

FULL RESERVE STUDY

Kingston Plantation Master Association, Inc.



Myrtle Beach, South Carolina

March 9, 2018



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Long-term thinking. Everyday commitment.

Corporate Office

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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 *Full 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, March 9, 2018.

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

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 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 21, 2018 by

Reserve Advisors, Inc.

Visual Inspection and Report by: Jeffrey B. Dow, RS²
Review by: Alan M. Ebert, PRA¹, RS, Director of Quality Assurance



¹ 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>.

² 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.



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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. Construction of the common elements of the Association began in 1985 and continued to the present.

Reserve Components Identified: 96 Reserve Components.

Inspection Date: March 9, 2018.

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 2032 due to replacement of the asphalt pavement.

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
- 1.2% annual rate of return on invested reserves
- 1.7% 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.

Cash Status of Reserve Fund:

- \$1,991,300 as of January 1, 2018
- 2018 budgeted Reserve Contributions of \$299,805
- A potential deficit in reserves might occur by 2031 based upon continuation of the most recent annual reserve contribution of \$299,805 and the identified Reserve Expenditures.

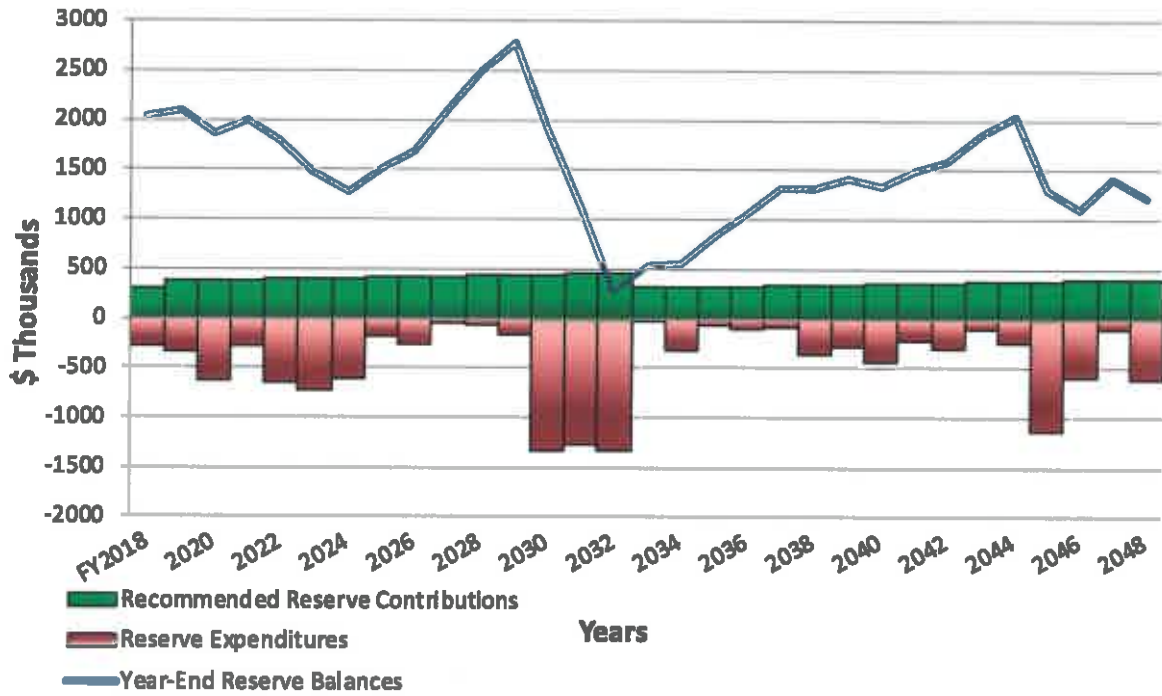
Recommended Reserve Funding: We recommend the following in order to achieve a stable and equitable Funding Plan:

- Increase to \$372,000 in 2019
- Inflationary increases from 2020 through 2032
- Decrease to \$315,000 by 2033 due to fully funding for replacement of the asphalt pavement
- Inflationary increases from 2034 through 2048, the limit of this study's Cash Flow Analysis
- Initial adjustment in Reserve Contributions of \$72,195 represents an average monthly increase of \$4.34 per homeowner and about a three percent (2.6%) adjustment in the 2018 total Operating Budget of \$2,754,211.



**Kingston Plantation
Recommended Reserve Funding Table and Graph**

Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)
2019	372,000	2,092,015	2029	440,300	2,789,870	2039	348,400	1,403,049
2020	378,300	1,865,618	2030	447,800	1,905,526	2040	354,300	1,337,248
2021	384,700	2,000,400	2031	455,400	1,113,028	2041	360,300	1,492,937
2022	391,200	1,772,473	2032	483,100	254,608	2042	366,400	1,577,152
2023	397,900	1,459,774	2033	315,000	541,456	2043	372,800	1,866,888
2024	404,700	1,266,851	2034	320,400	557,081	2044	378,900	2,028,972
2025	411,600	1,504,193	2035	325,800	820,649	2045	385,300	1,297,329
2026	418,600	1,878,594	2036	331,300	1,052,005	2046	391,900	1,105,051
2027	425,700	2,085,141	2037	336,900	1,316,360	2047	398,600	1,413,180
2028	432,900	2,471,073	2038	342,600	1,322,752	2048	405,400	1,225,327





2. RESERVE STUDY REPORT

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Full 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, March 9, 2018.

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
- **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 reserve funding 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 (Constructed 2017)-
- Pipes, Subsurface Utilities
- Structural Frames, Gate House, Meeting House and Pump Houses
- Walls, Fiber Cement Siding, Gate House (Constructed 2017)
- Windows and Doors, Gate House (Constructed 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 \$5,000 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)

- Doors, Metal, Laurel Court Meeting Building, Interim Replacements
- Fences, Wood, Gloucester on the Point, Paint Finish Applications
- Fences, Wood, Split-Rail
- Irrigation System (Per Management)
- Landscape (Includes Landscape Light Fixtures)
- Light Fixtures, Exterior, Laurel Court Meeting Building and Pool Houses
- Paint Finishes, Touch-Up
- Pipes, Interior Building, Domestic Water, Sanitary Waste and Vent, Meeting House
- Pool Houses, Interim Roof Replacements
- Pumps Less Than Five-HP (horsepower)
- 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
- 2018 local cost of replacement
 - Per unit
 - Per phase
 - Replacement of total quantity
- Total future costs of replacement 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
- Predicted reserves based on current funding level

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.
Woods Beach, South Carolina

Year 2018 to 2033

Expenditure Index:

- 1.75% in the estimated future inflation rate for estimating Future Replacement Costs.
- FY2018 is Fiscal Year beginning January 1, 2018 and ending December 31, 2018.

Line No.	Total Qty	Per Phase Qty	Units	Reserve Component Inventory	Estimate	Estimate	Unit		Cost		FY											Total	YTD				
							16 Year of Res	16 Year of Res	Per Phase (\$K)	Total (\$K)	18	19	20	21	22	23	24	25	26	27	28			29	30	31	32
Lateral Canal Retention Walling Exterior Elements																											
1.075	1	1	Alumina	Anti-Scale	5-15	14	3,500.00	3.500	3,500	17,500																	
1.075	1	1	Alumina	Anti-Scale	5-15	6	20,000.00	20,000	20,000	20,000	20,000																
1.081	1	1	Alumina	Fence, 10ft	5-15	6	5,000.00	5,000	5,000	5,000	5,000																
1.201	1	1	Each	Foglight, Wood, Front Elevation	20-24	6	12,000.00	12,000	12,000	12,000	12,000																
1.209	40	40	Square Feet	Pool, Asphalt Sloping (Between Gutters and Downspouts)	20-24	14	370.00	7,780	17,780	24,057																	
1.209	2,000	2,000	Square Feet	Walls and Tile, Pool Fountains	2024	6	3.85	7,015	16,641																		
1.863	300	300	Square Feet	Windows and Doors, Wood Frames	20-24	31	55.00	30,050	30,050	31,072																	
Lateral Canal Retention Walling Interior Elements																											
2.051	1	1	Each	All Handing Unit, Heating and Cooling Unit, Carrier, 7.5-Ton, 2017	2037	15	11,000.00	11,000	11,000	14,500																	
2.052	1	1	Each	All Handing Unit, Heating and Cooling Unit, 10-12, 7.5-Ton, 2014	2034	15	11,000.00	11,000	11,000	14,500																	
2.071	1	1	Each	All Handing and Control Units, Split System, 4-Ton	2038	15	4,000.00	4,000	4,000	5,200																	
2.274	300	300	Square Yards	Floor Coverings, Carpet (Between Pool Platforms and Vesp. Tile)	2024	6	69.00	17,000	17,000	23,000																	
2.690	1	1	Alumina	Partitions	2028	6	14,000.00	14,000	18,000	43,000																	
2.890	1	1	Alumina	Light Fixtures	2044	18	13,000.00	13,000	11,000	15,916																	
2.900	2	2	Each	Pool Pumps, Residential (200 to 300 HP)	2030	2	13,000.00	27,000	27,000	37,500	10,000																
2.921	200	200	Square Feet	Pool Liner, Acrotel	2024	6	40.00	10,400	10,400	11,901																	
2.950	2,500	2,500	Square Feet	Wall Coverings	2028	10	2.75	6,900	6,400	8,700																	
Domestic 9th Element																											
4.071	80,000	80,000	Square Yards	Asphalt Paved, 1/2" Thick, Red Coat and Sealing	2016	3	2.80	224,000	170,000	1,004,011	170,000																
4.071	80,000	80,000	Square Yards	Asphalt Paved, 1/2" Thick, Red Coat and Sealing	2020	15	33.00	2,640,000	2,080,000	8,697,004																	
4.090	4	4	Each	Bus Stalls, 30x60	2018	6	2,500.00	10,000	10,000	24,000	10,000	16,170															
4.091	6,000	6,000	Square Feet	Blockwork, Wood, Complete Replacement	2025	6	41.75	492,750	492,750	492,750	26,000	458,750															
4.092	9,000	9,000	Square Feet	Blockwork, Wood, Decking, Railing and Light Fixtures	2041	15	20.00	180,000	180,000	300,000	200,000	200,000															
4.095	200	200	Square Feet	Breakwall Beach Access, Wood, Decking, Complete Replacement	2024	6	70.00	41,000	41,000	41,000	41,000																
4.094	500	500	Square Feet	Breakwall Beach Access, Wood, Decking, Decking, Railing and Light Fixtures	2041	15	20.70	53,010	53,010	53,010	53,010																
4.095	300	300	Square Feet	Breakwall Beach Access, Wood, Economy Slab Deck, Complete Replacement	2024	6	69.00	20,700	22,010	22,010	22,010																
4.095	300	300	Square Feet	Breakwall Beach Access, Wood, Economy Slab Deck, Decking, Railing and Light Fixtures	2041	15	27.00	8,100	8,100	13,000	13,000																
4.096	625	625	Square Feet	Breakwall Beach Access, Wood, Economy Slab Deck, Complete Replacement	2024	6	70.00	43,800	43,800	43,800	43,800																
4.096	625	625	Square Feet	Breakwall Beach Access, Wood, Economy Slab Deck, Decking, Railing and Light Fixtures	2041	15	20.25	10,237	10,237	10,237	10,237																
4.097	771	770	Square Feet	Breakwall Beach Access, Wood, Decking, Complete Replacement	2014	6	77.00	59,250	59,250	61,707	61,707																
4.097	771	770	Square Feet	Breakwall Beach Access, Wood, Decking, Complete Replacement	2041	15	27.00	19,900	19,900	20,300	20,300																
4.091	700	700	Square Feet	Breakwall Beach Access, Wood, North Hemisphere, Complete Replacement	2024	6	70.00	49,000	49,000	49,000																	
4.092	700	700	Square Feet	Breakwall Beach Access, Wood, North Hemisphere, Decking, Railing and Light Fixtures	2041	15	20.00	14,000	17,000	17,000	17,000																
4.094	275	275	Square Feet	Breakwall Beach Access, Wood, South Hemisphere, Complete Replacement	2024	6	72.00	19,800	19,800	22,000	22,000																
4.094	275	275	Square Feet	Breakwall Beach Access, Wood, South Hemisphere, Decking, Railing and Light Fixtures	2041	15	20.25	5,561	5,561	5,561	5,561																
4.095	1	1	Alumina	Bridge, Concrete, Both Sides to Economy Slab, Replacement	2007	10	49,000.00	49,000	49,000	19,117																	
4.071	600	600	Square Feet	Bridge, Wood, Lateral Canal End, Complete Replacement	2022	4	14.25	8,550	27,935	27,935																	
4.072	600	600	Square Feet	Bridge, Wood, Lateral Canal End, Decking and Railing	2021	15	20.75	12,450	11,200	15,144																	

RESERVE EXPENDITURES

Kingsport Fire/Police
 Member Association, Inc.
 North Beach, South Carolina

Line Item	Total Per Phase Quantity	Sub	Reserves Component Inventory	Estimated 94 Year of Build	Life Span/ Year	Cost (\$/Sq Ft)	Per Phase (\$/Sq Ft)	Total (\$/Sq Ft)	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030							
Land Cost (Market) Building Exterior Elements																																										
1.114	1	1	1	1	1	1	1	1																																		
1.020	1	1	1	1	1	1	1	1																																		
1.061	1	1	1	1	1	1	1	1																																		
1.091	1	1	1	1	1	1	1	1																																		
1.092	44	44	44	44	44	44	44	44																																		
1.093	2,388	2,388	2,388	2,388	2,388	2,388	2,388	2,388																																		
1.094	888	888	888	888	888	888	888	888																																		
Land Cost (Market) Building Interior Elements																																										
2.001	1	1	1	1	1	1	1	1																																		
2.002	1	1	1	1	1	1	1	1																																		
2.003	1	1	1	1	1	1	1	1																																		
2.004	26	26	26	26	26	26	26	26																																		
2.005	1	1	1	1	1	1	1	1																																		
2.006	1	1	1	1	1	1	1	1																																		
2.007	3	3	3	3	3	3	3	3																																		
2.008	28	28	28	28	28	28	28	28																																		
2.009	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300																																		
Interior Rm Elements																																										
4.020	89,000	89,000	89,000	89,000	89,000	89,000	89,000	89,000																																		
4.044	4	4	4	4	4	4	4	4																																		
4.051	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000																																		
4.052	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000																																		
4.053	350	350	350	350	350	350	350	350																																		
4.054	500	500	500	500	500	500	500	500																																		
4.055	340	340	340	340	340	340	340	340																																		
4.056	340	340	340	340	340	340	340	340																																		
4.057	89	89	89	89	89	89	89	89																																		
4.058	65	65	65	65	65	65	65	65																																		
4.059	74	74	74	74	74	74	74	74																																		
4.060	75	75	75	75	75	75	75	75																																		
4.061	10	10	10	10	10	10	10	10																																		
4.062	70	70	70	70	70	70	70	70																																		
4.063	27	27	27	27	27	27	27	27																																		
4.064	1	1	1	1	1	1	1	1																																		
4.071	60	60	60	60	60	60	60	60																																		
4.072	14	14	14	14	14	14	14	14																																		

RESERVE EXPENDITURES

Years 2014 to 2040

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

Line Item	Total Qty	Per Piece Qty	Units	Reserves Component Inventory	Estimated 54 Year of Bond	Life Span/ Years		Total Per Piece (2014)	Total (2014)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040																																																																																			
						Start	End																																																																																																																
Beach Pool Elements																																																																																																																							
6.200	1,200	1,000	Square Feet	Concrete Deck, Waterproof Coating, Paved Repairs and Repaint	2010	0 to 12	1	5.35	20,790	20,790	17,000																																																																																																												
6.300	1	1	Aluminum	Poolside	2004	0 to 12	0	12,000.00	12,000	12,000	53,375																																																																																																												
6.301	5	1	Aluminum	Mechanical Equipment, Both Pools, Paved (includes French Drainage)	2010	0 to 15	1	6,000.00	6,000	28,000	74,045	7,000																																																																																																											
6.302	1	1	Each	Mechanical Equipment, Enclosure	2002	0 to 25	4	5,000.00	5,000	9,000	53,001																																																																																																												
6.303	2	2	Each	Pool Rooms, Reception (includes Deck)	2011	0 to 25	2	10,700.00	21,400	21,400	44,444																																																																																																												
6.304	177	770	Square Feet	Pool Rooms, Beach, Tennis/pads	2008	0 to 20	10	18.00	7,700	7,700	20,000																																																																																																												
6.305	4,000	4,000	Square Feet	Pool Rooms, Walk, EFR, Paved Pathways and Capital Repairs (includes Beach Area Walk)	2010	0 to 10	1	1.65	7,000	7,000	33,311																																																																																																												
6.306	1,000	1,000	Square Feet	Pool Paths and Tls	2010	0 to 12	1	16.70	25,200	25,200	91,000																																																																																																												
6.307	1	1	Aluminum	Poolside and Landscaping, Wood (includes Decking Fencing)	2014	20 to 25	1	8,000.00	8,000	18,001																																																																																																													
6.308	1,000	1,000	Square Feet	Beachers and Deck, Tiled Replacement	2015	0 to 20	17	170.00	272,000	272,000	420,700																																																																																																												
Beach Pool Elements																																																																																																																							
7.200	2,000	2,000	Square Feet	Concrete Deck, Waterproof Coating, Paved Repairs and Repaint	2010	0 to 12	1	5.25	15,970	15,970	80,770																																																																																																												
7.201	1,770	1,770	Square Feet	Concrete, Vinyl	2010	0 to 10	1	5.20	5,305	5,305	34,200																																																																																																												
7.202	200	200	Linear Feet	Fence, Wood	2014	20 to 25	1	45.00	10,200	10,200	24,000																																																																																																												
7.203	1	1	Aluminum	Poolside	2004	0 to 12	0	13,000.00	13,000	13,000	50,044																																																																																																												
7.204	4	4	Each	Light Pole and Poles	2010	0 to 25	1	3,000.00	12,000	12,000	40,000																																																																																																												
7.205	2	2	Each	Pool Rooms, Reception (includes Deck)	2009	0 to 25	2	11,500.00	22,000	22,000	50,000																																																																																																												
7.206	0	0	Square	Pool Rooms, Pool, Apricot Staircase	2005	10 to 20	0	400.00	3,000	3,000	9,000																																																																																																												
7.207	1,000	1,000	Square Feet	Pool Rooms, Walk, Wood Deck, Replacement (includes with Floor Cover)	2004	0 to 40	0	16.25	16,400	16,400	15,400																																																																																																												
7.208	1,000	1,000	Square Feet	Pool Paths and Tls	2010	0 to 12	1	17.50	17,500	17,500	64,700																																																																																																												
7.209	1,000	1,000	Square Feet	Beachers and Deck, Tiled Replacement	2015	0 to 20	17	183.00	183,000	183,000	262,204																																																																																																												
										663,044,007										261,227										70,400										115,170										46,647										251,000										300,000										100,000										1,154,770										881,000										800,000									

Anticipated Expenditures, By Year

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

	FY2016	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Reserves at Beginning of Year (Note 1)	1,991,300	2,032,091	2,082,015	1,865,618	2,000,400	1,772,473	1,459,774	1,268,851	1,504,193	1,678,594	2,085,141	2,471,073	2,769,670	1,905,528	1,113,029	254,608
Total Recommended Reserve Contributions (Note 2)	289,895	372,899	378,306	394,706	387,908	397,908	404,706	411,608	418,688	425,706	432,909	440,306	447,608	455,400	463,100	315,000
Plus Estimated Interest Earned, During Year (Note 3)	23,968	24,597	23,904	23,658	22,502	19,278	16,282	15,527	18,983	22,446	27,174	31,257	27,684	18,003	8,157	4,748
Less Anticipated Expenditures, By Year	(283,010)	(336,673)	(628,303)	(272,674)	(841,629)	(729,677)	(613,865)	(190,765)	(263,162)	(41,801)	(74,142)	(172,900)	(1,339,828)	(1,285,900)	(1,328,679)	(32,900)
Anticipated Reserves at Year End	\$2,032,091	\$2,082,015	\$1,865,618	\$2,000,400	\$1,772,473	\$1,459,774	\$1,268,851	\$1,504,193	\$1,678,594	\$2,085,141	\$2,471,073	\$2,769,670	\$1,905,528	\$1,113,029	\$254,608	\$541,458

Predicted Reserves based on 2016 funding level of: \$299,805 2,019,387 1,713,151 1,780,701 1,437,954 1,022,557 718,863 837,163 894,052 1,154,414 1,365,284 1,539,633 511,845 (NOTE 5)

(453,904) (1,405,403)

(continued)

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

	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Reserves at Beginning of Year	547,456	557,081	620,648	1,052,005	1,316,360	1,322,752	1,403,049	1,337,246	1,492,537	1,577,152	1,665,988	2,026,972	1,297,329	1,105,051	1,413,180
Total Recommended Reserve Contributions	339,400	325,808	331,360	336,900	342,800	347,480	354,300	360,360	366,480	372,696	378,966	385,386	391,966	398,698	405,490
Plus Estimated Interest Earned, During Year	6,652	8,217	11,769	14,125	15,740	16,257	16,344	16,880	16,311	20,541	23,224	19,827	14,328	15,019	15,737
Less Anticipated Expenditures, By Year	(311,327)	(70,449)	(111,113)	(86,670)	(351,948)	(284,360)	(438,447)	(221,489)	(300,466)	(103,405)	(242,040)	(1,134,770)	(659,506)	(105,490)	(806,990)
Anticipated Reserves at Year End	\$557,081	\$620,648	\$1,052,005	\$1,316,360	\$1,322,752	\$1,403,049	\$1,337,246	\$1,492,537	\$1,577,152	\$1,665,988	\$2,026,972	\$1,297,329	\$1,105,051	\$1,413,180	\$1,225,372

(NOTE 4)

Explanatory Notes:

- 1) Year 2019 starting reserves are as of January 1, 2018; FY2018 starts January 1, 2018 and ends December 31, 2018.
- 2) Reserve Contributions for 2018 are budgeted; 2019 is the first year of recommended contributions.
- 3) 1.2% is the estimated annual rate of return on invested reserves.
- 4) Accumulated year 2048 ending reserves consider the age, size, overall condition and complexity of the property.
- 5) Threshold Funding Year (reserve balance at critical point).