301 Harrison Street Denver, CO 80206

Association Budget 2014

Date Revised: September 24, 2013

2014 Monthly Assessment of: \$600

2013 Assessments: \$532 Percentage Increase 13%

Approved: October 23, 2013

Prepared by: Scott Bristol

Stillwater Community Management, LLC

15400 W 64th Ave. Arvada, CO 80007

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Grayson Place HOA 2014 Cash Balance January through December 2014

\$600.00

	Jan 14	Feb 14	Mar 14	Apr 14	May 14	Jun 14	Jul 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14
Operating												
Beginning of Month Cash Balance	6,404.00	6,526.00	6,578.00	5,928.00	5,935.00	6,988.00	8,022.00	9,024.00	9,979.00	10,837.00	10,524.00	10,782.00
Monthly Net Income (Loss)	122.00	52.00	(650.00)	7.00	1,053.00	1,034.00	1,002.00	955.00	858.00	(313.00)	258.00	148.00
			(000.00)		.,	.,	.,			(0.000)		
End of Month Cash Balance (see note)	6,526.00	6,578.00	5,928.00	5,935.00	6,988.00	8,022.00	9,024.00	9,979.00	10,837.00	10,524.00	10,782.00	10,930.00
Life of Month Cash Balance (See note)	0,320.00	0,370.00	3,320.00	3,333.00	0,300.00	0,022.00	3,024.00	3,373.00	10,037.00	10,324.00	10,702.00	10,930.00
Reserve												
Beginning of Month Cash Balance	11,684.01	12,116.26	12,548.51	12,980.76	13,413.01	13,845.26	14,277.51	14,709.76	15,142.01	15,574.26	16,006.51	16,438.76
u u	,	,	,	,	,	,	,	,	,	,	,	,
Monthly Net Income (Loss)	432.25	432.25	432.25	432.25	432.25	432.25	432.25	432.25	432.25	432.25	432.25	432.25
monthly not moonle (Loss)	102.20	102.20	102.20	102.20	102.20	102.20	102.20	102.20	102.20	102.20	102.20	102.20
Ford of Month Ocal Boloman (con mate)	40.440.00	40.540.54	40,000,70	40.440.04	40.045.00	44.077.54	44.700.70	45.440.04	45 574 00	40,000,54	40,400,70	40.074.04
End of Month Cash Balance (see note)	12,116.26	12,548.51	12,980.76	13,413.01	13,845.26	14,277.51	14,709.76	15,142.01	15,574.26	16,006.51	16,438.76	16,871.01

2014 Forecast Based on Monthly Assessment of:

2013 Assessments: \$532.00 Percentage Increase 13% Notes:

Projections of cash balances based on net income assume revenues and expenses in a given month approximate total collections from homeowners and on time payments to vendors.

Grayson Place HOA 2014 Association Budget

January through December 2014

													TOTAL
	Jan 14	Feb 14	Mar 14	Apr 14	May 14	Jun 14	Jul 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	Jan - Dec 14
Number of Homes	6	6	6	6	6	6	6	6	6	6	6	6	
Ordinary Income/Expense													
Income													
4000 · Assessments - Homeowners	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	43,200
Total Income	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	43,200
Gross Profit	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	43,200
Expense													
5020 · Utilities	310	310	310	100	100	100	100	100	100	100	200	310	2,140
5120 · Grounds Maintenance			512	512	512	512	512	512	512	512			4,096
5140 · Grounds Repair Sprinklers			50	50	50	50	50	50	50	50			400
5160 · Lighting Maintenance		10	10	10	10	10							50
5180 ⋅ Snow Removal	200	200	200							200	200	200	1,200
5220 · Water/Sewer	178	178	178	281	267	496	538	585	472	287	178	178	3,816
5240 · Security Monitoring	62	62	62	62	62	62	62	62	62	62	62	62	744
5260 ⋅ Back Flow Testing			75										75
5280 · Building Repairs - Mechanical	100	100	100	100	100	100	100	100	100	100	100	100	1,200
5300 · Building Repairs - Structure	100	100	100	100	100	100	100	100	100	100	100	100	1,200
6040 · Audit Tax			275										275
6120 ⋅ Insurance	1,242	1,242	1,242	1,242	0	0	0	0	0	1,366	1,366	1,366	9,066
6180 · Legal Fees	150												150
6280 ⋅ Postage and Delivery	3	3	3	3	3	3	3	3	3	3	3	3	36
6300 · Property Management	500	500	500	500	500	500	500	500	500	500	500	500	6,000
6350 · Janitorial Cleaning Supplies		210			210				210				630
6390 ⋅ Bank Fees	6	6	6	6	6	6	6	6	6	6	6	6	72
6400 · Telephone Expense	195	195	195	195	195	195	195	195	195	195	195	195	2,340
6420 · Transfer to Reserve	432	432	432	432	432	432	432	432	432	432	432	432	5,184
Total Expense	3,478	3,548	4,250	3,593	2,547	2,566	2,598	2,645	2,742	3,913	3,342	3,452	38,674
Net Ordinary Income	122	52	-650	7	1,053	1,034	1,002	955	858	-313	258	148	4,526
Other Income/Expense													
Other Income													
8000 · Transfer from Operating	432	432	432	432	432	432	432	432	432	432	432	432	5,184
8420 · Interest Reserve Fund	0	0	0	0	0	0	0	0	0	0	0	0	3
Total Other Income	432	432	432	432	432	432	432	432	432	432	432	432	5,187
Net Other Income	432	432	432	432	432	432	432	432	432	432	432	432	5,187
Net Income	554	484	-218	439	1,485	1,466	1,434	1,387	1,290	119	690	580	9,713

September 24, 2013

	Account Descriptions for Association Budget
5020 · Utilities	Electric and gas for common areas.
5080 · General Maintenance	Common area general maintenance. For 2014, this budget number has gone from \$1,200 in 2013 to \$0 in 2014. This line item is more appropriately categorized as Building Repairs. This line item has been reallocated to Building Repairs.
5100 · Grounds Improvements	Landscape plant material repair and improvement.
5120 · Grounds Maintenance	Grounds maintenance is based on landscape contract bidding process. Charlie Neuscheler was the successful bidder for 2014 maintenance. Bella Vista will provided planting bed services. 2014 cost is the same as 2013.
5140 · Grounds Repair Sprinklers	Sprinkler repair.
5180 · Snow Removal	Charlie Neuscheler services was the successful bidder for 2014. 2013 is on budget. 2014 Budget is the same as 2013.
5220 · Water/Sewer	Water and Sewer covers domestic and irrigation water services and is provided by Denver Water. Denver Water has not set their rates for 2014 but an increase of 5.5% is expected and incorporated into the 2014. Denver wastewater has not billed for sewer services until 2013. \$787 has been added the 2014 Water/Sewer budget for sewer services.
5240 · Security Monitoring	Security Monitoring is fire alarm system monitoring provided by Integrated Systems.
5260 · Back Flow Testing	Cost of required annual Backflow Valve testing.
5280 · Building Repairs - Mechanical	Building mechanical repairs. General maintenance has been reallocated to this line item and increased to \$1,200 for 2014.
5300 · Building Repairs - Structure	Building exterior maintenance and repair. General maintenance has been reallocated to this line item and increased to \$1,200 for 2014.
6020 · Administrative	Association costs associated with providing payment coupons, office supplies and copies.
6040 · Audit Tax	Annual tax return preparation.

Grayson Place at Third Avenue HOA, Inc. September 24, 2013

	Account Descriptions for Association Budget
6120 · Insurance	Annual Property and Casualty, Umbrella, Directors and Officers and Fidelity insurance required by the Governing Documents. Contract is bid to A+ or higher rated carriers as required by the Governing Documents. In 2013 insurance was under budget.
6180 · Legal Fees	Cost for Association legal support.
6280 · Postage and Delivery	Postage for Association mailings and bill payment.
6300 · Property Management	HOA Management provided by Stillwater Community Management.
6350 - Janitorial	Cleaning of the garage area and stairwells.
6390 ⋅ Bank Fees	Bank fees are for providing ACH services to the HOA.
6400 - Telephone Expense	Cost of phone service to monitor fire alarm system and emergency phone lines in unit elevators. Budget goes from \$60 in 2013 to \$195 in 2014. in 2012 and early 2013, Qwest was not billing for the elevator lines. The 2014 budget reflects the cost of the fire monitoring lines and the elevator lines.
6420 · Transfer to Reserve	Monthly transfer to the reserve account as detailed in attached "Twenty Year Reserve Plan."

301 Harrison Street Denver, CO 80206

Twenty Year Reserve Plan

Study Base Year: 2011

Reviewed and Revised: September 24, 2013

Approved: October 23, 2013

Prepared by: Scott Bristol

Stillwater Community Management, LLC

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September 24, 2013

PLAN REVISION NOTES 2014

- This is a reserve plan designed to catalog long term costs associated with fixed assets under the responsibility of the HOA. The goal of the plan is to identify timing of long-term costs and save accordingly. Base costs are estimates derived from installation cost and current price quotes from manufacturers of same or similar products. Timing of costs are derived from manufactures operations and maintenance documentation and commonly used industry specific values. This is not an engineering study but a "Common Sense" plan to match savings to long-term expenditures.
- 2 2014 Reserve Study has been converted to a 40 year plan from the 20 year plan used in 2013. The 40 year plan more accurately forecasts long lead items like the roof that would not show on a 20 year schedule. This change has resulted in a slight decrease in monthly reserve contributions while still keeping reserves fully funded for the life of the plan. The reserve contribution is lowed from \$462 per month in 2013 to \$432 in 2014.
- 3 Physical analysis was both field and drawing-take off. No destructive testing or engineering analysis were performed.
- 4 Maintenance responsibilities are derived from the Declaration of Covenants, Conditions and Restrictions of Grayson Place at Third Ave, Article VIII Maintenance.
- A "Reserve" asset is an item that is the responsibility of the association to maintain, has a limited useful life, predictable remaining useful life expectancies, typically occurs on a cyclical basis that exceeds one year, and costs above a minimum threshold cost. An "operating" expense is typically a fixed expense that occurs on an annual basis or an expense that is not predictable. For instance, minor repairs to a roof for damage caused by high winds or other weather elements would be considered an "operating" expense. The entire roof has a predictable life expectance and will need to be replaced at the end of its useful life. An irrigation clock or fire alarm system control panel has a predictable useful life, sprinkler heads or fire detectors do not. The sprinkler clock or fire alarm panel would be a reserve asset. Individual sprinkler heads, fire detectors or the plumbing that connects these appliances together would not be a reserve asset and would be repaired on an "ass needed" basis from the operating budget.

Twenty Year Reserve Plan - Exhibit A

Provided by: Stillwater Community Management, LLC
Reviewed and Revised: September 24, 2013
Study Type: Full, With-Site-Visit/Off Site Review

	Base			cle	1	2	3		5	,	7	V	9	10	11
Component	Cost	Year	Term	Start	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Roof Membrane Replace	16,346	2011	30	2011											
Roof Tile Roof Replace	11,616	2011	30	2011											
Concrete Curb, Gutter, Parking															
Surfaces, Patio	4,211	2011	7	2011					4,837						
House Boiler for Laars Pennant Snow															
Pro ice melt system	9,850	2011	18	2011											
Major Pumping Systems Repair and															
Replace	1,785	2011	11	2011									2,219		
Building Exterior Repair	5,950	2011	7	2011					6,835						
HVAC Units	8,400	2011	10	2011								10,240			
Exterior Doors	-	2011	20	2011											
Garage Door	1,940	2011	10	2011								2,365			
Garage Ventilation	1,180	2011	15	2011											
Major Paint Fencing, Gutter, Railings	3,250	2011	10	2011								3,962			
Door and Wood Trim Detail Stain	850	2011	4	2011		920				996				1,078	
Total Scheduled Expenditures					-	920	-	-	11,672	996		16,567	2,219	1,078	-
Carryover of previous Year					11,684	16,882	21,269	26,687	32,218	26,193	30,950	36,822	26,250	30,134	35,285
Forecast Interest Earned					14	20	24	29	35	29	34	40	29	33	38
Added to Reserves					5,184	5,288	5,394	5,502	5,612	5,724	5,838	5,955	6,074	6,196	6,319
End of Year Reserve Balance					46.000	24 262	20.007	22.242	20.402	20.050	20,000	20.252	20.424	25.265	44.640
End of Tear Reserve Balance					16,882	21,269	26,687	32,218	26,193	30,950	36,822	26,250	30,134	35,285	41,643
Number of Units					6	6	6	6	6	6	6	6	6	6	6
Monthly Unit Contribution					72.00	73.44	74.91	76.41	77.94	79.50	81.09	82.71	84.36	86.05	87.77
Estimated Rate of Inflation	İ				2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%		2.0%	2.0%	2.0%
Estimated Rate of Interest					0.1%	0.1%	0.1%		0.1%	0.1%	0.1%		0.1%	0.1%	0.1%

Twenty Year Reserve Plan - Exhibit A

Provided by: Stillwater Community Management, LLC
Reviewed and Revised: September 24, 2013
Study Type: Full, With-Site-Visit/Off Site Review

	Base		Cy		12	13	14	15	16	17	18	19			
Component	Cost	Year	Term	Start	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Roof Membrane Replace	16,346	2011	30	2011											
Roof Tile Roof Replace	11,616	2011	30	2011											
Concrete Curb, Gutter, Parking															
Surfaces, Patio	4,211	2011	7	2011	5,557							6,383			ļ
House Boiler for Laars Pennant Snow															I
Pro ice melt system	9,850	2011	18	2011					14,068						
Major Pumping Systems Repair and															I
Replace	1,785	2011	11	2011									2,760		
Building Exterior Repair	5,950	2011	7	2011	7,851							9,018			L
HVAC Units	8,400	2011	10	2011							12,482				L
Exterior Doors	-	2011	20	2011							-				L
Garage Door	1,940	2011	10	2011							2,883				L
Garage Ventilation	1,180	2011	15	2011		1,588									L
Major Paint Fencing, Gutter, Railings	3,250	2011	10	2011							4,829				L
Door and Wood Trim Detail Stain	850	2011	4	2011			1,167				1,263				1,367
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Total Cabadulad Funandituras					40,400	4.500	4.407		44.000		04 457	45 404	0.700		4.007
Total Scheduled Expenditures Carryover of previous Year					13,408 41,643	1,588 34,726	1,167 39,751	45,334	14,068 52,223	- 45,189	21,457 52,355	15,401 38,213	2,760 30,259	35,087	1,367 42,831
Forecast Interest Earned					41,043	34,726	39,751	45,334	52,223	45,189	52,355 56		30,259	35,087	42,831
Forecast interest Earned					45	38	43	49	56	49	56	42	34	39	47
Added to Reserves					6,446	6,575	6,707	6,841	6,978	7,117	7,260	7,405	7,554	7,705	7,859
End of Year Reserve Balance					34,726	39,751	45,334	52,223	45,189	52,355	38,213	30,259	35.087	42,831	49,369
					5-1,1-20	00,101	-10,004	02,220	-10,100	02,000	00,210	50,255	50,057	72,001	-10,000
Number of Units					6	6	6	6	6	6	6	6	6	6	6
Monthly Unit Contribution					89.53	91.32	93.15	95.01	96.91	98.85	100.83	102.85	104.91	107.01	109.15
Estimated Rate of Inflation					2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
Estimated Rate of Interest					0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	

Twenty Year Reserve Plan - Exhibit A

Provided by: Stillwater Community Management, LLC
Reviewed and Revised: September 24, 2013
Study Type: Full, With-Site-Visit/Off Site Review

	Base			cle	23	24	25	26	27	28	29	30	31	32	33
Component	Cost	Year	Term	Start	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Roof Membrane Replace	16,346	2011	30	2011						29,609					
Roof Tile Roof Replace	11,616	2011	30	2011						21,041					
Concrete Curb, Gutter, Parking															
Surfaces, Patio	4,211	2011	7	2011				7,332							8,422
House Boiler for Laars Pennant Snow															
Pro ice melt system	9,850	2011	18	2011											
Major Pumping Systems Repair and															
Replace	1,785	2011	11	2011									3,431		
Building Exterior Repair	5,950	2011	7	2011				10,359							11,899
HVAC Units	8,400	2011	10	2011						15,215					
Exterior Doors	-	2011	20	2011											
Garage Door	1,940	2011	10	2011						3,514					
Garage Ventilation	1,180	2011	15	2011						2,137					
Major Paint Fencing, Gutter, Railings	3,250	2011	10	2011						5,887					
Door and Wood Trim Detail Stain	850	2011	4	2011				1,480				1,602			
									-						
									-						
									-						
									-						
Total Scheduled Expenditures					-	-	-	19,171	-	77,403	-	1,602	3,431	-	20,321
Carryover of previous Year					49,369	57,438	65,676	74,086	63,500	72,244	3,768	12,804	20,427	26,414	36,026
Forecast Interest Earned					53	62	70	78	68	77	8	17	25	31	41
Added to Reserves					8,016	8,176	8,340	8,507	8,677	8,850	9,027	9,208	9,392	9,580	9,772
End of Year Reserve Balance					57,438	65,676	74,086	63,500	72,244	3.768	12.804	20,427	26,414	36,026	25,517
					01,400	00,0.0	1 -1,000	30,030	. =,=-17	5,. 50	12,004		20,717	00,020	20,017
Number of Units					6	6	6	6	6	6	6	6	6	6	6
Monthly Unit Contribution					111.33	113.56	115.83	118.15	120.51	122.92	125.38	127.89	130.45	133.06	135.72
Estimated Rate of Inflation					2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Estimated Rate of Interest					0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%

Twenty Year Reserve Plan - Exhibit A

Provided by: Stillwater Community Management, LLC
Reviewed and Revised: September 24, 2013
Study Type: Full, With-Site-Visit/Off Site Review

	Base			cle	34	35	36	37	38	39	40
Component	Cost	Year	Term	Start	2047	2048	2049	2050	2051	2052	2053
Roof Membrane Replace	16,346	2011	30	2011							
Roof Tile Roof Replace	11,616	2011	30	2011							
Concrete Curb, Gutter, Parking											
Surfaces, Patio	4,211	2011	7	2011							9,674
House Boiler for Laars Pennant Snow											
Pro ice melt system	9,850	2011	18	2011	20,093						
Major Pumping Systems Repair and											
Replace	1,785	2011	11	2011							
Building Exterior Repair	5,950	2011	7	2011							13,669
HVAC Units	8,400	2011	10	2011					18,548		
Exterior Doors	-	2011	20	2011					-		
Garage Door	1,940	2011	10	2011					4,284		
Garage Ventilation	1,180	2011	15	2011							
Major Paint Fencing, Gutter, Railings	3,250	2011	10	2011					7,176		
Door and Wood Trim Detail Stain	850	2011	4	2011	1,734				1,877		
								-			
Total Scheduled Expenditures					21,827	-	-	-	31,885	-	23,343
Carryover of previous Year					25,517	13,688	23,873	34,271	44,888	23,842	34,875
Forecast Interest Earned					31	19	29	40	50	29	40
Added to Reserves					9.967	10,166	10,369	10,577	10.788	11,004	11,225
Added to Model voc					0,001	10,100	10,000	10,011	10,700	11,001	11,220
End of Year Reserve Balance					13,688	23,873	34,271	44,888	23,842	34,875	22,798
						•	-	-	-		
Number of Units					6	6	6	6	6	6	6
Monthly Unit Contribution					138.43	141.20	144.02	146.90	149.84	152.84	155.90
Estimated Rate of Inflation					2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Estimated Rate of Interest					0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%

September 24, 2013

RESERVE PLAN NOTES

This is a reserve plan designed to project long term costs associated with fixed assets under the responsibility of the HOA. The goal of the plan is to identify timing of long-term costs and save accordingly. Base costs are estimates derived from installation cost and current price quotes from manufacturers of same or similar products. Timing of costs are derived from manufactures operations and maintenance documentation and commonly used industry specific values. This is not an engineering study but a "Common Sense" plan to match savings to long-term expenditures.

1	Roof Membrane Replace	\$ 16,346.08
	Replace building roof center section membraneevery 30 years. 60 mil single-ply roofing membrane	
	Cost per square foot	\$ 2.83
	Total square feet	5,776
2	Roof Tile Roof Replace	\$ 11,616.00
	Replace tile roof section every 30 years	
	Cost per square foot	\$ 4.40
	Total square feet	2,640
3	Concrete Curb, Gutter, Parking Surfaces, Patio	\$ 4,211.24
	Reserve plan includes a detailed take off of all concrete surfaces. There is a total of 18,169 square feet of concrete in various configurations. Concrete is expected to fail at a rate of 5% every 7 years due to cracking, Spaulding and heaving. Reserve plan takes into consideration different cost for each type of concrete installed. See assumption detail for additional information.	
	Driveway and Parking Garage, Stair 1 and 2	9,245
	5% Failure	462
	Cost per Square ft	\$ 4.39
	Sub total curb and gutter	\$ 2,029.28
	Sidewalk and Patio	6,380
	5% Failure	319
	Cost per square ft	\$ 6.84
	Sub total curb and gutter	\$ 2,181.96
4	House Boiler for Laars Pennant Snow Pro ice melt system	\$ 9,850.00
	Boiler rebuild/replace and labor every 15 years	
5	Major Landscape Repair and Replace	\$ -
	Allowance for major repairs or replacement of landscaping materials every 5 years. IN OPERATIONS	
6	Major Pumping Systems Repair and Replace	\$ 1,785.00

Allowance for major repair and preventative maintenance every 10 years

<u>Grayson Place at Third Avenue HOA, Inc.</u> September 24, 2013

RESERVE PLAN NOTES

7	Building Exterior Repair Allowance for major repair and replace of building exterior detail and trim painting every 5 years.	\$ 5,950.00
8	HVAC Units Allowance for major repair and replace of AC units. Base cost of \$700 per unit for 12 units.	\$ 8,400.00
9	Exterior Doors Allowance to replace exterior doors every 20 years. 6 common area doors - NO UNIT DOORS PENDING CC&R REVIREW. Cost to include \$3,100 every 20 years	\$ -
10	Garage Door Allowance for major repair and preventative maintenance every 10 years of garage door and opening mechanism.	\$ 1,940.00
11	Garage Ventilation Allowance for major repair and preventative maintenance every 15 years of garage ventilation system.	\$ 1,180.00
12	Major Paint Fencing, Gutter, Railings Allowance for external painting of certain exterior elements every 7 years	\$ 3,250.00
13	Door and Wood Trim Detail Stain Wood trim detail around unit front door and entry. There is 80 of back yard perimeter PVC fencing per building. Typically this material will last indefinitely with minor picket and stringer replacement. No reserve for this item at this time.	\$ 850.00