

Summit HOA Services Inc.

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Charter Ridge

Breckenridge, CO 80424



Reserve Analysis – Level III

Update without site visit

Owner Summary

For Fiscal Year Beginning 10/01/17

Client Contact	Dan E. Butt – President
Property Management	Bliss Property Management
PM Contact	Carol Cannon – Association Manager
Period analysis conducted	01 May 2017 to 26 July 2017
Report Finalized	26 July 2017
Analysis By	Murray Bain

Charter Ridge Association
 Breckenridge, Colorado
RA Current Assessment Funding Model • Owners' Summary

Report Date	July 26, 2017
Budget Year Beginning	October 01, 2017
Budget Year Ending	September 30, 2018
Total Units	11

<i>Report Parameters</i>	
Inflation	2.00%
Interest Rate on Reserve Deposit	0.10%
Tax Rate on Interest	30.00%
Contingency	3.00%
2017 Beginning Balance	\$73,480

The Charter Ridge Association's physical assets consist of five 3-level Duplex buildings and one 3-level Single Family house, all with attached garages, and all accessed by a common asphalted driveway with some surface parking, retaining walls and well landscaped grounds. There are a total of 11 residential Units, each with private balconies, patios and private entryways.

Subject to the definition of a Unit and the General Responsibilities and Restrictions, as contained in the Declaration, the Association is essentially responsible for the maintenance of the structural and exterior elements of the project, including roofs, siding, gutters, downspouts, decks, patios, steps, security systems, sewer services, as well as all common area landscaping, walkways, driveways, and retaining walls.

Construction of the complex was completed in 1994 and is currently maintained and managed by Bliss Property Management of Breckenridge, Colorado. According to the Management, the common elements have been progressively repaired, maintained and repainted as needed.

The Association previously completed a Level II (update with site visit) Reserve Analysis Update in October 2013, as prepared by Summit HOA Services Inc.

This new Level III (update without site visit) Reserve Study Update bases its assumptions on adoption of the Current Assessment Funding Model, which includes annual inflationary increases of 2% and annual interest on reserve funds throughout the study of 0.1%. To reach healthy funding levels, a 10% increase in reserve contributions is needed each year from 2017, but reduces to 6% in 2023. However, significant underfunding of the reserves does occur in 2023 when replacement of the roofs is anticipated. Additional sources of income will likely be required to provide for this replacement.

<i>Current Assessment Funding Model Summary of Calculations</i>	
Required Month Contribution	\$993.00
<i>\$90.27 per unit monthly</i>	
Average Net Month Interest Earned	<u>\$3.46</u>
Total Month Allocation to Reserves	\$996.46
<i>\$90.59 per unit monthly</i>	

Charter Ridge Association
RA Current Assessment Funding Model | Owners' Summary

Description	Replacement Year	Useful Life	Adjustment	Remaining Life	Current Cost	Assigned Reserves	Fully Funded
Streets/Walkways							
Asphalt - Overlay	2022	24	5	5	42,742	10,195	35,373
Asphalt - Repairs	2017	5	0	0	5,801	5,801	5,801
Concrete Flatwork - Repairs	2017	5	0	0	4,914	4,914	4,914
Streets/Walkways - Total					<u>\$53,457</u>	<u>\$20,910</u>	<u>\$46,087</u>
Roofing							
Gutters, Downspouts, Heat Tapes	2023	30	0	6	22,000	0	17,600
Roofing - Duplex Repairs	2020	5	0	3	3,660	1,464	1,464
Roofing - Duplex Replacement	2023	30	0	6	327,570	0	262,056
Roofing - SF Repairs	2020	5	0	3	960	384	384
Roofing - SF Replacement	2023	30	0	6	85,920	0	68,736
Roofing - Total					<u>\$440,110</u>	<u>\$1,848</u>	<u>\$350,240</u>
Painting							
Painting Exterior - Duplex	2020	15	12	3	21,648	19,243	19,243
Painting Exterior - SF	2020	15	12	3	4,686	4,165	4,165
Staining Exterior - All Bldgs - Phase 1	2017	5	0	0	9,850	9,850	9,850
Staining Exterior - All Bldgs - Phase 2	2018	5	1	1	9,850	8,208	8,208
Painting - Total					<u>\$46,034</u>	<u>\$41,466</u>	<u>\$41,466</u>
Building Components							
Facade Stone Repairs - Duplex	2019	10	-3	2	6,000	4,286	4,286
Facade Stone Repairs - SF	2019	10	-3	2	1,253	895	895
Facade Stucco Repairs - Duplex	2020	5	3	3	2,460	1,537	1,537
Facade Stucco Repairs - SF	2020	5	3	3	533	333	333
Building Components - Total					<u>\$10,246</u>	<u>\$7,051</u>	<u>\$7,051</u>
Grounds Components							
Retaining Walls - Rock - Repair	2026	30	3	9	5,000	0	3,636
Retaining Walls - Timber - Replace	2025	30	2	8	30,672	0	23,004
Grounds Components - Total					<u>\$35,672</u>		<u>\$26,640</u>
Total Asset Summary					<u>\$585,519</u>	<u>\$71,276</u>	<u>\$471,485</u>
Contingency at 3.00%						<u>\$2,204</u>	<u>\$14,582</u>
Summary Total						<u>\$73,480</u>	<u>\$486,067</u>

Charter Ridge Association
RA Current Assessment Funding Model | 30 Year Projection | Owners' Summary

Beginning Balance: \$73,480

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2017	585,519	11,916	42	20,565	64,873	501,677	13%
2018	597,229	13,108	43	10,047	67,977	529,561	13%
2019	609,174	14,418	48	7,546	74,897	560,861	13%
2020	621,357	15,860	33	36,025	54,766	564,535	10%
2021	633,784	17,446	45		72,257	606,770	12%
2022	646,460	19,191	9	69,896	21,561	577,327	4%
2023		474,970	<i>Roof Replacement Funding</i>				
2023	659,389	21,110	5	501,525	16,120	94,055	17%
2024	672,577	22,377	20		38,516	129,145	30%
2025	686,028	23,719	5	44,857	17,383	118,511	15%
2026	699,749	25,142	18	5,975	36,567	149,249	25%
2027	713,744	26,651	18	25,068	38,168	161,217	24%
2028	728,019	28,250	29	12,247	54,200	187,613	29%
2029	742,579	29,945	43	9,199	74,989	218,464	34%
2030	757,431	31,742	58	9,848	96,940	249,984	39%
2031	772,579	33,646	81		130,666	293,241	45%
2032	788,031	35,665	86	27,677	138,739	309,024	45%
2033	803,792	37,805	102	13,522	163,124	340,788	48%
2034	819,867	40,073	129		203,327	388,202	52%
2035	836,265	42,477	125	48,485	197,444	386,393	51%
2036	852,990	45,026	155		242,625	436,360	56%
2037	870,050	47,728	167	30,558	259,961	456,038	57%
2038	887,451	50,591	191	14,929	295,814	493,405	60%
2039	905,200	53,627	220	11,213	338,447	536,306	63%
2040	923,304	56,844	250	12,005	383,536	580,129	66%
2041	941,770	60,255	291		444,083	638,367	70%
2042	960,605	63,870	312	33,739	474,526	663,224	72%
2043	979,817	67,702	346	16,483	526,091	707,675	74%
2044	999,414	71,765	396		598,252	771,318	78%
2045	1,019,402	76,070	438	13,254	661,506	823,286	80%
2046	1,039,790	80,635	441	75,903	666,678	811,425	82%

**Charter Ridge Association
RA Spread Sheet**

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Beginning Balance	73,480	64,873	67,977	74,897	54,766	72,257	21,561	16,120	38,516	17,383
Annual Assessment	11,916	13,108	14,418	15,860	17,446	19,191	*496,080	22,377	23,719	25,142
Interest Earned	42	43	48	33	45	9	5	20	5	18
Expenditures	20,565	10,047	7,546	36,025	69,896	69,896	501,525	501,525	44,857	5,975
Fully Funded Reserves	501,677	529,561	560,861	564,535	606,770	577,327	94,055	129,145	118,511	149,249
Percent Fully Funded	13%	13%	13%	10%	12%	4%	17%	30%	15%	25%
Ending Balance	64,873	67,977	74,897	54,766	72,257	21,561	16,120	38,516	17,383	36,567
Description										
Duplex Units										
Facade Stone Repairs - Duplex			6,242						2,882	
Facade Stucco Repairs - Duplex				2,611						
Painting Exterior - Duplex				22,973						
Roofing - Duplex Repairs				3,884					4,288	
Roofing - Duplex Replacement							368,897			
Duplex Units Total:			6,242	29,468			368,897		7,171	
Single Family House										
Facade Stone Repairs - SF			1,304						624	
Facade Stucco Repairs - SF				566						
Painting Exterior - SF				4,973						
Roofing - SF Repairs				1,019					1,125	
Roofing - SF Replacement							96,760			
Single Family House Total:			1,304	6,557			96,760		1,749	
Commons										
Asphalt - Overlay						47,191				
Asphalt - Repairs	5,801					6,404				
Concrete Flatwork - Repairs	4,914					5,425				
Gutters, Downspouts, Heat Tapes							24,776			
Retaining Walls - Rock - Repair									35,937	
Retaining Walls - Timber - Replace										5,975
Staining Exterior - All Bldgs - Phase 1	9,850					10,875				
Staining Exterior - All Bldgs - Phase 2		10,047					11,093			
Commons Total:	20,565	10,047				69,896	35,868		35,937	5,975

**Charter Ridge Association
RA Spread Sheet**

Description	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Year Total:	20,565	10,047	7,546	36,025	69,896	501,525	44,857	5,975		

**Charter Ridge Association
RA Spread Sheet**

	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Beginning Balance	36,567	38,168	54,200	74,989	96,940	130,666	138,739	163,124	203,327	197,444
Annual Assessment	26,651	28,250	29,945	31,742	33,646	35,665	37,805	40,073	42,477	45,026
Interest Earned	18	29	43	58	81	86	102	129	125	155
Expenditures	25,068	12,247	9,199	9,848	27,677	13,522	13,522	48,485	48,485	
Fully Funded Reserves	161,217	187,613	218,464	249,984	293,241	309,024	340,788	388,202	386,393	436,360
Percent Fully Funded	24%	29%	34%	39%	45%	45%	48%	52%	51%	56%
Ending Balance	38,168	54,200	74,989	96,940	130,666	138,739	163,124	203,327	197,444	242,625
Description										
Duplex Units										
Facade Stone Repairs - Duplex			7,609	3,182					3,513	
Facade Stucco Repairs - Duplex				4,735					30,919	
Painting Exterior - Duplex									5,227	
Roofing - Duplex Repairs										
Roofing - Duplex Replacement										
Duplex Units Total:			7,609	7,917					39,660	
Single Family House										
Facade Stone Repairs - SF			1,589	689					761	
Facade Stucco Repairs - SF									6,693	
Painting Exterior - SF				1,242					1,371	
Roofing - SF Repairs										
Roofing - SF Replacement										
Single Family House Total:			1,589	1,931					8,825	
Commons										
Asphalt - Overlay						7,807				
Asphalt - Repairs	7,071					6,614				
Concrete Flatwork - Repairs	5,990									
Gutters, Downspouts, Heat Tapes										
Retaining Walls - Rock - Repair										
Retaining Walls - Timber - Replace										
Staining Exterior - All Bldgs - Phase 1	12,007					13,257				
Staining Exterior - All Bldgs - Phase 2		12,247					13,522			
Commons Total:	25,068	12,247				27,677				13,522

**Charter Ridge Association
RA Spread Sheet**

Description	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Year Total:	25,068	12,247	9,199	9,848	27,677	13,522	48,485			

**Charter Ridge Association
RA Spread Sheet**

	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Beginning Balance	242,625	259,961	295,814	338,447	383,536	444,083	474,526	526,091	598,252	661,506
Annual Assessment	47,728	50,591	53,627	56,844	60,255	63,870	67,702	71,765	76,070	80,635
Interest Earned	167	191	220	250	291	312	346	396	438	441
Expenditures	30,558	14,929	11,213	12,005	16,483	33,739	16,483	13,254	13,254	75,903
Fully Funded Reserves	456,038	493,405	536,306	580,129	638,367	663,224	707,675	771,318	823,286	811,425
Percent Fully Funded	57%	60%	63%	66%	70%	72%	74%	78%	80%	82%
Ending Balance	259,961	295,814	338,447	383,536	444,083	474,526	526,091	598,252	661,506	666,678
Description										
Duplex Units										
Facade Stone Repairs - Duplex			9,276	3,879					4,283	
Facade Stucco Repairs - Duplex										
Painting Exterior - Duplex										
Roofing - Duplex Repairs				5,771					6,372	
Roofing - Duplex Replacement										
Duplex Units Total:			9,276	9,651					10,655	
Single Family House										
Facade Stone Repairs - SF			1,937	840					928	
Facade Stucco Repairs - SF										
Painting Exterior - SF										
Roofing - SF Repairs				1,514					1,671	
Roofing - SF Replacement										
Single Family House Total:			1,937	2,354					2,599	
Commons										
Asphalt - Overlay						9,517				75,903
Asphalt - Repairs	8,620					8,062				
Concrete Flatwork - Repairs	7,302									
Gutters, Downspouts, Heat Tapes										
Retaining Walls - Rock - Repair										
Retaining Walls - Timber - Replace										
Staining Exterior - All Bldgs - Phase 1	14,637					16,160				
Staining Exterior - All Bldgs - Phase 2		14,929					16,483			
Commons Total:	30,558	14,929				33,739	16,483		75,903	

**Charter Ridge Association
RA Spread Sheet**

Description	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Year Total:	30,558	14,929	11,213	12,005	33,739	16,483	13,254	75,903		