

Ridgepoint in Beaver Creek | Capital Improvement Project Summary

What will the Capital Improvement Projects include?

The Projects include the following needed maintenance to our aging infrastructure and the upgrades:

- Entryways: New entryways for all units, including walkways to each building, new entry stairs, railings, front doors, new ski closet doors and entry lighting.
- Hot Tub Area: New and enlarged hot tub and new ground level patio surround.
- Swimming Pool Area: Required maintenance improvements, including resurfacing of pool and patio surround and mechanical system replacements.
- ADA and new code requirements for these projects, including full remodel of the bathrooms, ADA ramps and improve pool area fencing to current code.
- Clubhouse Area: Functional and aesthetic improvements to the clubhouse area.

How will the Projects be funded?

The Board believes all the necessary work can be accomplished for approximately \$35,000 per Unit. While we are still exploring and refining the funding options, based on information developed by the finance committee and previous owner input, we recommend the following funding approach, which will also keep an adequate Reserve balance:

- Since we have already been reserving for some portion of these major maintenance projects, that will be included in the capital projects, we can apply **approximately \$8,000-\$10,000** per Unit from current Reserve Funds. By way of illustration – funds reserved for the swimming pool and hot tub areas can be used to defray a portion of the cost of the Capital Project as the pool and hot tub areas are being refurbished as a part of the project.
- The balance – i.e., \$25,000 to \$27,000 per unit – can be funded with a combination of a short term special assessment and term loan.
 - **Approximately \$8,000 per unit** would be raised by a special assessment (with \$4,000 paid in 2017 and \$4,000 paid in 2018).
 - The balance, **approximately \$19,000 per unit** balance would be funded by a **loan up to \$2 million repaid over 10 years**.
 - The debt reduction schedule is projected to increase HOA Dues **approximately \$2,500-2,800 per unit, per year**, for up to approximately 10 years, depending on the final costs and the debt amortization schedule.

Source: Corrie B. Crane, CAM | Ridgepoint Townhomes Resident Manager
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