

Book 1

FULL RESERVE STUDY

Myrtle Beach Villas II

Homeowners Association, Inc.



Myrtle Beach, South Carolina
November 29, 2018



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Myrtle Beach Villas II Homeowners Association, Inc.
Myrtle Beach, South Carolina

Dear Board of Directors of Myrtle Beach Villas II Homeowners Association, Inc.:

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Full Reserve Study* of Myrtle Beach Villas II Homeowners 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, November 29, 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 Myrtle Beach Villas II Homeowners 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 January 18, 2019 by

Reserve Advisors, Inc.

Visual Inspection and Report by: Jeffrey B. Dow, RS¹
Review by: Alan M. Ebert, RS, PRA², 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>.



Long-term thinking. Everyday commitment.

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1. RESERVE STUDY EXECUTIVE SUMMARY

Client: Myrtle Beach Villas II Homeowners Association, Inc. (Myrtle Beach Villas II)

Location: Myrtle Beach, South Carolina

Reference: 111126

Property Basics: Myrtle Beach Villas II Homeowners Association, Inc. is a condominium style development of 28 units in two five-story buildings. The buildings were built in 2007.

Reserve Components Identified: 33 Reserve Components.

Inspection Date: November 29, 2018. We conducted the original inspection on April 17, 2012.

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 2048 due to replacement of the vinyl siding.

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
- 1.7% anticipated annual rate of return on invested reserves
- 2.7% 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:

- \$219,205 as of January 1, 2019
- 2018 budgeted Reserve Contributions of \$95,686
- 2019 budgeted Reserve Contributions of \$90,000

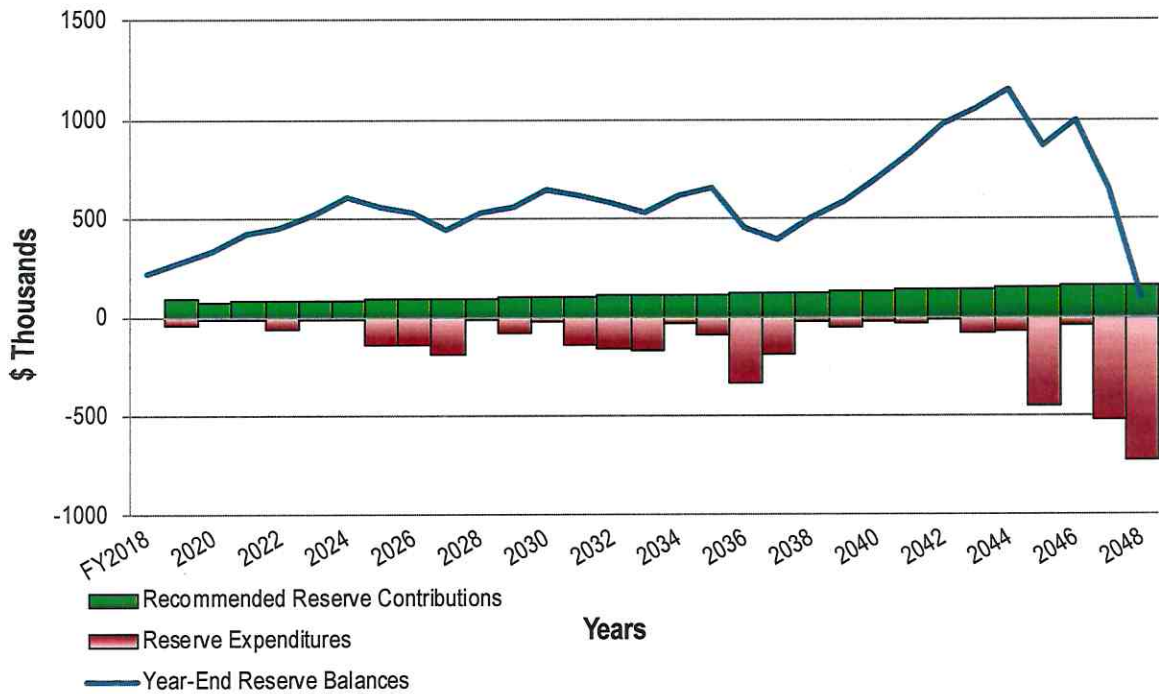
Recommended Reserve Funding: We recommend the following in order to achieve a stable and equitable Funding Plan:

- Reduced reserve budget of \$78,500 in 2020
- Inflationary increases from 2021 through 2048, the limit of this study's Cash Flow Analysis
- 2020 Reserve Contribution of \$78,500 is equivalent to an average monthly contribution of \$233.63 per homeowner. The Association may ascribe the actual contributions and assessments per owner based upon percent ownership, as defined by the Association's governing documents.



Myrtle Beach Villas II Recommended Reserve Funding Table and Graph

Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)
2019	90,000	273,298	2029	99,800	556,629	2039	130,200	589,153
2020	78,500	339,880	2030	102,500	643,777	2040	133,700	709,539
2021	80,600	420,389	2031	105,300	614,761	2041	137,300	829,917
2022	82,800	450,394	2032	108,100	576,368	2042	141,000	974,755
2023	85,000	525,108	2033	111,000	531,606	2043	144,800	1,051,852
2024	87,300	604,120	2034	114,000	619,971	2044	148,700	1,147,913
2025	89,700	561,490	2035	117,100	656,336	2045	152,700	868,980
2026	92,100	526,069	2036	120,300	454,233	2046	156,800	994,680
2027	94,600	440,810	2037	123,500	393,391	2047	161,000	655,026
2028	97,200	528,558	2038	126,800	500,121	2048	165,300	102,165





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

Myrtle Beach Villas II Homeowners Association, Inc.

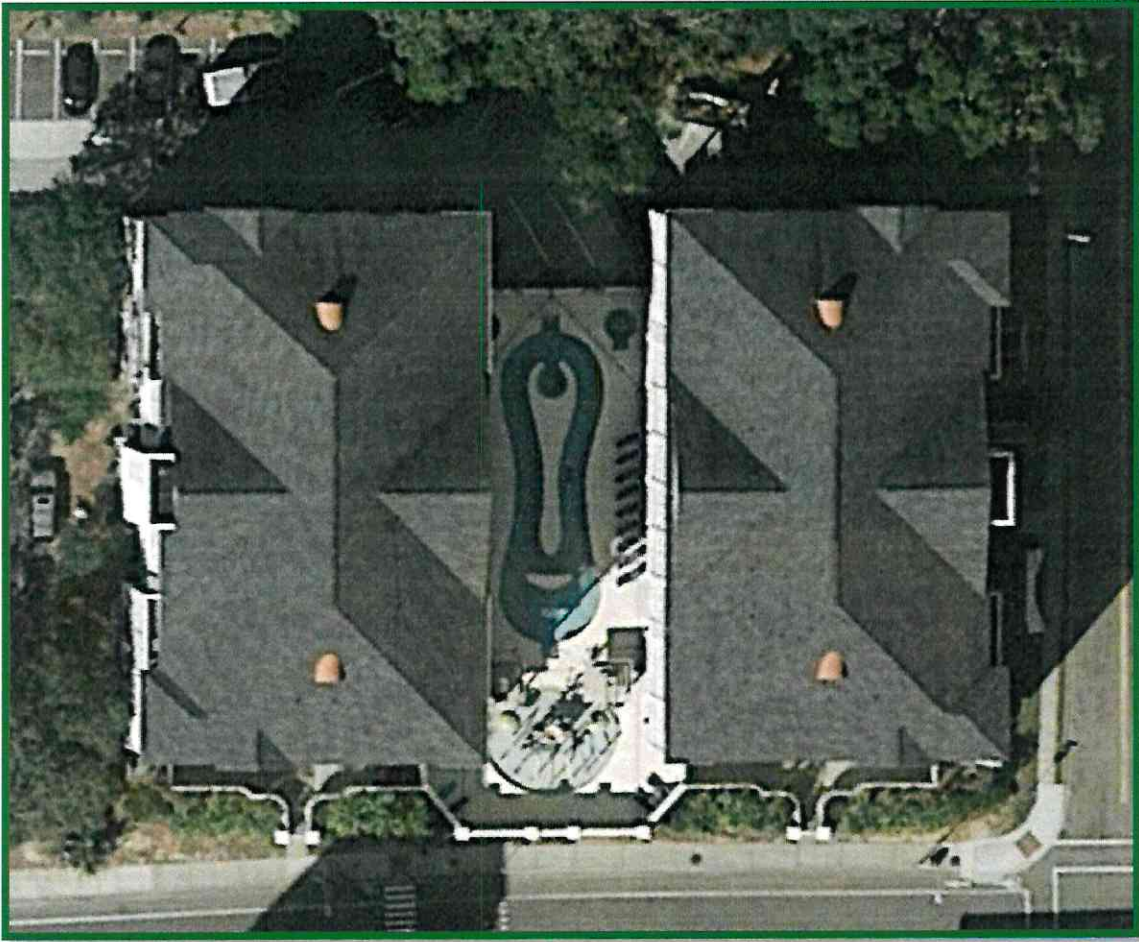
Myrtle Beach, South Carolina

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, November 29, 2018. We conducted the original inspection on April 17, 2012.

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:

- Myrtle Beach Villas II 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
- Elevators, Hydraulic Cylinders
- Foundations
- Pipes, Interior Building, Domestic Water, Sanitary Waste and Vent, Common
- Pipes, Subsurface Utilities, Laterals to Buildings
- Pool Structures
- Structural Frames

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 \$3,000 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)
- Air Compressors
- Asphalt Pavement, Parking Area, Crack Repair, Patch and Seal Coat
- Catch Basins
- Concrete Wheel Stops
- Exhaust Fans, Pool Mechanical Rooms
- Fences, Vinyl, Pool Area and Trash Enclosure
- Heaters, Pool Mechanical Rooms
- Landscape
- Paint Finishes, Touch Up
- Pool Shower



- Power Washing
- Site Furniture
- Valves (We assume replacement as needed in lieu of an aggregate replacement of all small diameter valves as a single event)
- Other Repairs normally funded through the Operating Budget

Certain items have been designated as the responsibility of the homeowners to repair or replace at their cost. Property Maintained by Homeowners, including items billed back to Homeowners, relates to unit:

- Electrical Systems (Including Circuit Protection Panels)
- Heating, Ventilating and Air Conditioning (HVAC) Units
- Interiors
- Light Fixtures, Balconies
- Pipes (Within Units)
- Windows and Doors

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

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

Years 2018 to 2033

Explanatory Notes:
 1) 2.7% is the estimated future inflation rate for estimating future replacement costs.
 2) FY2018 is Fiscal Year beginning January 1, 2018 and ending December 31, 2018.

Myrtle Beach Villas II
Homeowners 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		Unit (2018)	Costs, \$		30-Year Total (Inflated)	RUL = 0																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																							
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RESERVE EXPENDITURES

Years 2034 to 2048

Myrtle Beach Villas II
Homeowners 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		Unit (2018)	Costs, \$		30-Year Total (Inflated)	Years 2034 to 2048																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
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RESERVE EXPENDITURES

Myrtle Beach Villas II
Homeowners Association, Inc.
Myrtle Beach, South Carolina

Explanatory Notes:

- 1) **2.7%** is the estimated future Inflation Rate for estimating Future Replacement Costs.
- 2) FY2018 is Fiscal Year beginning January 1, 2018 and ending December 31, 2018.

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RESERVE EXPENDITURES

Myrtle Beach Villas II
Homeowners 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		Unit (2018)	Costs, \$		16 2034	17 2035	18 2036	19 2037	20 2038	21 2039	22 2040	23 2041	24 2042	25 2043	26 2044	27 2045	28 2046	29 2047	30 2048		
						Useful	Remaining		Per Phase (2018)	Total (2018)																30-Year Total (inflated)	
Garage Elements																											
7.360	17,000	850 Square Feet		Concrete, On-Grade, Partial	2027	to 90	9 to 30+	12.00	10,200	204,000	51,972		16,921													22,087	
7.500	17,000	17,000 Square Feet		Fire Suppression System	2047	to 50	29	3.50	59,500	59,500	128,843															128,843	
7.551	16,000	16,000 Square Feet		Insulation, Ceilings	2032	to 15	14	1.25	20,000	20,000	72,349															43,308	
7.600	86	86 Each		Light Fixtures	2032	to 30	14	300.00	25,800	25,800	37,463																
7.701	505	505 Linear Feet		Railings, Aluminum	2032	to 25	14	40.00	20,200	20,200	28,332																
											\$3,901,526	35,341	91,492	331,763	191,486	27,601	50,349	24,260	29,887	11,372	84,784	71,179	448,632	46,808	514,558	724,543	
											Anticipated Expenditures, By Year																

RESERVE FUNDING PLAN

CASH FLOW ANALYSIS
Myrtle Beach Villas II
Homeowners Association, Inc.
Myrtle Beach, South Carolina

Individual Reserve Budgets & Cash Flows for the Next 30 Years

	FY2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Reserves at Beginning of Year (Note 1)	N/A	219,205	273,298	339,880	420,389	450,394	525,108	604,120	561,490	526,069	440,810	528,558	556,629	643,777	614,761	576,368
Total Recommended Reserve Contributions (Note 2)	N/A	90,000	78,500	80,600	82,800	85,000	87,300	89,700	92,100	94,600	97,200	99,800	102,500	105,300	108,100	111,000
Plus Estimated Interest Earned, During Year (Note 3)	N/A	4,151	5,168	6,408	7,339	8,222	9,518	9,824	9,166	8,149	8,170	9,146	10,117	10,607	10,039	9,338
Less Anticipated Expenditures, By Year	N/A	(40,058)	(17,086)	(6,499)	(60,134)	(18,508)	(17,806)	(142,154)	(136,687)	(188,008)	(17,622)	(80,875)	(25,469)	(144,923)	(156,532)	(165,100)
Anticipated Reserves at Year End	\$219,205	\$273,298	\$339,880	\$420,389	\$450,394	\$525,108	\$604,120	\$661,490	\$626,069	\$440,810	\$528,558	\$556,629	\$643,777	\$614,761	\$576,368	\$531,606

(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	531,606	619,971	656,336	454,233	393,391	500,121	589,153	709,539	829,917	974,755	1,051,852	1,147,913	868,980	994,680	655,026
Total Recommended Reserve Contributions	114,000	117,100	120,300	123,500	126,800	130,200	133,700	137,300	141,000	144,800	148,700	152,700	156,800	161,000	165,300
Plus Estimated Interest Earned, During Year	9,706	10,757	9,360	7,144	7,531	9,181	10,946	12,975	15,210	17,081	18,540	16,999	15,708	13,904	6,362
Less Anticipated Expenditures, By Year	(35,341)	(91,492)	(331,763)	(191,486)	(27,601)	(50,349)	(24,260)	(29,897)	(11,372)	(84,784)	(71,179)	(448,632)	(46,808)	(514,558)	(724,543)
Anticipated Reserves at Year End	\$619,971	\$656,336	\$454,233	\$393,391	\$500,121	\$589,153	\$709,539	\$829,917	\$974,755	\$1,051,852	\$1,147,913	\$868,980	\$994,680	\$655,026	\$102,165

(NOTES 4&5)

Explanatory Notes:

- 1) Year 2018 ending reserves are as of January 1, 2019; FY2018 starts January 1, 2018 and ends December 31, 2018.
- 2) Reserve Contributions for 2019 are budgeted; 2020 is the first year of recommended contributions.
- 3) 1.7% 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).

4.RESERVE COMPONENT DETAIL

The Reserve Component Detail of this *Full 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.*

Exterior Building Elements



Exterior view of buildings



Exterior view of building



Exterior view of building



Exterior view of building



Exterior view of building

Awnings, Aluminum

Line Item: 1.020

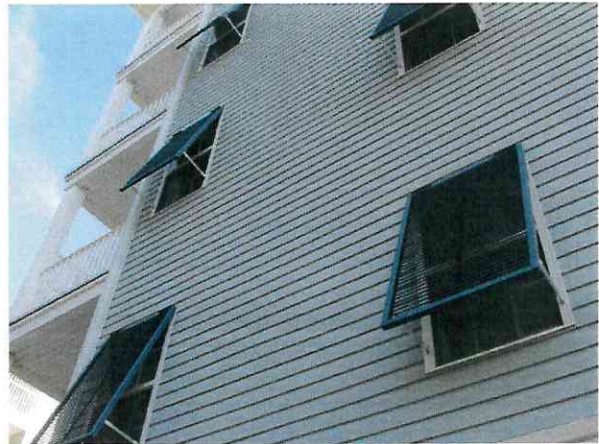
Quantity: 32 aluminum awnings at the building exteriors

History: Original

Condition: Good overall



Aluminum awnings



Aluminum awnings

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.

Balconies and Breezeways, Concrete

Line Item: 1.060

Quantity: Concrete balconies and breezeways comprising approximately 14,700 square feet of horizontal surface area.

History: The Association applied waterproof coatings to the balconies and breezeways in 2017.

Condition: Good overall



Concrete balconies and vinyl railings



Concrete balconies and vinyl railings



Overview of typical breezeway finishes and fixtures



Waterproof coating at concrete breezeway



Waterproof coating at concrete breezeway



Waterproof coating at concrete breezeway

Useful Life: Capital repairs including a close-up visual inspection, patching of delaminated concrete, routing and filling of cracked concrete, and waterproof coating applications every 8- to 12-years.

Component Detail Notes: A waterproof coating application minimizes storm water penetration into the concrete and therefore minimizes future concrete deterioration. *Failure to maintain a waterproof coating on the balconies and breezeways will result in increased concrete repairs and replacements as the balconies and breezeways age.* Capital repairs may also include replacement of the caulked joint between the balcony and breezeway and the building, and repair or replacement of the metal railings and railing fastener attachments 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. Our cost is based on information provided by the Association and includes the following activities per event:

- Partial depth replacement of less than one percent (0.5%) of the concrete topsides, edges and undersides
- Crack repairs as necessary
- Repairs to the railings as necessary
- Replacement of perimeter sealants as needed
- Application of a waterproof coating (Urethane based elastomeric)

Balconies and Breezeways, Railings, Vinyl

Line Items: 1.103 and 1.105

Quantity: 465 linear feet of small vinyl railings at the balconies, and 1,015 linear feet of small and large vinyl railings at the balconies and breezeways

History: Original

Condition: Good overall condition. Management informs us that there have been stability issues with the small balcony railings and the Association plans to replace them in the near term.



Small vinyl railing at balcony



Small vinyl railings at balconies



Vinyl railings at balconies



Vinyl railings at balconies



Vinyl railings at breezeway



Vinyl railings at breezeway

Useful Life: Up to 25 years

Component Detail Notes: The finish on these types of railings is maintenance free and should last the life of the railings.

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 base our estimate of unit cost on information provided by Management.

Doors, Entrances

Line Item: 1.180

Quantity: 10 metal doors at the garages and pool equipment rooms

History: Original

Condition: Good overall with finish deterioration evident at the doors to the pool mechanical rooms. The Association should fund finish applications to the doors from the operating budget on an as-needed basis.



Metal doors at pool mechanical rooms



Rust formation at pool mechanical room door

Useful Life: Up to 20 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.

Gutters and Downspouts, Aluminum

Line Item: 1.240

Quantity: Approximately 550 linear feet of aluminum gutters and three-inch by four-inch downspouts

History: Installed in 2017

Condition: Good overall

Useful Life: Up to 25 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.

Light Fixtures

Line Item: 1.260

Quantity: 72 exterior ceiling-mounted light fixtures accent the breezeways and stairwells.

History: Original

Condition: Management informs us that the Association plans to replace the light fixtures in the near term.



Light fixtures at breezeway

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.

Roofs, Asphalt Shingles

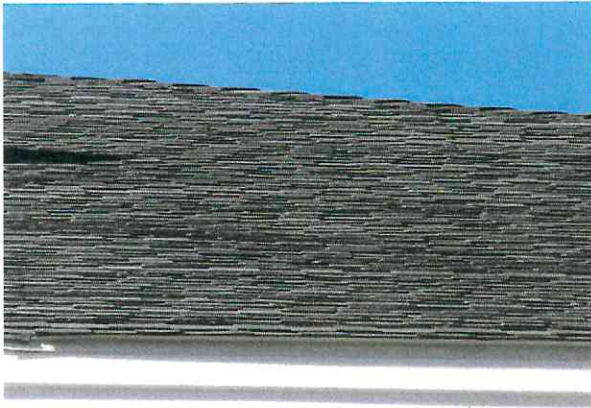
Line Item: 1.280

Quantity: Approximately 230 squares¹

History: Original

Condition: Good overall with no significant deterioration evident from our visual inspection from the ground.

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



Asphalt shingle roof



Asphalt shingle roof



Asphalt shingle roof



Asphalt shingle roof

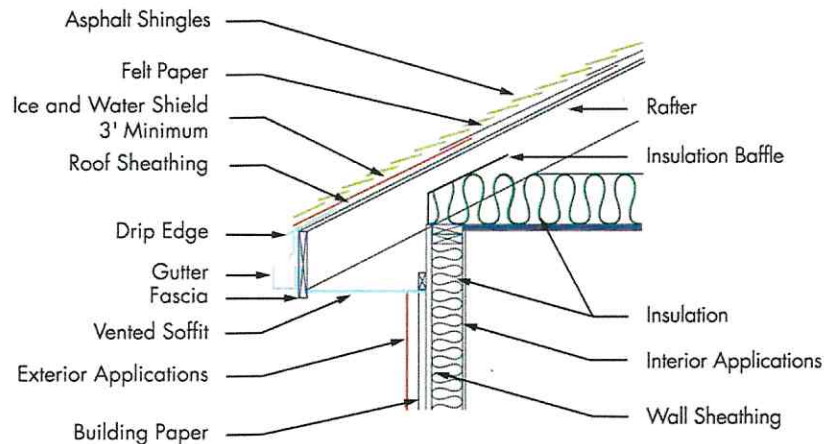
Useful Life: 15- to 20-years

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

- Laminate shingles
- Boston style ridge caps
- Rubber seal with plastic base boot flashing at waste pipes
- Soffit, dormer gables and ridge vents
- 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 Myrtle Beach Villas II:

ROOF SCHEMATIC



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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.

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.

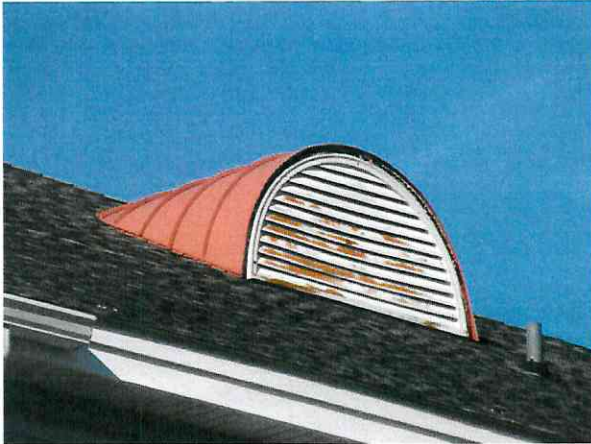
Roofs, Metal, Dormers

Line Item: 1.460

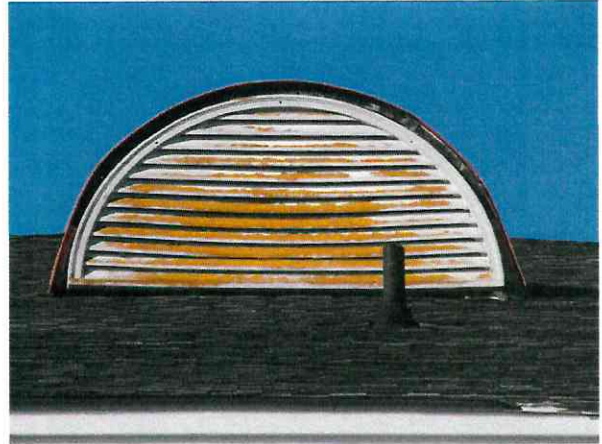
Quantity: Four standing seam metal roofs at the dormers

History: Original

Condition: The metal roofs are in good overall condition. The gables at the roofs exhibit finish deterioration and rust formation.



Metal roof at dormer



Finish deterioration and rust formation at dormer gable



Finish deterioration and rust formation at dormer gable

Useful Life: Up to 40 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.

Signage, Property Identification

Line Item: 1.571

Quantity: One large property identification sign attached to the façade of the northeast building.

History: Original

Condition: Good to fair overall



Property identification signage



Property identification signage

Useful Life: Renovation every 20- 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. The signage includes the following elements:

- Lettering
- Paint finishes
- Metal facade

Priority/Criticality: Per Board discretion

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

Staircases, Wood

Line Item: 1.600

Quantity: Four sets of wood staircases located at the breezeways

History: Original

Condition: Good overall



Wood staircase and railings



Wood staircase



Wood staircase and railings

Useful Life: Up to 25 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. The Association should budget for periodic power washing, minor replacements, and staining through the operating budget.

Walls, Stucco

Line Item: 1.860

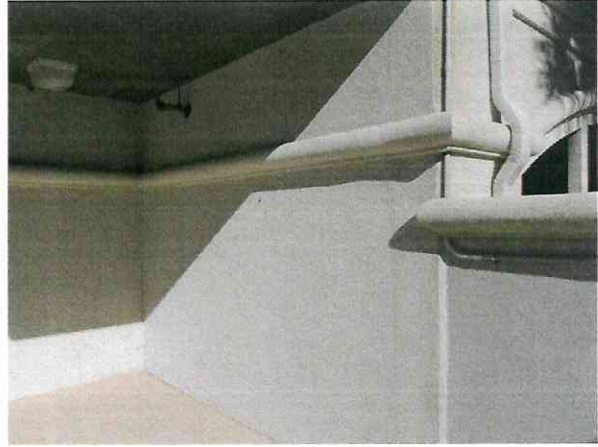
Quantity: Approximately 16,500 square feet at the building exteriors and pool wall

History: Management informs us that the Association conducts stucco repairs and paint applications on an annual basis.

Condition: The condition ranges from good to poor. We note areas of cracked and deteriorated stucco, and stained stucco finishes.



Exterior stucco wall finishes



Exterior stucco wall finishes



Stucco wall finishes at pool area



Exterior stucco wall finishes



Stucco crack and deterioration at base of exterior wall



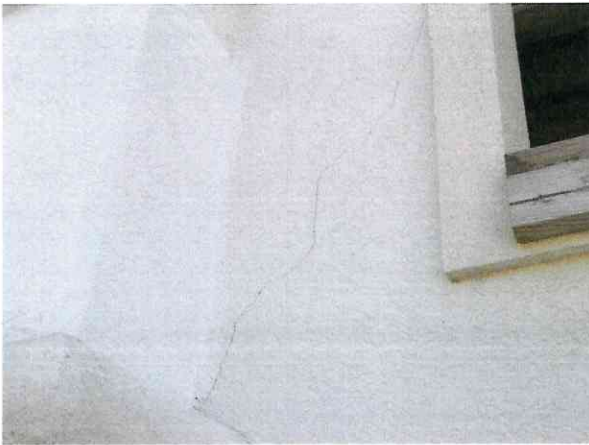
Stucco crack and deterioration at base of exterior wall



Stain at exterior stucco wall



Stains at exterior stucco wall



Stucco crack at exterior wall



Stains at exterior stucco wall