

Marina Villas Owners,

The objective of this letter is to communicate to those who were unable to attend, and confirm for those that were there, the outcomes from the 2022 Marina Villas Annual Meeting that was held on November 11. Just as we did with last year's recap, we're presenting this summary in bullet point fashion in the interest of succinctness. If you have questions or would like an expanded explanation on any of these points, simply reply to this email and the Board will follow up with you individually.

#### Property Manager's Report

- Rebuilding of the chimney enclosures (chases) is ongoing. 2 more have (or will be) completed in 2022, bringing to 13 the total that have been brought up to our current standard. The remaining 11 will continue to be addressed at a rate of about 2 per year prioritized by worst-to-best condition.
- Dryer vent replacement (switching out vinyl duct for metal) has been completed on all those that were identified as in urgent need. Additional vents will be converted as they are identified as problematic – either because of clogging or as we replace others in the adjacent unit.
- Landscaping and irrigation improvements and repair will continue into 2023.

#### Board of Director's Report

- Five of eight of the major projects listed during last year's meeting and included in the 8-year plan were completed all or in part. In addition to chimney chase and dryer vent work:
  - Removal of 24 trees along with trimming to create space between branches and adjacent buildings was accomplished in February. More trees were removed than originally budgeted due to discovery of additional dead or diseased specimens. This caused the project to run \$4,000 over the amount earmarked. The plan going forward will be to keep up with tree maintenance on an annual or semi-annual basis to avoid the need for large expenditures as we experienced in 2022.
  - Landscaping - mulch was applied throughout the community, three buildings had modification to the moats to prevent water from infiltrating the crawlspaces and dead groundcover was removed (with replacement started) along Coveview.
  - Irrigation system repair/rebuild was completed along Coveview.
  - The foot bridge on the walkway parallel to East Blue Heron was pressure washed, rotten boards were replaced, and the entire bridge was repainted. This enables us to defer replacement for several years and direct spending to higher priorities.
- As planned, the implementation of our major project assessment generated cash to help fund work on chimney chases, tree removal, and landscape improvements while allowing to still make good progress against our punch list of routine repairs and maintenance. We've adopted an approach of addressing systemic problems, when possible, to both accelerate repairs and reduce cost by having contractors address several similar punch list items in a single trip.
- The Board acknowledged that we fell behind on communications and updating of the website during 2022 and have a 2023 objective to remedy that. In the meantime, as always, we encourage residents to approach the us directly if you have issues that need to be addressed or questions answered.

- A list of topics that have been suggested by residents or identified by the Board was discussed. These are topics on which we solicit additional input as we look to prioritize our expenditure of time and potential spending on legal guidance. Included were:
  - Governance processes. The question here is whether residents are concerned that our governance documents and processes need updating and/or benchmarking against KKPOA.
  - The question of whether Marina Villas should explore imposing a cap on the number of units that can be rented by owners. There are both benefits and disadvantages to imposing a cap – if it is legally possible. From the Board’s perspective 2022 seemed to be a quieter year in terms of complaints concerning renters.
  - Insurance risk assessment and fire extinguishers. A routine risk assessment conducted by our insurance carrier identified grills on rear decks as something that we should consider prohibiting. Until this is mandated by our insurance carrier, we are requesting that all residents that operate a grill have a 5 lbs. capacity, type ABC fire extinguisher on hand.
  - Rear deck upgrades. Several residents have inquired about rebuilding rear decks to bring them up to the standard of our bridges. At the estimated cost of approximately \$7,000/unit the Association simply does not have funds to execute such a project. It has been decided that residents who chose to do so can perform such an upgrade at their own expense. The restriction is that the footprint of the decks must remain identical to the existing deck and materials must match exactly those used on our front entry bridges. The Homeowners Handbook will be updated in 2023 to include this guidance.
  - Renovations to common areas. Once again, the MV Association is faced with spending in 2023 to repair an area that had been modified by a previous resident. The Board believes that our renovation request process needs to be updated to incorporate a means to pass responsibility for owner installed modification to common areas to a subsequent owner rather than having that responsibility defer to the Association.
  - Community workdays. Our understanding is that Marina Villas residents formerly got together a few times a year to address some of the more basic maintenance projects. The Board is considering doing that again specifically to address bridge washing and painting of “moat” steps in the spring of 2023.

### Financial Report

- A copy of the budget and eight-year plan accompany this letter and will also be posted to our Marina Villas website. Highlights of that budget and 2022 results include:
  - Our current forecast shows us ending 2022 essentially on budget. We have spending planned for December to rebuild the chimney of units 332/334 which will impact our final cash flow projections from a timing standpoint.
  - Total cash on hand may be below budget due to major project spending and timing. Our current estimate is a decrease of \$1,172 still leaving a comfortable reserve balance.
- Regime fees will remain unchanged in 2023 at \$900/quarter and major project assessment of \$650/year.

- Future major project spending. The 2013 budget and 8-year plan include changes to major project spending as follows:
  - The exterior painting of our buildings will be accelerated and spread over three years. Instead of repainting all buildings in 2025, we will begin painting in 2023 with building 340, 330 and 310 slated for the first phase. The plan will be to follow in 2024 with buildings 200, 320 and 350. Finally, the six buildings east of Marina Drive will be finished in 2025. The reason for this change is that those buildings in the first and second phases are in urgent need of paint on their southern exposures. Rather than repainting one side of these buildings only to come back and repaint the entire building two years later, we've determined that we can address the most urgent needs without duplicating our expenses by adopting a 3-year cycle

#### Board Member election

- John Brubacher and Patty Muehling were re-elected for second terms
- In a subsequent organizing meeting, it was decided to fill the respective Board positions as follows:
  - President, Steve Rosenberg
  - Vice President, Patty Muehling
  - Treasurer, Susan Dougherty
  - Secretary, Leslie Ring
  - Director-at-Large, John Brubacher

Under the heading of general communication, we shared with the members present that Keowee Key POA will be removing the footbridge at the South Marina located just south of the fuel tank and parallel to the shoreline. The bridge was judged to need replacement at an estimated cost of \$75,000. The KKPOA Board determined those funds would be better targeted to projects that are enjoyed by a larger number of residents. The Board did follow-up with KKPOA following our meeting and learned that there is no date yet set for the removal.

Finally, we'd like to encourage residents to continue to use the on-line Maintenance Request Form on the Marina Villas website to request maintenance or other work to be performed by Foothills Property. This enables us to more closely track requests and ensure they are being followed up upon.

In closing, the Board would like to wish everyone a safe and healthy Holiday Season!

The Marina Villas Board

## Marina Villas Operating P&L

Operating Budget/P&L		
Income	Forecast	
	FY 2022	FY 2023
Operating Fees	\$172,800	\$172,800
Transfer Fees	\$6,000	\$3,000
Other Income	\$0	\$0
<b>Total Income</b>	<b>\$178,800</b>	<b>\$175,800</b>
Expenses		
Management Fees	\$15,375	\$16,298
Legal Fees/Prof. Service	\$1,000	\$1,060
Postage/Copy/Admin	\$1,000	\$1,060
Insurance	\$31,500	\$33,390
Taxes	\$0	\$0
Social & Other Expenses	\$750	\$795
<b>Total Gen. and Admin.</b>	<b>\$49,625</b>	<b>\$52,603</b>
Electricity	\$275	\$292
Water	\$2,500	\$2,650
<b>Total Utilities</b>	<b>\$2,775</b>	<b>\$2,942</b>
Grounds Improvements	\$7,500	\$7,950
Gutter/Glass Cleaning	\$4,600	\$4,876
Repairs	\$30,000	\$31,800
Irrigation Maintenance	\$2,500	\$2,650
<b>Total Maintenance</b>	<b>\$44,600</b>	<b>\$47,276</b>
Grounds Contract	\$15,500	\$16,430
Trash Removal	\$7,500	\$7,950
Pest Control	\$3,500	\$3,710
Termite Bond	\$750	\$795
<b>Total Contracts</b>	<b>\$27,250</b>	<b>\$28,885</b>
<b>Subtotal Expenses</b>	<b>\$124,250</b>	<b>\$131,705</b>
<b>Gross Surplus/(Deficit)</b>	<b>\$54,550</b>	<b>\$44,095</b>
Operating Account:		
Beginning Balance	\$80,116	\$84,666
Plus: Surplus/(Deficit)	\$54,550	\$44,095
Transfer (to) Reserve Acct	(\$50,000)	(\$80,000)
Transfer From Reserve Acct	\$0	\$0
<b>Ending Balance</b>	<b>\$84,666</b>	<b>\$48,761</b>

Capital Improvement Budget/P&L & Reserve Account		
Capital Improvement Income:		
Capital Improvement Fees	\$31,200	\$31,200
Capital Improvement Assessment	\$0	\$0
<b>Total Capital Income</b>	<b>\$31,200</b>	<b>\$31,200</b>
Capital Improvement Expenses:		
Building Improvements	\$10,000	\$50,000
Landscaping Improvements	\$53,650	\$4,350
Infrastructure Improvements	\$5,000	\$15,000
<b>Total Capital Improvements</b>	<b>\$68,650</b>	<b>\$69,350</b>
<b>Capital Surplus/Deficit</b>	<b>(\$37,450)</b>	<b>(\$38,150)</b>
Reserve Accts:		
Beginning Balance	\$23,701	\$17,979
General Reserve Contribution	\$50,000	\$80,000
Capital Income	\$31,200	\$31,200
Capital Project Expense	(\$68,650)	(\$69,350)
Other/Interest/Loan activity	(\$18,272)	(\$18,272)
<b>Ending Balance</b>	<b>\$17,979</b>	<b>\$41,557</b>
<b>Total Cash Funds</b>	<b>\$102,645</b>	<b>\$90,318</b>

Capital Improvement Plan		
Project	2022	2023
Chimney chases	\$10,000	\$20,000
Dryer Vents	\$0	\$0
Painting		\$24,000
Gutter Replacement		\$ 6,000
Other		
Bridge on EBH walkway		
Bldg 310 retaining wall		\$10,000
Drainage/OI walkways	\$0	
Other	\$5,000	\$5,000
Paving		\$0
Tree trimming	\$40,000	\$1,500
Landscape	\$13,650	\$8,000
<b>Total</b>	<b>\$68,650</b>	<b>\$74,500</b>

2021-2028 Marina Villas Income Statement									
Income	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Operating Fees	\$172,800	\$172,800	\$172,800	\$172,800	\$182,400	\$182,400	\$182,400	\$182,400	\$182,400
Capital Improvement Fees	\$31,200	\$31,200	\$31,200	\$31,200	\$31,200	\$31,200	\$31,200	\$31,200	\$31,200
Transfer Fees	\$6,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Other income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total income</b>	<b>\$210,000</b>	<b>\$207,000</b>	<b>\$207,000</b>	<b>\$207,000</b>	<b>\$216,600</b>	<b>\$216,600</b>	<b>\$216,600</b>	<b>\$216,600</b>	<b>\$216,600</b>
<b>Expenses:</b>									
Total Gen. and Admin.	\$49,625	\$52,603	\$54,707	\$56,348	\$58,038	\$60,070	\$62,172	\$64,659	\$67,245
Total Utilities	\$2,775	\$2,942	\$3,059	\$3,151	\$3,245	\$3,359	\$3,477	\$3,616	\$3,760
Total Maintenance	\$44,600	\$47,276	\$49,167	\$50,642	\$52,161	\$53,987	\$55,877	\$58,112	\$60,436
Total Contracts	\$27,250	\$28,885	\$30,040	\$30,942	\$31,870	\$32,985	\$34,140	\$35,505	\$36,926
<b>Subtotal Expenses</b>	<b>\$124,250</b>	<b>\$131,705</b>	<b>\$136,973</b>	<b>\$141,082</b>	<b>\$145,315</b>	<b>\$150,401</b>	<b>\$155,665</b>	<b>\$161,892</b>	<b>\$168,367</b>
<b>Gross Surplus/(Deficit)</b>	<b>\$85,750</b>	<b>\$75,295</b>	<b>\$70,027</b>	<b>\$65,918</b>	<b>\$71,285</b>	<b>\$66,199</b>	<b>\$60,935</b>	<b>\$54,708</b>	<b>\$48,233</b>
Total Capital Improvements	\$68,650	\$69,350	\$64,000	\$66,500	\$40,000	\$26,500	\$27,500	\$26,500	\$25,000
Reserve Charges/Loan Payment	\$18,272	\$18,272	\$18,272	\$18,272	\$18,272	\$18,272	\$53,052	\$0	\$0
<b>Net Surplus/(Deficit)</b>	<b>(\$1,172)</b>	<b>(\$12,327)</b>	<b>(\$12,245)</b>	<b>(\$18,854)</b>	<b>\$13,013</b>	<b>\$21,427</b>	<b>(\$19,617)</b>	<b>\$28,208</b>	<b>\$23,233</b>
Beginning Cash Balance	\$103,817	\$102,645	\$90,318	\$78,073	\$59,219	\$72,232	\$93,659	\$74,042	\$102,251
<b>Ending Cash Balance</b>	<b>\$102,645</b>	<b>\$90,318</b>	<b>\$78,073</b>	<b>\$59,219</b>	<b>\$72,232</b>	<b>\$93,659</b>	<b>\$74,042</b>	<b>\$102,251</b>	<b>\$125,484</b>

### Marina Villas Long Term Major Project Spending

