

Osprey Reserve Home Owners Association

November 2015

Memorandum to Osprey Reserve Homeowners re 2016 Operating Budget, Future Roof Replacement Funding and Radon

Dear Osprey Reserve Homeowners,

This mailer is sent to all Osprey Reserve Owners with regard to the 2016 Operating Budget, Future Roof Replacement and Funding and Radon.

Budget 2016

The Osprey Reserve operating budget, as approved by the Osprey Reserve HOA Board for 2016, is attached for your information. There will be no change to dues for 2016. You will see that insurance expense is expected to increase significantly from our 2015 projection. Even though we obtained competitive bids for the insurance package, the heavy hail claims paid in Colorado in 2014 and 2015 are affecting rates statewide. Maintenance labor is also expected to increase from 2015 projections as we continue to focus on maintaining the property at a high level.

Roof Replacement and Funding

At the 2015 Annual Owner meeting, Owners present discussed future roof replacement and funding for this major expense. We had Turner Morris Roofing inspect the roofs and they estimate the roofs have a 10 year estimated remaining life. Turner Morris also provided an estimated replacement cost of \$375,000.

The Board has three funding options for your consideration, although there certainly could be others:

- Option 1 – no additional annual funding for future roof replacement; this will result in a special assessment at roof replacement time. Option 1 will not increase monthly dues for roof replacement however, an assessment at the time of roof replacement will be required and would be in the \$20,000 range.
- Option 2 – increase annual funding to plan to fully fund the roof replacement in 10 years; this will result in no (or at least minimal, depending upon future costs) special assessment at the time of roof replacement. Option 2 will increase your annual assessment to the Osprey Reserve by \$2,083.
- Option 3 – increase annual funding to plan to fund a portion of the cost the roof replacement in 10 years; this will result in a lower special assessment at time of roof replacement than under Option 1. Option 3 will increase your annual assessment to the Osprey by \$1041 per year and you will have an assessment at the time of roof replacement of approximately \$10,000.

Following is the projected cost of the roof replacement:

Projected Roof replacement	2027
Projected cost	\$375,000
Cost per unit	\$20,833
Annual contribution over 10 years per unit to fully fund	\$2,083

Monthly contribution over 10 years per unit to fully fund \$173

With both Options 2 and 3, funds could be collected either with an increase to monthly dues or by way of an annual special assessment. Funds collected for the future roof replacement would be deposited and set aside in a separate roof replacement bank account and would be available for roof replacement only.

This will be a topic at the 2016 Annual Owner Meeting. Owners are asked to please think about your funding preference for discussion at the 2016 Annual Owner Meeting.

Radon

A radon level of 5.4 pCi was found during a home inspection for a sale at the Osprey. The EPA recommends remediation for levels at 4.0 pCi or higher, although readings of 10 pCi are found throughout Summit County. We suggest Owners have a radon test completed in their unit. Testing equipment can be obtained at Lowe's, at Summit County Environmental Health Dept. (you are able to receive a "free" testing kit from Summit County Environmental Health Department in Frisco!) or a professional radon testing company can be hired. Once you test, we ask that you please share your results (email to KLovett@srgsummit.com). Radon testing and mitigation efforts are the responsibility of the home owner (not the HOA); however, as the installation of the mitigation equipment affects the exterior of the complex, Owners must receive Board approval prior to installing.

Please remember that all Osprey Reserve Association documents are on line at http://www.srghoa.com/hoa_osprey_reserve.html. Feel free to contact Summit Resort Group Property Management at 970-468-9137 or via email to KLovett@srgsummit.com should you have any questions or need any assistance with any items!

Best wishes for a Wonderful Winter Season!

Sincerely,

Osprey Reserve HOA Board of Directors