The Condominium at Homestead in Pickerington

Pickerington, OH • July 21, 2022

FULL RESERVE STUDY

RESERVE™ ADVISORS

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Corporate Office
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Milwaukee, WI 53202

The Condominium at Homestead in Pickerington
Pickerington, Ohio

Dear Board of Directors of The Condominium at Homestead in Pickerington:

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Full Reserve Study* of The Condominium at Homestead in Pickerington in Pickerington, Ohio and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, July 21, 2022.

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- to three-years. We look forward to continuing to help The Condominium at Homestead in Pickerington 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 September 21, 2022 by

Reserve Advisors, LLC

Visual Inspection and Report by: Heather M. Christensen, RS[1] and Patrick R. Older
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: The Condominium at Homestead in Pickerington (Homestead in Pickerington)
Location: Pickerington, Ohio
Reference: 212312

Property Basics: The Condominium at Homestead in Pickerington is a townhome style development which consists of 100 units in 25 buildings. The community was built in four phases, Phases One and Two from 2004 to 2007 (60 units), Phase Three in 2009 (12 units) and Phase Four from 2018 to 2019 (28 units). The buildings comprise vinyl siding and asphalt shingle roofs. The community includes a clubhouse.

Reserve Components Identified: 33 Reserve Components.

Inspection Date: July 21, 2022.

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 2038 due to replacement of roofs. In addition, the Reserve Funding Plan recommends 2052 year end accumulated reserves of approximately $1,068,600. We judge this amount of accumulated reserves in 2052 necessary to fund the likely replacement of the roofs after 2052. Future replacement costs beyond the next 30 years for the replacement of the roofs are likely to more than double the current cost of replacement. These future needs, although beyond the limit of the Cash Flow Analysis of this Reserve Study, are reflected in the amount of accumulated 2052 year end reserves.

Methodology: 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
- 0.7% 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:

- $412,623 as of July 19, 2022
- 2022 budgeted Reserve Contributions of $87,630
- A potential deficit in reserves might occur by 2037 based upon continuation of the most recent annual reserve contribution of $87,630 and the identified Reserve Expenditures.

Project Prioritization: We note anticipated Reserve Expenditures for the next 30 years in the ***Reserve Expenditures*** tables and include a ***Five-Year Outlook*** table following the ***Reserve Funding Plan*** in Section 3. We recommend the Association prioritize the following projects in the next five years based on the conditions identified:

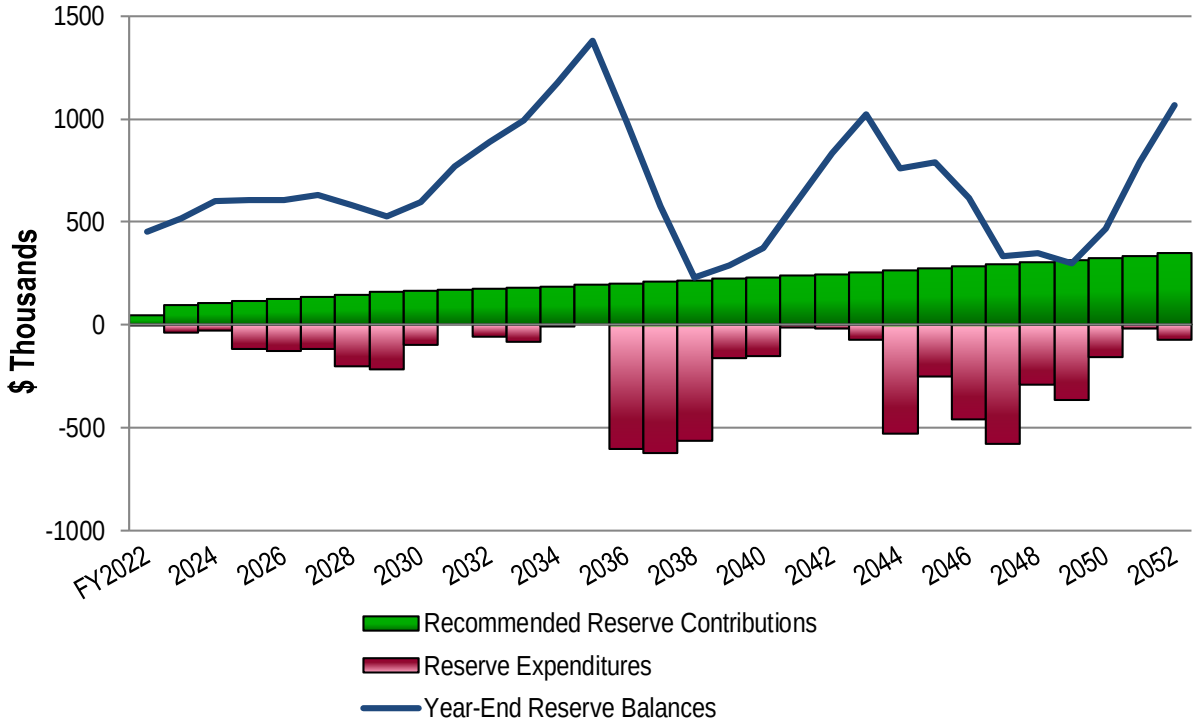
- Repaving as deferral will result in dangerous road conditions and vehicle damage
- Repairs to the masonry pillars at the split rail fences

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

- Phased increases of approximately $10,000 from 2023 through 2029
- Inflationary increases through 2052, the limit of this study's Cash Flow Analysis
- Initial adjustment in Reserve Contributions of $9,970 represents an average monthly increase of $8.31 per unit owner and about a three percent (2.9%) adjustment in the 2022 total Operating Budget of $339,195.

Homestead in Pickerington
Recommended Reserve Funding Table and Graph

Year	Reserve Contributions ($)	Reserve Balances ($)	Year	Reserve Contributions ($)	Reserve Balances ($)	Year	Reserve Contributions ($)	Reserve Balances ($)
2023	97,600	518,746	2033	180,800	993,822	2043	255,000	1,020,675
2024	107,600	601,845	2034	187,100	1,178,677	2044	263,900	759,184
2025	117,600	605,689	2035	193,600	1,381,205	2045	273,100	787,892
2026	127,600	607,825	2036	200,400	988,103	2046	282,700	614,916
2027	137,600	630,482	2037	207,400	574,851	2047	292,600	333,419
2028	147,600	582,595	2038	214,700	228,604	2048	302,800	348,274
2029	157,600	528,016	2039	222,200	289,929	2049	313,400	298,778
2030	163,100	596,012	2040	230,000	371,743	2050	324,400	467,330
2031	168,800	769,575	2041	238,100	600,739	2051	335,800	789,003
2032	174,700	890,959	2042	246,400	832,239	2052	347,600	1,068,645



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

The Condominium at Homestead in Pickerington

Pickerington, Ohio

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, July 21, 2022.

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 Unit Owners 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 and the Board. These classes of property include:

- Reserve Components
- Long-Lived Property Elements
- Operating Budget Funded Repairs and Replacements
- Property Maintained by Unit Owners

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:

- Homestead in Pickerington 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
- Pipes, Interior Building, Domestic Water, Sanitary Waste, Common
- Pipes, Subsurface Utilities
- Structural Frames
- Walls, Siding, Vinyl, Phase Four

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 $3,500 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)
- Catch Basins, Landscape
- Landscape
- Paint Finishes, Touch Up
- Signage, Street Identification and Traffic Control
- Site Furniture
- Other Repairs normally funded through the Operating Budget

Site furniture at clubhouse

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

- Electrical Systems (Including Circuit Protection Panels)
- Heating, Ventilating and Air Conditioning (HVAC) Units
- Interiors
- Patios and Porches
- 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
- 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
- Predicted reserves based on current funding level

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

The Condominium at Homestead
in Pickerington
Pickerington, Ohio

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	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
				Exterior Building Elements																							
1.240	7,300	**7,300**	Linear Feet	Gutters and Downspouts, Aluminum, Phases 1-3 (Incl. Clubhouse and Mailbox Enclosure)	2029	15 to 25	7	8.50	62,050	62,050	**3.7%**								78,945								
1.241	6,700	**3,350**	Linear Feet	Gutters and Downspouts, Aluminum, Phase 4 and Camden Buildings, Phased	2037	15 to 25	15 to 16	8.50	28,475	56,950	**1.6%**																47,706
1.260	102	**102**	Each	Light Fixtures	2028	to 20	6	90.00	9,180	9,180	**0.6%**							11,285									
1.280	2,300	**765**	Squares	Roofs, Asphalt Shingles, Phased (Incl. Clubhouse and Mailbox Enclosure)	2036	15 to 20	14 to 16	420.00	321,300	966,000	**26.5%**															558,838	578,397
1.560	270	**270**	Pairs	Shutters, Vinyl	2028	to 20	6	155.00	41,850	41,850	**2.5%**							51,444									
1.820	19,700	**19,700**	Square Feet	Walls, Masonry, Stone Veneer, Inspections and Partial Repairs (Incl. Pillars Within Fences)	2023	8 to 12	1	1.80	35,460	35,460	**2.7%**		36,701										51,771				
1.860	38,000	**38,000**	Square Feet	Walls, Siding, Vinyl, Phases 1-2	2044	to 40	22	6.00	228,000	228,000	**8.0%**																
1.861	7,600	**7,600**	Square Feet	Walls, Siding, Vinyl, Phase 3	2049	to 40	27	6.00	45,600	45,600	**1.9%**																
				Property Site Elements																							
4.020	16,400	**16,400**	Square Yards	Asphalt Pavement, Crack Repair and Patch, Streets and Access Drives	2024	3 to 5	2	1.10	18,040	18,040	**4.4%**			19,325				22,176			25,447				29,201	
4.021	5,300	**5,300**	Square Yards	Asphalt Pavement, Crack Repair, Patch and Seal Coat, Driveways	2024	3 to 5	2	1.60	8,480	8,480	**1.7%**			9,084				7,867			11,962				13,727	
4.040	10,750	**5,375**	Square Yards	Asphalt Pavement, Mill and Overlay, Streets and Access Drives, Phases 1-2, Phased	2026	15 to 20	4 to 5	16.00	86,000	172,000	**3.3%**					98,687	102,141									
4.041	2,100	**2,100**	Square Yards	Asphalt Pavement, Mill and Overlay, Streets and Access Drives, Phase 3	2029	15 to 20	7	16.00	33,600	33,600	**0.7%**								42,749							
4.042	3,550	**3,550**	Square Yards	Asphalt Pavement, Mill and Overlay, Streets and Access Drives, Phase 4	2039	15 to 20	17	16.00	56,800	56,800	**1.7%**															
4.044	10,750	**5,375**	Square Yards	Asphalt Pavement, Total Replacement, Streets and Access Drives, Phases 1-2, Phased	2046	15 to 20	24 to 25	32.50	174,688	349,375	**13.4%**																
4.045	2,100	**2,100**	Square Yards	Asphalt Pavement, Total Replacement, Streets and Access Drives, Phase 3	2049	15 to 20	27	32.50	68,250	68,250	**2.9%**																
4.047	3,200	**3,200**	Square Yards	Asphalt Pavement, Total Replacement, Driveways, Phases 1-2	2025	15 to 20	3	33.25	106,400	106,400	**5.8%**				117,968												
4.048	1,300	**1,300**	Square Yards	Asphalt Pavement, Total Replacement, Driveways, Phase 3	2028	15 to 20	6	33.25	43,225	43,225	**2.6%**							53,135								
4.049	850	**850**	Square Yards	Asphalt Pavement, Total Replacement, Driveways, Phase 4	2038	15 to 20	16	33.25	28,263	28,263	**0.8%**																
4.100	9	**5**	Each	Catch Basins, Inspections and Capital Repairs, Phased	2026	15 to 20	4 to 17	900.00	4,050	8,100	**0.4%**					4,647										
4.110	5,400	**230**	Linear Feet	Concrete Curbs, Partial	2026	to 65	4 to 30+	33.00	7,590	178,200	**1.6%**					8,710	9,015		9,657							
4.125	19,500	**1,465**	Square Feet	Concrete Flatwork, Partial	2026	to 65	4 to 30+	10.50	15,383	204,750	**1.7%**					17,652						21,699				
4.285	600	**600**	Linear Feet	Fence, Wood, East Perimeter	2029	15 to 20	7	38.00	22,800	22,800	**1.4%**								29,008							
4.286	1,150	**1,150**	Linear Feet	Fences, Wood, Split Rail, Entrance and Clubhouse	2040	to 25	18	30.00	34,500	34,500	**1.1%**															
4.287	650	**650**	Linear Feet	Fences, Wood, Units, Paint and Repairs	2027	4 to 6	5	10.50	6,825	6,825	**0.9%**						8,106									
4.288	650	**650**	Linear Feet	Fences, Wood, Units, Replacement	2033	15 to 20	11	34.50	22,425	22,425	**0.5%**												32,740			
4.560	103	**52**	Each	Light Poles and Fixtures, Phased	2028	to 25	6 to 7	850.00	43,775	87,550	**1.8%**							53,811	55,694							
4.600	7	**7**	Each	Mailbox Stations	2030	to 25	8	2,100.00	14,700	14,700	**0.3%**									19,357						
4.800	1	**1**	Allowance	Signage, Entrance Monument, Renovation	2034	15 to 20	12	6,500.00	6,500	6,500	**0.2%**													9,822		
				Clubhouse Elements																							
5.070	1	**1**	Each	Air Handling and Condensing Units, Split System	2041	15 to 20	19	6,500.00	6,500	6,500	**0.2%**																
5.500	1	**1**	Allowance	Clubhouse, Renovation, Complete	2030	to 25	8	53,500.00	53,500	53,500	**3.5%**									70,449						
5.510	1	**1**	Allowance	Clubhouse, Renovation, Partial (2022 is Paint and Carpet Replacement, is Budgeted)	2022	8 to 12	0	20,000.00	20,000	20,000	**0.7%**	3,500															
5.580	2	**2**	Each	Rest Rooms, Renovation	2030	to 25	8	3,500.00	7,000	7,000	**0.5%**									9,218						
5.800	200	**200**	Square Feet	Windows and Doors	2042	to 40	20	50.00	10,000	10,000	**0.3%**																
				Anticipated Expenditures, By Year ($6,040,292 over 30 years)								3,500	36,701	28,409	117,968	129,696	119,262	199,718	216,053	99,024	0	59,108	84,511	9,822	0	601,766	626,103

RESERVE EXPENDITURES

The Condominium at Homestead in Pickerington
Pickerington, Ohio

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	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
				Exterior Building Elements																						
1.240	7,300	**7,300**	Linear Feet	Gutters and Downspouts, Aluminum, Phases 1-3 (Incl. Clubhouse and Mailbox Enclosure)	2029	15 to 25	7	8.50	62,050	62,050	**3.7%**										146,639					
1.241	6,700	**3,350**	Linear Feet	Gutters and Downspouts, Aluminum, Phase 4 and Camden Buildings, Phased	2037	15 to 25	15 to 16	8.50	28,475	56,950	**1.6%**	49,375														
1.260	102	**102**	Each	Light Fixtures	2028	to 20	6	90.00	9,180	9,180	**0.6%**											22,454				
1.280	2,300	**765**	Squares	Roofs, Asphalt Shingles, Phased (Incl. Clubhouse and Mailbox Enclosure)	2036	15 to 20	14 to 16	420.00	321,300	966,000	**26.5%**	465,367															
1.560	270	**270**	Pairs	Shutters, Vinyl	2028	to 20	6	155.00	41,850	41,850	**2.5%**											102,363				
1.820	19,700	**19,700**	Square Feet	Walls, Masonry, Stone Veneer, Inspections and Partial Repairs (Incl. Pillars Within Fences)	2023	8 to 12	1	1.80	35,460	35,460	**2.7%**						73,027									
1.860	38,000	**38,000**	Square Feet	Walls, Siding, Vinyl, Phases 1-2	2044	to 40	22	6.00	228,000	228,000	**8.0%**							485,985								
1.861	7,600	**7,600**	Square Feet	Walls, Siding, Vinyl, Phase 3	2049	to 40	27	6.00	45,600	45,600	**1.9%**												115,439			
				Property Site Elements																						
4.020	16,400	**16,400**	Square Yards	Asphalt Pavement, Crack Repair and Patch, Streets and Access Drives	2024	3 to 5	2	1.10	18,040	18,040	**4.4%**			33,509				38,452				44,125				50,635
4.021	5,300	**5,300**	Square Yards	Asphalt Pavement, Crack Repair, Patch and Seal Coat, Driveways	2024	3 to 5	2	1.60	8,480	8,480	**1.7%**			15,752				7,162				15,654				23,802
4.040	10,750	**5,375**	Square Yards	Asphalt Pavement, Mill and Overlay, Streets and Access Drives, Phases 1-2, Phased	2026	15 to 20	4 to 5	16.00	86,000	172,000	**3.3%**															
4.041	2,100	**2,100**	Square Yards	Asphalt Pavement, Mill and Overlay, Streets and Access Drives, Phase 3	2029	15 to 20	7	16.00	33,600	33,600	**0.7%**															
4.042	3,550	**3,550**	Square Yards	Asphalt Pavement, Mill and Overlay, Streets and Access Drives, Phase 4	2039	15 to 20	17	16.00	56,800	56,800	**1.7%**		101,938													
4.044	10,750	**5,375**	Square Yards	Asphalt Pavement, Total Replacement, Streets and Access Drives, Phases 1-2, Phased	2046	15 to 20	24 to 25	32.50	174,688	349,375	**13.4%**									398,869	412,829					
4.045	2,100	**2,100**	Square Yards	Asphalt Pavement, Total Replacement, Streets and Access Drives, Phase 3	2049	15 to 20	27	32.50	68,250	68,250	**2.9%**												172,779			
4.047	3,200	**3,200**	Square Yards	Asphalt Pavement, Total Replacement, Driveways, Phases 1-2	2025	15 to 20	3	33.25	106,400	106,400	**5.8%**								234,731							
4.048	1,300	**1,300**	Square Yards	Asphalt Pavement, Total Replacement, Driveways, Phase 3	2028	15 to 20	6	33.25	43,225	43,225	**2.6%**											105,727				
4.049	850	**850**	Square Yards	Asphalt Pavement, Total Replacement, Driveways, Phase 4	2038	15 to 20	16	33.25	28,263	28,263	**0.8%**	49,007														
4.100	9	**5**	Each	Catch Basins, Inspections and Capital Repairs, Phased	2026	15 to 20	4 to 17	900.00	4,050	8,100	**0.4%**		7,268							9,247						
4.110	5,400	**230**	Linear Feet	Concrete Curbs, Partial	2026	to 65	4 to 30+	33.00	7,590	178,200	**1.6%**		13,622							17,330	17,937		19,215			
4.125	19,500	**1,465**	Square Feet	Concrete Flatwork, Partial	2026	to 65	4 to 30+	10.50	15,383	204,750	**1.7%**		27,607							35,123						
4.285	600	**600**	Linear Feet	Fence, Wood, East Perimeter	2029	15 to 20	7	38.00	22,800	22,800	**1.4%**												57,720			
4.286	1,150	**1,150**	Linear Feet	Fences, Wood, Split Rail, Entrance and Clubhouse	2040	to 25	18	30.00	34,500	34,500	**1.1%**			64,083												
4.287	650	**650**	Linear Feet	Fences, Wood, Units, Paint and Repairs	2027	4 to 6	5	10.50	6,825	6,825	**0.9%**		12,249						15,057						18,509	
4.288	650	**650**	Linear Feet	Fences, Wood, Units, Replacement	2033	15 to 20	11	34.50	22,425	22,425	**0.5%**															
4.560	103	**52**	Each	Light Poles and Fixtures, Phased	2028	to 25	6 to 7	850.00	43,775	87,550	**1.8%**															
4.600	7	**7**	Each	Mailbox Stations	2030	to 25	8	2,100.00	14,700	14,700	**0.3%**															
4.800	1	**1**	Allowance	Signage, Entrance Monument, Renovation	2034	15 to 20	12	6,500.00	6,500	6,500	**0.2%**															
				Clubhouse Elements																						
5.070	1	**1**	Each	Air Handling and Condensing Units, Split System	2041	15 to 20	19	6,500.00	6,500	6,500	**0.2%**				12,496											
5.500	1	**1**	Allowance	Clubhouse, Renovation, Complete	2030	to 25	8	53,500.00	53,500	53,500	**3.5%**													140,179		
5.510	1	**1**	Allowance	Clubhouse, Renovation, Partial (2022 is Paint and Carpet Replacement, is Budgeted)	2022	8 to 12	0	20,000.00	20,000	20,000	**0.7%**			37,150												
5.580	2	**2**	Each	Rest Rooms, Renovation	2030	to 25	8	3,500.00	7,000	7,000	**0.5%**													18,341		
5.800	200	**200**	Square Feet	Windows and Doors	2042	to 40	20	50.00	10,000	10,000	**0.3%**					19,898										
				Anticipated Expenditures, By Year ($6,040,292 over 30 years)								563,749	162,684	150,494	12,496	19,898	73,027	531,599	249,788	460,569	577,405	290,323	365,153	158,520	18,509	74,437

RESERVE FUNDING PLAN

CASH FLOW ANALYSIS
The Condominium at Homestead in Pickerington
Pickerington, Ohio

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)*	412,623	454,453	518,746	601,845	605,689	607,825	630,482	582,595	528,016	596,012	769,575	890,959	993,822	1,178,677	1,381,205	988,103
Total Recommended Reserve Contributions	*(Note 2)*	**43,815**	**97,600**	**107,600**	**117,600**	**127,600**	**137,600**	**147,600**	**157,600**	**163,100**	**168,800**	**174,700**	**180,800**	**187,100**	**193,600**	**200,400**	**207,400**
Estimated Interest Earned, During Year	*(Note 3)*	1,515	3,394	3,908	4,212	4,232	4,319	4,231	3,874	3,920	4,763	5,792	6,574	7,577	8,928	8,264	5,451
Anticipated Expenditures, By Year		(3,500)	(36,701)	(28,409)	(117,968)	(129,696)	(119,262)	(199,718)	(216,053)	(99,024)	0	(59,108)	(84,511)	(9,822)	0	(601,766)	(626,103)
Anticipated Reserves at Year End		$454,453	$518,746	$601,845	$605,689	$607,825	$630,482	$582,595	$528,016	$596,012	$769,575	$890,959	$993,822	$1,178,677	$1,381,205	$988,103	$574,851

(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	574,851	228,604	289,929	371,743	600,739	832,239	1,020,675	759,184	787,892	614,916	333,419	348,274	298,778	467,330	789,003
Total Recommended Reserve Contributions	**214,700**	**222,200**	**230,000**	**238,100**	**246,400**	**255,000**	**263,900**	**273,100**	**282,700**	**292,600**	**302,800**	**313,400**	**324,400**	**335,800**	**347,600**
Estimated Interest Earned, During Year	2,802	1,809	2,308	3,392	4,998	6,463	6,208	5,396	4,893	3,308	2,378	2,257	2,672	4,382	6,479
Anticipated Expenditures, By Year	(563,749)	(162,684)	(150,494)	(12,496)	(19,898)	(73,027)	(531,599)	(249,788)	(460,569)	(577,405)	(290,323)	(365,153)	(158,520)	(18,509)	(74,437)
Anticipated Reserves at Year End	$228,604 *(NOTE 5)*	$289,929	$371,743	$600,739	$832,239	$1,020,675	$759,184	$787,892	$614,916	$333,419	$348,274	$298,778	$467,330	$789,003	$1,068,645 *(NOTE 4)*

Explanatory Notes:

1) Year 2022 starting reserves are as of July 19, 2022; FY2022 starts January 1, 2022 and ends December 31, 2022.
2) Reserve Contributions for 2022 are the remaining budgeted 6 months; 2023 is the first year of recommended contributions.
3) **0.7%** is the estimated annual rate of return on invested reserves; 2022 is a partial year of interest earned.
4) Accumulated year 2052 ending reserves consider the need to fund for replacement of the roofs shortly after 2052, and 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

The Condominium at Homestead in Pickerington
Pickerington, Ohio

Line Item	Reserve Component Inventory	RUL = 0 FY2022	1 2023	2 2024	3 2025	4 2026	5 2027
	Exterior Building Elements						
1.820	Walls, Masonry, Stone Veneer, Inspections and Partial Repairs (Incl. Pillars Within Fences)		36,701				
	Property Site Elements						
4.020	Asphalt Pavement, Crack Repair and Patch, Streets and Access Drives			19,325			
4.021	Asphalt Pavement, Crack Repair, Patch and Seal Coat, Driveways			9,084			
4.040	Asphalt Pavement, Mill and Overlay, Streets and Access Drives, Phases 1-2, Phased					98,687	102,141
4.047	Asphalt Pavement, Total Replacement, Driveways, Phases 1-2				117,968		
4.100	Catch Basins, Inspections and Capital Repairs, Phased					4,647	
4.110	Concrete Curbs, Partial					8,710	9,015
4.125	Concrete Flatwork, Partial					17,652	
4.287	Fences, Wood, Units, Paint and Repairs						8,106
	Clubhouse Elements						
5.510	Clubhouse, Renovation, Partial (2022 is Paint and Carpet Replacement, is Budgeted)	3,500					
	Anticipated Expenditures, By Year ($6,040,292 over 30 years)	3,500	36,701	28,409	117,968	129,696	119,262

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

Front elevation (Arlington)

Front elevation (Arlington Plus)

Side elevation (Bristol)

Side elevation (Camden)

Gutters and Downspouts, Aluminum

Line Items: 1.240 and 1.241

Quantity: Approximately 14,000 linear feet of small and large capacity aluminum gutters and downspouts; this quantity includes the clubhouse and mailbox enclosure.

History: Various ages; the gutters and downspouts at the Camden buildings were replaced with large capacity gutters and downspouts in 2021 due to backup issues and ice damming. The remaining gutters and downspouts are original to construction.

Condition: Condition varies with respect to age, with the 2018-2021 gutters and downspouts in good overall condition and the 2004-2009 gutters and downspouts in fair condition with typical leakage at seams and fastener rust and isolated downspout dents and detached downspout extensions evident

Evidence of leakage at seams

Downspout dents and fastener rust, shown at Unit 184

Detached downspout extension, show at Unit 176

Evidence of water infiltration, shown at Unit 174

Detached downspout extension, show at Unit 138

Useful Life: 15- to 25-years

Component Detail Notes: The size of the gutter is determined by the roof's watershed area, a roof pitch factor and the rainfall intensity number of the Association's region. We recommend sloping gutters 1/16 inch per linear foot and providing fasteners a maximum of every three feet.

Downspouts can drain 100 square feet of roof area per one square inch of downspout cross sectional area. We recommend the use of downspout extensions and splash blocks at the downspout discharge to direct storm water away from the foundations. Coordinated replacement 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 note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
  - Clean out debris and leaves that collect in the gutters
  - Repair and refasten any loose gutter fasteners
  - Repair and seal any leaking seams or end caps
  - Verify downspouts discharge away from foundations

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: 102 exterior light fixtures at the units and clubhouse

History: Original

Condition: Good to fair overall with debris accumulation evident

Light fixture

Debris accumulation

Useful Life: Up to 20 years

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

- As-needed:
  - Replace burned out bulbs at common fixtures as needed
  - Inspect and repair broken or dislodged fixtures
  - Ensure a waterproof seal between the fixture and building exists

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 2,300 *squares*[1]; this quantity includes the clubhouse and mailbox enclosure

History:

- **Phases One and Two, 2004-2007 (15 Buildings)** – The Association replaced the roofs in part through an insurance claim in 2017.
- **Phase Three, 2009 (Three Buildings)** – The Association replaced the roofs in part through an insurance claim in 2017.
- **Phase Four, 2018-2019 (Seven Buildings)** – Original to construction

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

Condition: Good to fair overall with typical sheathing deflection, shingle lift and granular loss evident

Sheathing deflection

Granular loss

Apparent exposed fiberglass, shown at Building 1

Shingle lift, shown at Building 4

Sheathing deflection, shown at Building 4

Shingle lift, shown at Building 6

Granular loss, shown at Building 7

Sheathing deflection, shown at Building 19

Minor sheathing deflection, shown at Building 19

Shingle lift, shown at Building 20

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 metal base boot flashing at waste pipes
- Soffit, square hood box and ridge vents
- Metal drip edge
- Exposed half weaved valleys

Insulation and ventilation are two major components of a sloped roof system. Together, proper insulation and ventilation help to control attic moisture and maintain an energy efficient building. Both insulation and ventilation prevent moisture buildup which can cause wood rot, mold and mildew growth, warp sheathing, deteriorate shingles, and eventually damage building interiors. Sufficient insulation helps to minimize the quantity of moisture that enters the attic spaces and adequate ventilation helps to remove any moisture that enters the attic spaces. These two roof system components also help to reduce the amount of energy that is required to heat and cool a building. Proper attic

insulation minimizes heat gain and heat loss between the residential living spaces and attic spaces. This reduces energy consumption year-round. Proper attic ventilation removes excessive heat from attic spaces that can radiate into residential living spaces and cause air conditioners to work harder. Properly installed attic insulation and ventilation work together to maximize the useful life of sloped roof systems.

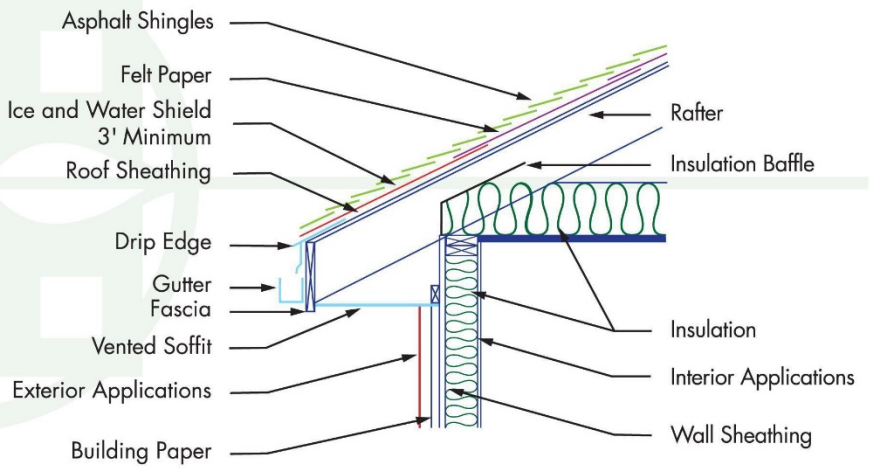
The vents should be clear of debris and not blocked from above by attic insulation. If the soffit vents are blocked from above, installation of polystyrene vent spaces or baffles between the roof joists at these locations can ensure proper ventilation.

Certain characteristics of condition govern the times of replacement. Replacement of an asphalt shingle roof becomes necessary when there are multiple or recurring leaks and when the shingles begin to cup, curl and lift. These conditions are indications that the asphalt shingle roof is near the end of its useful life. Even if the shingles are largely watertight, the infiltration of water in one area can lead to permanent damage to the underlying roof sheathing. This type of deterioration requires replacement of saturated sections of sheathing and greatly increases the cost of roof replacement. Roof leaks may occur from interrelated roof system components, i.e., flashings. Therefore, the warranty period, if any, on the asphalt shingles, may exceed the useful life of the roof system.

Warranties are an indication of product quality and are not a product guarantee. Asphalt shingle product warranties vary from 20- to 50-years and beyond. However, the scope is usually limited to only the material cost of the shingles as caused by manufacturing defects. Warranties may cover defects such as thermal splitting, granule loss, cupping, and curling. Labor cost is rarely included in the remedy so if roof materials fail, the labor to tear off and install new shingles is extra. Other limitations of warranties are exclusions for "incidental and consequential" damages resulting from age, hurricanes, hail storms, ice dams, severe winds, tornadoes, earthquakes, etc. There are some warranties which offer no dollar limit for replacement at an additional cost (effectively an insurance policy) but again these warranties also have limits and may not cover all damages other than a product defect. We recommend a review of the manufacturers' warranties as part of the evaluation of competing proposals to replace a roof system. This evaluation should identify the current costs of remedy if the roof were to fail in the near future. A comparison of the costs of remedy to the total replacement cost will assist in judging the merits of the warranties.

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

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.

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.

Shutters, Vinyl

Line Item: 1.560

Quantity: Approximately 270 pairs of decorative vinyl shutters

History: Original

Condition: Good to fair overall with typical finish fade and isolated deflection evident

Finish fade and deflection, shown at Unit 212

Finish fade and deflection, shown at Unit 182

Useful Life: Up to 20 years

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

- As-needed:
    - Inspect and repair loose fasteners and damaged shutters

Priority/Criticality: Per Board discretion

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

Walls, Masonry, Stone Veneer

Line Item: 1.820

Quantity: Approximately 19,700 square feet at the buildings, masonry pillars and monument signage

History: Original; the Association replaced the masonry at the monument signage in 2022.

Condition: Varies; the masonry at the buildings is in good condition with isolated masonry cracks and mortar gaps. The masonry at the split rail fence pillars is in fair to poor condition with masonry cracks and damage evident.

Masonry crack, shown at Unit 240

Mortar gap

Apparent missing masonry

Masonry crack

Masonry cracks

Significant masonry crack

Significant masonry damage

Useful Life: The Association should anticipate inspection and repairs to the masonry veneer every 8- to 12-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 includes the following activities:

- Complete inspection of the masonry
- Repointing of up to ten percent (10%) of the masonry
- Replacement of up to three percent (2.5%) of the masonry (The exact amount of area in need of replacement will be discretionary based on the actual future conditions and the desired appearance.)

Walls, Siding, Vinyl

Line Items: 1.860 and 1.861

Quantity: Approximately 63,300 square feet of 4" double clapboard vinyl siding comprises the exterior walls. Buildings 19 through 25 (Phase 4) comprise approximately 17,700 square feet which we do not anticipate the replacement of within the 30-year scope of this Reserve Study. These quantities includes the vinyl soffit and fascia.

History: Original to construction

Condition: Good overall condition with isolated deflection and discoloration evident

Deflection, shown at Unit 192

Deflection, shown at Unit 176

Finish discoloration

Soffit deflection

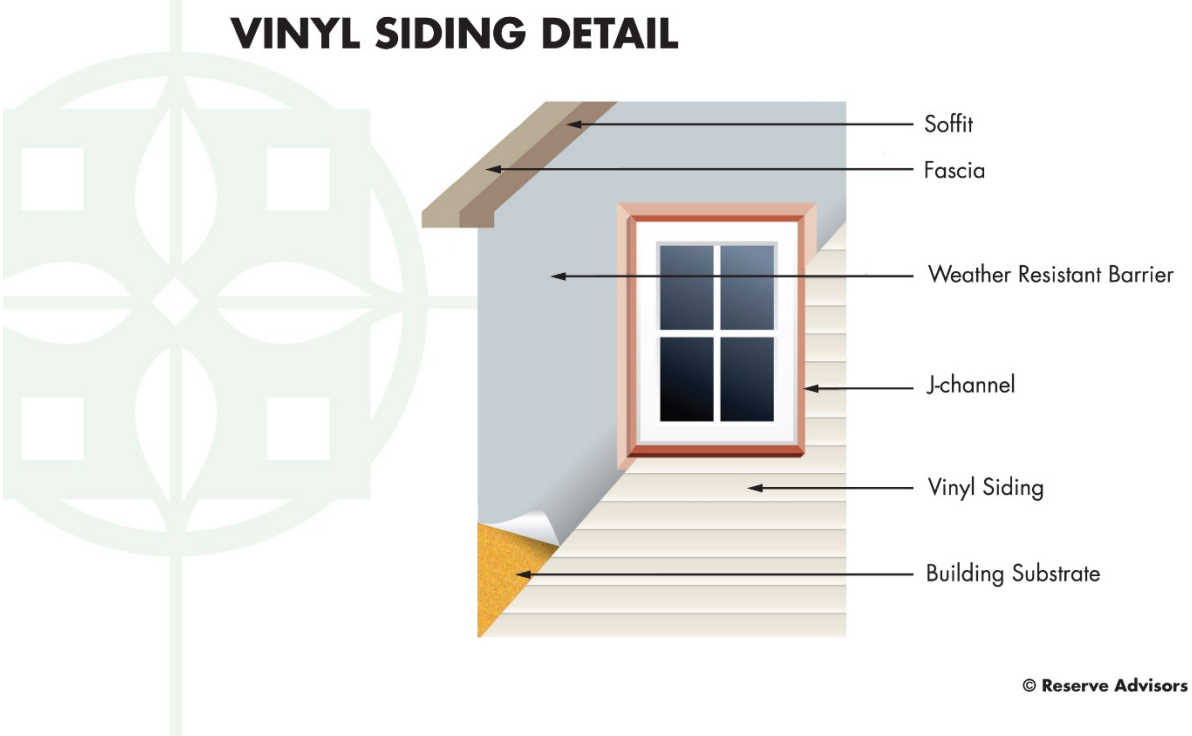
Soffit deflection, shown at Unit 102

Useful Life: Up to 40 years

Component Detail Notes: The siding at Homestead in Pickerington consists of the following:

- 4” double clapboard
- J-channel trim at window and door perimeters, and other penetrations
- Water-vapor permeable building paper protects the buildings

The following diagram details the use of building wrap in a vinyl siding system:



The Association should install new vinyl siding as recommended by the *Vinyl Institute, Inc*. The vinyl siding should be installed over a continuous weather resistant barrier and properly integrated flashing around all penetrations. Fasteners used should include aluminum, galvanized steel or other corrosion-resistant fasteners. Siding panels should overlap by approximately one inch. Joints should be staggered so that no two courses are aligned vertically, unless separated by at least three courses. The siding should not be caulked where the siding meets trim accessories, such as J-channel, or at overlap joints. J-channel should be installed a minimum of ½ inch off of roof lines.

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 or damage from wind driven objects or lawn care equipment
    - Periodically clean siding as necessary at areas of organic growth. A non-abrasive household cleaner or manufacturer specified vinyl siding cleaner will remove more intense stains. We do not recommend pressure cleaning at vinyl siding due to the siding's brittle nature.

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.

Property Site Elements

Asphalt Pavement, Crack Repair, Patch and Partial Seal Coat

Line Items: 4.020 and 4.021

Quantity and History:

- **Phases One and Two, 2004-2007** – 10,750 square yards comprise the streets, access drives and parking areas and 3,200 square yards comprise the driveways.
- **Phase Three, 2009** – 2,100 square yards comprise the streets, access drives and parking areas and 1,300 square yards comprise the driveways.
- **Phase Four, 2018** – 3,550 square yards comprise the streets and access drives and 850 square yards comprise the driveways.

The Association reports a history of crack repairs and patching and does not report a history of conducting seal coat applications.

Useful Life: Three- to five-years

Component Detail Notes: Proposals should include mechanically routing and filling all cracks with hot emulsion. Crack repair minimizes the chance of the cracks transmitting through the pavement. 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. Proposals for seal coat applications at the driveways should include crack repairs and patching. The contractor should only apply seal coat applications after repairs are completed. A seal coat does not bridge or close cracks; therefore, unrepaired cracks render the seal coat application useless.

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our cost includes an allowance for crack repairs and patching of up to two percent (2%) of the pavement and an allowance for seal coat applications at the driveways. Our quantities for seal coat applications exclude affected driveways in driveway repaving events.

Asphalt Pavement, Repaving

Line Items: 4.040 through 4.049

Quantity, History and Condition:

- **Phases One and Two, 2004-2007** – 10,750 square yards comprise the streets, access drives and parking areas and 3,200 square yards comprise the driveways. Fair to poor overall condition with typical surface deterioration, settlement, evidence of previous repairs and isolated potholes evident. The Association informs us of repairs conducted in 2020 due to a sinkhole by the entrance.
- **Phase Three, 2009** – 2,100 square yards comprise the streets, access drives and parking areas and 1,300 square yards comprise the driveways. Good to fair overall condition with cracks, settlement and previous repairs evident.
- **Phase Four, 2018** – 3,550 square yards comprise the streets and access drives and 850 square yards comprise the driveways. Good overall condition with isolated pavement cracks and previous repairs evident.

Entrance pavement overview

Surface deterioration and previous repairs

Pothole by entrance

Surface deterioration by entrance

Pothole and surface deterioration

Surface deterioration

Previous patching and surface deterioration

Clubhouse pavement overview

Phase One access drive overview, note settlement and surface deterioration

Phase One access drive and driveway overview

Surface deterioration

Phase Two access drive overview, note surface wear, previous patching and deterioration

Settlement and previous patching at Phase Two access drive

Phase Two access drive and driveway, note previous patching and deterioration

Phase Three pavement overview

Settlement and pavement cracks

Settlement evident

Phase Three access drive and Phase Four Driveway

Phase Four transition from Phase Three

Phase Four access drive

Edge cracks

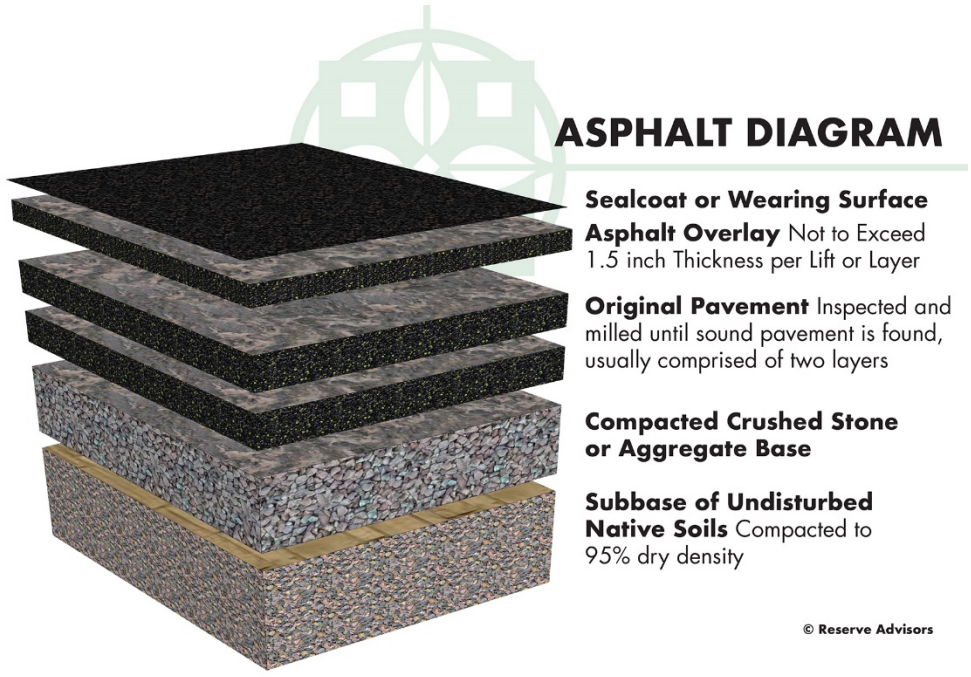
Pavement cracks

Previous patching repair

Useful Life: 15- to 20-years with the benefit of timely crack repairs and patching

Component Detail Notes: 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 Homestead in Pickerington:



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 at Homestead in Pickerington, we recommend the mill and overlay method for initial repaving followed by the total replacement method for subsequent repaving at the streets and access drives, and the total replacement method for the driveways.

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%).

Catch Basins

Line Item: 4.100

Quantity: Nine catch basins[2]

History: Original

Condition: Good to fair overall with concrete deterioration and isolated damage evident

Catch basin, note deterioration

Concrete damage

Useful Life: The useful life of catch basins is up to 65 years. However, achieving this useful life usually requires interim capital repairs or partial replacements every 15- to 20-years.

Component Detail Notes: Erosion causes settlement around the collar of catch basins. Left unrepaired, the entire catch basin will shift and need replacement.

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

- Annually:
    - Inspect and repair any settlement and collar cracks
    - Ensure proper drainage and inlets are free of debris
    - If property drainage is not adequate in heavy rainfall events, typically bi-annual cleaning of the catch basins is recommended

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

[2] We utilize the terminology catch basin to refer to all storm water collection structures including curb inlets.

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. We recommend the Association plan for inspections and capital repairs to the catch basins in conjunction with repaving.

Concrete Curbs

Line Item: 4.110

Quantity: Approximately 5,400 linear feet

Condition: Good overall with isolated cracks evident

Concrete curb overview

Concrete crack

Concrete 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 1,610 linear feet of curbs, or thirty percent (29.8%) of the total, will require replacement during the next 30 years.

Concrete Flatwork

Line Item: 4.125

Quantity: Approximately 19,500 square feet comprise the sidewalks and the concrete at the clubhouse and mailbox enclosure.

Condition and History: Good overall with spall, deterioration and isolated trip hazards evident; the Association has conducted concrete replacements and repairs on an as-needed basis.

Clubhouse concrete flatwork overview

Concrete spall at mailbox enclosure

Recently replaced sidewalk section

Trip hazard, shown by Unit 196

Sidewalk spall

Concrete disintegration, shown by Unit 166

Surface deterioration

Concrete deterioration and organic growth

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 5,860 square feet of concrete flatwork, or thirty percent (30.1%) of the total, will require replacement during the next 30 years.

Fence, Wood, East Perimeter

Line Item: 4.285

Quantity: 600 linear feet

History: Approximately 2009; the Association conducted paint coat applications in 2021.

Condition: Good overall with isolated split wood components evident

Wood fence overview

Wood splitting

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.

Fences, Wood, Split Rail

Line Item: 4.286

Quantity: 1,150 linear feet at the entrance and clubhouse

History: The wood components were replaced in 2019.

Condition: Good overall

Split rail fence overview

Split rail detail

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, 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 funded through the operating budget due to the non-uniform nature of wood deterioration.

Fences, Wood, Units

Line Items: 4.287 and 4.288

Quantity: 650 linear feet at the Arlington Plus units

History: The fences are original to construction; the Association conducted paint coat applications in 2021.

Condition: Good overall

Unit fence overview

Unit fence overview

Useful Life: Four- to six-years

Priority/Criticality: Per Board discretion

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

Light Poles and Fixtures

Line Item: 4.560

Quantity: 103 poles with light fixtures at the units and clubhouse

History: Original

Condition: Fair overall with typical finish deterioration, finish fade, and isolated leaning light poles evident

Apparent landscape damage

Finish deterioration

Finish fade and fastener rust

Leaning pole

Detached fixture cap

Finish fade and minor lean

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.

Mailbox Stations

Line Item: 4.600

Quantity: Seven stations fixed within an enclosure

History: The mailboxes and enclosure are original

Condition: Good overall

Mailbox enclosure

Mailboxes

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 damage, vandalism, and finish deterioration

Priority/Criticality: Per Board discretion

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

Signage, Entrance Monument

Line Item: 4.800

Quantity: The property identification signage includes the following elements:

- Light fixtures
- Masonry pillars
- Wood and vinyl signage

History: The signage is original; the Association replaced the masonry pillars and signage hangers and wrapped the signage in vinyl in 2022.

Condition: Good overall with finish deterioration evident

Monument signage overview

Paint finish deterioration

Useful Life: 15- to 20-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 replacement of the light fixtures and signage.

Clubhouse Elements

Clubhouse overview

Air Handling and Condensing Units, Split System

Line Item: 5.070

Quantity: One *Carrier* split system

History: The furnace and condensing unit were replaced in 2021.

Condition: Reported satisfactory

Furnace

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 gas-fired air handling unit. The condensing unit has a cooling capacity of four-tons. The split system uses 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. 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.

Interior Renovations

Line Items: 5.500 and 5.510

Quantity: The clubhouse interior components include:

- Tile and carpet floor coverings
- Vinyl wall coverings and paint finishes
- Paint finishes at the ceilings
- Plumbing fixtures
- Light fixtures including exit and emergency lights
- Furnishings
- Kitchen cabinets, countertops, and appliances

History: Original to construction; the Association has budgeted $3,500 to conduct paint finish applications and carpet replacement in 2022.

Condition: Fair overall with carpet stains, visible seams, paint finish cracks and minor furniture damage evident

Clubhouse interior overview

Kitchen overview

Carpet stains

Finish crack

Carpet stains and seam line

Finish loss at chair legs

Useful Life: Complete renovation up to every 25 years and partial renovation every 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. The complete renovation should include replacement of all components listed above and the partial renovations should include the following:

- Application of paint finishes and carpet replacement
- Replacement of up to fifty percent (50%) of the furnishings

Rest Rooms

Line Item: 5.580

Quantity: The rest room components include:

- Vinyl floor coverings
- Paint finishes at the walls
- Paint finishes at the ceilings
- Light fixtures
- Plumbing fixtures

History: Original

Condition: Good overall with no significant deterioration evident.

Restroom overview

Useful Life: Renovation up to every 25 years

Priority/Criticality: Per Board discretion

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

Windows and Doors

Line Item: 5.800

Quantity: Approximately 200 square feet of windows and doors at the clubhouse

History: Original

Condition: Good overall with isolated fallen mullion

Clubhouse entrance door

Clubhouse window, note fallen mullion

Useful Life: Up to 40 years

Component Detail Notes: Construction of the windows and doors at the clubhouse includes the following:

- Vinyl frames
- Dual pane glass
- Double hung windows
- Hinged doors

Priority/Criticality: Not recommended to defer

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.

Homestead in Pickerington 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 Unit Owners 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 I Full Reserve Study." 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 Pickerington, Ohio at an annual inflation rate[3]. Isolated or regional markets of greater

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

construction (development) activity may experience slightly greater rates of inflation for both construction materials and labor.

- The past and current maintenance practices of Homestead in Pickerington 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.

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.

HEATHER M. CHRISTENSEN, RS
Responsible Advisor

CURRENT CLIENT SERVICES

Heather M. Christensen, a Structural Engineer, is an Advisor for Reserve Advisors. Ms. Christensen is responsible for the inspection and analysis of the condition of clients' properties, and recommending engineering solutions to prolong the lives of the components. She also forecasts capital expenditures for the repair and/or replacement of the property components and prepares technical reports on assignments. She is responsible for conducting Life Cycle Cost Analysis and Capital Replacement Forecast services on townhomes, homeowner associations, planned unit developments and recreational associations. Ms. Christensen serves as the Quality Assurance Review Coordinator for all types of developments and has been with Reserve Advisors since 2011.

The following is a partial list of clients served by Heather Christensen demonstrating her breadth of experiential knowledge of community associations in construction and related buildings systems.

Lawrence Square Townhomes Association - A townhome association in Chicago, Illinois with 30 units in four buildings, this development displays uniqueness with shaped EIFS, vinyl siding, masonry walls and flat roofs. These buildings are connected with two bridges at the second stories, overlooking individual garages and private asphalt parking and streets.

Lakelands Club Consolidated Homeowners Association - This planned unit development located in Plainfield, Illinois includes amenities shared by 85 residential units. Construction began in 2003 and includes a clubhouse, pool, lake, irrigation system, gates, fences and asphalt pavement streets and walking paths.

Windemere Place Condominium Association - A condominium association in Grosse Pointe Farms, Michigan located on the lake, this planned unit development includes 31 single family homes and lots. Windemere Place was built from 1982 to 1992 and includes older, historic elements. The development contains concrete flatwork, brick privacy walls, a pool and pool house.

3110 Wisconsin Condominium Association - This high rise condominium located in downtown Washington, DC comprises 30 units in a nine-story building. The two-story units comprise concrete balconies, and the unit owners share a common lobby, elevators, hallways, parking garage and parking lot.

Pembroke North Homeowners Association - Located in Wayne, Pennsylvania, this development contains 54 units in three LEED buildings. The building exteriors comprise flat membrane roofs, masonry siding and elevated garden plazas. The development contains a parking structure, asphalt pavement, finished interior lobbies and hallways, and a geothermal system.

PRIOR RELEVANT EXPERIENCE

Before joining Reserve Advisors, Ms. Christensen attended the Milwaukee School of Engineering in Milwaukee (MSOE), Wisconsin where she attained her Master of Science degree in Structural Engineering and her Bachelor of Science degree in Architectural Engineering. She also worked for Computerized Structural Design, Inc. and Pierce Engineers where she worked on structural design projects for steel and concrete structures. Heather's involvement with Engineers Without Borders includes the design and construction of bridges and schools in Guatemala, where she serves as a structural engineering mentor to the MSOE student chapter.

EDUCATION

Milwaukee School of Engineering - M.S. Structural Engineering
Milwaukee School of Engineering - B.S. Architectural Engineering

PROFESSIONAL AFFILIATIONS

Engineer In Training (E.I.T.) Registration - Wisconsin
Reserve Specialist (RS) - Community Associations Institute
American Society of Civil Engineers - Associate Member

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

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

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 Homestead in Pickerington 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) Homestead in Pickerington 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.