

ANNUAL CONTINUING DISCLOSURE REPORT

For the Period Ending December 31, 2017

*\$13,660,000 Grove City, Ohio
Pinnacle Community Infrastructure Financing Authority
Community Facilities Bonds
Series 2015A*

CUSIP NUMBERS

72346CAC9	72346CAK1
72346CAD7	72346CAL9
72346CAE5	72346CAM7
72346CAF2	72346CAN5
72346CAG0	72346CAQ8
72346CAH8	72346CAR6
	72346CAJ4



Prepared by

MUNICAP, INC.

March 31, 2018

**ANNUAL CONTINUING
DISCLOSURE REPORT**
For the Period Ending December 31, 2017

I.	UPDATED INFORMATION	1
II.	INTRODUCTION	2
III.	DEVELOPMENT ACTIVITY	6
	A. Overview	6
	B. Public Improvements	6
	C. Pinnacle Club Development Status	6
	D. Status of Sales	9
	E. Status of Occupancy Permits	11
IV.	TRUSTEE ACCOUNTS	12
V.	AUTHORITY OPERATIONS	13
	A. Annual Revenue Requirement	13
	B. Delinquent Charges	16
	C. Collection Efforts	16
VI.	AUTHORITY FINANCIAL INFORMATION	17
	A. Fund Balances	17
	B. Assessed Valuation	17
	C. Changes to the Declaration of Covenants and Restrictions	17
	D. Information Related to the Levy of Development Charges	17
	E. Amendments to the Land Use Entitlements or Legal Challenges	19
	F. Changes to Construction of the Development	19
	G. Debt Service Schedule	21
	H. The District and Authority	21
VII.	SPECIFIED EVENTS	23

I. UPDATED INFORMATION

Information updated from the annual continuing disclosure report, dated March 31, 2017, is as follows:

- As of December 31, 2017, the developers report that 1,153 building permits have been issued for the development. The developers also report that one additional building permit has been submitted to Franklin County for approval.
- As of December 31, 2017, the developers report that 1,425 lots have sold and closed with builders and includes the Grove City lot.
- As of December 31, 2017, the developers report that 1,077 homes within the development have sold and closed to individual homebuyers. The developer also reports that 49 additional lots are under contract.
- As of December 31, 2017, the developers report that there have been 1,049 occupancy permits issued for homes within the development.
- Development charges in the amount of \$1,020,000 were to be collected in 2017. Charges were to be collected in two installments in January and June of 2017. As of March 9, 2018, the auditor's office for Franklin County reports that fiscal year 2017 charges in the amount of \$1,017,747 have been collected, representing 99.78 percent of the annual charges due in fiscal year 2017. The auditor's office also reports that fiscal year 2017 charges in the amount of \$2,252.96 remain outstanding on four parcels. All parcels with outstanding balances are owned by individual homeowners. According to the county, a ten percent penalty is added to unpaid charges for each collection period outstanding.
- Development charges in the amount of \$991,361.00 are to be collected in 2018. Charges are collected in two installments in January and June of 2018. As of March 9, 2018, the auditor's office for Franklin County reports that the first-half instalment of development charges in the aggregate amount of \$562,234.93 has been collected and remitted to the trustee for fiscal year 2018.
- As of March 9, 2018, the auditor's office for Franklin County reports that the 2017 assessed value of the property in the district was \$285,311,200. According to the auditor's office, the 2016 assessed value on the property in the district was \$243,061,540. Accordingly, the assessed value of the property in the district has increased by \$42,249,660. This represents a 23.2 percent increase in the assessed value of the property in the district.

II. INTRODUCTION

Pinnacle Community Infrastructure Financing Authority, located in Grove City, Ohio, authorized and issued the \$14,815,000 Community Facility Series 2004A Bonds, pursuant to Chapter 349 of the Ohio Revised Code. The Series 2004A Bonds (the “Refunded Bonds”) are authorized by (i) a General Bond Resolution (the “General Bond Resolution”) adopted by the Board of Trustees of the Authority (the “Board”) on May 19, 2004, and a Series 2004 Bond Resolution (the “Series Resolution”) adopted by the Board on May 19, 2004. The Series 2004A Bonds were issued pursuant to a Master Trust Agreement by and between Pinnacle Community Infrastructure Financing Authority (the “Authority”) and the Huntington National Bank (the “Trustee”), dated as of July 15, 2004 and a Limited Offering Memorandum for the bonds dated August 4, 2004. Pursuant to the Series 2015A Bond Resolution (the “Series Resolution”) adopted by the Board of Trustees on May 29, 2015, the Series 2004A Bonds were defeased and redeemed on July 22, 2015 with the \$13,660,000 Pinnacle Community Infrastructure Financing Authority Series 2015A Community Facilities Refunding Bonds (the, “Series 2015A Bonds”).

The Pinnacle Community Infrastructure Financing Authority consists of approximately 597 acres of land in Grove City, Ohio, which is in southwestern Franklin County and is located east of Interstate 71 and south of the Stringtown Road interchange. The district is located approximately seven miles from downtown Columbus, Ohio, and approximately twenty miles from Port Columbus International Airport.

The property in the district is being developed as a planned unit development (PUD) encompassing a 201-acre, 18-hole golf course, and a residential community consisting of approximately 1,553 residential units. Other planned amenities include a community center, swimming pool, tennis courts and a clubhouse. The planned mix of units includes estate homes, single-family homes, town homes, and cluster home condominiums. At the time the Refunded Bonds were issued, M/I Homes estimated that the residential property would be sold out by the year 2013 and that the golf course would be open no later than 2006.

As of December 31, 2017, M/I Homes reports that the 1,553 units previously planned to be constructed in the district have been reduced by an additional 38 units. At issuance, 1,594 units were originally planned to be constructed in the district. Accordingly, the estimated number of units planned to be constructed in the district has been reduced by a total of 79 units for a current aggregate total of 1,515 planned units. This unit count includes 285 units that were projected to be built in Sub-Area F, which has been acquired by the city and will be used as a city park.

The land within the district was initially owned by nine separate entities. Pursuant to the Acquisition Agreements, this land has been transferred to Jim Hendrix, Joseph Ciminello and JBJ Venture (collectively, the Assignors). On November 5, 2003, the Assignor entered into an Agreement of Sale and Assignment of Purchase Contract (the Purchase Agreement) with M/I Homes. Under this Purchase Agreement, M/I Homes agreed to purchase and assume the rights of the Assignors to acquire the district lands pursuant to the Acquisition Agreements. The Purchase Agreement allocated certain development rights and obligations relating to the district lands between M/I Homes and the Assignors. The Assignors subsequently designated Pinnacle Development to carry out their development rights and obligations under the Purchase Agreement.

M/I Homes is an Ohio Limited Liability Company who, together with its affiliate M/I Inc., is one of the nation’s leading homebuilders. M/I Homes and its affiliates sell single family homes in the following ten geographic markets: Columbus and Cincinnati, Ohio; Tampa, Orlando and West Palm Beach, Florida; Charlotte and Raleigh, North Carolina; Indianapolis, Indiana; and the Virginia and Maryland suburbs of Washington, D.C. The web site for M/I Homes Corporation is www.mihome.com.

Pinnacle Development Company was created in December 2003 to develop the golf course and the estate lots and market and sell one of the condominium sub-areas in the development. Pinnacle Development is an Ohio Limited Liability Company with four members: Joseph Ciminello, Mark Ciminello, Jim Hendrix and

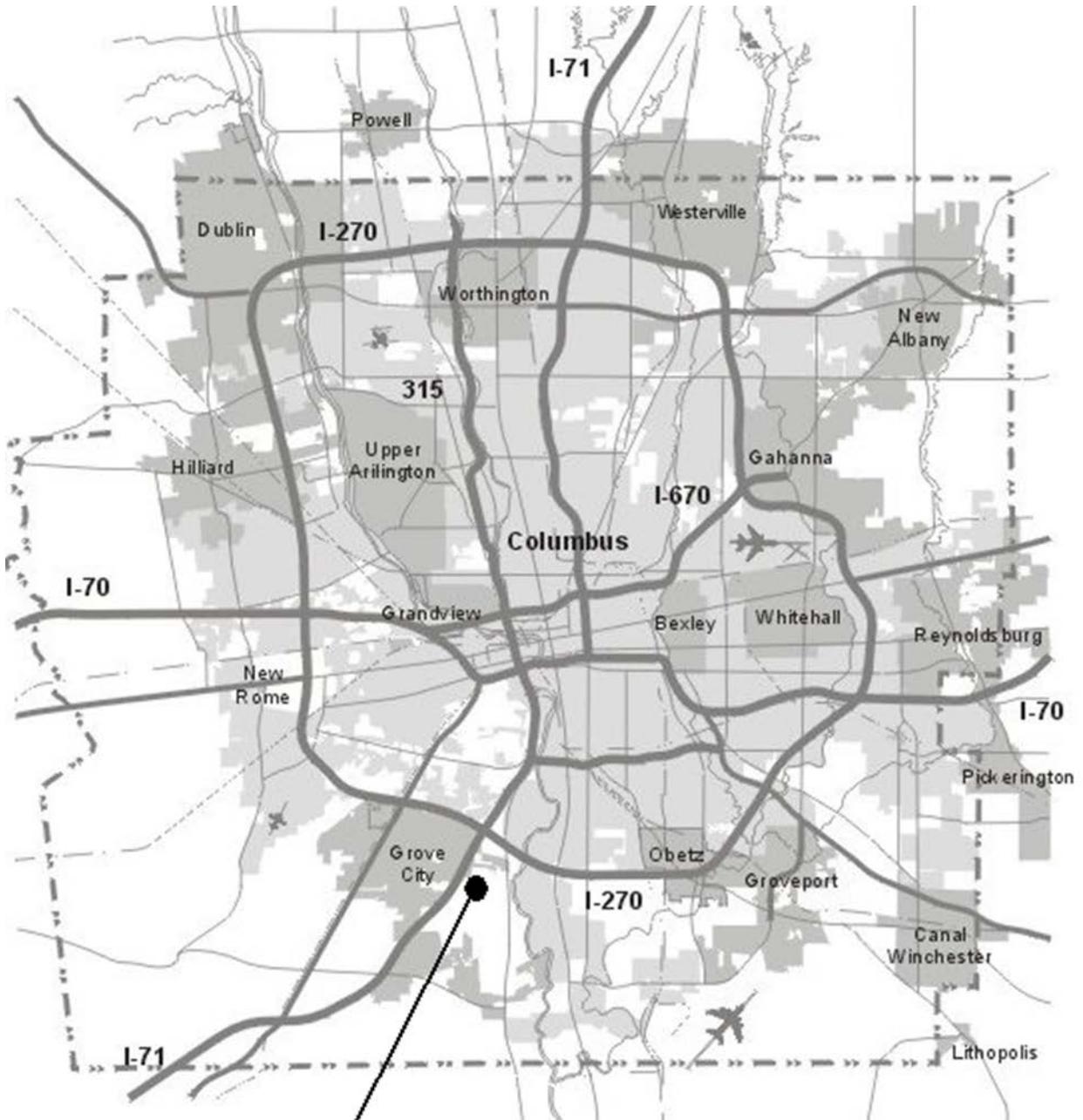
Brooke Bodney. Mr. Ciminello has been involved in the residential development of over 1,320 acres in the central Ohio area, including over 3,100 residential units, and the commercial development of close to 30 acres in the central Ohio area. Mr. Ciminello regularly works with homebuilders in central Ohio, including M/I Homes, to develop these properties.

Community Facilities Bonds in the amount of \$14,815,000 (the Refunded Bonds) were sold in July 2004. Bond proceeds in the amount of \$6,846,600 were to be used to construct the public improvements of the residential section known as Part I and bonds in the amount of \$4,000,000 were to be used for construction of the storm sewer project known as Part II. Part I of the development, which is known as the Residential Project, is being undertaken by M/I Homes. Pinnacle Development Company is in charge of Part II of the development, which is referred to as the Storm Sewer Project.

The information provided herein is not intended to supplement or otherwise relate to the information provided in the Limited Offering Memorandum and any such intent is expressly disavowed. Rather, this report responds to the specific requirements of the continuing disclosure agreement.

No representation is made as to the materiality or completeness of the information provided herein or as to whether other relevant information exists with respect to the period covered by this report. Other matters or events may have occurred or become known during or since that period that may be material. All information is provided as of December 31, 2017, unless otherwise stated, and no representation is made that the information contained in this report is indicative of information that may pertain since the end of the period covered by this report or in the future.

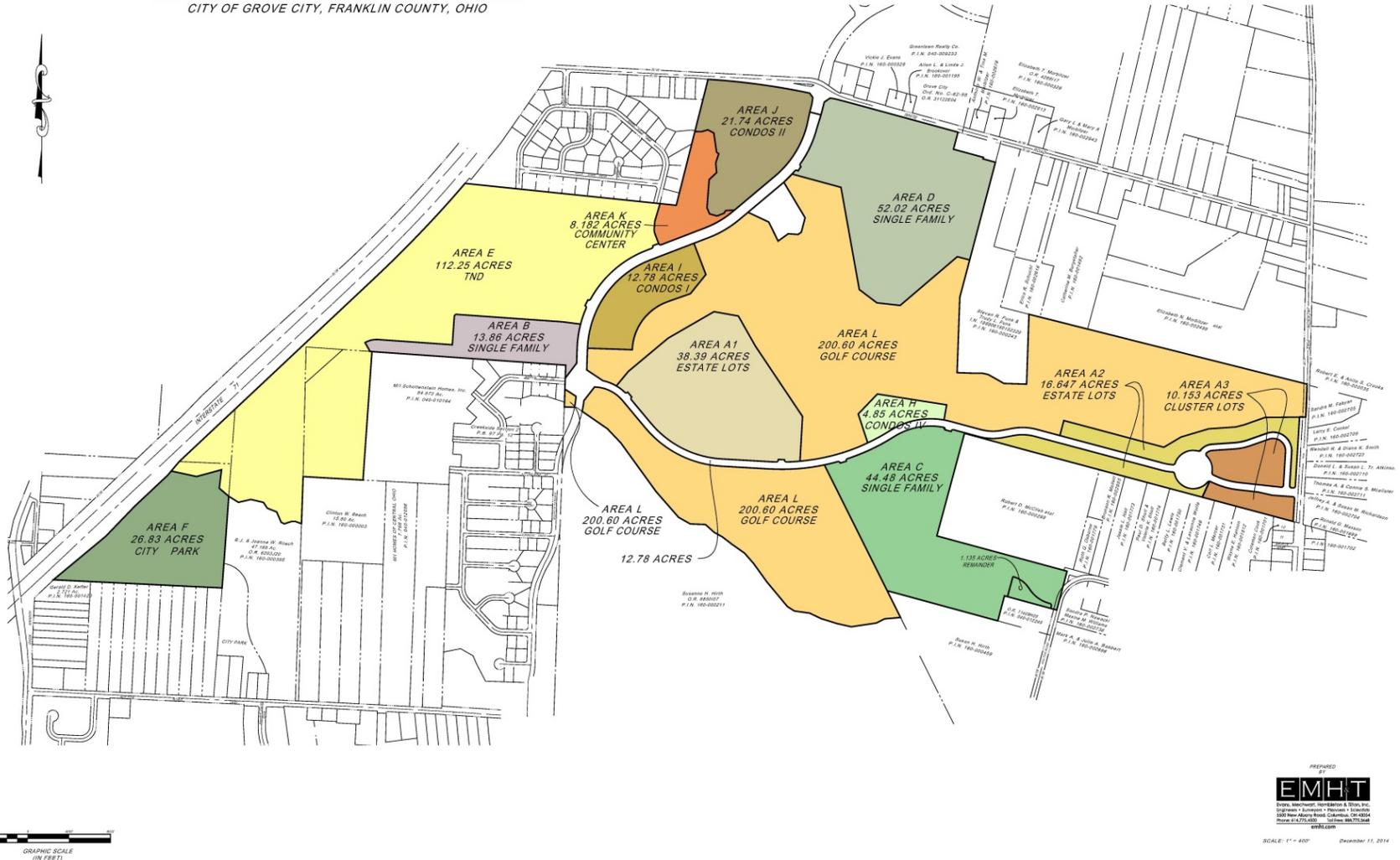
VICINITY MAP



The Pinnacle Club of Grove City
(Pinnacle Community Infrastructure Financing Authority)

MAP OF THE DISTRICT

SUBAREA EXHIBIT
 LOCATED IN
VIRGINIA MILITARY SURVEY NUMBER 478 & 6840
 CITY OF GROVE CITY, FRANKLIN COUNTY, OHIO



SCALE: 1" = 400' December 11, 2014

MI Homes of Central Ohio / Pinnacle Club / 05-Temp / Subarea Exhibit

III. DEVELOPMENT ACTIVITY

A. OVERVIEW

The property in the Authority was originally developed by two developers. The development referred to as the “Pinnacle Club” is designed as a master planned community to be developed around a championship golf course. Lot layout is designed not to interfere with golf or to distract from the public views into the golf course from public right-of-ways. The natural beauty of the land east of the Buckeye Parkway extension is captured and preserved by the golf course. Lots and condominium sites are located in areas that complement the golf course design.

B. PUBLIC IMPROVEMENTS

The public improvements funded with the Refunded Bonds were completed under two phases.

- i. Phase I infrastructure improvements referred to as the “Residential Project Improvements” included the extension of Buckeye Parkway and Pinnacle Drive, internal roadways complete with sidewalks, sanitary sewer extensions and a community center, swimming pool and tennis courts.
- ii. Phase II infrastructure improvements (the “Storm Sewer Project Improvements”) included portion of street and the construction of a master storm water management system designed within the eighteen-hole golf course that was expected to provide attenuation and treatment to storm water runoff from the proposed areas of the development.

C. PINNACLE CLUB DEVELOPMENT STATUS

The general land use design of the property is to step down residential densities from Interstate 71 eastward, with densities east of Buckeye Parkway being the lowest. The residential property is being developed by M/I Homes Corporation (“M/I Homes”), Pinnacle Development Corporation (“PDC”), EPCON Communities, Wilcox Communities and Newbury Homes. The original plan for property type in Sub-Area A-2 was revised during 2012 resulting into creation of Sub-Area A-3. Three majority of the homes in the project are being built by M/I Homes including sub-areas B, C, D and E. Homes in sub-areas A-1, A-2 are being built by PDC through various builders. Homes and condominiums in sub-area A-3 and H are being built by EPCON Communities. In addition, M/I Homes has sold sub-areas I and J to individual home builders. Condominiums in sub-area I are being built by Wilcox Communities and condominiums in sub-area J are being built by Newbury Homes. The product type, developer, estimated amount of property in each Sub-Area in acres together with the original estimated number of units and revised estimated number of units in the Authority as of December 31, 2017 are provided in the table below.

**Table III-1
Pinnacle Club**

Sub-Area	Product Type	Developer	Sub-Area Acreages	Estimated Number of Units	
				Original	Revised
A-1	Estate Homes	PDC	38.39	77	77
A-2	Estate Homes	PDC	16.647	58	36
A-3	Estate Homes	EPCON	10.153	0	43
B	Medium Single	MI Homes	13.86	45	45
C	Medium Single	MI Homes	44.48	141	138
D	Small Single Family	MI Homes	52.02	168	168
E	Neo-Traditional ¹	MI Homes	121.25	575	525
F	City Park ²	Grove City	26.83	285	0
H	Condominium	EPCON	4.85	20	20
I	Condominium	Wilcox Comm.	12.78	88	68
J	Condominium ³	Newbury Homes	21.74	137	110
L	Golf Course	PDC	200.6	0	0
Total			563.6	1,594	1,230

¹Revised Estimated Number of Units in Sub-Area E based on Developer's Continuing Disclosure Statement for the period ending December 31, 2017.

²M/I Homes sold to the City of Grove City, subject to the CDA charge remaining. The City plans to use Sub Area F as a park. Accordingly, the projected number of units for Sub-Area F will be reflected as 0. Sub Area F continues to be subject to community charges.

³Revised Estimated Number of Units in Sub-Area J based on information provided by Newbury Homes as of December 1, 2015.

Below is a brief summary of each sub-area, completed development to date and future plans for additional development in the future.

- I. **Sub-Area A-1** consists of 38.39 acres of land, and Pinnacle Development Company of Grove City, Ltd. ("PDC") served as the master developer of the Sub-Area. Sub-Area A-1 consists of 77 parcels. Currently 53 homes in Sub-Area A-1 are owned and occupied by individual home owners. The average market valuation of existing homes within Sub-Area A-1 is \$565,902. PDC currently estimates that the available lots within Sub-Area A-1 will be developed by the end of 2019.
- II. **Sub-Area A-2** consists of 16.647 acres of land, and PDC served as the master developer of the Sub-Area. Sub-Area A-2 consists of 36 parcels. Currently 24 homes are owned and occupied by individual home owners. The average market valuation of existing homes within Sub-Area A-2 is \$571,495. PDC currently estimates that the available lots within Sub-Area A-2 will be developed by the end of 2019.
- III. **Sub-Area A-3** consists of 10.153 acres of land, and PDC served as the master developer of the Sub-Area. Sub-Area A-3 consists of 43 parcels, which were purchased by Epcon Communities between 2012 and 2014. Sub-Area A-3 has been re-platted and consists of detached courtyard homes. In 2014, Epcon commenced construction on thirty-eight (38) units. As of December 31, 2017 all 43 units are closed and have been sold to individual homeowners. The average auditor market value of the existing homes in sub-area A-3 is \$306,272.
- IV. **Sub-Area B** consists of 13.86 acres of land, and M/I Homes served as the master developer of Sub-Area B. Sub-Area B is referred to as Pinnacle Manors and consists of 45 parcels. As December 31,

2017, 45 homes were owned and occupied by individual home owners. The average auditor market value of the existing homes in sub-area B is \$269,307.

- V. **Sub-Area C** consists of 44.48 acres of land, and M/I Homes served as the master developer of the Sub-Area. Sub-Area C is referred to as Pinnacle Links and consists of 138 parcels. As of December 31, 2017 all 138 homes were owned and occupied by individual home owners. The average auditor market value of the existing homes in sub-area C is \$312,048.
- VI. **Sub-Area D** consists of 52.02 acres of land, and M/I Homes served as the master developer of the Sub-Area. Sub-Area D is referred to as Pinnacle Landings and consists of 168 parcels. As of December 31, 2017, 168 homes were owned and occupied by individual home owners. The average auditor market value of the existing homes in sub-area D is \$269,764.
- VII. **Sub-Area E** consists of 121.25 acres of land, and M/I Homes served as the master developer of the Sub-Area. Sub-Area E is referred to as Pinnacle Greens and originally consisted of 525 parcels. As of December 31, 2017, 469 homes were owned and occupied by individual home owners and 50 homes were under contract. Sub-Area E is expected to be fully built out by 2018. The average auditor market value of the existing homes in sub-area E is \$195,055.
- VIII. **Sub-Area F** consists of 26.83 acres of land, and was purchased by the City of Grove City, Ohio on January 31, 2014. The City is planning the development of a park at the site. As part of the purchase agreement, the City covenanted to pay the annual Sub-Area charges due to the Authority.
- IX. **Sub-Area H** consists of 4.85 acres of land and will consist of 20 units of residential condominiums known as the Courtyards at Pinnacle Club. As of December 31, 2017. 14 units have been sold to individual homeowners. The balance of the residential condominiums is being developed by Pinnacle Condo LLC. The last two units are expected to be constructed and sold in 2019. The average auditor market value of the existing condominiums units in sub-area H is \$432,557.
- X. **Sub-Area I** consists of 12.78 acres of land, and will consist of 68 units of residential condominiums known as the Mews Condominiums. The residential condominiums are being developed by Wilcox Communities. As of December 31, 2017, 35 condos are owned and occupied by individual home owners. The average value of the completed condos is \$312,377 as assessed by the County Auditor. Wilcox Communities currently expects to construct and all condo units by the end of 2018.
- XI. **Sub-Area J** consists of 21.74 acres of land and will consist of 110 units of residential condominiums known as the Cottages. The residential condominiums are being developed by Newbury Homes. According to Newbury Homes, as of December 31, 2017, 67 condos are owned and occupied by individual home owners and 4 condos were being offered for sale. There are currently an additional 39 units available to be built in Sub-Area J, which are currently owned by Newbury Homes. The average value of the completed condos is \$232,476 as assessed by the County Auditor. Newbury Homes expects to construct and sell all residential condominiums by the end of 2018.
- XII. **Sub-Area K** consists of 8.182 acres of land, and the Pinnacle Community Center, which includes public space, meeting areas, swimming pool and other community amenities is located there. The Pinnacle Community Center is complete and fully-operational.

XIII. **Sub-Area L** consists of 200.60 acres of land and the Pinnacle Golf Course is located there. The Pinnacle Golf Course is complete and fully-operational.

D. STATUS OF SALES

Status of Home Construction

As of December 31, 2017, the developers report that 1,153 building permits have been issued for the development. The developers also report that one additional building permit has been submitted to Franklin County for approval. Table III-2 below shows the estimated number of units by sub-area and product type and the number of building permits issued and pending as reported by the developers as of December 31, 2017.

**Table III-2
Pinnacle Club**

Sub-Area	Product Type	Developer	Estimated Number of Units	Building Permits	
				Issued	Pending
A-1	Estate Home ¹	PDC	77	51	1
A-2	Estate Home ¹	PDC	36	23	0
A-3	Estate Home ¹	PDC	43	43	0
B	Medium Single Family	MI Homes	45	45	0
C	Medium Single Family	MI Homes	138	138	0
D	Small Single Family	MI Homes	168	168	0
E	Neo-traditional	MI Homes	525	521	0
F	City Park	Grove City	0	0	0
H	Condominium	MI Homes	20	18	0
I	Condominium ²	MI Homes	68	57	0
J	Condominium ³	MI Homes	110	89	0
Total			1,230	1,153	1

¹According to Pinnacle Development Company, as of December 31, 2017, PDC has not received any information from the builders John Brennan/Pat Zimmer.

²According to M/I Homes, as of December 31, 2017, Condominium Pod I (12.783 acres) was sold to Mews at Pinnacle Club, LLC on November 17, 2005. M/I Homes is relying on information provided by the condominium developer, Mews at Pinnacle, LLC, without independent investigation and has not received any additional information since September 30, 2009.

³As of December 31, 2017, M/I Homes reports that Condominium Pod J (21.737 acres) was sold to Cottages at Pinnacle, LLC on July 26, 2005. M/I Homes is relying on information provided by the condominium developer, The Cottages at Pinnacle, LLC, without independent investigation.

Status of Home and Lot Sales

As of December 31, 2017, the developers report that 1,425 lots have sold and closed with builders or individuals. Table III-3 on the following page shows the number of lots under contract and the number of lots sold and closed as reported by the developers as of December 31, 2017.

**Table III-3
Status of Lot Sales**

Sub-Area	Product Type	Developer	Estimated Number of Units	Lot Sales	
				Under Contract	Closed
A-1	Estate Homes	PDC	77	0	62
A-2	Estate Homes	PDC	36	1	29
A-3	Estate Home ¹	PDC	43	0	43
B	Medium Single Family	MI Homes	45	0	43
C	Medium Single Family	MI Homes	138	0	138
D	Small Single Family	MI Homes	168	0	168
E	Neo-traditional	MI Homes	525	48	465
F	City Park	City of Grove City	285	0	285
H	Condominium	MI Homes	20	0	14
I	Condominium ¹	MI Homes	68	0	68
J	Condominium ²	MI Homes	110	0	110
Total			1,515	49	1,425

¹M/I Homes of Central Ohio, LLC is relying on information provided by the condominium developer, The Mews at Pinnacle Club, LLC, without an independent investigation.

²M/I Homes of Central Ohio, LLC is relying on information provided by the condominium developer, The Cottages at Pinnacle, LLC, without an independent investigation and has not received any additional information since September 30, 2009.

As of December 31, 2017, the developers report that 1,077 homes within the development have sold and closed to individual homebuyers. Table III-4 below shows the number of homes under contract and the number of homes sold and closed as reported by the developers as of December 31, 2017.

**Table III-4
Status of Home Sales**

Sub-Area	Product Type	Builder	Estimated Number of Units	Homes		
				Under Contract	Closed	Closed and Occupied
A-1	Estate Homes ¹	Brennan/Zimmer	77	0	53	53
A-2	Estate Homes ¹	Brennan/Zimmer	36	0	24	24
A-3	Estate Homes ¹	Brennan/Zimmer	43	0	43	43
B	Medium Single Family	MI Homes	45	0	43	43
C	Medium Single Family	MI Homes	138	0	138	138
D	Small Single Family	MI Homes	168	0	168	168
E	Neo-Traditional	MI Homes	525	2	517	517
H	Condominium	MI Homes	20	0	14	14
I	Condominium ²	Mews at Pinnacle	68	0	54	54
J	Condominium ³	Cottages at Pinnacle	110	0	23	23
Total			1230	2	1,077	1,077

¹According to Pinnacle Development Company, as of 12/31/15, PDC has not received any information from the builders: John Brennan/Pat Zimmer.

²M/I Homes of Central Ohio, LLC is relying on information provided by the condominium developer, The Mews at Pinnacle Club, LLC, without an independent investigation.

³M/I Homes of Central Ohio, LLC is relying on information provided by the condominium developer, The Cottages at Pinnacle, LLC, without an independent investigation and has not received any additional information since September 30, 2009.

E. STATUS OF OCCUPANCY PERMITS

As of December 31, 2017, the developers report that there have been 1,049 occupancy permits issued for homes within the development. Table III-7 on the following page shows the number of occupancy permits issued by product type and builder as reported by the developers as of December 31, 2017.

Table III-7
Status of Occupancy Permits

Sub-Area	Product Type	Builder	Estimated Number of Units	Occupancy Permits Issued[1]
A-1	Estate Homes	Brennan/Zimmer	77	46
A-2	Estate Homes	Brennan/Zimmer	36	20
A-3	Estate Homes	Brennan/Zimmer	43	43
B	Medium Single Family	MI Homes	45	44
C	Medium Single Family	MI Homes	138	138
D	Small Single Family	MI Homes	168	168
E	Neo-Traditional	MI Homes	525	469
F	City Park	City of Grove	0	0
H	Condominium	MI Homes	20	14
I	Condominium	Mews at Pinnacle	68	35
J	Condominium	Cottages at Pinnacle	110	72
Total			1230	1,049

¹These units include the ones that have assessable improvements (land and improvement) for tax year 2017.

IV. TRUSTEE ACCOUNTS

The Trustee for the Refunded Bonds is Huntington National Bank. The balance as of July 1, 2016, interest paid, disbursements, additional proceeds, and account balances for each fund as of December 31, 2017 are shown by the following table.

**Table IV-1
Account Balances**

Trust Fund Series 2015	Balance 12/31/16	Interest Paid	Additional Proceeds	Disburse- ments	Balance 12/31/17
Revenue Fund	\$15,750	\$2,433	\$1,359,067	\$1,365,575	\$11,675
Reserve Fund	\$977,282	\$9,854	\$0	\$1	\$987,135
Debt Service Fund	\$3	\$250	\$1,303,950	\$1,303,950	\$253
Administrative Expense Fund	\$18,796	\$24	\$61,625	\$78,769	\$1,675
Supplemental Reserve Fund	\$145,741	\$658	\$0	\$0	\$146,398
Total	\$1,157,571	\$13,218	\$2,724,642	\$2,748,295	\$1,147,137

- Additional proceeds to the Debt Service Fund represent transfers of development charges from the Revenue Fund for the payment of debt service.
- Additional proceeds to the Revenue Fund were development charges collected and transferred by the county.
- Additional proceeds to the Administrative Expense Fund represent transfers from the Revenue Fund for the payment of administrative expenses.

The balances in the funds and accounts Fund are invested in Huntington Trust Public Funds Accounts that have an annual return of approximately 0.70 percent. Bond proceeds in the reserve fund are invested in various bank CDs and US Treasury that are earning an average of 0.82 percent per annum. Table IV-2 below shows the average return on the investments in each fund or account as of December 31, 2017.

Investment income on each of the accounts except the Reserve Fund will remain on each account and be applied to the purpose of the respective account. If the reserve requirement is met, investment income on the Reserve Fund will be transferred to pay debt service on the bonds or be used to prepay the bonds.

**Table IV-2
Rate of Return**

Account	Rate of Return
Debt Service Fund	0.82%
Revenue Fund	0.69%
Reserve Fund	0.69%
Administrative Expense Fund	0.64%
Supplemental Reserve Fund	0.70%

V. *AUTHORITY OPERATIONS*

The information provided in this section is taken from the annual report on the development charges for the Pinnacle Community Infrastructure Financing Authority dated August 21, 2017. The information in this section reflects information available as of the same date and may not contain the most updated information regarding annual development charge collections, delinquencies or other updates to anticipated debt service on the Series 2015A Bonds as of the date of this annual continuing disclosure report.

A. ANNUAL REVENUE REQUIREMENT

An annual charge is to be collected from the chargeable property within the Authority each year in an amount equal to the “Annual Revenue Requirement.” The Annual Revenue Requirement is defined in Section 2.05 of the Declaration as an amount equal to:

(A) the amount required in any year to pay; (i) debt service and other periodic costs (including deposits to any sinking funds) on the Bonds to be paid from the Charge collected in such year, (ii) Administrative Expenses to be incurred in the year or incurred in any previous year and not paid by the Authority, (iii) any amount required to replenish any reserve fund established in association with the Bonds, (iv) an amount equal to the estimated delinquencies expected in payment of the Charges, and (v) the costs of remarketing, credit enhancement, bond insurance, and liquidity facility fees (including such fees for instruments that serve as the basis of a reserve fund related to any indebtedness in lieu of cash), less (B) (i) any credits available pursuant to the Trust Agreement, such as capitalized interest and investment earnings on any account balances, and (ii) any other revenues available to apply to the Annual Revenue Requirement.

Table V-1 provides a summary of the Annual Revenue Requirement for fiscal year 2018. Annual charges in the amount of \$1,020,000 will need to be collected for fiscal year 2018. Each of these numbers is explained in the following sections.

Table V-1
Annual Revenue Requirement
Fiscal Year 2018

Debt service:	
Interest on June 1, 2018	\$252,725
Interest on December 1, 2018	\$252,725
Principal on December 1, 2018	\$465,000
<i>Sub-total debt service</i>	<i>\$970,450</i>
Administrative expenses	\$36,625
Contingency	\$18,661
<i>Total expenses</i>	<i>\$1,025,736</i>
Estimated reserve fund investment income	(\$5,736)
Surplus from prior year	\$0
<i>Total funds available</i>	<i>(\$5,736)</i>
<i>Annual Revenue Requirement for FY2018</i>	<i>\$1,020,000</i>

Debt Service

Debt service includes interest on the Series 2015A Bonds payable on June 1, 2018 and December 1, 2018. The \$252,725 interest payments due on June 1, 2018 and December 1, 2018 are equal to six months of interest on the term bonds as shown below.

Maturity Date (December 1)	Principal Amount	Interest Rate	Semi-annual Interest
2018-2019	\$945,000	3.00%	\$14,175
2020-2025	\$3,260,000	4.00%	\$65,200
2026-2031	\$4,120,000	4.00%	\$82,400
2032-2036	\$4,280,000	4.25%	\$90,950
Total	\$12,605,000		\$252,725

A principal payment in the amount of \$465,000 on the series coupon bonds maturing between 2018 and 2019 is due on December 1, 2018. Accordingly, total debt service on the bonds to be paid in 2018 is \$970,450.

Administrative Expenses

Administrative expenses include the fees for the trustee, the auditor, the administrator, and the Authority counsel for services related to the district. The annual charges of the trustee and the auditor are estimated to be \$3,625 and \$9,000, respectively. The annual fee and expenses of the administrator and counsel are estimated at \$12,000 each. Accordingly, the total administrative expenses for 2018 are estimated to be \$36,625.

Contingency

A contingency, equal to approximately two percent of annual debt service and administrative expenses plus an additional amount to round the Annual Revenue Requirement to nearest the ten-thousand has been added in case there are unanticipated expenses or charges payment delinquencies.

Reserve Fund Income

As of July 31, 2017, the balance in the reserve fund was \$972,020, which included the reserve requirement for the Series 2015A Bonds of \$971,500.00 and interest income of \$520. Bond proceeds in the reserve fund in the amount of \$965,000.00 are to be invested in bank CDs and US Treasury that are earning an average of 0.60 percent per annum. At this rate, \$2,868 in interest income is estimated to be earned by the next debt service payment of December 1, 2017 and will be made available to pay debt service due on December 1, 2017. An additional \$5,736 in investment income will be earned during the fiscal year 2018 and will be made available to pay debt service and administrative expenses for fiscal year 2018. Accordingly, the estimated reserve fund income that may be applied to pay debt service and administrative expenses for fiscal year 2018 is equal \$5,736.

Surplus from the Prior Year

Community Development Charges in the amount of \$1,020,000.00 were to be collected during fiscal year 2017. On March 6, 2017, Franklin County transferred to the trustee charges totaling \$526,274.89 collected during the first-half of 2017 fiscal year. This amount represents a portion of prior year delinquent charges and penalties in the amount of \$8,907.42 and the first-half installment collections due during fiscal year 2017 in the amount of \$517,367.47. The second-half Community Development Charges were due to the county on June 20, 2017. According to Franklin County auditor, a portion of these funds in the amount of \$495,178.47 (*includes*

prior year delinquent charges, first-half outstanding balances, penalties and interest) have been collected. The second-half settlement check from the county in the amount of \$495,121.97 was received on August 3, 2017 and has been remitted to the trustee for deposit in to the revenue fund. According to the Franklin County auditor, as of August 9, 2017, Community Development Charges in the amount of \$9,711.67 (*includes prior year delinquent charges, penalties and interest*) remain outstanding and the collection process for 2017 is still ongoing. In order to be conservative, the outstanding balance has been excluded in the calculation of prior year surplus.

As of July 31, 2017, the balances in the Series 2015A Bonds debt service fund and revenue fund were \$48.61 and \$273,100.19, respectively. As mentioned above, an additional \$2,868.13 in interest income will be earned on the reserve fund by the next debt service payment due on December 1, 2017. Accordingly, interest income in the amount of \$13,052.06 (\$2,868.13 + \$10,183.93= \$13,052.06) will be available for the payment of debt service due on December 1, 2017. These funds, plus a portion of the second-half development charges will be used to pay debt service due on December 1, 2017 and fund administrative expenses fund.

The semi-annual debt service payment of \$709,475.00 due on December 1, 2017 and the balance of administrative expenses for fiscal year 2017 must be paid from these funds. Administrative expenses for the year were estimated to be \$36,625.00 and were to be funded with Community Development Charges collected in 2017. The administrative expenses fund was partially funded through May 2017 with \$10,000.00 of development charges collected during the first half. Accordingly, fiscal year 2017 charges collected during the second half in the amount of \$26,625.00 (\$36,625.00 - \$10,000.00 = \$26,625.00) will be transferred from the revenue fund to the administrative expense fund.

Pursuant to the trust agreement all revenues not required to immediately fund rebate fund, administrative expenses fund, debt service fund, reserve fund or supplemental reserve fund is to be transferred to the surplus fund. Such transfers to the surplus fund will be retained in the surplus fund for twelve months and may be disbursed at any time to remedy any deficiency in the payments required from these other trust funds. Accordingly, \$45,222.83 in surplus revenues from the prior year will be transferred to the surplus fund as shown in Table V-2 below.

Table V-2
Surplus from Prior Year
Fiscal Year 2017

	Series 2004
Available Funds:	
Debt Service Fund balance July 31, 2017	\$49
Revenue Fund balance July 31, 2017	\$273,100
Reserve Fund estimated interest to November 30, 2017	\$13,052
Second-half collections	\$495,122
<i>Total fund available for fiscal year 2017</i>	\$781,323
Debt service on December 1, 2017	
Interest payment	(\$259,475)
Principal payment	(\$450,000)
<i>Subtotal debt service due on December 1, 2017</i>	(\$701,000)
Balance of FY2017 administrative expenses	(\$26,625)
Supplemental Reserve Fund	\$0
<i>Total expenses</i>	(\$736,100)
<i>Transfer to Surplus Fund</i>	\$45,223

Summary

As stated earlier in this report, charges are to be collected proportionately on each chargeable parcel in an amount up to the maximum charge for each parcel such that the total charges collected are equal to the Annual Revenue Requirement. The total expenses of the district for fiscal year 2018 are estimated to be equal to \$1,025,736. Projected interest income available to pay expenses are estimated to be \$5,736. Accordingly, the Annual Revenue Requirement for 2018 is \$1,020,000.

B. DELINQUENT CHARGES

Development charges in the amount of \$1,020,000 were to be collected in 2017. Charges were to be collected in two installments in January and June of 2017. As of March 9, 2018, the auditor's office for Franklin County reports that fiscal year 2017 charges in the amount of \$1,017,747 have been collected, representing 99.78 percent of the annual charges due in fiscal year 2017. The auditor's office also reports that fiscal year 2017 charges in the amount of \$2,252.96 remain outstanding on four parcels, which are owned by individual homeowners. According to the county, a ten percent penalty is added to unpaid charges for each collection period outstanding. Table V-3 below shows a summary of the outstanding fiscal year 2017 development charges as of March 9, 2018.

Table V-3
Outstanding Development Charges
Fiscal Year 2017

Property Owner	Outstanding Charge	Penalty	Total
Individual homeowners	\$2,253	\$412	\$2,665

Development charges in the amount of \$1,020,000 were approved for collection in 2018. Following the recordation of the final subdivision plat for Sub-Area E, which resulted in the reduction of 48 units; M/I as previously contemplated, elected to prepay for all units lost as part of the rezoning in order to keep the maximum charge per unit from increasing. Accordingly, 2018 development charges in the aggregate amount of \$28,639 for these 48 units were not required to be collected. The principal prepayment was received in September and was used to redeem bonds on December 1, 2017. With this reduction, the aggregate Development charges due for collection in 2018 was equal to \$991,361.00 ($\$1,020,000 - \$28,639 = \$991,361.00$).

Charges are due in two installments in January and June of 2018. As of March 9, 2018, the auditor's office for Franklin County reports that the first-half instalment of development charges in the aggregate amount of \$562,234.93 has been collected and remitted to the trustee for fiscal year 2018. Collection information for the second-half installment is usually provided during the month of August when the county remits the collections to the Authority.

C. COLLECTION EFFORTS

According to the auditor's office for Franklin County, a delinquency notice is sent to property owners with outstanding charges in the regular billing cycle during January and June. A third notice is sent in October. Parcels receive a ten percent penalty for each collection period outstanding.

VI. AUTHORITY FINANCIAL INFORMATION

The information provided in this section is provided to meet the requirements on the annual report as provided for in Section 3 of the Continuing Disclosure Agreement. The items listed below are in the same format and order as the items required for the annual report as listed in the Continuing Disclosure Agreement.

The financial statements for the Authority are provided under separate cover. There have been no amendments to the Continuing Disclosure Agreement or change in the accounting principals or presentation that would fall within Section 7 of the Continuing Disclosure Agreement.

All information in this section is provided as of December 31, 2017, unless otherwise stated.

A. FUND BALANCES

The fund balances in all of the funds and accounts provided for in the Indenture of Trust are included in Section IV, "Trustee Accounts," of this report.

B. ASSESSED VALUATION

As of March 9, 2018, the auditor's office for Franklin County reports that the 2017 assessed value of the property in the district was \$285,311,200. According to the auditor's office, the 2016 assessed value on the property in the district was \$243,061,540. Accordingly, the assessed value of the property in the district has increased by \$42,249,660. This represents a 23.2 percent increase in the assessed value of the property in the district.

Table VI-1
District Assessed Valuation

Year	Land	Improvements	Total
2008	\$40,204,700	\$101,802,200	\$142,006,900
2009	\$40,684,800	\$107,235,900	\$147,920,700
2010	\$35,008,400	\$120,256,900	\$155,265,300
2011	\$38,785,800	\$114,207,200	\$152,993,000
2012	\$40,684,800	\$116,984,700	\$157,669,500
2013	\$44,977,900	\$110,013,400	\$154,991,300
2014	\$49,674,800	\$132,563,200	\$182,238,000
2015	\$47,424,600	\$157,335,100	\$204,759,700
2016	\$63,017,740	\$180,043,800	\$243,061,540
2017	\$63,531,000	\$221,780,200	\$285,311,200

C. CHANGES TO THE DECLARATION OF COVENANTS AND RESTRICTIONS

There have been no changes to the declaration of covenants and restrictions for the authority during the year 2017.

D. INFORMATION RELATED TO THE LEVY OF CHARGES

Charge Collections

Development charges in the amount of \$991,361.00 are to be collected in 2018, as stated in Section V of this report, "District Operations." Fiscal year 2018 charges are collected in two installments in January and June of 2018. As of March 9, 2018, the auditor's office for Franklin County reports that the first-half instalment of development charges in the aggregate amount of \$562,234.93 has been collected and remitted to the trustee

for fiscal year 2018 (*amount includes a portion of prior year delinquencies*). Collection information for the second-half installment is usually provided during the month of August when the county remits the collections to the Authority.

Table VI-2
Charge Collections

	Amount Due	Collected	Balance
Prior Delinquent	\$10,433	\$7,840	\$2,592
First Installment	\$495,681	\$485,660	\$10,021
Second Installment	\$495,681	\$68,735	\$426,945
Total	\$1,001,794	\$562,235	\$439,559

Delinquent Charges

Development charges in the amount of \$1,020,000 were to be collected in 2017. Charges were due in two installments in January and June of 2017. As of March 9, 2018, the auditor’s office for Franklin County reports that fiscal year 2017 charges in the amount of \$2,252.96 remain outstanding on four parcels. All three parcels with outstanding balances are owned by individual homeowners. According to the county, a ten percent penalty is added to unpaid charges for each collection period outstanding.

Foreclosure Proceedings

As of December 31, 2017, neither the administrator nor the authority is aware of any charges involved in foreclosure proceedings.

Table VI-3
**Special Assessments Subject
to Foreclosure Proceedings**

	Total
Subject to foreclosure but not yet instituted	\$0
Foreclosure instituted but not concluded	\$0
Judgment obtained but not yet collected	\$0
Judgment collected	\$0
Total	\$0

Principal District Taxpayers

Table VI-4 lists the taxpayers responsible for payment of more than five percent of the charges to be collected in 2018, the amount of charges to be collected by landowner and the percentage of such charges relative to the amount collected on the taxable property within the district.

**Table VI-4
Principal District Taxpayers**

Taxpayer	Charge Levy	Percent of Total Charge
Individual homeowners	\$774,597	75.9%
City of Grove City	\$75,385	7.60%
Cottages at Pinnacle	\$31,210	3.15%
Pinnacle Land Holdings	\$27,401	2.76%
Pinnacle Investment Partners	\$17,426	1.76%
3 Pillar Homes LLC	\$12,197	1.23%
M/I Homes	\$4,126	0.42%
Pinnacle Condo LLC	\$4,088	0.41%
Pinnacle Golf Course LLC	81.98	0.01%
Total	\$991,361	100.0%

Charge Prepayments

Following the recordation of the final subdivision plat for Sub-Area E, which resulted in the reduction of 48 units M/I elected to prepay the outstanding principal charge for all units lost as part of the rezoning in order to keep the maximum charge per unit from increasing. Principal Charge payment in the aggregate amount of \$335,169.13 was received by trustee on September 20, 2017 and thus amount was used to redeem bonds in the aggregate amount of \$335,000 on December 1, 2017.

**Table VI-5
Bonds Outstanding**

Series 2015A	Amount
Outstanding 1/1/2017	\$13,055,000
12/1/17 Redemption	
Prepayments	\$335,000
Sinking fund	\$450,000
Total redemption	\$785,000
Bond outstanding 12/1/17	\$12,270,000

E. SIGNIFICANT AMENDMENTS TO LAND USE OR LEGAL CHALLENGES

The administrator does not have knowledge of any significant amendments to land use entitlements or legal challenges to the construction of the development.

F. CHANGES TO CONSTRUCTION OF THE DEVELOPMENT

As of December 31, 2017, M/I reports that Sub-Area F which consists of 26.83 acres of land was purchased by the City of Grove City, Ohio on January 31, 2014. The City is planning the development of a park at the site. As part of the purchase agreement, the City covenanted to pay the annual Sub-Area charges due to the Authority. As of December 31, 2015, the builders for condominium units in Sub-Area I and Sub-Area J reports a reduction in the number of projected units. According to the builders, the number of projected units for sub-Area I is currently 68, which represents a decrease of 7 units, whereas 110 units are projected to be built in Sub-Area J, which is 37 units less than the prior plan. PDC has previously reported that 22 lots in sub-Area A-2 have been consolidated and subdivided as sub-area A-3. Sub-Area A-3 will have 43 lots. Accordingly, the number of Estate Homes has increased from the original planned units of 135 homes to 156

homes. PDC had also reported the sale of all the remaining estate lots in Sub-Areas A-1, A-2 and A-3 to Pinnacle Holding Limited.

At issuance, 1,594 units were originally planned to be constructed in the district. Accordingly, the estimated number of units planned to be constructed in the district has been reduced by a total of 79 units for a current aggregate total of 1,515 planned units. This unit count includes 285 units that were projected to be built in Sub-Area F, which has been acquired by the city and will be used as a city park. Table VI-6 below provides a listing of the original proposed lot development and the estimated number of units as of December 31, 2017.

Table VI-6
Estimated Number of Units

Sub-Area	Product Type	Developer	Original Estimated Number of Units	Revised Estimated Number of Units	Current Estimated Number of Units
A-1	Estate Homes	PDC	77	77	77
A-2	Estate Homes	PDC	57	36	36
A-3	Estate Homes	PDC	0	43	43
B	Medium Single Family	MI Homes	45	45	45
C	Medium Single Family	MI Homes	140	138	138
D	Small Single Family	MI Homes	168	168	168
E	Neo-Traditional	MI Homes	575	525	525
F	City Park	Grove City	285	285	0
H	Condominium	MI Homes	207	20	20
I	Condominium	MI Homes	20	68	68
J	Condominium	MI Homes	88	110	110
Total			1,594	1,515	1230

G. DEBT SERVICE SCHEDULE

The estimated gross annual debt service on the 2015A Bonds to be paid with Community Development Charges levied in that tax year and the debt service coverage for that tax year as December 31, 2017 is shown on Table VI-7 below.

Table VI-7
Debt Service Schedule
Series 2015A Bonds

Bond Year Ending	Principal	Interest	Gross Debt Service	Administrative Expenses	Net Annual Debt Service	Maximum Aggregate Annual Charges	Debt Service Coverage
2015	\$170,000	\$594,496	\$764,496	\$38,867	\$803,363	\$1,244,253	154.88%
2016	\$435,000	\$532,000	\$967,000	\$39,644	\$1,006,644	\$1,244,253	123.60%
2017	\$450,000	\$518,950	\$968,950	\$40,437	\$1,009,387	\$1,244,253	123.27%
2018	\$465,000	\$491,213	\$956,213	\$41,246	\$997,458	\$1,209,319	121.24%
2019	\$480,000	\$477,263	\$957,263	\$42,071	\$999,333	\$1,209,319	121.01%
2020	\$490,000	\$462,863	\$952,863	\$42,912	\$995,775	\$1,209,319	121.45%
2021	\$510,000	\$443,263	\$953,263	\$43,770	\$997,033	\$1,209,319	121.29%
2022	\$530,000	\$422,863	\$952,863	\$44,646	\$997,508	\$1,209,319	121.23%
2023	\$555,000	\$401,663	\$956,663	\$45,539	\$1,002,201	\$1,209,319	120.67%
2024	\$575,000	\$379,463	\$954,463	\$46,449	\$1,000,912	\$1,209,319	120.82%
2025	\$600,000	\$356,463	\$956,463	\$47,378	\$1,003,841	\$1,209,319	120.47%
2026	\$620,000	\$332,463	\$952,463	\$48,326	\$1,000,788	\$1,209,319	120.84%
2027	\$645,000	\$307,663	\$952,663	\$49,292	\$1,001,955	\$1,209,319	120.70%
2028	\$675,000	\$281,863	\$956,863	\$50,278	\$1,007,141	\$1,209,319	120.07%
2029	\$700,000	\$254,863	\$954,863	\$51,284	\$1,006,146	\$1,209,319	120.19%
2030	\$725,000	\$226,863	\$951,863	\$52,310	\$1,004,172	\$1,209,319	120.43%
2031	\$755,000	\$197,863	\$952,863	\$53,356	\$1,006,218	\$1,209,319	120.18%
2032	\$785,000	\$167,663	\$952,663	\$54,423	\$1,007,085	\$1,209,319	120.08%
2033	\$820,000	\$134,300	\$954,300	\$55,511	\$1,009,811	\$1,209,319	119.76%
2034	\$855,000	\$99,450	\$954,450	\$56,622	\$1,011,072	\$1,209,319	119.61%
2035	\$890,000	\$63,113	\$953,113	\$57,754	\$1,010,866	\$1,209,319	119.63%
2036	\$595,000	\$25,288	\$620,288	\$58,909	\$679,197	\$1,209,319	178.05%

H. THE DISTRICT AND AUTHORITY

Table VI-8 on the following page shows the current overlapping tax rates levied against the real property comprising the district for the 2017 tax year and the current overlapping tax rates levied against real property in communities that may be comparable to the city. All references to tax rates under this caption are expressed in dollars and cents on each one thousand dollars of assessed valuation. These tax rates do not include the charge on the parcels with is the district.

**Table VI-8
Comparative Overlapping Tax Rates**

District Name	County Rate	Twp. Rate	School Rate	City/ Village Rate	Library District	Voc. Schl. Rate	Total Rate	Effective Rate*	
								Resid. Aggregate	All Other
City of Bexley	18.92	0.00	112.28	7.85	2.80	0.00	141.85	67.36	88.08
City of Dublin	18.92	15.45	88.09	2.95	2.80	1.60	129.81	85.14	95.26
City of Grove City	18.92	23.95	73.15	3.50	1.00	0.00	120.52	75.24	91.16
City of Hilliard	18.92	21.62	93.75	1.60	2.80	1.60	140.29	90.61	102.53
City of Westerville	18.92	0.00	79.20	23.06	2.00	0.00	123.18	86.80	94.71
City of Worthington	18.92	0.50	96.94	5.00	4.80	0.00	126.16	76.65	97.89
Plain Township	18.92	15.25	72.34	0.00	4.39	2.00	112.90	88.43	91.45

*Please note: The Effective Rate is used to calculate real property taxes.

VII. SPECIFIED EVENTS

Pursuant to the Second Supplemental Trust Agreement (the “Series 2015A Continuing Disclosure Undertaking”), Specified Events include the following:

- i. Principal and interest payment delinquencies with respect to the Series 2015A Bonds;
- ii. Defaults with respect to the Series 2015A Bonds not related to the payment of principal and interest, if material;
- iii. Unscheduled draws on debt service reserves with respect to the Series 2015A Bonds reflecting financial difficulties;
- iv. Unscheduled draws on credit enhancements with respect to the Series 2015A Bonds reflecting financial difficulties;
- v. Substitution of credit or liquidity providers with respect to the Series 2015A Bonds, or their failure to perform;
- vi. Adverse tax opinions or events affecting the tax-exempt status of the Series 2015A Bonds;
- vii. Modifications to rights of Holders or beneficial owners of the Series 2015A Bonds, if material;
- viii. Calls for redemption of the Series 2015A Bonds, other than calls pursuant to the mandatory sinking fund provisions of the Series 2015A Bonds, if material;
- ix. Tender offers;
- x. Defeasance of the Series 2015A Bonds;
- xi. Release, substitution or sale of property securing repayment of the Series 2015A Bonds, if material;
- xii. Rating changes with respect to the Series 2015A Bonds;
- xiii. Bankruptcy, insolvency, receivership or similar event of the Authority;
- xiv. The consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and;
- xv. Appointment of a successor or additional trustee, or the change of the name of a trustee, if material.

Other than the two specified events noted below, administrator is not aware of the occurrence of any other specified events as of the date of this report.

- I. Notice of Extraordinary Mandatory Redemption on the Series 2015A Bonds filed with EMMA on December 1, 2017
- II. Rating Upgrade on the Series 2015A Bonds filed with EMMA on February 1, 2018.