

August 16, 2016

Hello TNECA Owners,

Based on scheduling conflicts as well as input from several Owners we are postponing our Annual Meeting until early next year. Our current thinking is to have it just prior to the "We're Open Open" golf tournament at the end of April. The terms of current Board of Directors will be extended accordingly.

UPDATES

Maintenance

We are using a new contractor to assist the Association with our maintenance and capital improvement projects. His name is Greg Tobias. Erv Grody, who some of you may remember, recommended him to us. I'm sure Tom will agree we have found him to be excellent. He did a superb job working with us during our Spring Maintenance Review and has done a great job either doing repairs himself or finding quality vendors. He also secured bids for various capital projects we are planning to engage in on our behalf. Some specific maintenance items include;

1. We recently completed re-sealing and striping of all of our lots. They look really good and we are very pleased with the results.
2. We are still intending to get all entrance way decks and cleaned and sealed this year. It has been difficult to get reliable and fair estimates. Another vendor is expected to provide us an estimate in the next week or so.
3. There are many deck hangers that have rusted/rotted out and those will be repaired this year.
4. All of our roofs were thoroughly inspected. As planned, some of them are nearing the need for replacement. Our original plan was to do buildings 3 and 5 this year but we have found there are no quality contractors that can fit us in this year. It took quite a bit of time to even get anyone out to TNECA to even provide bids. Our new plan is to have buildings 3 and 5 replaced next Spring. Greg is confident this will allow enough time to secure fair bids, get us in the queue and will also allow the new roof materials time to more completely "cure" before their first winter. He also believes their current condition can hold through another winter season.
 - a. During roof inspection, areas needing repairs and/or caulking were addressed. Greg's experience, our history and experience as well as feedback from other Owners with freeze and leak issues over the years helped direct Greg to historical roof locations where issues have occurred in the past
5. Late last year we renewed our contract with TLC who does our lawn and snow plowing. We are extremely pleased with the work Greg and Marcy do for us. They take ownership and responsibility that is pretty unique compared to the vendors we have worked with over the years.
6. We completed an update of the fire and freeze monitoring infrastructure systems in all buildings and units earlier in the year. So far the system is working more reliably than in past.

Financial Status

The 2015 financial statement is available on our website <http://www.treetopsnorthestates.com/>. If you had not so earlier this year, please take a few minutes to review it. With respect to the current operating budget, we are in pretty good shape and do not anticipate any changes to our dues structure in the near future. As with all budgets, some items come in under budget and some over. In our case we will be slightly unfavorable to budget in 2016.

We all owe Tom a great deal of thanks for the superb job he does. As an example; we recently received our new insurance premiums and got socked with a 10% increase. We understood that this was due primarily to the carrier changing a fire protection class to what amounted to a "no protection" rating - simply due to the number of miles we are from the nearest fire department. Tom called the Vanderbilt fire chief who then lobbied our case with the agency that establishes the ratings. How many of us would do that? While our rates will increase we expect it to be less than the original 10% increase. Thank you Tom.

Our capital budget is in excellent shape. Our planning over the years to fund the reserve for roof repair and paintings has helped us avoid Special Assessments. Additionally, the building painting we did a few years ago is holding up better than anticipated. As a result, we have been able to use some of the reserves to fund unanticipated operating expenses and the Fire and Freeze system upgrade. The only word of caution is related to the cost of the roof repairs. They will cost more than we originally anticipated based on the first round of estimates we received.

Treetops Services and Cost Sharing

I began discussing various service agreements with Barry Owens earlier in the year. It has been an extremely slow process but there has been progress. There is a willingness to break apart cable and phone as well as offer some sort of seasonal rate for those services for Owners not in Rental Management - who do not use their units for extended periods of time. I will keep you updated and hopefully we can bring this to a satisfactory conclusion.

As always, please do not hesitate to contact Tom or I at tneboard@treetopsnorthestates.com

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