

# Hampsted Village Association, Inc.

November 1, 2023 • New Albany, OH

FULL RESERVE STUDY



Long-term thinking. Everyday commitment.

Hampsted Village Association, Inc.  
New Albany, Ohio

Dear Board of Directors of Hampsted Village Association, Inc.:

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Full Reserve Study* of Hampsted Village Association, Inc. in New Albany, Ohio and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, November 1, 2023.

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 Hampsted Village Association, Inc. plan for a successful future.

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

Respectfully submitted on November 30, 2023 by

*Reserve Advisors, LLC*

Visual Inspection and Report by: Patrick R. Older  
Review by: Justin B. Klein, RS<sup>1</sup>, Senior Engineer  
Alan M. Ebert, RS, PRA<sup>2</sup>, Director of Quality Assurance



<sup>1</sup> 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.

<sup>2</sup> 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:** Hampsted Village Association, Inc. (Hampsted Village)

**Location:** New Albany, Ohio

**Reference:** 233870

**Property Basics:** Hampsted Village Association, Inc. is a homeowners association which is responsible for the common elements shared by 685 single family homes. The community was built in 1997 and contains asphalt pavement walking paths, a gazebo and a pond.

**Reserve Components Identified:** 19 Reserve Components.

**Inspection Date:** November 1, 2023.

**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 these threshold funding years in 2029 and 2033 due to the replacement of the light poles. In addition, the Reserve Funding Plan recommends 2053 year end accumulated reserves of approximately \$326,200. We judge this amount of accumulated reserves in 2053 necessary to fund the likely replacement of the mailboxes and light poles and fixtures after 2053. These future needs, although beyond the limit of the Cash Flow Analysis of this Reserve Study, are reflected in the amount of accumulated 2053 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
- 2.0% anticipated annual rate of return on invested reserves
- 3.0% 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:**

- \$192,883 as of September 30, 2023
- 2024 budgeted Reserve Contributions of \$25,650
- A potential deficit in reserves might occur by 2028 based upon continuation of the most recent annual reserve contribution of \$25,650 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:

- Replacement of the fences and street identification and traffic control signage due to noted deterioration
- Repairs to the masonry monument signage to maintain a pleasing community aesthetic

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

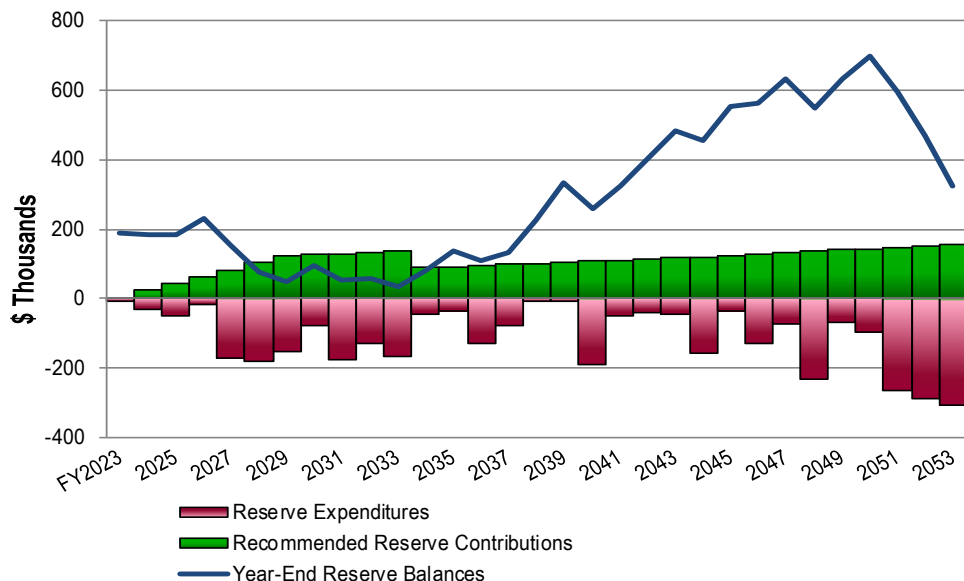
- Phased increases of \$19,300 from 2025 through 2029
- Inflationary increases in 2030 through 2033



- Decrease to \$90,000 by 2034 due to fully funding for replacement of the light poles
- Inflationary increases thereafter through 2053, the limit of this study's Cash Flow Analysis
- Initial recommended adjustment in Reserve Contributions of \$19,350 represents an average annual increase of \$28.25 per homeowner and about an eleven percent (10.6%) adjustment in the 2024 total Operating Budget of \$183,050.
- These recommended Reserve Contributions ensure that each owner funds their use of the Association maintained elements annually. The actual Reserve Contributions approved by the Board may vary based on factors external to the Reserve Study such as the financial impact on unit owners, desire to utilize funding mechanisms other than reserves and the market value of the units. We include stepped or phased annual increases in the Reserve Contribution based on the current financial conditions of the Association, significant recommended Reserve Contributions and the critical Reserve Balances. Any phase in the required Reserve Contribution increase defers the cost burden to future owners. We therefore limit the number of phased increases to limit the deferred cost burden to future owners. We opine this funding method adheres to APRA Standards of Practice which state in part "... any Funding Plan shall meet the Following Funding Principles: Sufficient funds when required, stable contribution rate over the years, evenly distributed contributions over the years, and fiscally responsible."

**Hampsted Village**  
Recommended Reserve Funding Table and Graph

Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)
2024	25,650 (Budgeted)	184,165	2034	90,000	80,035	2044	120,900	455,058
2025	45,000	182,355	2035	92,700	138,687	2045	124,500	551,712
2026	64,300	232,404	2036	95,500	108,246	2046	128,200	561,755
2027	83,600	149,608	2037	98,400	131,087	2047	132,000	633,629
2028	102,900	74,365	2038	101,400	226,681	2048	136,000	550,567
2029	122,200	46,596	2039	104,400	331,310	2049	140,100	634,467
2030	125,900	94,150	2040	107,500	256,753	2050	144,300	696,575
2031	129,700	51,107	2041	110,700	322,111	2051	148,600	593,001
2032	133,600	58,386	2042	114,000	402,392	2052	153,100	467,582
2033	137,600	32,525	2043	117,400	483,409	2053	157,700	326,177





## 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

**Hampsted Village Association, Inc.**

**New Albany, Ohio**

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, November 1, 2023.

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

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

## IDENTIFICATION OF PROPERTY



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

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

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

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

- Hampsted Village responsibility
- Limited useful life expectancies
- Predictable remaining useful life expectancies



- Replacement cost above a minimum threshold

**Long-Lived Property Elements** – These 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
- Inlet/Outlet Structures, Concrete, Storm Water Management System

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

- General Maintenance to the Common Elements
- Expenditures less than \$3,000 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)
- Bridge, Pedestrian, Wood, Repairs and Stain Applications
- Catch Basins, Landscape
- Creek, General Maintenance
- Gazebo, Paint Finishes
- Irrigation System, Controls and Maintenance
- Landscape, General
- Mailboxes, Paint Finishes
- Paint Finishes, Touch Up
- Pavers, Masonry, Interim Repairs and Resetting
- Pet Waste Stations
- Signage, Miscellaneous
- Other Repairs normally funded through the Operating Budget



**Pet waste station**



**Creek overview**



**Homeowners' Responsibility** - Items designated as the responsibility of the homeowners to repair or replace at their cost. Property Maintained by Homeowners, including items billed back to Homeowners, relates to unit:

- Homes and Lots
- Sidewalks in Front of Homes

**Others' Responsibility** - Items designated as the responsibility of others to repair or replace. Property Maintained by Others relates to:

- Light Poles and Fixtures, New Albany City Limits (City of New Albany)
- Signage, Street Identification and Traffic Control, New Albany City Limits (*Excludes Posts and Backers*) (City of New Albany)
- Street Systems (Municipality)

### **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
- 2023 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

**Hampsted Village  
Association, Inc.**  
New Albany, Ohio

**Explanatory Notes:**

- 1) **3.0%** is the estimated Inflation Rate for estimating Future Replacement Costs.
- 2) FY2023 is Fiscal Year beginning January 1, 2023 and ending December 31, 2023.

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$			Percentage of Future Expenditures	RUL = 0 FY2023	1 2024	2 2025	3 2026	4 2027	5 2028	6 2029	7 2030	8 2031	9 2032	10 2033	11 2034	12 2035	13 2036	14 2037	15 2038
						Useful	Remaining	Unit (2023)	Per Phase (2023)	Total (2023)																	
4.020	1,320	1,320	Square Yards	Asphalt Pavement, Crack Repair, Patch and Seal Coat (2024 is Budgeted)	2024	3 to 5	1	2.50	3,300	3,300	1.5%		3,000			3,714		4,059			4,435				4,846		
4.079	490	490	Square Yards	Asphalt Pavement, Total Replacement, Walking Paths, Annabelles Green	2035	15 to 20	12	28.50	13,965	13,965	1.6%														19,911		
4.080	830	830	Square Yards	Asphalt Pavement, Total Replacement, Walking Paths, Remaining	2028	15 to 20	5	28.50	23,655	23,655	2.2%						27,423										
4.103	1	1	Allowance	Bridge, Pedestrian, Wood, Replacement (2024 is Budgeted Reconstruction)	2024	to 25	1	30,000.00	30,000	30,000	2.4%	30,000															
4.140	8,000	470	Square Feet	Concrete Sidewalks, Partial	2025	to 65	2 to 30+	10.50	4,935	84,000	1.4%		5,236					6,070						7,036			
4.280	1,430	480	Linear Feet	Fences, Wood, Replacement, Phased	2026	15 to 20	3 to 5	35.00	16,800	50,050	4.6%				18,358	18,909	19,476										
4.285	1,430	1,430	Linear Feet	Fences, Wood, Stain Applications	2032	4 to 6	9	14.00	20,020	20,020	4.0%									26,122						30,282	
4.360	1	1	Each	Gazebo, Renovation	2030	to 25	7	20,000.00	20,000	20,000	2.0%								24,597								
4.420	5	1	Allowance	Irrigation System, Phased	2033	to 40+	10 to 14	6,500.00	6,500	32,500	1.4%											8,735	8,998	9,267	9,545	9,832	
4.500	1	1	Allowance	Landscape, Partial Replacements	2025	to 3	2	25,000.00	25,000	25,000	11.9%		26,522				28,982			31,669			34,606			37,815	
4.560	170	45	Each	Light Poles and Fixtures, Phased	2027	to 25	4 to 10	2,500.00	112,500	425,000	31.6%				126,620			134,331		142,512		151,191					
4.600	685	135	Each	Mailboxes, Phased	2028	to 25	5 to 21	575.00	77,625	393,875	26.9%						89,989			101,283					113,995		
4.620	550	550	Square Feet	Pavers, Masonry	2027	15 to 20	4	22.00	12,100	12,100	1.1%				13,619												
4.700	1	1	Each	Pond, Aerator	2029	10 to 15	6	7,600.00	7,600	7,600	0.7%							9,075									
4.710	850	130	Linear Feet	Pond, Erosion Control, Partial	2025	to 15	2	47.00	6,110	39,950	0.5%		6,482														
4.730	3,100	775	Square Yards	Pond, Sediment Removal, Partial	2030	to 30	7	24.00	18,600	74,400	0.7%								22,876								
4.800	2	1	Allowance	Signage, Monument, Renovation, Phased	2025	15 to 20	2 to 7	11,500.00	11,500	23,000	2.2%		12,200								14,144						
4.810	4	1	Allowance	Signage, Street Identification and Traffic Control, Phased	2027	15 to 20	4 to 7	6,500.00	6,500	26,000	2.5%				7,316	7,535	7,761	7,994									
4.820	2	1	Allowance	Site Furniture, Phased (2023 is Budgeted)	2023	15 to 25	0 to 10	6,000.00	6,000	12,000	1.0%	6,000					6,956									9,348	
<b>Anticipated Expenditures, By Year (\$3,433,480 over 30 years)</b>												6,000	33,000	50,440	18,358	170,178	180,361	151,167	79,740	174,181	127,405	164,361	43,604	36,214	128,386	77,929	9,348

## RESERVE EXPENDITURES

**Hampsted Village  
Association, Inc.**  
New Albany, Ohio

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$			Percentage of Future Expenditures	16 2039	17 2040	18 2041	19 2042	20 2043	21 2044	22 2045	23 2046	24 2047	25 2048	26 2049	27 2050	28 2051	29 2052	30 2053	
						Useful	Remaining	Unit (2023)	Per Phase (2023)	Total (2023)																	
4.020	1,320	1,320	Square Yards	Asphalt Pavement, Crack Repair, Patch and Seal Coat (2024 is Budgeted)	2024	3 to 5	1	2.50	3,300	3,300	1.5%	5,296			5,787		6,323			6,909			7,550				
4.079	490	490	Square Yards	Asphalt Pavement, Total Replacement, Walking Paths, Annabelles Green	2035	15 to 20	12	28.50	13,965	13,965	1.6%															33,897	
4.080	830	830	Square Yards	Asphalt Pavement, Total Replacement, Walking Paths, Remaining	2028	15 to 20	5	28.50	23,655	23,655	2.2%								46,685								
4.103	1	1	Allowance	Bridge, Pedestrian, Wood, Replacement (2024 is Budgeted Reconstruction)	2024	to 25	1	30,000.00	30,000	30,000	2.4%			51,073													
4.140	8,000	470	Square Feet	Concrete Sidewalks, Partial	2025	to 65	2 to 30+	10.50	4,935	84,000	1.4%		8,157				9,456						10,962				
4.280	1,430	480	Linear Feet	Fences, Wood, Replacement, Phased	2026	15 to 20	3 to 5	35.00	16,800	50,050	4.6%							33,156	34,151	35,175							
4.285	1,430	1,430	Linear Feet	Fences, Wood, Stain Applications	2032	4 to 6	9	14.00	20,020	20,020	4.0%				35,105											47,178	
4.360	1	1	Each	Gazebo, Renovation	2030	to 25	7	20,000.00	20,000	20,000	2.0%												44,426				
4.420	5	1	Allowance	Irrigation System, Phased	2033	to 40+	10 to 14	6,500.00	6,500	32,500	1.4%																
4.500	1	1	Allowance	Landscape, Partial Replacements	2025	to 3	2	25,000.00	25,000	25,000	11.9%		41,321		45,153			49,340			53,915				58,914		
4.560	170	45	Each	Light Poles and Fixtures, Phased	2027	to 25	4 to 10	2,500.00	112,500	425,000	31.6%												257,392		273,067		
4.600	685	135	Each	Mailboxes, Phased	2028	to 25	5 to 21	575.00	77,625	393,875	26.9%		128,302			144,405				162,530					182,928		
4.620	550	550	Square Feet	Pavers, Masonry	2027	15 to 20	4	22.00	12,100	12,100	1.1%							24,597									
4.700	1	1	Each	Pond, Aerator	2029	10 to 15	6	7,600.00	7,600	7,600	0.7%						14,138										
4.710	850	130	Linear Feet	Pond, Erosion Control, Partial	2025	to 15	2	47.00	6,110	39,950	0.5%		10,099														
4.730	3,100	775	Square Yards	Pond, Sediment Removal, Partial	2030	to 30	7	24.00	18,600	74,400	0.7%																
4.800	2	1	Allowance	Signage, Monument, Renovation, Phased	2025	15 to 20	2 to 7	11,500.00	11,500	23,000	2.2%							22,035					25,545				
4.810	4	1	Allowance	Signage, Street Identification and Traffic Control, Phased	2027	15 to 20	4 to 7	6,500.00	6,500	26,000	2.5%									13,213	13,610	14,018	14,438				
4.820	2	1	Allowance	Site Furniture, Phased (2023 is Budgeted)	2023	15 to 25	0 to 10	6,000.00	6,000	12,000	1.0%									12,563							
<b>Anticipated Expenditures, By Year (\$3,433,480 over 30 years)</b>												5,296	187,879	51,073	40,892	45,153	158,543	37,814	129,181	71,961	230,787	67,933	95,371	264,942	289,020	306,964	

# RESERVE FUNDING PLAN

**CASH FLOW ANALYSIS**  
**Hampsted Village**  
**Association, Inc.**  
**New Albany, Ohio**

		Individual Reserve Budgets & Cash Flows for the Next 30 Years															
		FY2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
<b>Reserves at Beginning of Year</b>	(Note 1)	192,883	187,832	184,165	182,355	232,404	149,608	74,365	46,596	94,150	51,107	58,386	32,525	80,035	138,687	108,246	131,087
<b>Total Recommended Reserve Contributions</b>	(Note 2)	0	25,650	45,000	64,300	83,600	102,900	122,200	125,900	129,700	133,600	137,600	90,000	92,700	95,500	98,400	101,400
<b>Estimated Interest Earned, During Year</b>	(Note 3)	949	3,683	3,629	4,107	3,782	2,218	1,198	1,394	1,438	1,084	900	1,114	2,166	2,445	2,370	3,542
<b>Anticipated Expenditures, By Year</b>		(6,000)	(33,000)	(50,440)	(18,358)	(170,178)	(180,361)	(151,167)	(79,740)	(174,181)	(127,405)	(164,361)	(43,604)	(36,214)	(128,386)	(77,929)	(9,348)
<b>Anticipated Reserves at Year End</b>		<u>\$187,832</u>	<u>\$184,165</u>	<u>\$182,355</u>	<u>\$232,404</u>	<u>\$149,608</u>	<u>\$74,365</u>	<u>\$46,596</u>	<u>\$94,150</u>	<u>\$51,107</u>	<u>\$58,386</u>	<u>\$32,525</u>	<u>\$80,035</u>	<u>\$138,687</u>	<u>\$108,246</u>	<u>\$131,087</u>	<u>\$226,681</u>
Predicted Reserves based on 2024 funding level of:	\$25,650	187,832	184,165	162,811	173,432	30,927	(124,713)	(253,979)									

(continued)

		Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued														
		2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
<b>Reserves at Beginning of Year</b>		226,681	331,310	256,753	322,111	402,392	483,409	455,058	551,712	561,755	633,629	550,567	634,467	696,575	593,001	467,582
<b>Total Recommended Reserve Contributions</b>		104,400	107,500	110,700	114,000	117,400	120,900	124,500	128,200	132,000	136,000	140,100	144,300	148,600	153,100	157,700
<b>Estimated Interest Earned, During Year</b>		5,525	5,822	5,731	7,173	8,770	9,292	9,968	11,024	11,835	11,725	11,733	13,179	12,768	10,501	7,859
<b>Anticipated Expenditures, By Year</b>		(5,296)	(187,879)	(51,073)	(40,892)	(45,153)	(158,543)	(37,814)	(129,181)	(71,961)	(230,787)	(67,933)	(95,371)	(264,942)	(289,020)	(306,964)
<b>Anticipated Reserves at Year End</b>		<u>\$331,310</u>	<u>\$256,753</u>	<u>\$322,111</u>	<u>\$402,392</u>	<u>\$483,409</u>	<u>\$455,058</u>	<u>\$551,712</u>	<u>\$561,755</u>	<u>\$633,629</u>	<u>\$550,567</u>	<u>\$634,467</u>	<u>\$696,575</u>	<u>\$593,001</u>	<u>\$467,582</u>	<u>\$326,177</u>

**Explanatory Notes:**

- 1) Year 2023 ending reserves are as of September 30, 2023; FY2023 starts January 1, 2023 and ends December 31, 2023.
- 2) Reserve Contributions for 2023 are budgeted; 2025 is the first year of recommended contributions.
- 3) 2.0% is the estimated annual rate of return on invested reserves; 2023 is a partial year of interest earned.
- 4) Accumulated year 2053 ending reserves consider the need to fund for replacement of the mailboxes and light poles and fixtures shortly after 2053, and the age, size, overall condition and complexity of the property.
- 5) Threshold Funding Years (reserve balance at critical point).

**RESERVE EXPENDITURES****Hampsted Village  
Association, Inc.**  
New Albany, Ohio

Line Item	Reserve Component Inventory	RUL = 0 FY2023	1 2024	2 2025	3 2026	4 2027	5 2028
4.020	Asphalt Pavement, Crack Repair, Patch and Seal Coat (2024 is Budgeted)		3,000			3,714	
4.080	Asphalt Pavement, Total Replacement, Walking Paths, Remaining						27,423
4.103	Bridge, Pedestrian, Wood, Replacement (2024 is Budgeted Reconstruction)		30,000				
4.140	Concrete Sidewalks, Partial			5,236			
4.280	Fences, Wood, Replacement, Phased				18,358	18,909	19,476
4.500	Landscape, Partial Replacements			26,522			28,982
4.560	Light Poles and Fixtures, Phased					126,620	
4.600	Mailboxes, Phased						89,989
4.620	Pavers, Masonry					13,619	
4.710	Pond, Erosion Control, Partial			6,482			
4.800	Signage, Monument, Renovation, Phased			12,200			
4.810	Signage, Street Identification and Traffic Control, Phased					7,316	7,535
4.820	Site Furniture, Phased (2023 is Budgeted)	6,000					6,956
<b>Anticipated Expenditures, By Year (\$3,433,480 over 30 years)</b>		<b>6,000</b>	<b>33,000</b>	<b>50,440</b>	<b>18,358</b>	<b>170,178</b>	<b>180,361</b>

## 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.*

### Asphalt Pavement, Crack Repair, Patch and Seal Coat

**Line Item:** 4.020

**Quantity:** Approximately 1,320 square yards

**History:** The Association historically conducts seal coat applications every two- to three-years and last seal coated the walking paths in 2022. The Association has budgeted \$3,000 to conduct seal coat applications in 2024.

**Condition:** Good to fair overall condition

**Useful Life:** Three- to five-years

**Component Detail Notes:** Proposals for seal coat applications 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 applications 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 is based on information provided by the Association.

### Asphalt Pavement, Repaving, Walking Paths

**Line Items:** 4.079 and 4.080

**Quantity, History and Condition:**

- **Annabelles Green:** Approximately 490 square yards; repaved in approximately 2017; good to fair overall condition with isolated cracks and deterioration



- **Remaining Walking Paths:** 830 square yards, primarily at the Leisure Trail with additional paths at Tottenham Place, Ederton Place and Turner Close; ages unknown; fair condition with periodic cracks, settlement, deterioration and evidence of standing water evident



**Walking path at Annabelles Green**



**Walking path at Annabelles Green**



**Settlement cracks (Annabelles Green)**



**Edge deterioration (Annabelles Green)**



**Walking path at Leisure Trail**



**Walking path at Leisure Trail**



**Pavement cracks**



**Settlement cracks**



**Evidence of standing water**



**Pavement deterioration**

**Useful Life:** 15- to 20-years with the benefit of timely crack repairs and patching, and the need to maintain a safe pedestrian surface

**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.

## **Bridge, Pedestrian, Wood**

---

**Line Item:** 4.103

**Quantity:** One pedestrian bridge at Leisure Trail

**History:** Likely original; the Association has budgeted \$30,000 to conduct significant reconstruction of the bridge in 2024.

**Condition:** Fair overall with surface deterioration, wood rot and organic growth evident



**Bridge overview**



**Bridge underside detail**



**Surface deterioration**



**Wood rot and organic growth**

**Useful Life:** Up to 25 years with the benefit of paint or stain applications and repairs funded through the operating budget

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

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

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

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

## Concrete Sidewalks

---

**Line Item:** 4.140

**Quantity:** Approximately 8,000 square feet; we are informed the sections of sidewalk directly in front of homes are the responsibility of the respective homeowner.

**Condition:** Good to fair overall with periodic cracks and isolated trip hazards and settlement



**Concrete sidewalk overview**



**Concrete sidewalk overview**



**Isolated trip hazards**



**Sidewalk cracks and damage**



**Sidewalk settlement**



**ADA pad detail**

**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 2,820 square feet of concrete sidewalks, or thirty-five percent (35.3%) of the total, will require replacement during the next 30 years.

## **Fences, Wood**

---

**Line Items:** 4.280 and 4.285

**Quantity:** Approximately 1,430 linear feet

**History:** The fences are likely original and the age of the protective finishes varies. The Association has historically conducted repairs and partial replacements to the fences as needed.

**Condition:** The fences are in fair to poor overall condition and the protective finishes are in fair overall condition. We note systemic wood rot and periodic damage, wood split, peeling finishes and deterioration.



**Wood fence overview**



**Wood fence overview**



**Periodic peeling finishes**



**Wood rot**



**Wood rot and landscaping damage**



**Wood rot**



**Wood rot at recently stained fence, shown at Heath Gate Drive**



**Wood fence at Leisure Trail**



**Wood rot**



**Wood split**

**Useful Life:** 15- to 20-years for replacement and four- to six-years for seal applications

**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 and fund these activities through the operating budget.

## Gazebo

---

**Line Item:** 4.360

**Quantity:** One gazebo at Annabelles Green

**History:** Original

**Condition:** Good overall



**Gazebo overview**



**Asphalt shingle roof**



**Buried downspouts**



**Gazebo ceiling detail**





**Masonry steps and metal railings**



**Finish deterioration at deck boards**



**Detached railing and rust**

**Useful Life:** Up to 25 years with periodic maintenance

**Priority/Criticality:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our cost assumes repairs to the masonry and replacement of the roof, railings and deck boards. We recommend the Association budget for paint applications and repairs through the operating budget.

## **Irrigation System, Replacement**

---

**Line Item:** 4.420

**Quantity:** The Association is responsible for the irrigation systems at the entrances at Brooksvue Drive, Fernridge Drive, Bishops Wood Road and Mead Way. Additionally, the area at the gazebo at Annabelles Green contains an irrigation system.

**History:** Original to construction

**Condition:** Satisfactory operational condition and Management and the Board do not report any deficiencies



**Irrigation system head**

**Useful Life:** Up to and sometimes beyond 40 years

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

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

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

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

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

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

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

## Landscape

---

**Line Item:** 4.500

**Component Detail Notes:** The Association contains a large quantity of trees, shrubbery and other landscape elements. Replacement of these elements is an ongoing need. Many associations budget for these replacements as normal maintenance. Other associations fund ongoing replacements from reserves. Large amounts of landscape may need replacement due to disease, drought or other forces of nature. If the cost of removal and replacement is substantial, funding from reserves is logical. The Association may also desire to periodically update the appearance of the community through major improvements to the landscape.

**Useful Life:** At the request of Management, we include a landscape allowance for partial replacements every three 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:** The Association is responsible for the approximately 170 poles with light fixtures throughout the community. We are informed that the Association is only responsible for the light poles in areas within the jurisdiction of the City of Columbus. Light poles within New Albany city limits are the responsibility of the municipality.

**History:** Original with a limited history of replacements

**Condition:** Fair overall with systemic finish deterioration evident. We are not informed of any electrical deficiencies.



**Light pole and fixture**



**Finish deterioration**



**Finish deterioration**

**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.

## **Mailboxes**

---

**Line Item:** 4.600

**Quantity:** 685 mailboxes and posts

**History:** The mailboxes were standardized in 2019. Based on conversations with Management, we include replacement of approximately twenty percent (20%) of the mailboxes every four years beginning in 2028.

**Condition:** Good to fair overall with periodic leaning posts and damaged mailboxes evident



**Mailbox overview**



**Leaning mailbox and damage evident**



**Leaning mailbox**

**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
  - Verify posts are anchored properly

**Priority/Criticality:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our cost is based on information provided by Management, and assumes replacement of the mailboxes and posts.

## Pavers, Masonry

---

**Line Item:** 4.620

**Quantity:** Approximately 550 square feet of masonry pavers at the northern end of the Leisure Trail

**History:** Likely original

**Condition:** Fair overall with weathered pavers, settlement and organic growth evident



**Pavers overview**



**Settlement and organic growth**

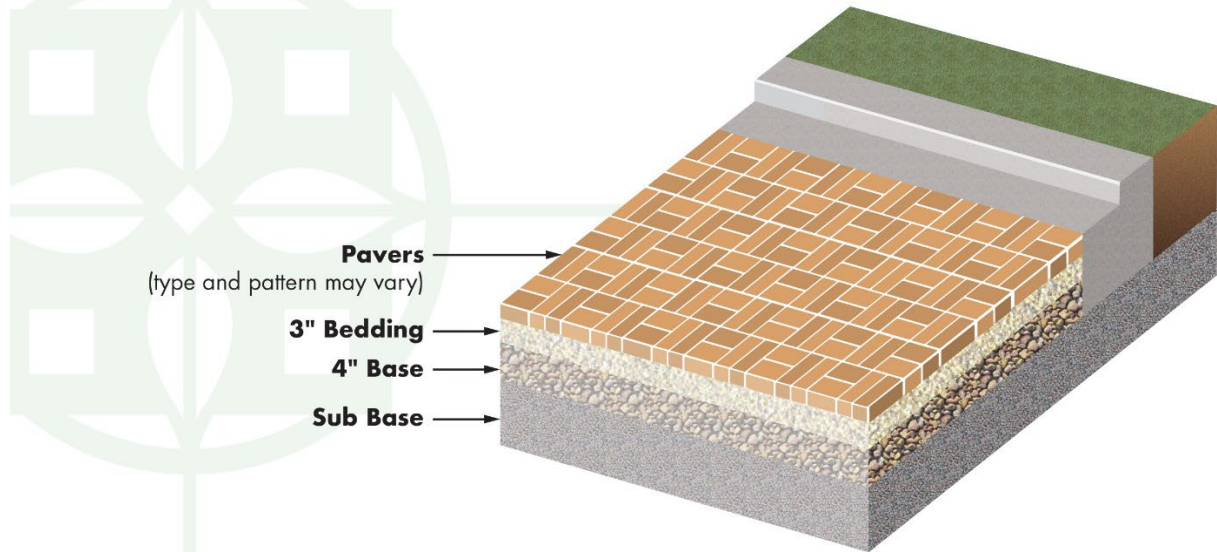


**Settlement and organic growth**

**Useful Life:** 15- to 20-years

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

## MASONRY PAVER DIAGRAM



© Reserve Advisors

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

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

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

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

### Pond, Aerator

---

**Line Item:** 4.700

**Quantity:** One aerator

**History:** Age unknown; the Association replaced the motor in 2019 and conducts annual maintenance at the aerator.

**Condition:** Reported satisfactory



**Pond aerator**

**Useful Life:** 10- to 15-years

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

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

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

## **Pond, Sediment Removal and Erosion Control**

---

**Line Items:** 4.710 and 4.730

**Quantity:** Approximately 3,100 square yards of water surface area and approximately 850 linear feet of shorelines

**History:** Original

**Condition:** Good to fair overall with periodic shoreline erosion and isolated sediment accumulation evident





**Pond overview**



**Sediment accumulation**



**Shoreline erosion**



**Shoreline erosion**

**Useful Life:** Based on the visual condition, construction, adjacent deciduous trees and visibly apparent erosion, we recommend the Association anticipate the need to remove pond sediment up to every 30 years.

Shorelines are subject to fluctuations in water levels, increased plant growth and migrating storm and ground water resulting in the need for erosion control measures up to every 15 years.

**Component Detail Notes:** The gradual build-up of natural debris, including tree leaves, branches and silt, may eventually change the topography of areas of the pond. Silt typically accumulates at inlets, outlets and areas of shoreline erosion. Sediment removal of ponds becomes necessary if this accumulation alters the quality of pond water or the functionality of the ponds as storm water management structures. Sediment removal is the optimal but also the most capital intensive method of pond management. Excavation equipment used for sediment removal includes clamshells, draglines and suction pipe lines. Sediment removal can also include shoreline regrading. Regrading includes removal of collapsed and eroded soil, and redefining the shoreline.

The steep shoreline embankments are likely to exacerbate soil movement and erosion. The use and maintenance of landscape, natural vegetation and/or stone rip rap along the pond shoreline will help maintain an attractive appearance and prevent soil erosion.

Shoreline plantings are referred to as buffer zones. Buffer zones provide the following advantages:

- Control insects naturally
- Create an aesthetically pleasing shoreline
- Enhance water infiltration and storage
- Filter nutrients and pollutants
- Increase fish and wildlife habitat
- Reduce lawn maintenance
- Stabilize shoreline and reduce erosion
- Trap sediments

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

- Annually:
  - Inspect and remediate shoreline erosion and areas of sediment accumulation
  - Clear and remove debris and vegetation overgrowth at pond edges, and inlet and outlet structures
  - Inspect for algae blooms and remedy as needed through a chemical treatment program or aeration

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

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We recommend the Association plan to install a combination of plantings and rip rap around the pond along 130 linear feet, or approximately fifteen percent (15%), of the shoreline per event.

For reserve budgeting purposes, we estimate the need to remove an average depth of one yard from approximately twenty-five percent (25%) of the surface area. However, the actual volume of material to remove may vary dependent upon an invasive analysis at the time of removal. A visual inspection of a body of water cannot reveal the amount of accumulated silt. This is especially true on larger bodies of water. It is therefore inaccurate to assume an entire body of water will require sediment removal. It is more cost effective to spot remove in areas of intense silt accumulation as noted through bathymetric surveys. The amount or depth of silt is determined through prodding into the silt until a relatively solid base is found or through bathymetric surveys. A bathymetric survey establishes a base of data about the depth of the body of water over many locations against which the data of future surveys is compared. These invasive procedures are beyond the scope of a Reserve Study and require multiple visits to the site. We recommend Hampsted Village contract with a local engineer for periodic bathymetric surveys. Future updates of the Reserve Study can incorporate future anticipated expenditures based on the results of the bathymetric surveys.

Unit costs per cubic yard to remove can vary significantly based on the type of equipment used, quantity of removed material and disposal of removed material. Sediment removal costs must also include mobilization, or getting the equipment to and from the site. Also, the portion of the overall cost to remove associated with mobilization varies based on the volume removed. Costs for sediment disposal also vary depending on the site. Compact sites will require hauling and in some cases disposal fees.

## Signage, Monument

**Line Item:** 4.800

**Quantity:** Seven masonry and wood monument signs at the community entrances.

**History:** Original

**Condition:** Fair overall with masonry cracks, mortar deterioration, damage and organic growth evident



Entrance monument at Heath Gate Dr



Landscaping damage



Entrance monument at Mead Way



Leaning post at Mead Way



**Entrance monument at Addenbrook Blvd**



**Entrance monument at Abbotsbury Ct**



**Mortar loss at Abbotsbury Ct**



**Mortar loss at Abbotsbury Ct**



**Entrance monument at Bishops Wood Rd**



**Masonry cracks and organic growth at Bishops Wood Rd**



**Mortar cracks and deterioration at Bishops Wood Rd**



**Entrance monument at Fernridge Dr**



**Mortar loss at Fernridge Dr**



**Entrance monument at Brooksvie Dr**



**Entrance monument at Brooksvie Dr**



**Masonry deterioration at Brooksvie Dr**

***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
  - 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 repointing at the masonry and replacement of the wood components and signage.

## **Signage, Street Identification and Traffic Control**

---

**Line Item:** 4.810

**Quantity:** The Association is responsible for full replacement of the street identification and traffic control signage in the City of Columbus areas, and responsible for the posts and sign backers at the signage in the City of New Albany areas.

**History:** Primarily original with a history of repairs and partial replacements

**Condition:** Fair overall with periodic leaning posts, wood split and finish deterioration evident



**Traffic management signage**



**Street identification signage**



**Finish deterioration**



**Wood deterioration**



**Warped wood post**



**Leaning post**

**Useful Life:** 15- to 20-years

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

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

- Annually:
  - Inspect and repair damage, vandalism and loose components
  - 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.

## Site Furniture

---

**Line Item:** 4.820

**Quantity:** Approximately 10 benches at Annabelles Green and Leisure Trail

**History:** Varied ages; the Association plans to replace five benches in 2023 at a budgeted cost of \$6,000. Management informs us the Association will likely conduct additional replacements in five years.

**Condition:** Condition varies with respect to age; we note weathered wood and finish deterioration.



**Metal bench**



**Wood bench**



**Weathered wood**

**Useful Life:** 15- to 25-years

**Priority/Criticality:** Per Board discretion

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



## 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.

Hampsted Village can fund capital repairs and replacements in any combination of the following:

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

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

This Reserve Study is in compliance with and exceeds the National standards<sup>1</sup> 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<sup>2</sup> 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 New Albany, Ohio at an annual inflation rate<sup>3</sup>. Isolated or regional markets of greater

<sup>1</sup> Identified in the APRA "Standards - Terms and Definitions" and the CAI "Terms and Definitions".

<sup>2</sup> See Credentials for additional information on our use of published sources of cost data.

<sup>3</sup> 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 Hampsted Village 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.

**PATRICK R. OLDER**  
**Responsible Advisor**

**CURRENT CLIENT SERVICES**

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



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

**Twelve Oaks at Schaumburg Condominium Association** – This condominium style development in Schaumburg, Illinois, comprising 156 units in a six-story midrise and 304 units in 32 townhome buildings, was built in 1986 and converted to condominiums in 2007.

**Fox Point Homeowners Association, Inc.** – Located in Barrington, Illinois, this planned unit development is responsible for the common elements shared by 411 single family homes. The property contains a lake, tennis courts, a pool house and two pools.

**Cottages on Hill Condominiums** – A townhome style development in Pickerington, Ohio, this community consists of 52 quad-style units in 13 buildings. The buildings comprise vinyl siding and asphalt shingle roofs, and the property contains asphalt pavement streets, driveways and masonry retaining walls.

**The Regency at the Woods of South Barrington Association** – This homeowners association is responsible for the common elements shared by 156 single family homes. Located in South Barrington, Illinois, residents have access to a well-appointed clubhouse containing an exercise center, several themed rooms and a pool.

**Villas at Timber Ridge Condominium Association, Inc.** – This townhome style development, situated in Waukesha, Wisconsin, consists of 40 units in 16 buildings. The buildings were constructed in phases from 2006 through 2022 and comprise vinyl siding and asphalt shingle roofs.

**Graystone Manor Condominium Association** – Developed in 1988 and located in Dublin, Ohio, this townhome style development consists of 68 units in 17 buildings and contains a clubhouse and pool. Plywood siding and masonry comprise the building facades.

**Colony Country Townhome Association, Inc.** - Located in Mount Prospect, Illinois, and positioned along a golf course, this community consists of 38 units in six buildings. Built from 1987 through 1992, the buildings comprise aluminum siding, asphalt shingle roofs and skylights.

**PRIOR RELEVANT EXPERIENCE**

Before joining Reserve Advisors, Mr. Older attended New York City College of Technology in Brooklyn, New York where he attained his Bachelor of Science degree in Mechanical Engineering. His studies focused on material sciences and design engineering. Mr. Older also worked as a project manager and design engineer for La Boit Specialty Vehicles, Inc., where he worked with medical professionals to design custom medical and veterinary mobile clinics in Columbus, Ohio.

**EDUCATION**

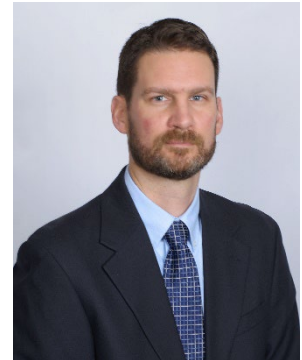
New York City College of Technology, Brooklyn - B.S. Mechanical Engineering

**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

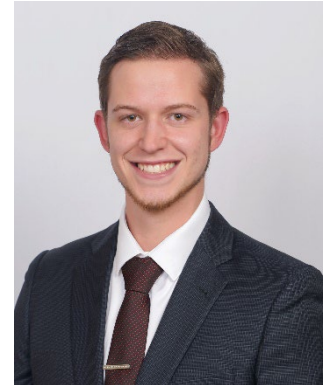
*Reserve Specialist (RS)* - Community Associations Institute

*Professional Reserve Analyst (PRA)* - Association of Professional Reserve Analysts

**JUSTIN B. KLEIN, RS**  
**Senior Engineer**

**CURRENT CLIENT SERVICES**

Justin B. Klein, a Senior Engineer, is an Advisor for Reserve Advisors, LLC. Mr. Klein is responsible for the inspection and analysis of the condition of clients' property, and recommending engineering solutions to prolong the lives of the components. He also forecasts capital expenditures for the repair and/or replacement of the property components and prepares technical reports on assignments. He is responsible for conducting Life Cycle Cost Analysis and Capital Replacement Forecast services and the preparation of Reserve Study and Transition Study Reports for apartments, high rises, condominiums, townhomes, and homeowners associations.



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

**Springfield Golf and Country Club** – This private club, established in 1960, is located in Springfield, Virginia. Home to an 18-hole golf course, multiple practice putting greens, a driving range, outdoor pool facility, a fitness center and studio, a golf simulator, four indoor tennis courts, and six outdoor tennis courts including two clay courts, members of this Club can enjoy an extensive array of amenities.

**Glenmore Community Association** – Located in Keswick, Virginia, this master community association features 980 single family homes and counting. The community maintains a private equestrian center located on a 61-acre parcel of land. The equestrian center is equipped with two outdoor riding rings and 13 fenced paddocks in addition to the 27 stalls at the Main Barn. The Association also maintains over 10 miles of roads, three earthen dams, eight ponds, a dog park, and playground.

**California House** – Built in 1900 and converted to condominiums in 1978, this six story building is located in the historic Kalorama neighborhood in Washington D.C. Sharing its footprint with a sister building, the Association's 27 residents can enjoy the decorative cornice, ornate marble tiled lobby and welcoming courtyard.

**Villages of Five Points** – Conveniently nestled east of Route 1 in Lewes, Delaware, this master association of over 580 units comprising condos, townhouses and single-family homes is a short drive to the shores of the Atlantic Ocean. The Association maintains a clubhouse, two pool houses and pools, eight tennis courts and over 1.5 miles of pavement walking paths.

**Windsor Park Residences** – Located within the Windsor Club in Vero Beach, Florida, this condominium Association features 12 residences within five connected three-story buildings with a private reflecting pool centerpiece at the courtyard. Owners can take advantage of direct access elevators and garages for their vehicles and golf carts.

**PRIOR RELEVANT EXPERIENCE**

Before joining Reserve Advisors, LLC, Mr. Klein attended Rose-Hulman Institute of Technology in Terre Haute, Indiana where he attained his Bachelor of Science degree in Mechanical Engineering. His rigorous coursework focused on using problem solving to understand mechanical systems and principles. During his undergraduate education, Mr. Klein worked to develop a debris displacement apparatus to be mounted inside a D-155 bulldozer for Komatsu America Corporation.

**EDUCATION**

Rose-Hulman Institute of Technology - B.S. Mechanical Engineering

**PROFESSIONAL AFFILIATIONS**

*Reserve Specialist (RS) – Community Association Institute*  
*Engineer in Training (E.I.T) – State of Virginia*



## 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](http://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](http://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](http://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](http://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 Hampsted Village 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) Hampsted Village 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 subject property. The purpose of our energy benchmarking services is to track, collect and summarize the subject property's energy consumption over time for your use in comparison with other buildings of similar size and establishing a performance baseline for your planning of long-term energy efficiency goals.

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. Our energy benchmarking services with respect to the subject property is limited to collecting energy and utility data and summarizing such data in the form of an Energy Star Portfolio Manager Report or any other similar report, and hereby expressly excludes any recommendations with respect to the results of such energy benchmarking services or the accuracy of the energy information obtained from utility companies and other third-party sources with respect to the subject property. The reserve report and any energy benchmarking report (i.e., any Energy Star Portfolio Manager Report) (including any subsequent revisions thereto pursuant to the terms hereof, collectively, the "Report") are based upon a "snapshot in time" at the moment of inspection. RA may note visible physical defects in the Report. The inspection is made by employees generally familiar with real estate and building construction. Except to the extent readily apparent to RA, RA cannot and shall not opine on the structural integrity of or other physical defects in the property under any circumstances. Without limitation to the foregoing, RA cannot and shall not opine on, nor is RA responsible for, the property's conformity to specific governmental code requirements for fire, building, earthquake, occupancy or otherwise.

RA is not responsible for conditions that have changed between the time of inspection and the issuance of the Report. RA does not provide invasive testing on any mechanical systems that provide energy to the property, nor can RA opine on any system components that are not easily accessible during the inspection. 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 vapor, water, oil, gas, coal, or other subsurface mineral and use rights or such hidden conditions, and RA assumes no responsibility for any such conditions. The Report contains opinions of estimated replacement costs or deferred maintenance expenses and remaining useful lives, which are neither a guarantee of the actual costs or expenses of replacement or deferred maintenance nor a guarantee of remaining useful lives of any property element.

RA assumes, without independent verification, the accuracy of all data provided to it. Except to the extent resulting from RA's willful misconduct in connection with the performance of its obligations under this agreement, you agree to indemnify, defend, and hold RA and its affiliates, officers, managers, employees, agents, successors and assigns (each, an "RA Party") harmless from and against (and promptly reimburse each RA Party for) any and all losses, claims, actions, demands, judgments, orders, damages, expenses or liabilities, including, without limitation, reasonable attorneys' fees, asserted against or to which any RA Party may become subject in connection with this engagement, including, without limitation, as a result of any false, misleading or incomplete information which RA relied upon that was 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 or to whom you provided the Report. NOTWITHSTANDING ANY OTHER PROVISION HEREIN TO THE CONTRARY, THE AGGREGATE LIABILITY (IF ANY) OF RA WITH RESPECT TO THIS AGREEMENT AND RA'S OBLIGATIONS HEREUNDER IS LIMITED TO THE AMOUNT OF THE FEES ACTUALLY RECEIVED BY RA FROM YOU FOR THE SERVICES AND REPORT PERFORMED BY RA UNDER THIS AGREEMENT, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE. YOUR REMEDIES SET FORTH HEREIN ARE EXCLUSIVE AND ARE YOUR SOLE REMEDIES FOR ANY FAILURE OF RA TO COMPLY WITH ITS OBLIGATIONS HEREUNDER OR OTHERWISE. RA SHALL NOT BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO, ANY LOST PROFITS AND LOST SAVINGS, LOSS OF USE OR INTERRUPTION OF BUSINESS, HOWEVER CAUSED, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE), BREACH OF WARRANTY, STRICT LIABILITY OR OTHERWISE, EVEN IF RA HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT WILL RA BE LIABLE FOR THE COST OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES. RA DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED OR OF ANY NATURE, WITH REGARD TO THE SERVICES AND THE REPORT, INCLUDING, WITHOUT LIMITATION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

**Report** - RA will complete the services in accordance with the Proposal. The Report represents a valid opinion of RA's findings and recommendations with respect to the reserve study and is deemed complete. RA will consider any additional information made available to RA within 6 months of issuing the Report and issue a revised Report based on such additional information if a timely request for a revised Report is made by you. 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. RA reserves the right to, and you acknowledge and agree that RA may, use any data provided by you in connection with the services, or gathered as a result of providing such services, including in connection with creating and issuing any Report, in a de-identified and aggregated form for RA's business purposes.

**Your Obligations** - You agree to provide us access to the subject property for an 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. Additionally, you agree to provide historical replacement schedules, utility bills and historical energy usage files that RA requests and deems necessary to complete the energy benchmarking services, and you agree to provide any utility release(s) reasonably requested by RA permitting RA to obtain any such data and/or information from any utility representative or other third party. 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 the Report is limited to only the purpose stated herein. You acknowledge that RA is the exclusive owner of all intellectual property rights in and relating to the Report. You hereby acknowledge that any use or reliance by you on the Report for any unauthorized purpose is at your own risk and that you will be liable for the consequences of any unauthorized use or distribution of the Report. Use or possession of the Report by any unauthorized third party is prohibited. 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 the Report in its entirety to the following third parties: members of your organization (including your directors, officers, tenants and prospective purchasers), your accountants, attorneys, financial institutions and property managers who need to review the information contained herein, and any other third party who has a right to inspect the Report under applicable law including, but not limited to, any government entity or agency, or any utility companies. Without the written consent of RA, you shall not disclose the Report to any other third party. By engaging our services, you agree that the Report contains intellectual property developed (and owned solely) by RA and agree that you will not reproduce or distribute the Report **to any party that conducts reserve studies without the written consent of RA**.

RA will include (and you hereby agree that RA may include) your name in our client lists. RA reserves the right to use (and you hereby agree that RA may 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** - If reserve study and energy benchmarking services are performed by RA, then the retainer payment is due upon execution of this agreement and prior to the inspection by RA, and any balance is due net 30 days from the Report shipment date. If only energy benchmarking services are performed by RA, then the retainer payment is due upon execution of this agreement and any balance is due net 30 days from the Report shipment date. In any case, any balance remaining 30 days after delivery of the Report shall accrue an interest charge of 1.5% per month. Unless this agreement is earlier terminated by RA in the event you breach or otherwise fail to comply with your obligations under this agreement, RA's obligations under this agreement shall commence on the date you execute and deliver this agreement and terminate on the date that is 6 months from the date of delivery of the Report by RA. Notwithstanding anything herein to the contrary, each provision that by its context and nature should survive the expiration or early termination of this agreement shall so survive, including, without limitation, any provisions with respect to payment, intellectual property rights, limitations of liability and governing law.

**Miscellaneous** – Neither party shall be liable for any failures or delays in performance due to fire, flood, strike or other labor difficulty, act of God, act of any governmental authority, riot, embargo, fuel or energy shortage, pandemic, wrecks or delays in transportation, or due to any other cause beyond such party's reasonable control; provided, however, that you shall not be relieved from your obligations to make any payment(s) to RA as and when due hereunder. In the event of a delay in performance due to any such cause, the time for completion or date of delivery will be extended by a period of time reasonably necessary to overcome the effect of such delay. You may not assign or otherwise transfer this agreement, in whole or in part, without the prior written consent of RA. RA may freely assign or otherwise transfer this agreement, in whole or in part, without your prior consent. This agreement shall be governed by the laws of the State of Wisconsin without regard to any principles of conflicts of law that would apply the laws of another jurisdiction. Any dispute with respect to this agreement shall be exclusively venued in Milwaukee County Circuit Court or in the United States District Court for the Eastern District of Wisconsin. Each party hereto agrees and hereby waives the right to a trial by jury in any action, proceeding or claim brought by or on behalf of the parties hereto with respect to any matter related to this agreement.