

Owl Creek Homes HOA Board Project Summary Report



Owl Creek Homes HOA Board Report

Fellow Owl Creek Homeowners,

This year, 2018 we are marking at least 20 years since the original construction of our homes. As some of you may know, your HOA Board has for some years now been discussing outside upgrade needs of our aging development. For the past year and especially during the past 6 months, the Board has been actively involved in researching, planning and engineering of various projects that in our opinion require the most attention. The purpose of this report is to familiarize all of the Owl Creek homeowners with the projects under discussion so that any decisions made by this Board can also be supported by the most of the homeowners. These are important projects requiring informed decisions and your HOA Board wants to insure complete disclosure and transparency in its decision making.

Three projects are being contemplated for implementation over the next couple of years. All three will be discussed here along with reasons why we think they are necessary their options and approximate implementation schedules.

Project # 1. Installation of new Roofs.

A re-roofing project has been on the radar screen of the Board for several years now. We were well aware that we were fast approaching the end of a useful life span of our existing wooden shake roofs. There are several reasons why we are focusing on new roofs at this time.

1. We commissioned an engineering evaluation and assessment of the condition of the current roofs. The report is long and detailed and if anyone wishes to read it, we'll be glad to forward it. The report recommends that we repair or replace the roofs because they have already performed well past their expected life span. Wood shake roofs typically last 20-25 years in moderate climates. In Colorado's harsh sunny and dry climate that span is typically reduced to around 15-20 years. Repairing the roofs is really not a viable option because

of the expense involved (approx. \$15K or more per townhome) and the Boards' decision to minimize future recurring and extensive repair expenses on something that will have to be replaced soon anyway. A repair of the existing wood shake roofs would only last up to 5 years and would require a constant repair cycle along various sections of the roofs. Although the northern side of the roofs is still in decent shape, the report states that the southern side of the roofs which face the sun all day is badly worn and in need of replacement. In places where the wear of the shakes and ridge caps is especially severe, the underlying felt water and ice shield is exposed due to cracks, split and missing shakes. The report's conclusion is that we either repair the existing roofs on a 5 year repair cycle until all of the existing shakes are replaced or we replace the roofs within the next two (2) years! We believe that you will agree with the board that repairing 20-22 year old wood roofs makes little sense from an economic, practical and esthetic point of view.

In order to fully perform the necessary due diligence with regard to re-roofing, we have commissioned an engineering/architectural company to prepare a Scope of Work which will be submitted to various contractors as part of a bidding process. That company is also the same one that designed our buildings more than 20 years ago and they therefore have the documentary and historical knowledge of our buildings. Not to say that they are also one of the premier engineering and architectural firms in our area. We have also discussed the project with various engineers, roofing manufacturers, roofing installation companies, etc. References provided by the roofing contractors and roofing material suppliers were verified. The scope of the re-roofing project is quite substantial. It involves the removal of the existing wood shakes and thousands of the associated nails and staples, verifying the structural integrity and condition of the underlying wood sheathing, insulation and other components, installing new waterproofing and ice barrier under-layments, removing the existing and installing new flashing, installing the new roofing shakes, new snow retention systems, new heat tape, etc. The entire process and specifications are included in the SOW prepared by our engineers and architects.

By the time of the general HOA meeting in December, we will be in a position to submit re-roofing bid packages to various pre-qualified roofing contractors as soon as the Board votes to approve the project.

2. We have studied several different types of roofs with the guiding principle being that they should closely resemble what we currently have from an esthetic point of view to best preserve the traditional, mountain look of our homes. We also wanted to minimize roof repair and maintenance costs well into future and we wanted to select a roof which meets the current Class A Fire Proof Specifications without, if possible, any additional fire proofing under-layments. A Class A standard protects the roofs from burning. A fire proofing underlayment protects the house from burning down from a roof fire but does not prevent the roof fire itself.

A couple of additional points with regard to the new roofs. First, by code wood roofs are no longer permitted in Snowmass Village because of their high risk of fire. Secondly, the Lake Christine fire this summer in and near Basalt was a wakeup call that we in Snowmass are no less immune to such events in the future. I was in Snowmass during that fire and I was volunteering with the temporary evacuations of people from Basalt to Snowmass. I could see first hand how such fires can spread from roof to roof by flying embers. In Basalt these flying embers were everywhere and it's only by chance and a fortunate shift of wind that more structures were not consumed by that fire. Current events in California likewise should alert everyone to fire dangers in this part of the country.

The roofing materials that we focused on after many consultations with experts are synthetic. They very much resemble the look of real wood without the problems of deterioration, repair and maintenance. These materials have 50 year warranties so there is little chance of having to replace the roofs any time soon. Routine maintenance of course is always required and will be performed. The one roofing material that we have focused on is a very high quality synthetic shake, it comes in various colors and widths, comes with a 50 year warranty, meets all of the pertinent technical and performance specifications and really looks beautiful when installed.

All of the most stringent specifications by the appropriate regulatory bodies such as UL and ASTM are met with this product. The most important being:

- UL 2218 Class 4 Impact Rating which is the highest impact rating available.
- ASTM E108 and UL 790 Class A Fire Rating without any fire-resistant underlayment.
- ASTM E330 and UL 1897 Wind Resistance up to 115 mph.

- Additionally the product adds an insulation value $R \geq 2$ which always helps in the prevention of ice dams, resists water absorption, is uniformly colored throughout, is lightweight (170 lbs. / 100 sf), is freeze/thaw resistant, etc.

As part of the re-roofing project, the existing heat tape which is there to help prevent ice dam issues on the roof will also have to be replaced. It, too is more than 20 years old and in many locations not in very good condition. The cost of the new heat tape is included in the re-roofing cost and it is standard practice to replace it when changing roofs. At that time we would also consider installing timers to control the heat tape. Holy Cross Energy, our electrical utility in Snowmass recommends running heat tape only during daylight hours when melting is most likely to occur. That could result in substantial savings in electric costs in the winter which in Snowmass lasts 6 months. We are still studying that as well as other ice melt options and we'll report when we have additional verified information.

Those of you who wish to see the roofing product in actual installed instances, here are just a few of the many locations in and around Snowmass:

- Alpine Bank at the the Snowmass Market on Kearns Road.
- 491 Spruce Ridge Lane in the Pines.
- 1170 Two Creeks Road at Two Creeks.
- Roaring Fork Club in Basalt.

Samples of the roofing materials will also be available at the HOA meeting in December.

As a closing argument for the need of new roofs at Owl Creek, we have been getting routine pressure from our insurance company to get rid of the wooden roofs. One of the insurance underwriters, AIG refused a couple of years ago to write our policy because of the fire risk and we had to switch underwriters. I talked with our insurance company just recently to discuss our plans and they informed me that we can expect an insurance premium reduction of approximately \$10,000 per year once the re-roofing project in completed.

3. The board intends to vote on the re-roofing project soon after the HOA meeting. It is very unlikely that even if the project is approved in that timeframe, the necessary resources, especially installation labor can be obtained in time to start the re-roofing project in the spring of 2019. I have discussed the scheduling issue with all of the roofing contractors which we qualified and according to them

the contracts would have to be in place in December, 2018 for work to commence in in the spring of 2019. Depending on when the approval, funding, etc. is in place we may be able to start the project later next year and complete if in 2020. But even if the re-roofing gets fully pushed back until 2020, we will still be in compliance with the 2 year recommendation of the roofing evaluation.

The re-roofing project will require constant management and administration to insure quality of workmanship as well as to approval of payment of invoices, to monitor the status of work, to insure compliance with the Statement of Work and to verify completion. We intend to use the same engineering/architectural firm that did the engineering for us to provide the on-site management services as well.

Samples of the roofing products will be available to look at at the December HOA meeting. Attached with this Report are a Roofing Package and a Brochure highlighting the product and specifications.

Project # 2, New Railing System.

Each Owl Creek home has four (4) decks located outside of both upstairs bedrooms and outside the media room and the dining/living room. Each deck contains a wooden railing system that today requires constant maintenance. In fact our railing systems have been a maintenance problem and a financial drain for many years. Just as an example, over a 10 year period we have spent \$150,000 for railing repairs such as replacing rotten wood, reinforcing the structural integrity of the railings, etc. and in addition we have spent another approximately \$232,000 painting the railings to slow down their deterioration primarily due to rot. The problem with the deterioration of the wood railings can be attributed mainly to their constant exposure to the elements and also to a less than perfect design which allows water seepage into various wood joints which are not entirely possible to seal. The total spent over the past 10 years is in excess of \$382,000 to repair and maintain the outside railing systems and bannisters. If we continue with the existing wooden railings, the repair and maintenance costs are likely to increase substantially because we will soon reach a point when repairs are no longer possible of economical and wholesale

replacements will be required. If we wish to continue with wood, the total railing replacement costs for materials and installation and fabrication labor would be on the order of \$750,000 - \$1,000,000 for our entire complex. To that you again have to add the recurring painting and repair costs and the entire hemorrhage of money begins all over again. As many of you know, unstable railings or rotted posts present a significant safety risks and we have heard that complaint quite often recently. To address the railings situation from both the safety and cost avoidance points of view, we have found a product which is just as beautiful as the look of real wood because it looks like real wood but is made from composite materials with paint in different colors baked on. The new railing system carries a 25 year warranty and conforms to all relevant building codes ESR-1481 and CCRR-0114. It won't chip, rot or fade and will never have to be painted for the duration of its life span. The cost to replace our existing wood railings with these composite ones including installation labor is less than half of what wood railings would cost and ongoing repair and maintenance costs would be negligible. The installation of the new railings will be done by our current carpenters who are very familiar with the current deck and railing construction. They will be assisted by techs from the factory to provide guidance in the new installations until the carpenters acquire sufficient knowledge in the new installation methods and procedures.

A sample of the railing will be available to view of the December HOA meeting. Attached with this Report is a brochure highlighting the TimberTech Premier railing system and available color options. The new railings come in different colors so the color that is chosen will have to closely complement the new roof colors as well as the outside stucco (EIFS) and wood trim. More on the color schemes and actual different color options for the various outside components will be discussed in much more detail in the next section.

Project # 3, Re-painting Outside and New Color Schemes

Painting of the outside wood surfaces such as beams, fascia and wood trim around windows and doors as well as all bannisters and railings is done every other year on a routine maintenance basis and this maintenance is part of our annual repair and maintenance budget. The condition of the outside wood surfaces aside from the deck railings is generally good and our maintenance

program has insured that they stay that way. The railings are a different story and that has been discussed in detail in the railings narrative above.

The outside synthetic stucco or EIFS has never been painted in the 20 year history of our development. From time to time when repairs are made to either the stucco or other outside components affecting the look of the stucco, limited paint touchups are made to cover the affected areas and imperfections. As a result of exposure to the elements, primarily the sun and the various repairs and touchups have created a color surface that is not uniform anywhere. It may not be immediately obvious to a casual observer but a closer inspection is telling. And even though the paint surface of the stucco is in adequate condition, we are long past the normal recommended interval for re-painting the stucco. The primary reason for holding off on re-painting was the fact that some EIFS repairs would be necessary and it made sense to perform those repairs before painting. We have asked an engineering company to provide us with a proposal to assess the condition of the stucco and associated caulking and to tell us what the repair remedies will be on a per building basis and their cost. We should have the proposal from them some later this month. We can then better decide on the course of action.

The need to re-paint the outside stucco also affords us the opportunity at this point to perhaps change the look of our homes. The color schemes presently in place project a slightly dated look from the 1990's and bring attention and emphasis to the age our development. The real estate brokers and others who are familiar with our development including many present homeowners are almost unanimous in the opinion that a new color scheme will go a long way in revitalizing the look of our homes and making them more attractive and more up to date. We are lucky to have beautiful homes in Snowmass. They are extremely well built as evidenced by the overall condition of the structures and very desirable because of their location and quality and as long as we are talking about re-painting, why not update the colors in a slight, subtle way to bring them up to current tastes. Too often one sees developments in Snowmass which because of inadequate maintenance and lack of updating and modernization look old, worn and extremely dated and unattractive. This and of course other factors have a significant impact on the desirability and market potential of the properties.

We are still in the process of gathering cost and technical information on the various options which are available to affect a color scheme change. The process for the painting of outside wood trim is simple, and does not involve a major expense. The reason is because that painting is already performed on a routine maintenance basis, is budgeted for and re-painting with different colors is not a substantial change in the scope of work. The outside stucco is different. That will be a new capital budget outlay as the roofs and railings and the cost of re-painting the stucco will depend on exactly what we do. There are two different possibilities about re-painting the stucco and we are exploring them both now. But basically, the most straightforward option is to select the same or new color and after properly cleaning the surfaces to apply two (2) coats of specified acrylic latex paint to the existing stucco. The longevity of this type of a solution is usually less than 8 years based on recommendations from painters, paint suppliers and various bodies governing painting specifications such as The Master Painters Institute. The other option which is a hybrid between re-painting and re-coating and uses an elastomeric compound topcoat specially designed by EIFS manufacturers for application on their surfaces. The life expectancy for the hybrid solution is 15 - 20 years. We don't know yet what the costs are associated with the hybrid product and we are looking at them but in the end it will be a practical decision based on the tradeoff between shorter lifespan and more frequent applications or longer lifespan and less frequent applications.

Regardless of what the final product will be, we have prepared several options for selecting a new color scheme or staying with what we presently have. We look forward to comments from homeowners. The color scheme options are very subtle and do not present a huge departure from the current traditional look. But if implemented, we think that they will provide a much needed visual upgrade to better complement the look of our homes in the 2020's. Various color scheme option slides are attached to this Report and will also be available to view at the December HOA meeting.

Tentative Project Schedules.

The complexity of the proposed projects is high from both the planning and implementation points of view. A tremendous amount of due diligence has already been done, some still needs to be completed. That involved days and days of research, meetings and interviews with architects, engineers,

contractors, suppliers and end customers. There is no question that the actions outlined in this report must be done and the sooner the better. In this Report we have strived to present to all of the Owl Creek homeowners and in as much detail as possible what the various projects entail and why they must be done. The work proposed is substantial and so is the cost. It must be noted however that this is the first large scale renovation program that has been proposed in over 20 years. Because of the quality of construction and the materials used during the initial building, our complex has managed to stay mostly problem free from major renovation work both on the insides and on the outside. We must insure that this quality continues to be maintained. The re-roofing, the new railings and the new color scheme projects as described in this Report will insure that our neighborhood stays as trouble free and beautiful as on the day it was completed more than 20 years ago. The projects outlined here are not elective exercises. They are mandatory because the different parts that we are proposing to change have outlived their lifespans and must be replaced.

Proposed Project Schedules:

Re-roofing Schedule:	Begin in April, 2020, Finish October, 2020
New Railing System:	Begin in April, 2019, Finish October, 2019
Re-painting Project:	Begin in July, 2019, Finish in July, 2020

Please, note: The above tentative schedules depend of course on timely homeowner agreement, Board approval and the securing of necessary funding.