%			6,427												
1.261	1	1	Each	Pergola, Wood, Front Elevation	2028	25 to 30	6	13,000.00	13,000	13,000	0.1%							15,980								
1.280	48	48	Squares	Roof Assemblies, Asphalt Shingles	2033	15 to 20	11	450.00	21,600	21,600	0.4%												31,535			
1.880	2,300	2,300	Square Feet	Walls, Stucco and Trim, Paint Finishes	2025	6 to 8	3	3.00	6,900	6,900	0.2%				7,650						9,404					11,560
1.980	560	560	Square Feet	Windows and Doors, Wood Frames	2048	to 40	26	55.00	30,800	30,800	0.3%															
				Laurel Court Meeting Building Interior Elements																							
2.061	1	1	Each	Air Handling Unit, Heating and Cooling Unit, Carrier, 7.5-ton, 2017	2035	15 to 20	13	11,400.00	11,400	11,400	0.1%														17,829		
2.062	1	1	Each	Air Handling Unit, Heating and Cooling Unit, ICP, 7.5-ton, 2014	2032	15 to 20	10	11,400.00	11,400	11,400	0.2%											16,081					
2.071	1	1	Each	Air Handling and Condensing Units, Split System, 4-ton	2038	15 to 20	16	6,600.00	6,600	6,600	0.0%																
2.200	280	280	Square Yards	Floor Coverings, Carpet (Includes Paint Finishes and Vinyl Tile)	2026	8 to 12	4	70.00	19,600	19,600	0.4%					22,491										31,726	
2.450	1	1	Allowance	Furnishings	2026	to 10	4	12,300.00	12,300	12,300	0.3%					14,115										19,910	
2.560	1	1	Allowance	Light Fixtures	2046	to 30	24	14,000.00	14,000	14,000	0.1%																
2.900	2	2	Each	Rest Rooms, Renovation	2028	to 20	6	12,500.00	25,000	25,000	0.1%							30,731								
2.921	260	260	Square Feet	Room Divider, Acoustical	2026	to 35	4	90.00	23,400	23,400	0.1%					26,852										
2.980	2,350	2,350	Square Feet	Wall Coverings	2036	to 20	14	4.50	10,575	10,575	0.1%															17,118	
				Property Site Elements																							
4.020	89,980	89,980	Square Yards	Asphalt Pavement, Crack Repair, Patch, Seal Coat and Striping	2023	3 to 5	1	2.20	197,956	197,956	8.2%		204,884				235,110								309,594		
4.040	89,980	29,993	Square Yards	Asphalt Pavement, Mill and Overlay, Phased	2030	15 to 20	8 to 10	16.00	479,893	1,439,680	8.1%									631,928	654,045	676,937					
4.045	89,980	29,993	Square Yards	Asphalt Pavement, Total Replacement, Phased	2050	15 to 20	28 to 30	32.50	974,783	2,924,350	32.8%																
4.051	9,000	9,000	Square Feet	Boardwalks, Wood, Complete Replacement	2024	to 35	2	50.00	450,000	450,000	2.0%			482,051													
4.052	9,000	9,000	Square Feet	Boardwalks, Wood, Decking, Railings and Light Fixtures	2041	12 to 18	19	23.00	207,000	207,000	1.6%																
4.053	550	550	Square Feet	Boardwalk Beach Access, Wood, Brighton, Complete Replacement	2025	to 35	3	61.40	33,770	33,770	0.2%				37,441											
4.054	550	550	Square Feet	Boardwalk Beach Access, Wood, Brighton, Decking, Railings and Light Fixtures	2042	12 to 18	20	20.00	11,000	11,000	0.1%																
4.055	340	340	Square Feet	Boardwalk Beach Access, Wood, Embassy Suites North, Complete Replacement	2025	to 35	3	61.40	20,876	20,876	0.1%				23,146											
4.056	340	340	Square Feet	Boardwalk Beach Access, Wood, Embassy Suites North, Decking, Railings and Light Fixtures	2042	12 to 18	20	20.00	6,800	6,800	0.1%																
4.057	625	625	Square Feet	Boardwalk Beach Access, Wood, Embassy Suites South, Complete Replacement	2025	to 35	3	61.40	38,375	38,375	0.2%				42,547											
4.058	625	625	Square Feet	Boardwalk Beach Access, Wood, Embassy Suites South, Decking, Railings and Light Fixtures	2042	12 to 18	20	20.00	12,500	12,500	0.1%																
4.059	675	675	Square Feet	Boardwalk Beach Access, Wood, Margate, Complete Replacement	2023	to 35	1	61.40	41,445	41,445	0.2%		42,896														
4.060	675	675	Square Feet	Boardwalk Beach Access, Wood, Margate, Decking, Railings and Light Fixtures	2040	12 to 18	18	20.00	13,500	13,500	0.1%																
4.061	700	700	Square Feet	Boardwalk Beach Access, Wood, North Hampton, Complete Replacement	2025	to 35	3	61.40	42,980	42,980	0.2%				47,653											
4.062	700	700	Square Feet	Boardwalk Beach Access, Wood, North Hampton, Decking, Railings and Light Fixtures	2042	12 to 18	20	20.00	14,000	14,000	0.1%																
4.063	275	275	Square Feet	Boardwalk Beach Access, Wood, South Hampton, Complete Replacement	2025	to 35	3	61.40	16,885	16,885	0.1%				18,721											
4.064	275	275	Square Feet	Boardwalk Beach Access, Wood, South Hampton, Decking, Railings and Light Fixtures	2042	12 to 18	20	20.00	5,500	5,500	0.0%																
4.068	1	1	Allowance	Bridge, Concrete, South Hampton to Embassy Suites, Inspections and Capital Repairs	2032	10 to 15	10	50,000.00	50,000	50,000	0.8%											70,530					
4.072	530	530	Square Feet	Bridge, Wood, Laurel Court East, Decking and Railings	2038	12 to 18	16	26.00	13,780	13,780	0.1%																
4.073	2,275	2,275	Square Feet	Bridge, Wood, Laurel Court West, Complete Replacement	2023	to 35	1	81.00	184,275	184,275	0.8%		190,725														
4.074	2,275	2,275	Square Feet	Bridge, Wood, Laurel Court West, Decking, Railings and Light Fixtures	2040	12 to 18	18	28.00	63,700	63,700	0.5%																
4.076	1,250	1,250	Square Feet	Bridge, Wood, North Hampton, Decking, Railings and Light Fixtures	2037	12 to 18	15	28.00	35,000	35,000	0.2%																58,637
4.078	1,725	1,725	Square Feet	Bridges, Wood, Plantation Lakes Drive, Decking and Railings	2034	12 to 18	12	26.00	44,850	44,850	0.8%														67,771		
4.079	850	850	Square Feet	Bridges, Wood, Sidewalks, Complete Replacement	2024	to 35	2	78.00	66,300	66,300	0.3%			71,022													
4.080	850	850	Square Feet	Bridges, Wood, Sidewalks, Decking and Railings	2041	12 to 18	19	26.00	22,100	22,100	0.2%																
4.081	560	560	Square Feet	Bridge, Wood, St. James Park, Complete Replacement	2023	to 35	1	78.00	43,680	43,680	0.2%		45,209														

RESERVE EXPENDITURES

Kingston Plantation
Master Association, Inc.
Myrtle Beach, South Carolina

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years Useful	Remaining	Costs, $ Unit (2022)	Per Phase (2022)	Total (2022)	Percentage of Future Expenditures	16 2038	17 2039	18 2040	19 2041	20 2042	21 2043	22 2044	23 2045	24 2046	25 2047	26 2048	27 2049	28 2050	29 2051	30 2052
				Laurel Court Meeting Building Exterior Elements																						
1.015	1	1	Allowance	Awning, Canvas	2023	5 to 10	1	7,100.00	7,100	7,100	0.2%							15,134							19,254	
1.020	1	1	Allowance	Awning, Canvas and Frame (Includes Light Fixtures)	2030	to 30	8	16,000.00	16,000	16,000	0.1%															
1.151	1	1	Allowance	Fences, Trash Enclosure, Wood with Chain Link Gates	2024	15 to 20	2	6,000.00	6,000	6,000	0.1%							12,789								
1.261	1	1	Each	Pergola, Wood, Front Elevation	2028	25 to 30	6	13,000.00	13,000	13,000	0.1%															
1.280	48	48	Squares	Roof Assemblies, Asphalt Shingles	2033	15 to 20	11	450.00	21,600	21,600	0.4%															60,627
1.880	2,300	2,300	Square Feet	Walls, Stucco and Trim, Paint Finishes	2025	6 to 8	3	3.00	6,900	6,900	0.2%						14,210						17,468			
1.980	560	560	Square Feet	Windows and Doors, Wood Frames	2048	to 40	26	55.00	30,800	30,800	0.3%											75,336				
				Laurel Court Meeting Building Interior Elements																						
2.061	1	1	Each	Air Handling Unit, Heating and Cooling Unit, Carrier, 7.5-ton, 2017	2035	15 to 20	13	11,400.00	11,400	11,400	0.1%															
2.062	1	1	Each	Air Handling Unit, Heating and Cooling Unit, ICP, 7.5-ton, 2014	2032	15 to 20	10	11,400.00	11,400	11,400	0.2%													29,870		
2.071	1	1	Each	Air Handling and Condensing Units, Split System, 4-ton	2038	15 to 20	16	6,600.00	6,600	6,600	0.0%	11,444														
2.200	280	280	Square Yards	Floor Coverings, Carpet (Includes Paint Finishes and Vinyl Tile)	2026	8 to 12	4	70.00	19,600	19,600	0.4%									44,753						
2.450	1	1	Allowance	Furnishings	2026	to 10	4	12,300.00	12,300	12,300	0.3%									28,085						
2.560	1	1	Allowance	Light Fixtures	2046	to 30	24	14,000.00	14,000	14,000	0.1%									31,967						
2.900	2	2	Each	Rest Rooms, Renovation	2028	to 20	6	12,500.00	25,000	25,000	0.1%															
2.921	260	260	Square Feet	Room Divider, Acoustical	2026	to 35	4	90.00	23,400	23,400	0.1%															
2.980	2,350	2,350	Square Feet	Wall Coverings	2036	to 20	14	4.50	10,575	10,575	0.1%															
				Property Site Elements																						
4.020	89,980	89,980	Square Yards	Asphalt Pavement, Crack Repair, Patch, Seal Coat and Striping	2023	3 to 5	1	2.20	197,956	197,956	8.2%		355,267				407,677			467,819						
4.040	89,980	29,993	Square Yards	Asphalt Pavement, Mill and Overlay, Phased	2030	15 to 20	8 to 10	16.00	479,893	1,439,680	8.1%															
4.045	89,980	29,993	Square Yards	Asphalt Pavement, Total Replacement, Phased	2050	15 to 20	28 to 30	32.50	974,783	2,924,350	32.8%													2,554,100	2,643,493	2,736,015
4.051	9,000	9,000	Square Feet	Boardwalks, Wood, Complete Replacement	2024	to 35	2	50.00	450,000	450,000	2.0%															
4.052	9,000	9,000	Square Feet	Boardwalks, Wood, Decking, Railings and Light Fixtures	2041	12 to 18	19	23.00	207,000	207,000	1.6%				397,958											
4.053	550	550	Square Feet	Boardwalk Beach Access, Wood, Brighton, Complete Replacement	2025	to 35	3	61.40	33,770	33,770	0.2%															
4.054	550	550	Square Feet	Boardwalk Beach Access, Wood, Brighton, Decking, Railings and Light Fixtures	2042	12 to 18	20	20.00	11,000	11,000	0.1%					21,888										
4.055	340	340	Square Feet	Boardwalk Beach Access, Wood, Embassy Suites North, Complete Replacement	2025	to 35	3	61.40	20,876	20,876	0.1%															
4.056	340	340	Square Feet	Boardwalk Beach Access, Wood, Embassy Suites North, Decking, Railings and Light Fixtures	2042	12 to 18	20	20.00	6,800	6,800	0.1%					13,531										
4.057	625	625	Square Feet	Boardwalk Beach Access, Wood, Embassy Suites South, Complete Replacement	2025	to 35	3	61.40	38,375	38,375	0.2%															
4.058	625	625	Square Feet	Boardwalk Beach Access, Wood, Embassy Suites South, Decking, Railings and Light Fixtures	2042	12 to 18	20	20.00	12,500	12,500	0.1%					24,872										
4.059	675	675	Square Feet	Boardwalk Beach Access, Wood, Margate, Complete Replacement	2023	to 35	1	61.40	41,445	41,445	0.2%															
4.060	675	675	Square Feet	Boardwalk Beach Access, Wood, Margate, Decking, Railings and Light Fixtures	2040	12 to 18	18	20.00	13,500	13,500	0.1%			25,076													
4.061	700	700	Square Feet	Boardwalk Beach Access, Wood, North Hampton, Complete Replacement	2025	to 35	3	61.40	42,980	42,980	0.2%															
4.062	700	700	Square Feet	Boardwalk Beach Access, Wood, North Hampton, Decking, Railings and Light Fixtures	2042	12 to 18	20	20.00	14,000	14,000	0.1%					27,857										
4.063	275	275	Square Feet	Boardwalk Beach Access, Wood, South Hampton, Complete Replacement	2025	to 35	3	61.40	16,885	16,885	0.1%															
4.064	275	275	Square Feet	Boardwalk Beach Access, Wood, South Hampton, Decking, Railings and Light Fixtures	2042	12 to 18	20	20.00	5,500	5,500	0.0%					10,944										
4.068	1	1	Allowance	Bridge, Concrete, South Hampton to Embassy Suites, Inspections and Capital Repairs	2032	10 to 15	10	50,000.00	50,000	50,000	0.8%										118,162					
4.072	530	530	Square Feet	Bridge, Wood, Laurel Court East, Decking and Railings	2038	12 to 18	16	26.00	13,780	13,780	0.1%	23,894														
4.073	2,275	2,275	Square Feet	Bridge, Wood, Laurel Court West, Complete Replacement	2023	to 35	1	81.00	184,275	184,275	0.8%															
4.074	2,275	2,275	Square Feet	Bridge, Wood, Laurel Court West, Decking, Railings and Light Fixtures	2040	12 to 18	18	28.00	63,700	63,700	0.5%			118,322													
4.076	1,250	1,250	Square Feet	Bridge, Wood, North Hampton, Decking, Railings and Light Fixtures	2037	12 to 18	15	28.00	35,000	35,000	0.2%															
4.078	1,725	1,725	Square Feet	Bridges, Wood, Plantation Lakes Drive, Decking and Railings	2034	12 to 18	12	26.00	44,850	44,850	0.8%														121,628	
4.079	850	850	Square Feet	Bridges, Wood, Sidewalks, Complete Replacement	2024	to 35	2	78.00	66,300	66,300	0.3%															
4.080	850	850	Square Feet	Bridges, Wood, Sidewalks, Decking and Railings	2041	12 to 18	19	26.00	22,100	22,100	0.2%				42,487											
4.081	560	560	Square Feet	Bridge, Wood, St. James Park, Complete Replacement	2023	to 35	1	78.00	43,680	43,680	0.2%															

RESERVE EXPENDITURES

Kingston Plantation
Master Association, Inc.
Myrtle Beach, South Carolina

Explanatory Notes:

1) 3.5% is the estimated Inflation Rate for estimating Future Replacement Costs.

2) FY2022 is Fiscal Year beginning January 1, 2022 and ending December 31, 2022.

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years Useful	Remaining	Costs, $ Unit (2022)	Per Phase (2022)	Total (2022)	Percentage of Future Expenditures	RUL = 0 FY2022	1 2023	2 2024	3 2025	4 2026	5 2027	6 2028	7 2029	8 2030	9 2031	10 2032	11 2033	12 2034	13 2035	14 2036	15 2037
4.082	560	560	Square Feet	Bridge, Wood, St. James Park, Decking and Railings	2040	12 to 18	18	26.00	14,560	14,560	0.1%																
4.084	275	275	Square Feet	Bridge, Wood, West Hyde Park Mailbox Station, Decking and Railings	2037	12 to 18	15	26.00	7,150	7,150	0.0%																11,979
4.140	125,600	2,025	Square Feet	Concrete Sidewalks, Partial	2022	to 65	0 to 30+	10.00	20,250	1,256,000	4.6%	20,250	20,959	21,693	22,452	23,238	24,051	24,893	25,764	26,666	27,599	28,565	29,565	30,599	31,670	32,779	33,926
4.200	100	100	Linear Feet	Fence, Aluminum, Margate	2048	to 30	26	52.00	5,200	5,200	0.1%																
4.201	855	855	Linear Feet	Fence, Aluminum, West Perimeter, 2013	2043	to 30	21	52.00	44,460	44,460	0.4%																
4.202	1,000	1,000	Linear Feet	Fence, Aluminum, West Perimeter, 2019	2049	to 30	27	36.00	36,000	36,000	0.4%																
4.285	400	400	Linear Feet	Fences, Wood, Gloucester	2022	to 30	0	90.00	36,000	36,000	0.6%	36,000															
4.286	2,470	2,470	Linear Feet	Fence, Wood, North Perimeter	2022	to 15	0	30.40	75,088	75,088	1.7%	75,000															125,799
4.291	2,625	2,625	Square Feet	Fountain, Finish Applications and Concrete Repairs	2023	8 to 12	1	20.00	52,500	52,500	1.1%		54,337											82,108			
4.310	2	2	Each	Gate Entry System, Barcode Readers	2023	to 5	1	9,000.00	18,000	18,000	0.3%		18,630										26,279				
4.311	1	1	Allowance	Gate Entry System, Canterbury III	2033	to 15	11	5,800.00	5,800	5,800	0.1%												8,468				
4.315	1	1	Allowance	Gate House, Complete Renovation	2047	to 30	25	30,000.00	30,000	30,000	0.3%																
4.316	1	1	Allowance	Gate House, Partial Renovation	2027	to 10	5	7,500.00	7,500	7,500	0.1%						8,908										12,565
4.320	6	6	Each	Gate Operators, Swing-Arms	2025	to 7	3	4,000.00	24,000	24,000	0.7%				26,609							33,854					
4.360	1	1	Each	Gazebo, Richmond Park, Renovations	2040	to 25	18	10,800.00	10,800	10,800	0.1%																
4.371	230	230	Linear Feet	Guardrail, Wood, Plantation Lakes Drive	2030	to 30	8	34.00	7,820	7,820	0.0%									10,297							
4.410	6	1	Allowance	Irrigation System, Pumps and Controls, Phased	2023	to 20	1 to 16	18,200.00	18,200	109,200	1.3%		18,837			20,885			23,155			25,673			28,464		
4.541	200	50	Each	Light Fixtures, Bollards, Phased	2023	to 25	1 to 4	525.00	26,250	105,000	0.5%		27,169	28,120	29,104	30,122											
4.551	316	79	Each	Light Fixtures, Mushroom, Phased	2023	to 25	1 to 4	175.00	13,825	55,300	0.2%		14,309	14,810	15,328	15,865											
4.560	214	54	Each	Light Poles and Fixtures, Phased	2023	to 30	1 to 4	3,500.00	187,250	749,000	3.4%		193,804	200,587	207,607	214,874											
4.600	13	13	Each	Mail Station, Richmond Park, Mailbox Stations	2027	to 25	5	2,100.00	27,300	27,300	0.5%						32,424										
4.601	24	24	Each	Mail Station, West Hyde Park, Mailbox Stations	2028	to 25	6	3,100.00	74,400	74,400	0.4%							91,457									
4.605	1	1	Allowance	Mail Station, Richmond Park, Renovation	2039	15 to 20	17	10,000.00	10,000	10,000	0.1%																
4.606	1	1	Allowance	Mail Station, West Hyde Park, Renovation	2039	15 to 20	17	12,000.00	12,000	12,000	0.1%																
4.611	1	1	Allowance	Maintenance Building, Partial Renovation	2032	to 20	10	25,000.00	25,000	25,000	0.4%											35,265					
4.620	1,760	1,760	Square Feet	Pavers, Masonry	2037	15 to 20	15	19.00	33,440	33,440	0.2%																56,024
4.700	13	3	Each	Ponds, Aerators, Bubblers, Phased	2027	to 10	5 to 11	4,500.00	14,625	58,500	1.2%						17,370		18,607		19,932		21,352				24,502
4.701	3	3	Each	Ponds, Aerators, Fountains, Phased (Replace with Bubblers)	2023	to 10	1	4,500.00	13,500	13,500	0.1%		13,972														
4.711	8,670	8,670	Square Feet	Ponds, Bulkheads, Timber, Capital Repairs	2034	10 to 15	12	20.00	173,400	173,400	2.7%													262,019			
4.712	3,560	3,560	Square Feet	Ponds, Bulkheads, Timber, Replacement, 2022	2022	to 35	0	91.50	325,740	325,740	1.3%	325,740															
4.713	5,120	5,120	Square Feet	Ponds, Bulkheads, Timber, Replacement, 2023	2023	to 35	1	94.50	483,840	483,840	2.1%		500,774														
4.761	1	1	Allowance	Security System, Surveillance System	2027	to 10	5	10,500.00	10,500	10,500	0.2%						12,471										17,591
4.800	1	1	Allowance	Signage, Monuments, Sub-Associations	2024	to 25	2	185,000.00	185,000	185,000	2.8%			198,177													
4.810	4	1	Allowance	Signage, Street and Traffic, Phased	2026	15 to 20	4 to 19	30,000.00	30,000	120,000	1.4%					34,426					40,887				48,561		
				Beach Pool Elements																							
6.200	5,200	5,200	Square Feet	Concrete Deck, Textured Coating, Partial Replacements and Repairs	2023	8 to 12	1	5.50	28,600	28,600	0.5%		29,601										41,755				
6.500	1	1	Allowance	Furniture	2023	to 5	1	15,100.00	15,100	15,100	0.6%		15,628					18,562					22,046				
6.600	5	1	Allowance	Mechanical Equipment, Both Pools, Phased (Includes Fountain Equipment)	2024	to 15	2 to 14	6,800.00	6,800	34,000	0.5%			7,284			8,076			8,954			9,928			11,007	
6.601	1	1	Each	Mechanical Equipment, Enclosure	2024	to 25	2	5,200.00	5,200	5,200	0.1%			5,570													
6.751	2	2	Each	Rest Rooms, Renovation (Includes Doors)	2039	to 20	17	9,500.00	19,000	19,000	0.1%																
6.761	775	775	Square Feet	Pool House, Roofs, Thermoplastic	2028	15 to 20	6	15.00	11,625	11,625	0.2%							14,290									
6.771	4,600	4,600	Square Feet	Pool House, Walls, EIFS, Paint Finishes and Capital Repairs (Includes Stand-Alone Walls)	2023	6 to 8	1	4.25	19,550	19,550	0.7%		20,234						24,873					30,575			
6.800	1,600	1,600	Square Feet	Pool Finish, Plaster	2029	8 to 12	7	14.00	22,400	22,400	0.3%								28,499								
6.800	165	165	Square Feet	Pool Finish, Tile	2039	15 to 25	17	40.00	6,600	6,600	0.0%																
6.900	1,600	1,600	Square Feet	Structure and Deck, Total Replacement	2049	to 60	27	180.00	288,000	288,000	3.0%																

RESERVE EXPENDITURES

Kingston Plantation
Master Association, Inc.
Myrtle Beach, South Carolina

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years Useful	Remaining	Costs, $ Unit (2022)	Per Phase (2022)	Total (2022)	Percentage of Future Expenditures	16 2038	17 2039	18 2040	19 2041	20 2042	21 2043	22 2044	23 2045	24 2046	25 2047	26 2048	27 2049	28 2050	29 2051	30 2052
4.082	560	560	Square Feet	Bridge, Wood, St. James Park, Decking and Railings	2040	12 to 18	18	26.00	14,560	14,560	0.1%			27,045												
4.084	275	275	Square Feet	Bridge, Wood, West Hyde Park Mailbox Station, Decking and Railings	2037	12 to 18	15	26.00	7,150	7,150	0.0%															
4.140	125,600	2,025	Square Feet	Concrete Sidewalks, Partial	2022	to 65	0 to 30+	10.00	20,250	1,256,000	4.6%	35,113	36,342	37,614	38,931	40,293	41,704	43,163	44,674	46,238	47,856	49,531	51,264	53,059	54,916	56,838
4.200	100	100	Linear Feet	Fence, Aluminum, Margate	2048	to 30	26	52.00	5,200	5,200	0.1%											12,719				
4.201	855	855	Linear Feet	Fence, Aluminum, West Perimeter, 2013	2043	to 30	21	52.00	44,460	44,460	0.4%						91,562									
4.202	1,000	1,000	Linear Feet	Fence, Aluminum, West Perimeter, 2019	2049	to 30	27	36.00	36,000	36,000	0.4%												91,136			
4.285	400	400	Linear Feet	Fences, Wood, Gloucester	2022	to 30	0	90.00	36,000	36,000	0.6%															101,045
4.286	2,470	2,470	Linear Feet	Fence, Wood, North Perimeter	2022	to 15	0	30.40	75,088	75,088	1.7%															210,757
4.291	2,625	2,625	Square Feet	Fountain, Finish Applications and Concrete Repairs	2023	8 to 12	1	20.00	52,500	52,500	1.1%										124,070					
4.310	2	2	Each	Gate Entry System, Barcode Readers	2023	to 5	1	9,000.00	18,000	18,000	0.3%						37,070									
4.311	1	1	Allowance	Gate Entry System, Canterbury III	2033	to 15	11	5,800.00	5,800	5,800	0.1%											14,187				
4.315	1	1	Allowance	Gate House, Complete Renovation	2047	to 30	25	30,000.00	30,000	30,000	0.3%										70,897					
4.316	1	1	Allowance	Gate House, Partial Renovation	2027	to 10	5	7,500.00	7,500	7,500	0.1%															
4.320	6	6	Each	Gate Operators, Swing-Arms	2025	to 7	3	4,000.00	24,000	24,000	0.7%		43,072							54,800						
4.360	1	1	Each	Gazebo, Richmond Park, Renovations	2040	to 25	18	10,800.00	10,800	10,800	0.1%			20,061												
4.371	230	230	Linear Feet	Guardrail, Wood, Plantation Lakes Drive	2030	to 30	8	34.00	7,820	7,820	0.0%															
4.410	6	1	Allowance	Irrigation System, Pumps and Controls, Phased	2023	to 20	1 to 16	18,200.00	18,200	109,200	1.3%	31,559			34,990			38,794			43,011			47,687		
4.541	200	50	Each	Light Fixtures, Bollards, Phased	2023	to 25	1 to 4	525.00	26,250	105,000	0.5%															
4.551	316	79	Each	Light Fixtures, Mushroom, Phased	2023	to 25	1 to 4	175.00	13,825	55,300	0.2%															
4.560	214	54	Each	Light Poles and Fixtures, Phased	2023	to 30	1 to 4	3,500.00	187,250	749,000	3.4%															
4.600	13	13	Each	Mail Station, Richmond Park, Mailbox Stations	2027	to 25	5	2,100.00	27,300	27,300	0.5%															76,625
4.601	24	24	Each	Mail Station, West Hyde Park, Mailbox Stations	2028	to 25	6	3,100.00	74,400	74,400	0.4%															
4.605	1	1	Allowance	Mail Station, Richmond Park, Renovation	2039	15 to 20	17	10,000.00	10,000	10,000	0.1%		17,947													
4.606	1	1	Allowance	Mail Station, West Hyde Park, Renovation	2039	15 to 20	17	12,000.00	12,000	12,000	0.1%		21,536													
4.611	1	1	Allowance	Maintenance Building, Partial Renovation	2032	to 20	10	25,000.00	25,000	25,000	0.4%															70,170
4.620	1,760	1,760	Square Feet	Pavers, Masonry	2037	15 to 20	15	19.00	33,440	33,440	0.2%															
4.700	13	3	Each	Ponds, Aerators, Bubblers, Phased	2027	to 10	5 to 11	4,500.00	14,625	58,500	1.2%		26,247		28,117		30,119				34,562		37,024		39,661	
4.701	3	3	Each	Ponds, Aerators, Fountains, Phased (Replace with Bubblers)	2023	to 10	1	4,500.00	13,500	13,500	0.1%															
4.711	8,670	8,670	Square Feet	Ponds, Bulkheads, Timber, Capital Repairs	2034	10 to 15	12	20.00	173,400	173,400	2.7%									395,929						
4.712	3,560	3,560	Square Feet	Ponds, Bulkheads, Timber, Replacement, 2022	2022	to 35	0	91.50	325,740	325,740	1.3%															
4.713	5,120	5,120	Square Feet	Ponds, Bulkheads, Timber, Replacement, 2023	2023	to 35	1	94.50	483,840	483,840	2.1%															
4.761	1	1	Allowance	Security System, Surveillance System	2027	to 10	5	10,500.00	10,500	10,500	0.2%										24,814					
4.800	1	1	Allowance	Signage, Monuments, Sub-Associations	2024	to 25	2	185,000.00	185,000	185,000	2.8%												468,340			
4.810	4	1	Allowance	Signage, Street and Traffic, Phased	2026	15 to 20	4 to 19	30,000.00	30,000	120,000	1.4%				57,675					68,500					81,356	
				Beach Pool Elements																						
6.200	5,200	5,200	Square Feet	Concrete Deck, Textured Coating, Partial Replacements and Repairs	2023	8 to 12	1	5.50	28,600	28,600	0.5%						58,900									
6.500	1	1	Allowance	Furniture	2023	to 5	1	15,100.00	15,100	15,100	0.6%	26,183					31,097					36,934				
6.600	5	1	Allowance	Mechanical Equipment, Both Pools, Phased (Includes Fountain Equipment)	2024	to 15	2 to 14	6,800.00	6,800	34,000	0.5%		12,204			13,531			15,002			16,633			18,441	
6.601	1	1	Each	Mechanical Equipment, Enclosure	2024	to 25	2	5,200.00	5,200	5,200	0.1%												13,164			
6.751	2	2	Each	Rest Rooms, Renovation (Includes Doors)	2039	to 20	17	9,500.00	19,000	19,000	0.1%		34,099													
6.761	775	775	Square Feet	Pool House, Roofs, Thermoplastic	2028	15 to 20	6	15.00	11,625	11,625	0.2%											28,434				
6.771	4,600	4,600	Square Feet	Pool House, Walls, EIFS, Paint Finishes and Capital Repairs (Includes Stand-Alone Walls)	2023	6 to 8	1	4.25	19,550	19,550	0.7%				37,585						46,201					
6.800	1,600	1,600	Square Feet	Pool Finish, Plaster	2029	8 to 12	7	14.00	22,400	22,400	0.3%		40,201													
6.800	165	165	Square Feet	Pool Finish, Tile	2039	15 to 25	17	40.00	6,600	6,600	0.0%		11,845													
6.900	1,600	1,600	Square Feet	Structure and Deck, Total Replacement	2049	to 60	27	180.00	288,000	288,000	3.0%												729,091			

RESERVE EXPENDITURES

Kingston Plantation
Master Association, Inc.
Myrtle Beach, South Carolina

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Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years Useful	Life Analysis, Years Remaining	Costs, $ Unit (2022)	Costs, $ Per Phase (2022)	Costs, $ Total (2022)	Percentage of Future Expenditures	RUL = 0 FY2022	1 2023	2 2024	3 2025	4 2026	5 2027	6 2028	7 2029	8 2030	9 2031	10 2032	11 2033	12 2034	13 2035	14 2036	15 2037
				St. James Pool Elements																							
7.200	2,650	2,650	Square Feet	Concrete Deck, Textured Coating, Partial Replacements and Repairs	2023	8 to 12	1	5.50	14,575	14,575	0.3%		15,085										21,279				
7.300	1,770	1,770	Square Feet	Cover, Vinyl	2025	to 10	3	3.75	6,638	6,638	0.1%				7,359									10,381			
7.400	230	230	Linear Feet	Fence, Wood	2024	20 to 25	2	47.00	10,810	10,810	0.2%			11,580													
7.500	1	1	Allowance	Furniture	2023	to 5	1	16,100.00	16,100	16,100	0.7%		16,664					19,791					23,506				
7.561	4	4	Each	Light Poles and Fixtures	2023	to 25	1	3,400.00	13,600	13,600	0.2%		14,076														
7.751	2	2	Each	Rest Rooms, Renovation (Includes Doors)	2039	to 20	17	9,500.00	19,000	19,000	0.1%																
7.761	9	9	Squares	Pool House, Roof, Asphalt Shingles	2040	15 to 20	18	600.00	5,400	5,400	0.0%																
7.771	1,600	1,600	Square Feet	Pool House, Walls, Wood Siding, Replacement (Replace with Fiber Cement)	2025	to 40	3	12.00	19,200	19,200	0.1%				21,287												
7.800	1,000	1,000	Square Feet	Pool Finish, Plaster	2029	8 to 12	7	14.00	14,000	14,000	0.2%								17,812								
7.800	160	160	Square Feet	Pool Finish, Tile	2039	15 to 25	17	40.00	6,400	6,400	0.0%																
7.900	1,000	1,000	Square Feet	Structure and Deck, Total Replacement	2049	to 60	27	180.00	180,000	180,000	1.9%																
				Anticipated Expenditures, By Year ($24,176,285 over 30 years)								456,990	1,465,141	1,047,321	506,904	402,868	338,410	215,704	138,710	698,914	751,867	886,905	235,713	360,389	510,621	161,101	364,478

RESERVE EXPENDITURES

Kingston Plantation
Master Association, Inc.
Myrtle Beach, South Carolina

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years Useful	Remaining	Costs, $ Unit (2022)	Per Phase (2022)	Total (2022)	Percentage of Future Expenditures	16 2038	17 2039	18 2040	19 2041	20 2042	21 2043	22 2044	23 2045	24 2046	25 2047	26 2048	27 2049	28 2050	29 2051	30 2052
				St. James Pool Elements																						
7.200	2,650	2,650	Square Feet	Concrete Deck, Textured Coating, Partial Replacements and Repairs	2023	8 to 12	1	5.50	14,575	14,575	0.3%						30,016									
7.300	1,770	1,770	Square Feet	Cover, Vinyl	2025	to 10	3	3.75	6,638	6,638	0.1%								14,643							
7.400	230	230	Linear Feet	Fence, Wood	2024	20 to 25	2	47.00	10,810	10,810	0.2%												27,366			
7.500	1	1	Allowance	Furniture	2023	to 5	1	16,100.00	16,100	16,100	0.7%	27,917					33,157					39,380				
7.561	4	4	Each	Light Poles and Fixtures	2023	to 25	1	3,400.00	13,600	13,600	0.2%											33,265				
7.751	2	2	Each	Rest Rooms, Renovation (Includes Doors)	2039	to 20	17	9,500.00	19,000	19,000	0.1%		34,099													
7.761	9	9	Squares	Pool House, Roof, Asphalt Shingles	2040	15 to 20	18	600.00	5,400	5,400	0.0%			10,030												
7.771	1,600	1,600	Square Feet	Pool House, Walls, Wood Siding, Replacement (Replace with Fiber Cement)	2025	to 40	3	12.00	19,200	19,200	0.1%															
7.800	1,000	1,000	Square Feet	Pool Finish, Plaster	2029	8 to 12	7	14.00	14,000	14,000	0.2%		25,125													
7.800	160	160	Square Feet	Pool Finish, Tile	2039	15 to 25	17	40.00	6,400	6,400	0.0%		11,486													
7.900	1,000	1,000	Square Feet	Structure and Deck, Total Replacement	2049	to 60	27	180.00	180,000	180,000	1.9%												455,682			
				Anticipated Expenditures, By Year ($24,176,285 over 30 years)								156,110	669,470	238,148	637,743	152,916	775,512	109,880	74,319	670,272	977,392	306,419	1,890,535	2,684,716	2,978,749	3,312,077

RESERVE FUNDING PLAN

CASH FLOW ANALYSIS
Kingston Plantation
Master Association, Inc.
Myrtle Beach, South Carolina

Individual Reserve Budgets & Cash Flows for the Next 30 Years

		FY2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Reserves at Beginning of Year	*(Note 1)*	2,441,903	2,387,326	1,349,052	742,676	691,790	760,848	910,974	1,201,126	1,586,310	1,429,703	1,238,871	932,351	1,297,353	1,558,991	1,692,295	2,197,938
Total Recommended Reserve Contributions	*(Note 2)*	400,000	425,000	439,900	455,300	471,200	487,700	504,800	522,500	540,800	559,700	579,300	599,600	620,600	642,300	664,800	688,100
Estimated Interest Earned, During Year	*(Note 3)*	2,413	1,867	1,045	717	726	835	1,056	1,393	1,507	1,334	1,085	1,114	1,427	1,625	1,944	2,360
Anticipated Expenditures, By Year		(456,990)	(1,465,141)	(1,047,321)	(506,904)	(402,868)	(338,410)	(215,704)	(138,710)	(698,914)	(751,867)	(886,905)	(235,713)	(360,389)	(510,621)	(161,101)	(364,478)
Anticipated Reserves at Year End		$2,387,326	$1,349,052	$742,676	$691,790	$760,848	$910,974	$1,201,126	$1,586,310	$1,429,703	$1,238,871	$932,351	$1,297,353	$1,558,991	$1,692,295	$2,197,938	$2,523,920

(continued)

Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued

	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
Reserves at Beginning of Year	2,523,920	3,082,812	3,153,559	3,681,727	3,837,343	4,505,796	4,580,625	5,351,108	6,188,556	6,462,307	6,461,874	7,166,767	6,322,673	4,719,575	2,858,414
Total Recommended Reserve Contributions	712,200	737,100	762,900	789,600	817,200	845,800	875,400	906,000	937,700	970,500	1,004,500	1,039,700	1,076,100	1,113,800	1,152,800
Estimated Interest Earned, During Year	2,802	3,117	3,416	3,758	4,169	4,541	4,963	5,767	6,322	6,459	6,811	6,741	5,518	3,787	1,779
Anticipated Expenditures, By Year	(156,110)	(669,470)	(238,148)	(637,743)	(152,916)	(775,512)	(109,880)	(74,319)	(670,272)	(977,392)	(306,419)	(1,890,535)	(2,684,716)	(2,978,749)	(3,312,077)
Anticipated Reserves at Year End	$3,082,812	$3,153,559	$3,681,727	$3,837,343	$4,505,796	$4,580,625	$5,351,108	$6,188,556	$6,462,307	$6,461,874	$7,166,767	$6,322,673	$4,719,575	$2,858,414	$700,916
															(NOTES 4&5)

Explanatory Notes:

1) Year 2022 starting reserves are as of January 1, 2022; FY2022 starts January 1, 2022 and ends December 31, 2022.
2) Reserve Contributions for 2022 are budgeted; 2023 is the first year of recommended contributions.
3) 0.1% is the estimated annual rate of return on invested reserves.
4) Accumulated year 2052 ending reserves consider the age, size, overall condition and complexity of the property.
5) Threshold Funding Year (reserve balance at critical point).

*Refer to the Reserve Expenditures pages for the full list of reserve elements

FIVE-YEAR OUTLOOK

Kingston Plantation
Master Association, Inc.
Myrtle Beach, South Carolina

Line Item	Reserve Component Inventory	RUL = 0 FY2022	1 2023	2 2024	3 2025	4 2026	5 2027
	Laurel Court Meeting Building Exterior Elements						
1.015	Awning, Canvas		7,348				
1.151	Fences, Trash Enclosure, Wood with Chain Link Gates			6,427			
1.880	Walls, Stucco and Trim, Paint Finishes				7,650		
	Laurel Court Meeting Building Interior Elements						
2.200	Floor Coverings, Carpet (Includes Paint Finishes and Vinyl Tile)					22,491	
2.450	Furnishings					14,115	
2.921	Room Divider, Acoustical					26,852	
	Property Site Elements						
4.020	Asphalt Pavement, Crack Repair, Patch, Seal Coat and Striping		204,884				235,110
4.051	Boardwalks, Wood, Complete Replacement			482,051			
4.053	Boardwalk Beach Access, Wood, Brighton, Complete Replacement				37,441		
4.055	Boardwalk Beach Access, Wood, Embassy Suites North, Complete Replacement				23,146		
4.057	Boardwalk Beach Access, Wood, Embassy Suites South, Complete Replacement				42,547		
4.059	Boardwalk Beach Access, Wood, Margate, Complete Replacement		42,896				
4.061	Boardwalk Beach Access, Wood, North Hampton, Complete Replacement				47,653		
4.063	Boardwalk Beach Access, Wood, South Hampton, Complete Replacement				18,721		
4.073	Bridge, Wood, Laurel Court West, Complete Replacement		190,725				
4.079	Bridges, Wood, Sidewalks, Complete Replacement			71,022			
4.081	Bridge, Wood, St. James Park, Complete Replacement		45,209				
4.140	Concrete Sidewalks, Partial	20,250	20,959	21,693	22,452	23,238	24,051
4.285	Fences, Wood, Gloucester	36,000					
4.286	Fence, Wood, North Perimeter	75,000					
4.291	Fountain, Finish Applications and Concrete Repairs		54,337				
4.310	Gate Entry System, Barcode Readers		18,630				
4.316	Gate House, Partial Renovation						8,908
4.320	Gate Operators, Swing-Arms				26,609		
4.410	Irrigation System, Pumps and Controls, Phased		18,837			20,885	
4.541	Light Fixtures, Bollards, Phased		27,169	28,120	29,104	30,122	
4.551	Light Fixtures, Mushroom, Phased		14,309	14,810	15,328	15,865	
4.560	Light Poles and Fixtures, Phased		193,804	200,587	207,607	214,874	
4.600	Mail Station, Richmond Park, Mailbox Stations						32,424
4.700	Ponds, Aerators, Bubblers, Phased						17,370
4.701	Ponds, Aerators, Fountains, Phased (Replace with Bubblers)		13,972				
4.712	Ponds, Bulkheads, Timber, Replacement, 2022	325,740					
4.713	Ponds, Bulkheads, Timber, Replacement, 2023		500,774				
4.761	Security System, Surveillance System						12,471
4.800	Signage, Monuments, Sub-Associations			198,177			
4.810	Signage, Street and Traffic, Phased					34,426	

FIVE-YEAR OUTLOOK

Kingston Plantation
Master Association, Inc.
Myrtle Beach, South Carolina

Line Item	Reserve Component Inventory	RUL = 0 FY2022	1 2023	2 2024	3 2025	4 2026	5 2027
	Beach Pool Elements						
6.200	Concrete Deck, Textured Coating, Partial Replacements and Repairs		29,601				
6.500	Furniture		15,628				
6.600	Mechanical Equipment, Both Pools, Phased (Includes Fountain Equipment)			7,284			8,076
6.601	Mechanical Equipment, Enclosure			5,570			
6.771	Pool House, Walls, EIFS, Paint Finishes and Capital Repairs (Includes Stand-Alone Walls)		20,234				
	St. James Pool Elements						
7.200	Concrete Deck, Textured Coating, Partial Replacements and Repairs		15,085				
7.300	Cover, Vinyl				7,359		
7.400	Fence, Wood			11,580			
7.500	Furniture		16,664				
7.561	Light Poles and Fixtures		14,076				
7.771	Pool House, Walls, Wood Siding, Replacement (Replace with Fiber Cement)				21,287		
	Anticipated Expenditures, By Year ($24,176,285 over 30 years)	456,990	1,465,141	1,047,321	506,904	402,868	338,410

4. RESERVE COMPONENT DETAIL

The Reserve Component Detail of this *Reserve Study* includes enhanced solutions and procedures for select significant components. This section describes the Reserve Components, documents specific problems and condition assessments, and may include detailed solutions and procedures for necessary capital repairs and replacements for the benefit of current and future board members. We advise the Board use this information to help define the scope and procedures for repair or replacement when soliciting bids or proposals from contractors. *However, the Report in whole or part is not and should not be used as a design specification or design engineering service*.

Laurel Court Meeting House Exterior Building Elements

Meeting House rear elevation

Meeting House front elevation

Awnings

Line Items: 1.015 and 1.020

Quantity: One canvas awnings with metal frames

History: The canvas was last replaced in 2017.

Condition: Fair overall with rust evident. The Association informs us of plans to replace the awning in the near future.

Awning

Rust evident

Useful Life: 5- to 10-years for the canvas and up to 30 years for the frame

Priority/Criticality: Per Management discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3.

Fences, Trash Enclosure, Wood with Chain Link Fence

Line Item: 1.151

Quantity: 70 linear feet of shadow box wood fences. The enclosure utilizes four chain link gates and approximately 730 square feet of concrete flatwork.

History: Components vary in age

Condition: Fair overall with loose boards evident. The Association informs us of plans to conduct minor repairs funded through the operating budget in the near future.

Loose board

Trash enclosure fence

Useful Life: 15- to 20-years

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
  - Inspect and repair loose sections, finish deterioration and damage
  - Repair leaning sections and clear vegetation from fence areas which could cause damage

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. The Association should anticipate periodic partial replacements due to the non-uniform nature of wood deterioration. Along with these partial replacements, the Association should apply periodic paint applications as needed and fund these activities through the operating budget.

Pergolas, Wood

Line Item: 1.261

Quantity: One wood pergola at the front entrance of the building that comprises approximately 420 square feet

History: Assumed original. Repairs have been conducted as needed.

Condition: Fair overall. The Association informs us of plans to conduct minor repairs funded through the operating budget in the near future.

Pergola

Pergola

Useful Life: 25- to 30-years with periodic maintenance

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
  - Inspect for wood deterioration, and loose or missing fasteners
- Every three years:
  - Power wash with algaecide and application of sealer/stain

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. We recommend the Association budget for paint applications and repairs through the operating budget.

Roof Assemblies, Asphalt Shingles

Line Item: 1.280

Quantity: Approximately 48 *squares*[1]

History: Replaced in 2013.

Condition: Good to fair overall with recent repairs evident from our visual inspection from the ground. Management does not report any active leaks.

[1] We quantify the roof area in squares where one square is equal to 100 square feet of surface area.

Meeting House roof – repairs evident

Meeting House roof

Meeting House roof

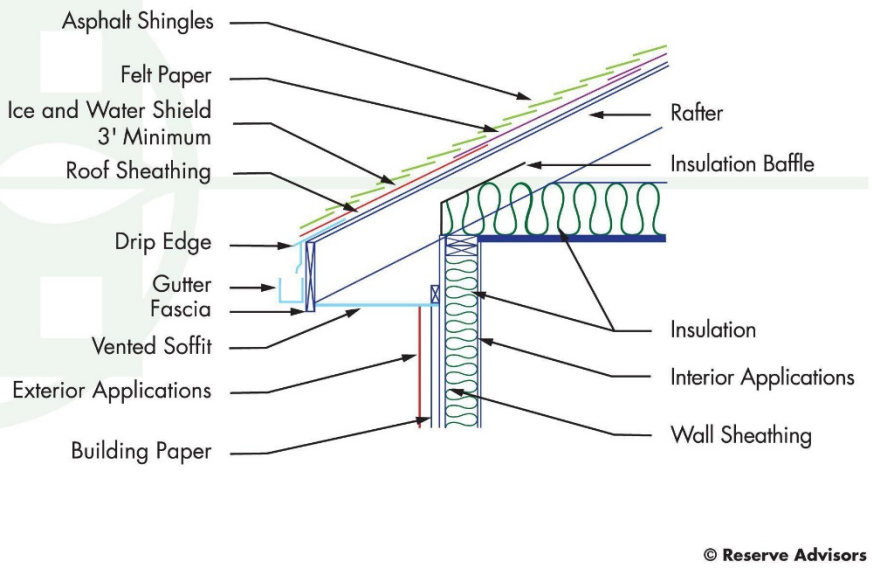
Useful Life: 15- to 20-years

Component Detail Notes: The existing roof assembly comprises the following:

- Laminate architectural shingles
- Boston style ridge caps
- Rubber seal with plastic base boot flashing at waste pipes
- Metal drip edge
- Enclosed full weaved valleys

The following cross-sectional schematic illustrates a typical asphalt shingle roof system although it may not reflect the actual configuration at Kingston Plantation:

ROOF SCHEMATIC



Contractors use one of two methods for replacement of sloped roofs, either an overlayment or a tear-off. Overlayment is the application of new shingles over an existing roof. However, there are many disadvantages to overlayment including hidden defects of the underlying roof system, absorption of more heat resulting in accelerated deterioration of the new and old shingles, and an uneven visual appearance. Therefore, we recommend only the tear-off method of replacement. The tear-off method of replacement includes removal of the existing shingles, flashings if required and underlayments.

The Association should plan to coordinate the replacement of gutters and downspouts with the adjacent roofs. This will result in the most economical unit price and minimize the possibility of damage to other roof components as compared to separate replacements.

Preventative Maintenance Notes: We recommend the Association maintain a service and inspection contract with a qualified professional and record all documentation of repairs conducted. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
    - Record any areas of water infiltration, flashing deterioration, damage or loose shingles
    - Implement repairs as needed if issues are reoccurring
    - Trim tree branches that are near or in contact with roof
- As-needed:

- Ensure proper ventilation and verify vents are clear of debris and not blocked from attic insulation

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3.

Walls, Stucco

Line Item: 1.880

Quantity: Approximately 2,300 square feet of the building exterior

History: The Association last painted the building in 2019

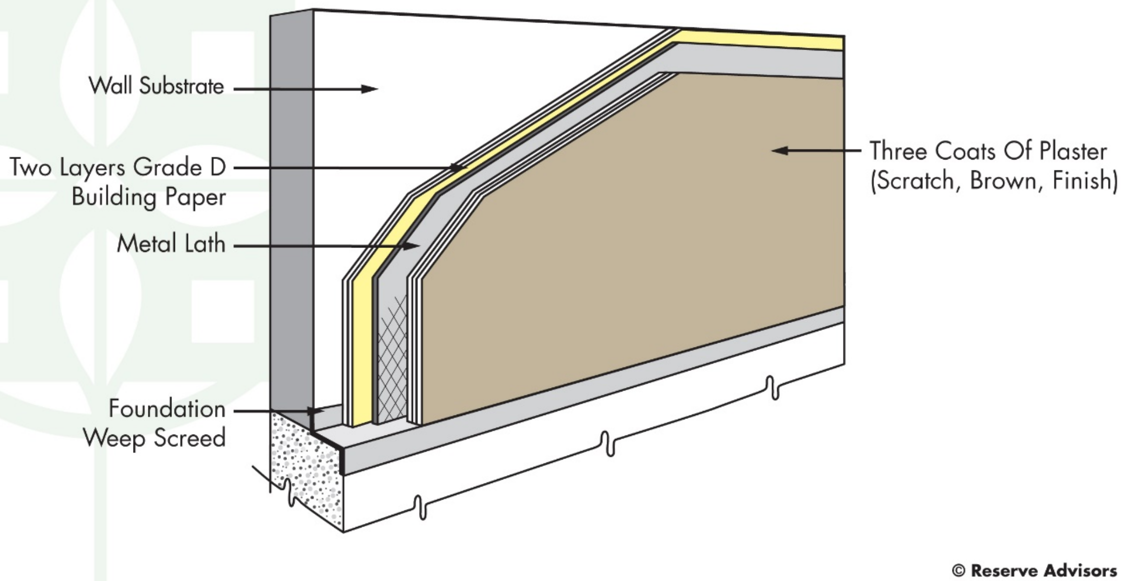
Condition: Good overall with the exception of the adjacent stand-alone walls, which are in poor overall condition. We note multiple areas of cracks and poor finishes.

Stucco overview

Useful Life: We recommend inspections, repairs and paint finish applications every six- to eight-years.

Component Detail Notes: The following graphic details the typical components of a stucco wall system on frame construction although it may not reflect the actual configuration at Kingston Plantation:

STUCCO DETAIL



Correct and complete preparation of the surface before application of the paint finish maximizes the useful life of the paint finish and surface. The contractor should remove all loose, peeled or blistered paint before application of the new paint finish. The contractor should then power wash the surface to remove all dirt and biological growth. Water-soluble cleaners that will not attack Portland cement are acceptable for removing stains.

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our estimate of cost anticipates the following in coordination with each paint finish application:

- Complete inspection of the stucco
- Replacement of deteriorated areas of stucco, concrete and wood trim (The exact amount of material in need of replacement will depend on the actual future conditions and desired appearance. We recommend replacement wherever holes, cracks and deterioration impair the ability of the material to prevent water infiltration.)
- Replacement of sealants as needed

Windows and Doors

Line Item: 1.980

Quantity: 560 square feet

History: Replaced in 2014

Condition: Good to fair overall with no significant deterioration evident.

Meeting House windows and doors

Meeting House windows and doors

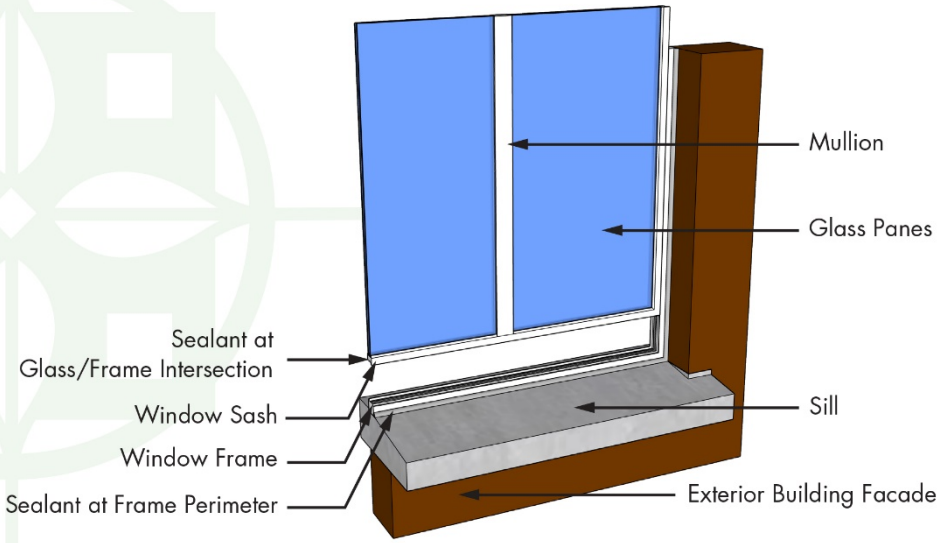
Useful Life: Up to 40 years

Component Detail Notes: Construction includes the following:

- Wood frames
- Dual pane glass
- Fixed windows
- Hinged doors

The following schematic depicts the typical components of a window system although it may not reflect the actual configuration at Kingston Plantation:

WINDOW DETAIL



Properly designed window assemblies anticipate the penetration of some storm water beyond the gaskets. This infiltrated storm water collects in an internal drainage system and drains, or exits, the frames through weep holes. These weep holes can become clogged with dirt or if a sealant is applied, resulting in trapped storm water. However, as window frames, gaskets and sealants deteriorate, leaks into the interior can result. The windows and doors will eventually need replacement or major capital repairs to prevent water infiltration and damage from wind driven rain.

The thermal efficiencies of the window assemblies are affected by their design and construction components. These components include glazings, thickness of air space between glazings, low-conductivity gas, tinted coatings, low-e coatings and thermal barriers. The Association should thoroughly investigate these component options at the time of replacement. Some manufacturers may include these components as part of the standard product and other manufacturers may consider these components as options for an additional cost. Kingston Plantation should review the specifications provided by the manufacturers to understand the thermal design and construction components of the proposed assemblies.

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
    - Inspect and repair loose weather stripping and/or lock damage
    - Inspect for broken glass and damaged screens
    - Record instances of water infiltration, trapped moisture or leaks

- As-needed:
    - Verify weep holes are unobstructed and not blocked with dirt or sealant, if applicable
    - Replace damaged or deteriorated sliding glass rollers, if applicable

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3.

Laurel Court Meeting Building Interior Elements

Air Handling Units, Heating and Cooling Units

Line Items: 2.061 and 2.062

Quantity: One 7.5-ton *Carrier* system and one 7.5-ton *International Comfort Productions* air handling units.

History: The Association replaced the *Carrier* unit in 2017 and the *International Comfort Productions* in 2014.

Condition: Reported in satisfactory operational condition

Heat and cooling units

Heat and cooling units

Useful Life: 15- to 20-years

Component Detail Notes: The systems have cooling capacities of 7.5-tons. The split systems use R-410A refrigerant.

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. We also recommend the Association maintain a maintenance contract with a qualified professional. The required

preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
  - Lubricate motors and bearings
  - Change or clean air filters as needed
  - Inspect condenser base and piping insulation
  - Inspect base pan, coil, cabinet and clear obstructions as necessary
- Annually:
  - Clean coils and drain pans, clean fan assembly, check refrigerant charge, inspect fan drive system and controls
  - Inspect and clean accessible ductwork as needed
  - Clean debris from inside cabinet, inspect condenser compressor and associated tubing for damage

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3.

Air Handling and Condensing Units, Split System

Line Item: 2.071

Quantity: One 4-ton *Tempstat* split system unit

History: Replaced in 2020

Condition: Reported in satisfactory operational condition

Split system condensing unit

Useful Life: 15- to 20-years

Component Detail Notes: A split system air conditioner consists of an outside condensing unit, an interior evaporator coil, refrigerant lines and an interior electric air handling unit. The condensing unit has a cooling capacity of 4-tons. The split systems use R-410A refrigerant.

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. The condensing unit may require replacement prior to replacement of the related interior forced air unit. For purposes of this Reserve Study, we assume coordination of replacement of the interior forced air unit, evaporator coil, refrigerant lines and exterior condensing unit.

Floor Coverings, Carpet

Line Item: 2.200

Quantity: Approximately 280 square yards at the hallways (Contractor measurements will vary from the actual floor area due to standard roll lengths, patterns and installation waste.)

History: Replaced in 2016.

Condition: Fair overall with stains evident

Carpet floor coverings

Lobby

Stains evident

Useful Life: 8- to 12-years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3.

Furnishings

Line Item: 2.450

Quantity: Furnishings and components in the Meeting House include but are not limited to the following elements:

- Folding chairs
- Folding tables
- Pictures/decorations
- Plants
- Television

History: Varies in age. Replacements last conducted in 2016

Condition: Good to fair overall

Interior overview

Meeting House interior

Useful Life: Varies significantly up to 10 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Due to varied uses, ages and useful lives, we recommend the Association budget $12,300 plus inflation for phased replacements of up to one hundred percent (100%) of the furnishings per event.

Light Fixtures

Line Item: 2.560

Quantity: Approximately 80 interior wall and ceiling mounted light fixtures

History: Replaced in 2016

Condition: Reported satisfactory overall

Meeting House ceiling fixtures

Useful Life: Up to 30 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3.

Rest Rooms

Line Item: 2.900

Quantity: The rest room components include:

- Tile floor coverings
- Paint finishes
- Light fixtures
- Plumbing fixtures
- Countertops
- Rest room partitions
- Drinking fountains

History: Partially renovated in 2020

Condition: Good to fair overall

Meeting House rest room

Useful Life: Renovation up to every 20 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3.

Room Divider, Acoustical

Line Item: 2.921

Quantity: 260 square feet

History: Assumed original

Condition: Fair overall

Useful Life: Up to 35 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3.

Wall Coverings

Line Item: 2.980

Quantity: Approximately 2,350 square feet of wall coverings

History: Replaced in 2016

Condition: Good to fair overall

Lobby finishes

Wall coverings and fixtures

Useful Life: Up to 20 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3.

Property Site Elements

Asphalt Pavement, Repaving

Line Items: 4.020, 4.040 and 4.045

Quantity: Approximately 89,980 square yards of asphalt pavement throughout the community

History: Repaving: The streets were last overlaid from 2010 to 2013

Repairs: Seal coat last applied in 2019

Condition: Fair overall with cracks, settlement and alligator cracks evident.

Alligator cracks and settlement at Plantation Lakes Drive

Plantation Lake Drive

Pavement cracks at Baslow Court

Myrtle Wood Court

Hartland Drive

Melrose Place

Pavement cracks at Hartland Drive

Pavement cracks at Richmond Park

Pavement cracks at Laurel Court

Hartland Drive

Cumberland Terrace

Cumberland Terrace – pavement cracks evident

Pavement cracks at Abergale circle

Westleton Drive

Severe cracks at Westleton drive

Westleton Drive

West Hill Circle

Castle Ford Circle

Castle Ford Circle

Castle Ford Circle

Queensway Boulevard

Pavement cracks at Saint Clears Way

Saint Clears Way

Willow Garth Circle

Appledore Circle

Wetherby way

Windmere By the Sea

Pavement cracks and root intrusion at Gloucester on the Point

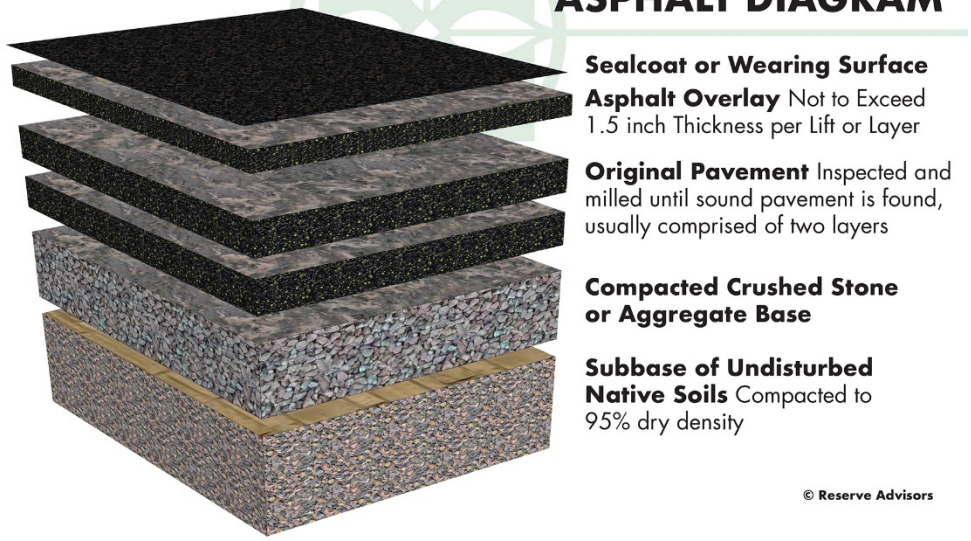
Plantation Lake Drive

Gloucester Terrace

Useful Life: 15- to 20-years with the benefit of patch repairs events every three- to five-years

Component Detail Notes: Patch repairs are conducted at areas exhibiting settlement, potholes, or excessive cracking. These conditions typically occur near high traffic areas, catch basins, and pavement edges.

The initial installation of asphalt uses at least two lifts, or two separate applications of asphalt, over the base course. The first lift is the binder course. The second lift is the wearing course. The wearing course comprises a finer aggregate for a smoother more watertight finish. The following diagram depicts the typical components although it may not reflect the actual configuration at Kingston Plantation:



The manner of repaving is either a mill and overlay or total replacement. A mill and overlay is a method of repaving where cracked, worn and failed pavement is mechanically removed or milled until sound pavement is found. A new layer of asphalt is overlaid atop the remaining base course of pavement. Total replacement includes the removal of all existing asphalt down to the base course of aggregate and native soil followed by the application of two or more new lifts of asphalt. We recommend mill and overlayment on asphalt pavement that exhibits normal deterioration and wear. We recommend total replacement of asphalt pavement that exhibits severe deterioration, inadequate drainage, pavement that has been overlaid multiple times in the past or where the configuration makes overlayment not possible. Based on the apparent visual condition and configuration of the asphalt pavement, we recommend the mill and overlay method for initial repaving followed by the total replacement method for subsequent repaving at Kingston Plantation.

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:

- Inspect for settlement, large cracks and trip hazards, and ensure proper drainage
- Repair areas which could cause vehicular damage such as potholes

- As needed:
  - Perform crack repairs and patching

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our cost for milling and overlayment includes area patching of up to ten percent (10%).

Boardwalks, Wood

Line Items: 4.051 and 4.052

Quantity: Wood boardwalks at the southeast section of the property which comprise a total of approximately 9,000 square feet, including 2,450 linear feet of wood railings and approximately 65 light fixtures.

History: The Association has recently replaced the decking at sections of the boardwalks and conducted repairs as needed. The Association has replaced the light fixtures at the railings recently.

Condition: Fair overall condition. We note warped and split wood members, deteriorated and weathered wood deck boards and recent replacements. The Association informs us of plans to replace the Boardwalk in the near future.

Boardwalk

Boardwalk

Boardwalk

Deck deterioration

Deck weathering

Deck weathering

Boardwalk with wood decking recent replacements

Railings deterioration and warps

Deteriorated wood

Deck at pool house

Deck at pool house

Deck at pool house

Pool house deck

Deteriorated wood at pool deck

Useful Life: Up to 35 years for complete replacement and 12- to 18-years for interim replacement of the decking and structure repairs

Component Detail Notes: Boardwalk construction includes the following:

- Toe-nailed connections (Nails driven at an angle into the weakest part of the wood result in an increased potential for failed connections)
- Deck boards fastened with screws and nails. Nail fasteners have a tendency to pull out as the wood warps.
- Wood railings with vertical pickets
- Wood column supported frames
- Wood frames fastened with bolts

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
    - Inspect to identify and correct any unsafe conditions
    - Secure loose fasteners and replace deteriorated fasteners
    - Replace deteriorated wood components
    - Check railing stability and fasteners
- Every three years:
    - Power wash with algaecide and application of sealer/stain if applicable

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our cost for interim repairs includes replacement of the deck boards and partial replacement of deteriorated wood components.

Boardwalk Beach Access, Wood

Line Items: 4.053 through 4.064

Quantity: Six wood boardwalk beach accesses that provide access to the beach from the boardwalks. The locations and quantities are listed in the following table:

Location	Square Feet	Linear Feet of Railing
Brighton	550	195
Embassy Suites North	340	95
Embassy Suites South	625	265
Margate	675	225
North Hampton	700	215
South Hampton	275	90

History: The Association has replaced the decking and railings at sections of the beach accesses and conducted repairs as needed.

Condition: Fair overall condition. We note warped and split wood railings, deteriorated and weathered wood deck boards, exposed and rusted nails. The Association informs us of plans to replace the Margate Beach Access in the near future.

Beach Access

Beach Access

Beach Access

Beach Access

Popped and rusted nails evident

Railings deterioration at the Embassy Suites beach access

Wood deterioration at beach access railings

Useful Life: Up to 35 years for complete replacement and 12- to 18-years for interim replacement of the decking and structure repairs

Component Detail Notes: Boardwalk construction includes the following:

- Toe-nailed connections (Nails driven at an angle into the weakest part of the wood result in an increased potential for failed connections)
- Deck boards fastened with screws and nails. Nail fasteners have a tendency to pull out as the wood warps.
- Wood railings with vertical pickets
- Wood column supported frames
- Wood frames fastened with bolts

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
    - Inspect to identify and correct any unsafe conditions
    - Secure loose fasteners and replace deteriorated fasteners
    - Replace deteriorated wood components
    - Check railing stability and fasteners
- Every three years:
    - Power wash with algaecide and application of sealer/stain if applicable

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our cost for interim repairs includes replacement of the deck boards and partial replacement of deteriorated wood components. Our cost estimate for replacement is based on information provided to us by the Association.

Bridge, Concrete, South Hampton to Embassy Suites

Line Item: 4.068

Quantity: One concrete pedestrian bridge that connects the South Hampton building to the Embassy Suites building.

History: Major renovation completed in 2017

Condition: Good to fair overall with deteriorated finishes, control joint sealant deterioration, rust spots and textured coating delamination evident

Bridge underside

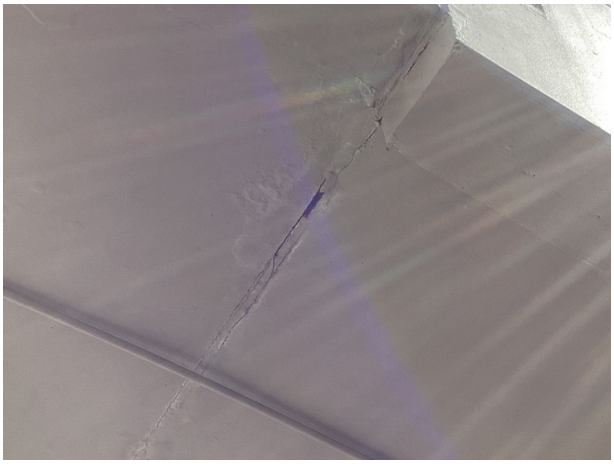
Coating delamination at bridge surface

Concrete bridge

Finish deterioration

Pedestrian bridge overview

Rust spots evident



Sealant deterioration at control joint

Useful Life: 10- to 15-years for capital repairs including a close-up visual inspection, patching of delaminated concrete, and routing and filling of cracked concrete

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our cost estimate for repairs is based on information provided to us by the Association.

Bridges, Wood

Line Items: 1.115 and 1.120

Quantity/History: The Association maintains multiple wood bridges located throughout the property. The locations, quantities and year of replacement are listed in the following table:

Location	Square Feet	Linear Feet of Railing	Age
Laurel Court East	530	135	2021
Laurel Court West	2,275	530	Original
North Hampton	1,250	175	2021
Plantation Lakes Drive	1,725	575	2018
Sidewalks	850	170	Original
St. James Park	560	140	Original
West Hyde Park Mailbox Station	275	60	2020

Condition: Ranges from good to poor. We note warped and split wood railings, deteriorated and weathered wood deck boards, exposed and rusted nails.

East Laurel Court bridge

Sidewalk bridge

Laurel Court west bridge

Laurel Court west bridge deck boards

Bridge at Plantation Lakes Drive

Laurel Court bridge railings – wood deterioration evident

Repairs evident

Laurel Court west bridge

Laurel Court west bridge

East Laurel Court bridge

East Laurel Court bridge

Wood deck boards

Plantation Lakes Drive bridge

Plantation Lakes Drive bridge

Sidewalk bridge

Sidewalk bridge

West Hyde park bridge

Saint James Park bridge

Saint James Park Ridge deck boards and railings

Useful Life: Up to 35 years with proper maintenance and interim replacement of the deck boards every 12- to 18-years. The rates and types of deterioration are not uniform due to the nature of wood. Replacement is normally an ongoing process which eventually leads to a complete replacement for economic or aesthetic reasons.

Component Detail Notes: Bridge construction includes the following:

- Toe-nailed connections (Nails driven at an angle into the weakest part of the wood result in an increased potential for failed connections)
- Deck boards fastened with screws and nails. Nail fasteners have a tendency to pull out as the wood warps.
- Wood railings with vertical pickets and horizontal pickets (at Laurel Court East). Horizontal pickets promote climbing and are potentially dangerous.
- Wood column supported frames
- Wood frames fastened with bolts

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
    - Inspect to identify and correct any unsafe conditions
    - Secure loose fasteners and replace deteriorated fasteners
    - Replace deteriorated wood components
    - Check railing stability and fasteners
- Every three years:
    - Power wash with algaecide and application of sealer/stain if applicable

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our cost for interim repairs includes replacement of the deck boards and partial replacement of deteriorated wood components. Our cost estimate for replacement is based on information provided to us by the Association.

Concrete Sidewalks

Line Item: 4.140

Quantity: Approximately 125,600 square feet

Condition: Good to fair overall with cracks, trip hazards and settlement evident.

Concrete sidewalk

Sidewalk cracks and settlement

Concrete sidewalk

Concrete sidewalk

Sidewalk trip hazard – The Americans with Disabilities Act (ADA) of 1990 defines a 'trip hazard' as any vertical change of over 1/4 inch or more at any joint or crack.

Concrete sidewalk

Concrete sidewalk

Sidewalk cracks

Useful Life: Up to 65 years although interim deterioration of areas is common

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
    - Inspect and repair major cracks, spalls and trip hazards
    - Mark with orange safety paint prior to replacement or repair
    - Repair or perform concrete leveling in areas in immediate need of repair or possible safety hazard

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. We estimate that up to 62,775 square feet of concrete sidewalks, or fifty percent (50%) of the total, will require replacement during the next 30 years. Our cost estimate for replacement is based on information provided to us by the Association.

Fences, Aluminum

Line Items: 4.200, 4.201 and 4.202

Quantity: 100 linear feet at Margate and a total of 1,855 linear feet along the West Perimeter

History: The Association installed the fence at the Margate in 2018, and the fences at the west perimeter in 2013 and 2019.

Condition: Good to fair overall with vegetation overgrowth evident at the west perimeter fence

Aluminum fence at Margate

Aluminum fence at Cumberland Terrace – note vegetation overgrowth

Aluminum fence at Castle Ford Circle

Aluminum fence at Cumberland Terrace

Aluminum fence at Castle Ford Circle

Useful Life: Up to 30 years (The useful life of the finish is indeterminate. Future updates of this Reserve Study will again consider the need to refinish the railings based on condition.)

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
  - Inspect and repair loose fasteners or sections, and damage
  - Repair leaning sections and clear vegetation from fence areas which could cause damage

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3.

Fences, Wood, Gloucester

Line Item: 4.285

Quantity: 400 linear feet at Gloucester on the Point

History: Repairs conducted as needed

Condition: Fair to poor overall condition with areas of deteriorated wood siding

Wood fence

Finish and wood deterioration

Useful Life: Up to 30 years

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
  - Inspect and repair loose sections, finish deterioration and damage
  - Repair leaning sections and clear vegetation from fence areas which could cause damage

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. The Association should anticipate periodic partial replacements due to the non-uniform nature of wood deterioration. Along with these partial replacements, the Association should apply periodic paint applications as needed and fund these activities through the operating budget.

Fence, Wood, North Perimeter

Line Item: 4.286

Quantity: 2,470 linear feet

History: Replaced in 2022

Condition: Good overall

North perimeter fence

North perimeter fence

North perimeter fence

Useful Life: Up to 15 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. The Association should anticipate periodic partial replacements funded through the operating budget due to the non-uniform nature of wood deterioration. Our cost estimate for replacement is based on information provided to us by the Association.

Fountain

Line Item: 4.291

Quantity: 2,625 square feet

History: Representatives of the Association inform us that the Association applies a paint finish to the fountain on an as-needed basis. We recommend the Association install a plaster finish at the fountain

Condition: Fair to poor overall with cracks, finish deterioration and peeling evident. Representatives of the Association inform us of leaks.

Concrete cracks

Concrete fountain

Cracks and peeling finishes evident

Fountain overview

Paint peeling and chipping Evident

Useful Life: 8- to 12-years

Component Detail Notes: Finish replacement provides the opportunity to inspect the fountain structure and to allow for partial repairs of the underlying concrete surfaces as needed. To maintain the integrity of the fountain structure, we recommend the Association budget for the following:

- Removal and replacement of the finish
- Replacement of fountains as needed
- Concrete structure repairs as needed

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3.

Gate Entry System, Barcode Readers

Line Item: 4.310

Quantity: Two barcode readers

History: Installed in 2018

Condition: Reported in good to fair overall condition

Gate entry barcode scanner

Gate entry barcode scanner

Useful Life: Up to five years

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. The required preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Monthly:
  - Inspect panel for damage and ensure the panel is mounted securely, tighten or replace any loose or damaged fasteners.
  - Inspect panel for proper operation of buttons, displays, microphone and speaker.
- Annually:
  - Check power connections, and if applicable, functionality of battery power supply systems

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our cost estimate for replacement is based on information provided to us by the Association.

Gate Entry System, Canterbury III

Line Item: 4.311

Quantity: One keypad system at Canterbury III

History: Installed in 2018.

Condition: Reported in good to fair overall condition

Canterbury gate entry system

Useful Life: Up to 15 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3.

Gate House, Renovations

Line Item: 4.315 and 4.316

Quantity: One allowance

History: The gate house was constructed in 2017.

Condition: The gate house elements are in good overall condition.

Board and batten siding and light fixtures

Gate house overview

Gate house overview

Gate house roof

Useful Life: Complete renovations every 30 years and partial renovations every 10 years

Component Detail Notes: The gate house includes the following components:

- Standing seam metal roof
- Board and batten fiber cement siding at the exterior walls
- Aluminum gutters and downspouts
- Windows and doors
- Interior and exterior light fixtures
- Paint finishes at the interior walls and ceiling
- Floor coverings at the interior
- Plumbing fixtures
- Countertops
- Furnishings

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. The complete renovation should include replacement of all the components listed above.

The partial renovations should include the following:

- Application of paint finish to all surfaces
- Replacement of the interior floor coverings
- Replacement of the furnishings

Gates, Swing Arms

Line Items: 4.320

Quantity: Six swing arm gates

History: Installed in 2018.

Condition: Reported in satisfactory operational condition

Swing arm operator

Swing arm operator

Useful Life: Up to seven years for the operators

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. The required preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
    - Ensure gates operate freely
    - Inspect for any wear, rust and loose fasteners
    - Inspect and correct tension in belts and chains, and lubricate hinges and chains as necessary

- Check alignment of pulleys
- Check for no oil leakage at the gear box
- Check the control board for water damage. Clean and remove insects and other pests as needed.
- Check all wiring for insulation damage and loose connections. If applicable, check functionality of battery power supply systems

Priority/Criticality: Not recommended to defer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3.

Gazebo, Richmond Park

Line Item: 4.360

Quantity: One wood framed gazebo at Richmond Park with an asphalt shingle roof and mortared pavers

History: Renovated in 2019

Condition: Good to fair overall with wood deterioration evident

Wood deterioration

Railings and benches

Shingle roof

Gazebo overview

Useful Life: Up to 25 years with periodic maintenance

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our cost is based on information provided by the Association. We recommend the Association budget for paint applications and repairs through the operating budget.

Guardrail, Wood, Plantation Lakes Drive

Line Item: 4.371

Quantity: 230 linear feet

History: Unknown

Condition: Good to fair overall

Plantation Lakes Drive guard rail

Plantation Lakes Drive guard rail

Useful Life: Up to 30 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3.

Irrigation System, Pumps and Controls

Line Item: 4.410

Quantity: Six pumps ranging from 7.5-HP to 25-HP with associated control panels, valves and variable frequency drives (VFDs)

History: Components vary in age

Condition: Reported in satisfactory operational condition

Useful Life: Up to 20 years

Component Detail Notes: Irrigation systems typically include the following components:

- Electronic controls (timer)
- Impact rotors
- Network of supply pipes
- Pop-up heads
- Valves

Kingston Plantation should anticipate interim and partial replacements of the system network supply pipes and other components as normal maintenance to maximize the useful life of the irrigation system. The Association should fund these ongoing seasonal repairs through the operating budget.

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
    - Conduct seasonal repairs which includes valve repairs, controller repairs, partial head replacements and pipe repairs
    - Blow out irrigation water lines and drain building exterior faucets each fall if applicable

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3.

Light Fixtures, Bollard

Line Item: 4.541

Quantity: 200 bollard light fixtures

History: Reportedly original

Condition: Fair overall. The Association informs us of plans to begin replacements of the bollard light fixtures in 2023.

Bollard light fixtures

Useful Life: Up to 25 years

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- As-needed:
    - Inspect and repair broken or dislodged fixtures, and leaning or damaged poles
    - Replaced burned out bulbs as needed

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our cost estimate for replacement is based on information provided to us by the Association.

Light Fixtures, Mushroom

Line Item: 4.551

Quantity: 316 mushroom-type light fixtures located at the entrances to select units

History: Reportedly original

Condition: Fair overall. The Association informs us of plans to begin replacements of the mushroom light fixtures in 2023.

Mushroom landscape fixtures

Mushroom light fixture

Useful Life: Up to 25 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our cost estimate for replacement is based on information provided to us by the Association.

Light Poles and Fixtures

Line Item: 4.560

Quantity: 214 poles with light fixtures

History: Original

Condition: Fair overall. The Association informs us of plans to begin replacements of the light poles and fixtures in 2023.

Useful Life: Up to 30 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our cost estimate for replacement is based on information provided to us by the Association.

Mail Station, Richmond Park

Line Item: 4.600 and 4.605

History: The Association replaced the roof and applied paint finishes in 2019. The light fixtures are assumed to be original. The mailbox stations are original.

Condition: The roof and paint finishes are in good overall condition. The mailbox stations are in fair to poor condition. We note rust formation and deterioration at the undersides of the mailbox stations.

Mailbox kiosk overview

Mailbox station rust

Mailbox stations

Useful Life: Up to 15- to 20-years for the renovation of the mail stations and up to 25 years for replacement of the mailbox stations

Component Detail Notes: The mail station includes the following:

- Seven squares of asphalt shingle roofs
- Wood structure and trim
- Light fixtures
- Concrete pad

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Complete renovations should include the following:

- Replacement of the asphalt shingle roof assembly
- Paint finishes and structure repairs to the wood structure
- Replacement of the light fixtures
- Partial replacement of the concrete pad

Mail Station, West Hyde Park

Line Item: 4.601 and 4.606

History: The Association replaced the roof and applied paint finishes in 2019. The light fixtures are assumed to be original. The mailbox stations are original.

Condition: The roof and paint finishes are in good overall condition. The mailbox stations are in fair to poor condition. We note finish deterioration at the mailbox stations.

West Hyde park mailbox kiosk

Useful Life: Up to 15- to 20-years for the renovation of the mail stations and up to 25 years for replacement of the mailbox stations

Component Detail Notes: The mail station includes the following:

- Seven squares of asphalt shingle roofs
- 660 square feet of wood siding
- Wood structure and trim
- Light fixtures
- Concrete pad
- Signage

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Complete renovations should include the following:

- Replacement of the asphalt shingle roof assembly
- Paint finishes and structure repairs to the wood structure, including partial replacements of wood siding
- Replacement of the light fixtures
- Replacement of the signage
- Partial replacement of the concrete pad

Maintenance Building

Line Item: 4.611

History: Constructed in 2012

Condition: Fair overall with damaged siding evident

Damaged siding

Damaged siding

Maintenance building HVAC unit

Maintenance building over view

Maintenance building overview

Maintenance building overview

Maintenance building roof

Metal siding at Maintenance building

Useful Life: Partial renovations every 20 years

Component Detail Notes:

- 2,300 square feet of metal roofing
- 2,750 square feet of aluminum siding
- Garage doors (3)
- Exterior doors (4)
- Tile floor and wall coverings at the rest room and kitchenette
- Paint finishes at the rest room and kitchenette
- Plumbing fixtures at the rest room and kitchenette
- Countertops at the kitchenette

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. The *partial* renovations should include the following:

- Replacement of the garage doors
- Replacement of the exterior doors
- Complete renovations of the rest room and kitchenette

Pavers, Masonry

Line Item: 4.620

Quantity: Approximately 1,760 square feet at the main entrance to the community and the gate house

History: Installed in 2017.

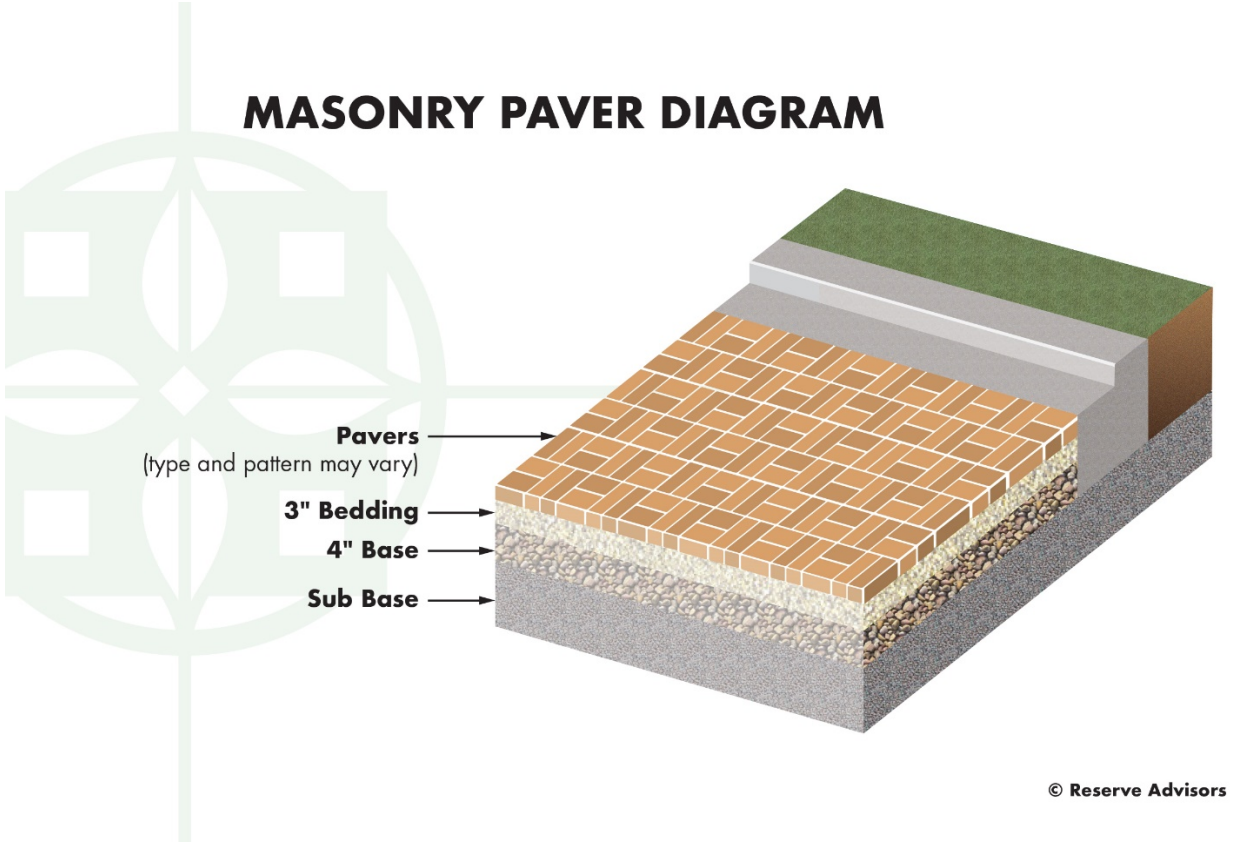
Condition: Good to fair overall

Pavers at front entry

Masonry pavers at entrance

Useful Life: 15- to 20-years

Component Detail Notes: The following diagram depicts the typical components of a masonry paver system although it may not reflect the actual configuration at Kingston Plantation:



Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:

- Inspect and repair settlement, trip hazards and paver spalls at heavy traffic areas
- Re-set and/or reseal damaged pavers as necessary
- Periodically clean and remove overgrown vegetation as needed

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. We suggest the Association conduct interim resetting and replacement of minor areas of pavers as normal maintenance, funded from the operating budget.

Pond, Aerators

Line Items: 4.700 and 4.701

Quantity: Eight bubbler aerators and three fountain aerators

History: Aerators vary in age. Approximately six years in age

Condition: Reported satisfactory without operational deficiencies

Bubbler aerator

Useful Life: Up to 10 years

Component Detail Notes: The use of small pumps, motors and aerators circulates pond water and increases the amount of entrained oxygen in the water, increasing water quality and reducing algae growths.

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. The Association informs us all fountain aerators will be replaced with bubbler aerators going forward.

Ponds, Bulkhead, Timber

Line Items: 4.711, 4.712 and 4.713

Quantity: Approximately 8,670 square feet at Lake Arrowhead and pumps houses

History: Mostly original

Conditions: Fair to poor overall with leaning sections and wood rot evident. The Association informs us of plans to replace the bulkhead at Lake Arrowhead in two phases beginning in 2022.

Bulkhead lean

Timber rot evident

Wood bulkhead at Lake Arrowhead

Wood bulkhead at Lake Arrowhead

Wood bulkhead

Wood bulkhead at Lake Arrowhead

Useful Life: Inspections and capital repairs every 10- to 15-years and complete replacement every 35 years

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our cost estimate for replacement is based on information provided to us by the Association. Our cost for repairs includes allowances for a complete inspection and partial replacement of up to twenty percent (20%) of the bulkheads.

Security System

Line Item: 4.761

Quantity: Kingston Plantation utilizes the following security system components including cameras, monitors and recording devices.

History: Varies in age

Condition: Reported satisfactory without operational deficiencies

Security system camera

Useful Life: Up to 10 years

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. The required preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Monthly:
  - Check cameras for proper focus, fields of view are unobstructed and camera and lenses are clean and dust-free
  - Check recording equipment for proper operation
  - Verify monitors are free from distortion with correct brightness and contrast
- Annually:
  - Check exposed wiring and cables for wear, proper connections and signal transmission
  - Check power connections, and if applicable, functionality of battery power supply systems

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. The Association should anticipate replacement of all of the security system components per event.

Signage, Monuments, Sub-Associations

Line Item: 4.800

Quantity: The property identification signage includes the following elements:

- Light fixtures
- Fences

- Signage
- Masonry
- Stucco
- Stamped concrete
- Landscaping

History: Mostly original with repairs and paint finishes conducted as necessary

Condition: Fair to poor overall. We note efflorescence, deteriorated wood and stucco cracks evident.

Entrance monument

Entrance monument

Entrance monument

Perimeter wall

Entrance monument

Sign deterioration

Stucco cracks

Entrance monument

Entrance monument

Entrance monument

Entrance monument

Useful Life: Up to 25 years

Component Detail Notes: Community signage contributes to the overall aesthetic appearance of the property to owners and potential buyers. Renovation or replacement of community signs is often predicated upon the desire to "update" the perceived identity of the community rather than for utilitarian concerns. Therefore, the specific times for replacement or renovation are discretionary.

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
  - Inspect and repair damage, vandalism and loose components
  - Verify lighting is working properly
  - Touch-up paint finish applications if applicable

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our cost for renovation includes repairs to the masonry and replacement of the remaining components listed above.

Signage, Street and Traffic

Line Item: 4.810

Quantity: Street identification and traffic signs throughout the community

History: Repaired and replaced as necessary

Condition: Fair overall

Traffic management signage

Useful Life: 15- to 20-years

Component Detail Notes: The community signs contribute to the overall aesthetic appearance of the property to owners and potential buyers. Replacement of community signs is often predicated upon the desire to "update" the perceived identity of the community rather than for utilitarian concerns. Therefore, the specific time for replacement of the signs is discretionary.

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
    - Inspect and repair damage, vandalism and loose components
    - Verify lighting is working properly if applicable
    - Touch-up paint finish applications if applicable

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3.

Pool Elements

Concrete Deck

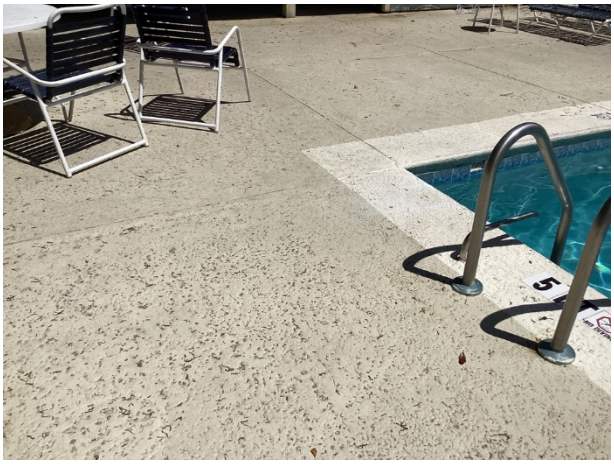
Line Items: 6.200 and 7.200

Quantity: 5,200 square feet at the Beach Pool and 2,650 square feet at the St. James Pool

History: The decks were last coated in 2019

Condition: Fair overall with cracks and coating deterioration evident

Beach Concrete pool deck overview



Saint James concrete deck

Concrete cracks at beach pool

Beach concrete pool deck overview

Textured coating delamination

Textured coating delamination

Useful Life: The useful life of a concrete pool deck is up to 60 years or more with timely repairs. We recommend the Association conduct inspections, partial replacements and repairs to the deck every 8- to 12-years in conjunction with coating replacements.

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
    - Inspect and repair large cracks, trip hazards, and possible safety hazards
    - Inspect and repair pool coping for cracks, settlement, heaves or sealant deterioration
    - Repair concrete spalling and conduct coating repairs in areas with delamination
    - Schedule periodic pressure cleanings as needed

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. We recommend the Association budget for the following per event:

- Selective cut out and replacements of up to ten percent (10%) of concrete
- Crack repairs as needed
- Mortar joint repairs
- Caulk replacement
- Coating replacement

Cover, Vinyl

Line Item: 7.300

Quantity: 1,770 square feet for the St. James Pool

History: Unknown

Condition: Reported in good overall condition

Useful Life: Up to 10 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3.

Fence, Wood

Line Item: 7.400

Quantity: 230 linear feet

History: Original

Condition: Fair overall condition

Useful Life: 20- to 25-years

Component Detail Notes: The Association should anticipate periodic partial replacements due to the non-uniform nature of wood deterioration. Along with these partial replacements, the Association should apply periodic paint applications as needed and fund these activities through the operating budget.

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
    - Inspect and repair loose sections, finish deterioration and damage
    - Repair leaning sections and clear vegetation from fence areas which could cause damage

Priority/Criticality: Not recommended to defer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3.

Furniture

Line Items: 6.500 and 7.500

Quantity: The pool furniture at the Beach Pool includes the following:

- Chairs (20)
- Lounges (35)
- Tables (18)
- Ladders and life safety equipment

The pool furniture at the St. James Pool includes the following:

- Chairs (20)
- Lounges (35)
- Tables (18)
- Umbrellas (3)
- Trash receptacles (3)
- Life safety equipment

History: Furniture varies in age

Condition: Good to fair overall

Beach Pool furniture

Saint James Pool furniture

Useful Life: Up to five years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. We recommend interim re-strapping, refinishing, cushion replacements, reupholstering and other repairs to the furniture as normal maintenance to maximize its useful life.

Mechanical Equipment

Line Items: 6.600 and 6.601

Quantity: The mechanical equipment includes the following:

- Automatic chlorinators and controls
- Electrical panels and exhaust fans
- Interconnected pipe, fittings and valves
- Pumps, filters, and heaters

History: Varies in age

Condition: Reported satisfactory without operational deficiencies

Fountain pumps and filters

Enclosure

Useful Life: Up to 15 years and up to 25 years for the enclosure

Preventative Maintenance Notes: We recommend the Association maintain a maintenance contract with a qualified professional and follow the manufacturer's specific recommended maintenance and local, state and/or federal inspection guidelines.

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Failure of the pool mechanical equipment as a single event is unlikely. Therefore, we include replacement of up to twenty percent (20%) of the equipment per event. We consider interim replacement of motors and minor repairs as normal maintenance.

Light Poles and Fixtures

Line Item: 7.561

Quantity: Four metal poles with light fixtures

History: The poles are reportedly original. The Association replaced the fixtures in 2019.

Condition: Fair overall. The Association informs us plans to replace the light poles in the near future.

Laurel Court pool light poles and fixtures

Useful Life: Up to 25 years

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- As-needed:
    - Inspect and repair broken or dislodged fixtures, and leaning or damaged poles
    - Replaced burned out bulbs as needed

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3.

Rest Rooms

Line Item: 6.751 and 7.751

Quantity: The rest room components include:

- Tile floor and wall coverings
- Paint finishes on the walls and ceilings
- Light fixtures
- Plumbing fixtures

History: Renovated in 2019

Condition: Good to fair overall with rust evident at the exhaust fan

Beach rest room finish deterioration

Beach pool Rest room overview

Rust at beach rest room exhaust fan

St. James Rest room overview

Useful Life: Renovation up to every 20 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3.

Pool House, Roof, Asphalt Shingles, St. James

Line Item: 7.761

Quantity: Approximately nine squares

History: Replaced in 2020

Condition: Good overall with no visible deterioration evident from our visual inspection from the ground. Management do not report a history of leaks.

Saint James pool house roof

Saint James pool house Roof overview

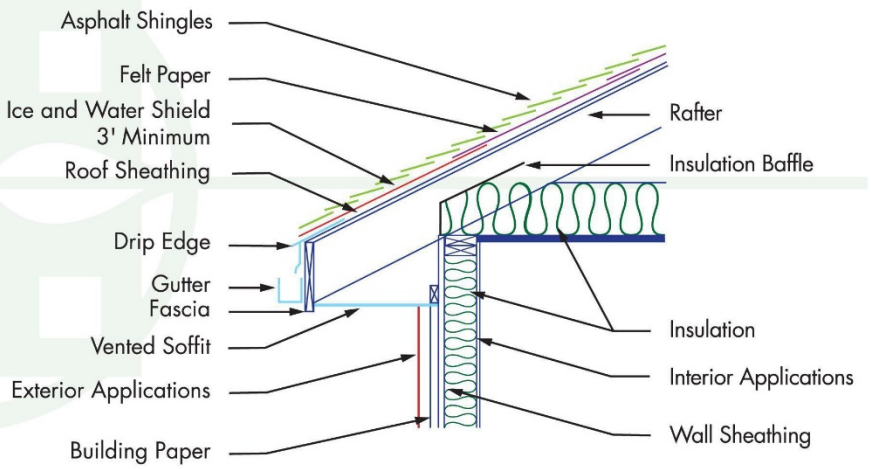
Useful Life: 15- to 20-years

Component Detail Notes: The existing roof assembly comprises the following:

- Laminate architectural shingles
- Boston style ridge caps
- Rubber seal with plastic base boot flashing at waste pipes
- Metal drip edge
- Enclosed full weaved valleys

The following cross-sectional schematic illustrates a typical asphalt shingle roof system although it may not reflect the actual configuration at Kingston Plantation:

ROOF SCHEMATIC



Contractors use one of two methods for replacement of sloped roofs, either an overlayment or a tear-off. Overlayment is the application of new shingles over an existing roof. However, there are many disadvantages to overlayment including hidden defects of the underlying roof system, absorption of more heat resulting in accelerated deterioration of the new and old shingles, and an uneven visual appearance. Therefore, we recommend only the tear-off method of replacement. The tear-off method of replacement includes removal of the existing shingles, flashings if required and underlayments.

The Association should plan to coordinate the replacement of gutters and downspouts with the adjacent roofs. This will result in the most economical unit price and minimize the possibility of damage to other roof components as compared to separate replacements.

Preventative Maintenance Notes: We recommend the Association maintain a service and inspection contract with a qualified professional and record all documentation of repairs conducted. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
    - Record any areas of water infiltration, flashing deterioration, damage or loose shingles
    - Implement repairs as needed if issues are reoccurring
    - Trim tree branches that are near or in contact with roof
- As-needed:

- Ensure proper ventilation and verify vents are clear of debris and not blocked from attic insulation

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3.

Pool House, Roofs, Thermoplastic, Beach Pool

Line Item: 6.761

Quantity: Approximately 775 square feet of roofing

History: Unknown

Condition: Reported in good overall

Useful Life: 15- to 20-years

Component Detail Notes: Thermoplastic roofs include the following:

- Polyvinyl chloride (PVC or simply vinyl)
- PVC alloys or compounded thermoplastics
- Thermoplastic olefin (TPO)
- Chlorinated polyethylene (CPE)

The following characteristics define most thermoplastic roofs:

- Attachment to the roof deck is either fully adhered, mechanical or ballasted
- Membranes are commonly white and reinforced with polyester
- Seams are sealed with heat or chemical welding
- Sheet widths range from 6- to 12-feet wide
- Sheets are typically 40- to 100-mils thick
- Single ply (one layer)

Over time, exposure to ultraviolet light, heat and weather degrade the membrane. This degradation results in membrane damage from thermal expansion and contraction, adverse weather and pedestrian traffic. The aging process makes the membrane less pliable and more difficult to maintain. Ponding water on the roof can increase the effects of ultraviolet light on the membrane and contaminants in ponded water can cause the membrane to deteriorate prematurely. Thermoplastic roofs (especially TPO) are relatively new and their long term performance is not well defined.

Contractors can install a new thermoplastic roof in one of two ways: *tear-off* or an *overlay*. An *overlay* is the application of a new roof membrane over an existing roof. This method, although initially more economical, often covers up problems with the

deck, flashing and saturated insulation. The *tear-off* method of replacement includes removal of the existing roofing, flashings and insulation, and installation of a new roofing system.

The contractor should follow the manufacturer's directions and specifications upon installation of the roof. The contractor should remove the original insulation if saturated or compacted and apply a new layer of insulation per the manufacturer's instructions. The insulation should fit loosely with gaps no greater than ¼ inch. Gaps will cause failure of the membrane later. Mechanical fastening of the insulation is the best manner of installation.

Preventative Maintenance Notes: We recommend the Association maintain a service and inspection contract with a qualified professional and record all documentation of repairs conducted. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
    - Note drainage issues with water ponding after 48 hours of rainfall event. Verify scuppers and drains are free of debris. Replace damaged or missing drain covers.
    - Inspect perimeter flashing for loose fasteners, deflections, and sealant damage
    - Verify membrane surface is free of ruptures or damage, and areas of extensive blistering or bubbling
    - Remove oil spills or contaminants from mechanical equipment
    - In areas of possible foot traffic, remove any sharp debris or trash and note areas of crushed insulation
    - If frequency of leaks increase or location of water infiltration is unknown, we recommend the consideration of a thermal image inspection

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3.

Pool House, Walls, EIFS, Beach Pool

Line Item: 6.771

Quantity: Approximately 4,600 square feet of the building exterior. This quantity includes the adjacent stand-alone walls at the pool area.

History: Paint finishes conducted as needed

Condition: Fair overall with damage and deterioration evident

EIFS damage at pool wall

EIFS overview at pool House

EIFS at pool wall

EIFS at pool wall

EIFS at pool house

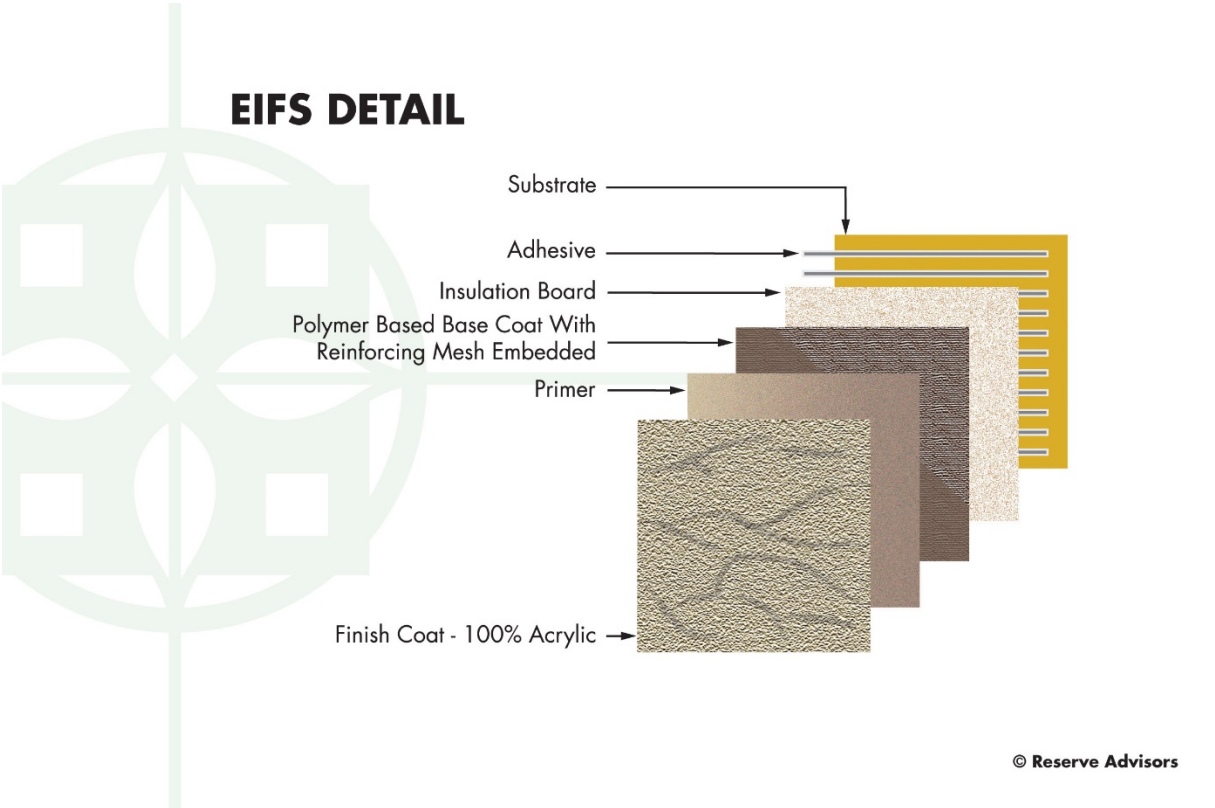
Pool house EIFS damage

EIFS deterioration and cracks

Pool house EIFS overview

Useful Life: EIFS (Exterior Insulation Finish System) wall systems have indefinitely long useful lives with timely repairs and finish applications. We recommend repairs and finish applications every six- to eight-years.

Component Detail Notes: The following graphic details the typical components of an EIFS wall panel although it may not reflect the actual configuration at Kingston Plantation:



Correct and complete preparation of the surface before application of the paint finish maximizes the useful life of the paint finish and surface. The environment and normal settlement can cause minor deterioration of the EIFS wall panels. Prior to the

application of the new finish coat, the contractor should remove and replace all loose, cracked or deteriorated sections of the EIFS walls. The contractor should then wash the surface to remove all dirt or chalking of the prior paint finish.

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our estimate of cost anticipates the following in coordination with each paint finish application:

- Complete inspection of the EIFS
- Crack repairs as needed (Each paint product has the limited ability to cover and seal cracks but we recommend repair of all cracks which exceed the ability of the paint product to bridge.)
- Replacement of one percent (1%) of the EIFS walls (The exact amount of area in need of repair will be discretionary based on the actual future conditions and the desired appearance.)
- Replacement of up to fifty percent (50%) of the sealants in coordination with each paint finish application.

Pool House, Walls, Siding, Wood, St. James

Line Items: 1.865 and 1.870

Quantity: Approximately 1,600 square feet of the exterior walls. This quantity includes the soffit, fascia and trim.

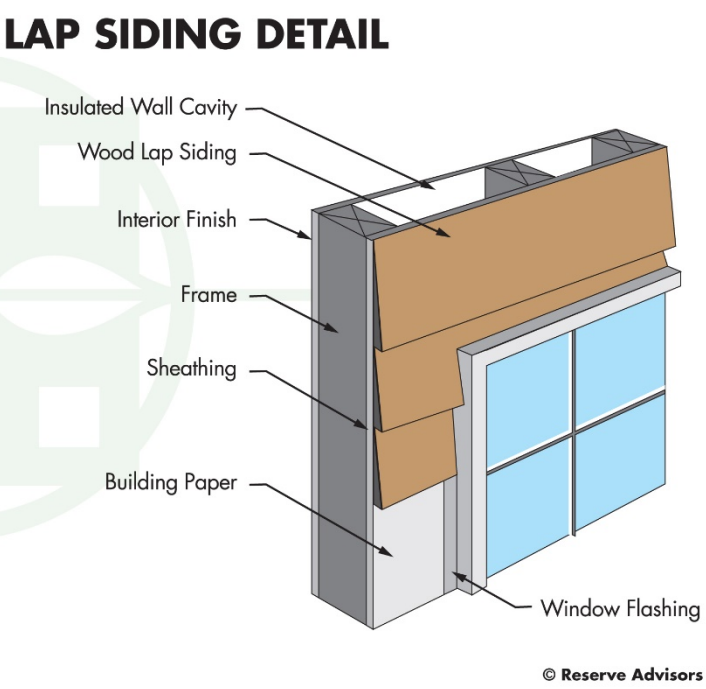
History: Original

Condition: The siding is in fair overall condition

Pool house overview

Useful Life: With the benefit of periodic maintenance, applications of this type of material can have a useful life of up to 40 years.

Component Detail Notes: Wood siding is not watertight and is especially prone to water penetration at joints and knots. Therefore, wood siding should be installed over a continuous weather resistant barrier. The weather resistant barrier should include water-vapor permeable building paper and properly integrated flashing around all penetrations. The following graphic details the typical components of a wood siding system.



Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
    - Inspect and repair loose siding, warping, wildlife damage and sealant deterioration
    - Inspect and repair finish deterioration, peeling and chipping
    - Touch-up paint finishes as necessary to ensure a uniform finish in between complete finish applications

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3.

Pool Finishes, Plaster and Tile

Line Items: 6.800, 6.801, 7.800 and 7.801

Quantity: 1,600 square feet of plaster based on the horizontal surface area and approximately 165 linear feet of tile at the beach pool and 1,000 square feet of plaster and 160 linear feet of tile at the St. James Pool.

History: Plaster finish: Replaced in 2019 at both pools

Tile: Replaced in 2019 at both pools

Condition: Good overall

St. James Pool plaster finish with tile perimeter

Beach Pool plaster overview

St. James Pool plaster finish with tile perimeter

Beach Pool plaster finish with tile perimeter

Beach Pool plaster overview

Useful Life: 8- to 12-years for the plaster and 15-to 25-years for the tile

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
    - Inspect and patch areas of significant plaster delamination, coping damage and structure cracks
    - Inspect main drain connection and anti-entrapment covers, pressure test circulation piping and valves
    - Test handrails and safety features for proper operation

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. We recommend the Association budget for full tile replacement every other plaster replacement event. Removal and replacement of the finish provides the opportunity to inspect the pool structure and to allow for partial repairs of the underlying concrete surfaces as needed. To maintain the integrity of the pool structure, we recommend the Association budget for the following:

- Removal and replacement of the plaster finish
- Partial replacements of the scuppers and coping as needed
- Replacement of tiles as needed
- Replacement of joint sealants as needed
- Concrete structure repairs as needed

Structure and Deck

Line Items: 6.900 and 7.900

Quantity: 1,600 square feet of horizontal surface area at the beach pool and 1,000 square feet at the St. James pool

History: Original

Conditions: Visually appears in good to fair condition. The concrete floors and walls have a plaster finish. This finish makes it difficult to thoroughly inspect the concrete structure during a noninvasive visual inspection.

Useful Life: Up to 60 years

Component Detail Notes: The need to replace a pool structure depends on the condition of the concrete structure, the condition of the embedded or concealed water circulation piping, possible long term uneven settlement of the structure, and the increasing cost of repair and maintenance. Deterioration of any one of these component systems could result in complete replacement of the pool. For example, deferral of a deteriorated piping system could result in settlement and cracks in the pool structure. This mode of failure is more common as the system ages and deterioration of the piping system goes undetected. For reserve budgeting purposes, we recommend Kingston Plantation plan to replace the following components:

- Concrete deck
- Pool structure
- Subsurface piping

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3.

Reserve Study Update

An ongoing review by the Board and an Update of this Reserve Study are necessary to ensure an equitable funding plan since a Reserve Study is a snapshot in time. Many variables change after the study is conducted that may result in significant overfunding or underfunding the reserve account. Variables that may affect the Reserve Funding Plan include, but are not limited to:

- Deferred or accelerated capital projects based on Board discretion
- Changes in the interest rates on reserve investments
- Changes in the *local* construction inflation rate
- Additions and deletions to the Reserve Component Inventory
- The presence or absence of maintenance programs
- Unusually mild or extreme weather conditions
- Technological advancements

Periodic updates incorporate these variable changes since the last Reserve Study or Update. We recommend the Board budget for an Update to this Reserve Study in two- to three-years. Budgeting for an Update demonstrates the Board's objective to continue fulfilling its fiduciary responsibility to maintain the commonly owned property and to fund reserves appropriately.

5. METHODOLOGY

Reserves for replacement are the amounts of money required for future expenditures to repair or replace Reserve Components that wear out before the entire facility or project wears out. Reserving funds for future repair or replacement of the Reserve Components is also one of the most reliable ways of protecting the value of the property's infrastructure and marketability.

Kingston Plantation can fund capital repairs and replacements in any combination of the following:

1. Increases in the operating budget during years when the shortages occur
2. Loans using borrowed capital for major replacement projects
3. Level monthly reserve assessments annually adjusted upward for inflation to increase reserves to fund the expected major future expenditures
4. Special assessments

We do not advocate special assessments or loans unless near term circumstances dictate otherwise. Although loans provide a gradual method of funding a replacement, the costs are higher than if the Association were to accumulate reserves ahead of the actual replacement. Interest earnings on reserves also accumulate in this process of saving or reserving for future replacements, thereby defraying the amount of gradual reserve collections. We advocate the third method of *Level Monthly Reserve Assessments* with relatively minor annual adjustments. The method ensures that Homeowners pay their "fair share" of the weathering and aging of the commonly owned property each year. Level reserve assessments preserve the property and enhance the resale value of the homes.

This Reserve Study is in compliance with and exceeds the National standards[1] set forth by the Association of Professional Reserve Analysts (APRA) fulfilling the requirements of a "Level II Reserve Study Update." These standards require a Reserve Component to have a "predictable remaining Useful Life." Estimating Remaining Useful Lives and Reserve Expenditures beyond 30 years is often indeterminate. Long-Lived Property Elements are necessarily excluded from this analysis. We considered the following factors in our analysis:

- The Cash Flow Method to compute, project and illustrate the 30-year Reserve Funding Plan
- Local[2] costs of material, equipment and labor
- Current and future costs of replacement for the Reserve Components
- Costs of demolition as part of the cost of replacement
- Local economic conditions and a historical perspective to arrive at our estimate of long-term future inflation for construction costs in Myrtle

[1] Identified in the APRA "Standards - Terms and Definitions" and the CAI "Terms and Definitions".
[2] See Credentials for additional information on our use of published sources of cost data.

Beach, South Carolina at an annual inflation rate[3]. Isolated or regional markets of greater construction (development) activity may experience slightly greater rates of inflation for both construction materials and labor.

- The past and current maintenance practices of Kingston Plantation and their effects on remaining useful lives
- Financial information provided by the Association pertaining to the cash status of the reserve fund and budgeted reserve contribution
- The anticipated effects of appreciation of the reserves over time in accord with a return or yield on investment of your cash equivalent assets. (We did not consider the costs, if any, of Federal and State Taxes on income derived from interest and/or dividend income).
- The Funding Plan excludes necessary operating budget expenditures. It is our understanding that future operating budgets will provide for the ongoing normal maintenance of Reserve Components.

Updates to this Reserve Study will continue to monitor historical facts and trends concerning the external market conditions.

[3] Derived from Marshall & Swift, historical costs and the Bureau of Labor Statistics.

6. CREDENTIALS

HISTORY AND DEPTH OF SERVICE

Founded in 1991, Reserve Advisors is the leading provider of reserve studies, insurance appraisals, developer turnover transition studies, expert witness services, and other engineering consulting services. Clients include community associations, resort properties, hotels, clubs, non-profit organizations, apartment building owners, religious and educational institutions, and office/commercial building owners in 48 states, Canada and throughout the world.

The **architectural engineering consulting firm** was formed to take a leadership role in helping fiduciaries, boards, and property managers manage their property like a business with a long-range master plan known as a Reserve Study.

Reserve Advisors employs the **largest staff of Reserve Specialists** with bachelor's degrees in engineering dedicated to Reserve Study services. Our founders are also founders of Community Associations Institute's (CAI) Reserve Committee that developed national standards for reserve study providers. One of our founders is a Past President of the Association of Professional Reserve Analysts (APRA). Our vast experience with a variety of building types and ages, on-site examination and historical analyses are keys to determining accurate remaining useful life estimates of building components.

No Conflict of Interest - As consulting specialists, our **independent opinion** eliminates any real or perceived conflict of interest because we do not conduct or manage capital projects.

TOTAL STAFF INVOLVEMENT

Several staff members participate in each assignment. The responsible advisor involves the staff through a Team Review, exclusive to Reserve Advisors, and by utilizing the experience of other staff members, each of whom has served hundreds of clients. We conduct Team Reviews, an internal quality assurance review of each assignment, including: the inspection; building component costing; lifing; and technical report phases of the assignment. Due to our extensive experience with building components, we do not have a need to utilize subcontractors.

OUR GOAL

To help our clients fulfill their fiduciary responsibilities to maintain property in good condition.

VAST EXPERIENCE WITH A VARIETY OF BUILDINGS

Reserve Advisors has conducted reserve studies for a multitude of different communities and building types. We've analyzed thousands of buildings, from as small as a 3,500-square foot day care center to a 2,600,000-square foot 98-story highrise. We also routinely inspect buildings with various types of mechanical systems such as simple electric heat, to complex systems with air handlers, chillers, boilers, elevators, and life safety and security systems.

We're familiar with all types of building exteriors as well. Our well-versed staff regularly identifies optimal repair and replacement solutions for such building exterior surfaces such as adobe, brick, stone, concrete, stucco, EIFS, wood products, stained glass and aluminum siding, and window wall systems.

OLD TO NEW

Reserve Advisors' experience includes ornate and vintage buildings as well as modern structures. Our specialists are no strangers to older buildings. We're accustomed to addressing the unique challenges posed by buildings that date to the 1800's. We recognize and consider the methods of construction employed into our analysis. We recommend appropriate replacement programs that apply cost effective technologies while maintaining a building's character and appeal.

COLIN A. NIEMEYER
Responsible Advisor

CURRENT CLIENT SERVICES

Colin Niemeyer, a Chemical Engineer, is an Engineer for Reserve Advisors. Mr. Niemeyer is responsible for the inspection and analysis of the condition of clients' properties, and recommending engineering solutions to prolong the lives of the components. He also forecasts capital expenditures for the repair and/or replacement of the property components and prepares technical reports on assignments. He is responsible for conducting Life Cycle Cost Analyses and Capital Replacement Forecast services and the preparation of Reserve Study Reports for condominiums, townhomes and homeowner associations.

The following is a partial list of clients served by Colin Niemeyer demonstrating his breadth of experiential knowledge of community associations in construction and related buildings systems.

Heron Lake Villas at Homeowners Association, Inc. - This apartment community located in Myrtle Beach, South Carolina was constructed in 1995 and comprises three buildings constructed with fiber cement siding, asphalt shingle roofs, and wood decks. The property is situated in the middle of a golf course allowing for wonderful views.

Brookhaven Citizens Assembly, Inc. - This single family home community contains over 550 residential homes and is located in Matthews, North Carolina. The Master Association maintains the shared common elements including a luxurious clubhouse, a pool featuring a massive waterslide, as well as multiple recreational courts.

Rozzelles Landing Homeowners Association, Inc. - This townhome and single family home community in Huntersville, North Carolina comprises 157 townhome units in 27 buildings in addition to 129 single family homes. Expenditures of this property include large quantities parking areas and streets, large retaining walls, a pool with an adjoining pool house, and retention pond. The townhomes comprise a combination of brick and vinyl siding construction, featuring multiple different styles. Several of the townhomes feature attached garages.

Del Webb Carolina Orchards Community Association - A lavish single family home community located just outside of Rock Hill, South Carolina. Features of this property include an extravagant amenities center, including multiple conference rooms, a spa, yoga and fitness rooms. This property includes both an indoor and outdoor pool with pool house.

The Cape Townhomes Owners Association, Inc. - This townhome community built in the early 2000's is located in Hickory, NC that is adjacent to a public park. The property contains 12 units comprising 8 buildings, featuring multiple different style units, ranging from single family homes to triplexes.

Atlantic Towers Condominium - Located next to the sandy beaches of Carolina Beach, North Carolina, this apartment building contains 137 residential units. The townhomes are comprised of brick, fiber cement siding, asphalt shingle roofs and wood balconies at the unit rears. The community includes a pool, pool house, ponds, and a large quantity of stone retaining walls.

PRIOR RELEVANT EXPERIENCE

Before joining Reserve Advisors, Mr. Niemeyer successfully completed the bachelors program in Chemical Engineering at West Virginia University. In the past, he has worked for multiple engineering companies covering a wide variety of roles but with a concentration in improving efficiency and optimization with a focus on Lean and Six Sigma strategies. He has also spent time working in design engineering for one of the Nation's leading construction companies.

EDUCATION

West Virginia University - B.S. in Chemical Engineering

NICOLE L. LOWERY, PRA, RS
Associate Director of Quality Assurance

CURRENT CLIENT SERVICES

Nicole L. Lowery, a Civil Engineer, is an Associate Director of Quality Assurance for Reserve Advisors. Ms. Lowery is responsible for the management, review and quality assurance of reserve studies. In this role, she assumes the responsibility of stringent report review analysis to assure report accuracy and the best solution for Reserve Advisors' clients.

Ms. Lowery has been involved with hundreds of Reserve Study assignments. The following is a partial list of clients served by Nicole Lowery demonstrating her breadth of experiential knowledge of community associations in construction and related buildings systems.

Amelia Surf & Racquet Club This oceanfront condominium community comprises 156 units in three mid rise buildings. This Fernandina Beach, Florida development contains amenities such as clay tennis courts, two pools and boardwalks.

Ten Museum Park This boutique, luxury 50-story high rise building in downtown Miami, Florida consists of 200 condominium units. The amenities comprise six pools including resistance and plunge pools, a full-service spa and a state-of-the-art fitness center. The property also contains a multi-level parking garage.

3 Chisolm Street Homeowners Association This historic Charleston, South Carolina community was constructed in 1929 and 1960 and comprises brick and stucco construction with asphalt shingle and modified bitumen roofs. The unique buildings were originally the Murray Vocational School. The buildings were transformed in 2002 to 27 high-end condominiums. The property includes a courtyard and covered parking garage.

Lakes of Pine Run Condominium Association This condominium community comprises 112 units in 41 buildings of stucco construction with asphalt shingle roofs. Located in Ormond Beach, Florida, it has a domestic water treatment plant and wastewater treatment plant for the residents of the property.

Rivertowne on the Wando Homeowners Association This exclusive river front community is located on the Wando River in Mount Pleasant, South Carolina. This unique Association includes several private docks along the Wando River, a pool and tennis courts for use by its residents.

Biltmore Estates Homeowners Association This private gated community is located in Miramar, Florida, just northwest of Miami, Florida and consists of 128 single family homes. The lake front property maintains a pool, a pool house and private streets.

Bellavista at Miromar Lakes Condominium Association Located in the residential waterfront resort community of Miromar Lakes Beach & Golf Club in Fort Myers, Florida, this property comprises 60 units in 15 buildings. Amenities include a clubhouse and a pool.

PRIOR RELEVANT EXPERIENCE

Before joining Reserve Advisors, Ms. Lowery was a project manager with Kipcon in New Brunswick, New Jersey and the Washington, D.C. Metro area for eight years, where she was responsible for preparing reserve studies and transition studies for community associations. Ms. Lowery successfully completed the bachelors program in Civil Engineering from West Virginia University in Morgantown, West Virginia.

EDUCATION

West Virginia University - B.S. Civil Engineering

PROFESSIONAL AFFILIATIONS / DESIGNATIONS

Reserve Specialist (RS) - Community Associations Institute
Professional Reserves Analyst (PRA) - Association of Professional Reserve Analysts

ALAN M. EBERT, P.E., PRA, RS
Director of Quality Assurance

CURRENT CLIENT SERVICES

Alan M. Ebert, a Professional Engineer, is the Director of Quality Assurance for Reserve Advisors. Mr. Ebert is responsible for the management, review and quality assurance of reserve studies. In this role, he assumes the responsibility of stringent report review analysis to assure report accuracy and the best solution for Reserve Advisors' clients.

Mr. Ebert has been involved with thousands of Reserve Study assignments. The following is a partial list of clients served by Alan Ebert demonstrating his breadth of experiential knowledge of community associations in construction and related buildings systems.

Brownsville Winter Haven Located in Brownsville, Texas, this unique homeowners association contains 525 units. The Association maintains three pools and pool houses, a community and management office, landscape and maintenance equipment, and nine irrigation canals with associated infrastructure.

Rosemont Condominiums This unique condominium is located in Alexandria, Virginia and dates to the 1940's. The two mid-rise buildings utilize decorative stone and brick masonry. The development features common interior spaces, multi-level wood balconies and common asphalt parking areas.

Stillwater Homeowners Association Located in Naperville, Illinois, Stillwater Homeowners Association maintains four tennis courts, an Olympic sized pool and an upscale ballroom with commercial-grade kitchen. The community also maintains three storm water retention ponds and a detention basin.

Birchfield Community Services Association This extensive Association comprises seven separate parcels which include 505 townhome and single family homes. This Community Services Association is located in Mt. Laurel, New Jersey. Three lakes, a pool, a clubhouse and management office, wood carports, aluminum siding, and asphalt shingle roofs are a few of the elements maintained by the Association.

Oakridge Manor Condominium Association Located in Londonderry, New Hampshire, this Association includes 104 units at 13 buildings. In addition to extensive roads and parking areas, the Association maintains a large septic system and significant concrete retaining walls.

Memorial Lofts Homeowners Association This upscale high rise is located in Houston, Texas. The 20 luxury units include large balconies and decorative interior hallways. The 10-story building utilizes a painted stucco facade and TPO roof, while an on-grade garage serves residents and guests.

PRIOR RELEVANT EXPERIENCE

Mr. Ebert earned his Bachelor of Science degree in Geological Engineering from the University of Wisconsin-Madison. His relevant course work includes foundations, retaining walls, and slope stability. Before joining Reserve Advisors, Mr. Ebert was an oilfield engineer and tested and evaluated hundreds of oil and gas wells throughout North America.

EDUCATION

University of Wisconsin-Madison - B.S. Geological Engineering

PROFESSIONAL AFFILIATIONS/DESIGNATIONS

Professional Engineering License – Wisconsin, North Carolina, Illinois, Colorado
Reserve Specialist (RS) **-** Community Associations Institute
Professional Reserve Analyst (PRA) **-** Association of Professional Reserve Analysts

RESOURCES

Reserve Advisors utilizes numerous resources of national and local data to conduct its Professional Services. A concise list of several of these resources follows:

Association of Construction Inspectors, (ACI) the largest professional organization for those involved in construction inspection and construction project management. ACI is also the leading association providing standards, guidelines, regulations, education, training, and professional recognition in a field that has quickly become important procedure for both residential and commercial construction, found on the web at www.iami.org.

American Society of Heating, Refrigerating and Air-Conditioning Engineers, Inc., (ASHRAE) the American Society of Heating, Refrigerating and Air-Conditioning Engineers, Inc., devoted to the arts and sciences of heating, ventilation, air conditioning and refrigeration; recognized as the foremost, authoritative, timely and responsive source of technical and educational information, standards and guidelines, found on the web at www.ashrae.org. Reserve Advisors actively participates in its local chapter and holds individual memberships.

Community Associations Institute, (CAI) America's leading advocate for responsible communities noted as the only national organization dedicated to fostering vibrant, responsive, competent community associations. Their mission is to assist community associations in promoting harmony, community, and responsible leadership.

Marshall & Swift / Boeckh, (MS/B) the worldwide provider of building cost data, co-sourcing solutions, and estimating technology for the property and casualty insurance industry found on the web at www.marshallswift.com.

R.S. Means CostWorks, North America's leading supplier of construction cost information. As a member of the Construction Market Data Group, Means provides accurate and up-to-date cost information that helps owners, developers, architects, engineers, contractors and others to carefully and precisely project and control the cost of both new building construction and renovation projects found on the web at www.rsmeans.com.

Reserve Advisors' library of numerous periodicals relating to reserve studies, condition analyses, chapter community associations, and historical costs from thousands of capital repair and replacement projects, and product literature from manufacturers of building products and building systems.

7. DEFINITIONS

Definitions are derived from the standards set forth by the Community Associations Institute (CAI) representing America's 305,000 condominium and homeowners associations and cooperatives, and the Association of Professional Reserve Analysts, setting the standards of care for reserve study practitioners.

Cash Flow Method - A method of calculating Reserve Contributions where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different Reserve Funding Plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

Component Method - A method of developing a Reserve Funding Plan with the total contribution is based on the sum of the contributions for individual components.

Current Cost of Replacement - That amount required today derived from the quantity of a *Reserve Component* and its unit cost to replace or repair a Reserve Component using the most current technology and construction materials, duplicating the productive utility of the existing property at current *local* market prices for *materials*, *labor* and manufactured equipment, contractors' overhead, profit and fees, but without provisions for building permits, overtime, bonuses for labor or premiums for material and equipment. We include removal and disposal costs where applicable.

Fully Funded Balance - The Reserve balance that is in direct proportion to the fraction of life "used up" of the current Repair or Replacement cost similar to Total Accrued Depreciation.

Funding Goal (Threshold) - The stated purpose of this Reserve Study is to determine the adequate, not excessive, minimal threshold reserve balances.

Future Cost of Replacement - *Reserve Expenditure* derived from the inflated current cost of replacement or current cost of replacement as defined above, with consideration given to the effects of inflation on local market rates for materials, labor and equipment.

Long-Lived Property Component - Property component of Kingston Plantation responsibility not likely to require capital repair or replacement during the next 30 years with an unpredictable remaining Useful Life beyond the next 30 years.

Percent Funded - The ratio, at a particular point of time (typically the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

Remaining Useful Life - The estimated remaining functional or useful time in years of a *Reserve Component* based on its age, condition and maintenance.

Reserve Component - Property elements with: 1) Kingston Plantation responsibility; 2) limited Useful Life expectancies; 3) predictable Remaining Useful Life expectancies; and 4) a replacement cost above a minimum threshold.

Reserve Component Inventory - Line Items in ***Reserve Expenditures*** that identify a *Reserve Component*.

Reserve Contribution - An amount of money set aside or *Reserve Assessment* contributed to a *Reserve Fund* for future *Reserve Expenditures* to repair or replace *Reserve Components*.

Reserve Expenditure - Future Cost of Replacement of a Reserve Component.

Reserve Fund Status - The accumulated amount of reserves in dollars at a given point in time, i.e., at year end.

Reserve Funding Plan - The portion of the Reserve Study identifying the *Cash Flow Analysis* and containing the recommended Reserve Contributions and projected annual expenditures, interest earned and reserve balances.

Reserve Study - A budget planning tool that identifies the current status of the reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures.

Useful Life - The anticipated total time in years that a *Reserve Component* is expected to serve its intended function in its present application or installation.

8. PROFESSIONAL SERVICE CONDITIONS

Our Services - Reserve Advisors, LLC (RA) performs its services as an independent contractor in accordance with our professional practice standards and its compensation is not contingent upon our conclusions. The purpose of our reserve study is to provide a budget planning tool that identifies the current status of the reserve fund, and an opinion recommending an annual funding plan to create reserves for anticipated future replacement expenditures of the property.

Our inspection and analysis of the subject property is limited to visual observations, is noninvasive and is not meant to nor does it include investigation into statutory, regulatory or code compliance. RA inspects sloped roofs from the ground and inspects flat roofs where safe access (stairs or ladder permanently attached to the structure) is available. The report is based upon a "snapshot in time" at the moment of inspection. RA may note visible physical defects in our report. The inspection is made by employees generally familiar with real estate and building construction but in the absence of invasive testing RA cannot opine on, nor is RA responsible for, the structural integrity of the property including its conformity to specific governmental code requirements for fire, building, earthquake, and occupancy, or any physical defects that were not readily apparent during the inspection.

RA is not responsible for conditions that have changed between the time of inspection and the issuance of the report. RA does not investigate, nor assume any responsibility for any existence or impact of any hazardous materials, such as asbestos, urea-formaldehyde foam insulation, other chemicals, toxic wastes, environmental mold or other potentially hazardous materials or structural defects that are latent or hidden defects which may or may not be present on or within the property. RA does not make any soil analysis or geological study as part of its services; nor does RA investigate water, oil, gas, coal, or other subsurface mineral and use rights or such hidden conditions. RA assumes no responsibility for any such conditions. The Report contains opinions of estimated costs and remaining useful lives which are neither a guarantee of the actual costs of replacement nor a guarantee of remaining useful lives of any property element.

RA assumes, without independent verification, the accuracy of all data provided to it. You agree to indemnify and hold RA harmless against and from any and all losses, claims, actions, damages, expenses or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement, because of any false, misleading or incomplete information which we have relied upon supplied by you or others under your direction, or which may result from any improper use or reliance on the Report by you or third parties under your control or direction. Your obligation for indemnification and reimbursement shall extend to any director, officer, employee, affiliate, or agent of RA. Liability of RA and its employees, affiliates, and agents for errors and omissions, if any, in this work is limited to the amount of its compensation for the work performed in this engagement.

Report - RA completes the services in accordance with the Proposal. The Report represents a valid opinion of RA's findings and recommendations and is deemed complete. RA, however, considers any additional information made available to us within 6 months of issuing the Report if a timely request for a revised Report is made. RA retains the right to withhold a revised Report if payment for services was not tendered in a timely manner. All information received by RA and all files, work papers or documents developed by RA during the course of the engagement shall remain the property of RA and may be used for whatever purpose it sees fit.

Your Obligations - You agree to provide us access to the subject property for an on-site visual inspection You agree to provide RA all available, historical and budgetary information, the governing documents, and other information that we request and deem necessary to complete the Report. You agree to pay actual attorneys' fees and any other costs incurred to collect on any unpaid balance for RA's services.

Use of Our Report and Your Name - Use of this Report is limited to only the purpose stated herein. You hereby acknowledge that any use or reliance by you on the Report for any unauthorized purpose is at your own risk and you shall hold RA harmless from any consequences of such use. Use by any unauthorized third party is unlawful. The Report in whole or in part ***is not and cannot be used*** *as a design specification for design engineering purposes or as an appraisal.* You may show our Report in its entirety to the following third parties: members of your organization, your accountant, attorney, financial institution and property manager who need to review the information contained herein. Without the written consent of RA, you shall not disclose the Report to any other third party. The Report contains intellectual property developed by RA and ***shall not be reproduced or distributed to any party that conducts reserve studies without the written consent of RA.***

RA will include your name in our client lists. RA reserves the right to use property information to obtain estimates of replacement costs, useful life of property elements or otherwise as RA, in its sole discretion, deems appropriate.

Payment Terms, Due Dates and Interest Charges - Retainer payment is due upon authorization and prior to inspection. The balance is due net 30 days from the report shipment date. Any balance remaining 30 days after delivery of the Report shall accrue an interest charge of 1.5% per month. Any litigation necessary to collect an unpaid balance shall be venued in Milwaukee County Circuit Court for the State of Wisconsin.