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TO: All Residents and Lot Owners of Oak Pointe

FROM: Ron Jones
Community Association Manager

DATE: December, 2010

SUBJECT: Oak Pointe Community Association Annual Assessment

Dear Oak Pointe Owners:

The Board of Directors of the Oak Pointe Community Association has approved the budget for the year 2011. While developing this budget, the Board spent a significant amount of time reviewing bids for the necessary services, scrutinizing prior year's expenses and making cost comparison studies. In addition, the Board reviewed the status of the Association's long term financial requirements and the status of the Reserve Fund, which funds these long-term expenditures. The annual assessment for 2011 will increase \$21 to \$235 to help offset the cost of road repairs and the rising cost to maintain the common areas. A copy of the community association budget is included for your records.

This fee is NOT part of your own association fee and is paid by every Oak Pointe resident on an annual basis.

The Oak Pointe Community Association is the master organization for all of Oak Pointe. Every resident and lot owner is automatically a member of the Oak Pointe Community Association. Each individual Association at Oak Pointe is represented on the Community Board of Directors. The Community Association maintains the common elements that are collectively shared by everyone at Oak Pointe. These include:

- The entrances into Oak Pointe (Oak Pointe Drive, Pointe Blvd and Pinehurst).
- The tennis courts near the main entrance.
- Oak Pointe Drive.
- Club Drive, from Oak Pointe Drive to the park.
- The beach, beach house and park areas.
- Several nature preserve areas within Oak Pointe.

In addition, the Community Association is responsible for continuity of architectural control and for the establishment of rules that govern all Oak Pointe residents.

The \$235.00 community association fee is due January 15, 2011 and will accrue late charges of \$10.00 per month if not received by January 31, 2011. Please utilize the enclosed coupon and envelope when making your payment to ensure that your account is properly credited.

1100 Victors Way, Suite 50 • Ann Arbor, MI 48108
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In 2005, a Board of Directors for Oak Pointe adopted the following resolution:

“To establish the Board practice of communicating with the residents on an annual basis regarding any significant new Capital Expenditures that have been considered or contemplated by the Board. The Board shall include a letter with each annual dues reminder that gives a short overview of the contemplated expenditure, general pros and cons, if any, that have been discussed, and general expected costs, if known or discussed. An unstamped post card will also be enclosed for the purpose of soliciting comment about the expenditures from the Community. Nothing in this practice is intended to obligate a Board Member to vote either in favor of or against any future proposal. The purpose of the practice is to encourage the involvement of the Community in the Decision-Making process.”

For 2011, there is one capital expenditure that is being considered. Please review the information below pertaining to the project. If you would like to express your opinion on the proposed project, please use the enclosed postcard. Please do not send the postcard with your payment – payments are sent to a lockbox at the bank and there is no assurance that your comments will be properly forwarded.

2010 Proposed Capital Projects

1. **Road Repairs:** The professional studies have been completed to determine the soundness of Club Drive and the underlying base along the Nature Preserves. The Board has reviewed several options and is currently seeking final quotes from contractors to reinforce the slopes on either side on the road, repair the catch basins, remove and replace the curbs and resurface with asphalt.

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Oak Pointe Community Association Budget Analysis 2011

Nov-10

INCOME	ACTUAL	ACTUAL	ACTUAL	ACTUAL	BUDGET	PROPOSED	APPROVED
	2006	2007	2008	2009	2010	ACTUAL 2010	BUDGET 2011
ASSOCIATION FEE	140,044	139,132	135,811	139,175	153,010	147,000	168,025
LATE CHARGES	1,185	690	223	2,114	700	1,250	1,000
INTEREST INCOME	2,185	2,455	1,546	232	220	0	0
OTHER INCOME	0	15,000	(20)	(15)	0	95	0
YARDWASTE INCOME	9,620	8,400	10,285	10,285	9,775	8,840	8,500
TOTAL INCOME	153,034	165,677	147,844	151,791	163,705	157,185	177,525
EXPENSES							
ADMINISTRATIVE							
ACCOUNTING/AUDIT	1,550	1,550	1,600	1,600	1,550	950	950
ARCHITECTURAL FEES	(1,000)	0	0	250	0	0	250
NEWS LETTER	0	0	302	1,188	1,200	1,569	1,500
COLLECTION AGENCY						86	0
LEGAL FEES	2,067	2,181	3,403	(351)	1,000	750	1,000
FEES AND PERMITS	20	38	44	413	50	403	128
MISCELLANEOUS							
MANAGEMENT FEES	13,500	13,500	13,900	14,316	11,400	11,400	11,400
OFFICE SUPPLIES	283	109	652	129	150	275	250
POSTAGE	1,814	1,865	1,864	1,662	1,800	1,950	1,850
SECURITY							2,600
COPY/PRINTING	2,065	2,637	2,330	982	1,600	1,500	1,550
WEBSITE							820
TOTAL ADMINISTRATIVE	20,299	21,879	24,095	20,188	18,750	18,883	22,298
UTILITIES							
ELECTRIC	2,198	2,000	2,004	1,881	2,100	2,000	2,000
TELEPHONE	0	0	0	0	0	0	0
WATER/SEWER	2,770	3,284	3,560	1,995	3,400	3,100	3,100
TOTAL UTILITIES	4,968	5,284	5,564	3,876	5,500	5,100	5,100

	ACTUAL 2006	ACTUAL 2007	ACTUAL 2,008	ACTUAL 2009	BUDGET 2010	PROPOSED ACTUAL 2010	APPROVED BUDGET 2011
<u>LANDSCAPE/GROUNDS</u>							
ASPHALT	460	198	478	4,414	2,000	400	1,500
BATH HOUSE	6,235	5,659	1,187	7,696	11,225	11,225	6,750
BEACH MAINTENANCE			2,393	7	0	0	0
CONCRETE	0	54	0	0	0	0	0
FERTILIZER	879	600	1,000	1,000	1,440	800	1,000
FLOWERS	11,758	14,423	15,244	15,300	15,400	15,400	15,525
GEESE REMOVAL	750	600	600	1,040	600	450	300
GUARD HOUSE	9	253	0	157	100	2,040	490
FLAG REPLACEMENT				0	191	191	191
HOLIDAY DECORATIONS	2,060	1,931	15	2,268	2,200	2,673	2,200
LANDSCAPE SUPPLIES	77	215	201	0	100	0	825
LAWN CONTRACT	11,955	11,240	10,853	14,150	11,900	11,900	10,525
LIGHTING	655	1,137	141	321	350	1,358	1,750
MISCELLANEOUS	840	381	398	466	100	1,083	0
PLANTING REPAIR	0	1,726	0	0	300	0	0
PARK/PROJECTS	0	0	0	2,424	0	450	0
SIGNS	125	607	23	2,148	390	2,188	390
SNOW REMOVAL	7,592	8,330	12,369	20,075	14,000	14,000	14,000
SPRINKLER	4,222	4,215	3,080	4,704	3,000	2,000	2,500
TENNIS COURTS	560	0	46	60	100	0	100
TREE MAINTENANCE	1,965	300	4,875	2,735	2,500	2,500	10,000
YARD WASTE	8,917	9,033	9,698	8,575	8,500	8,500	8,500
TOTAL LANDSCAPE	59,058	60,902	62,601	87,541	74,396	77,157	76,546
<u>PAYROLL</u>							
MAINTENANCE WAGES	21,826	20,941	23,180	1,296	1,700	750	1,250
TOTAL PAYROLL	21,826	20,941	23,180	1,296	1,700	750	1,250
<u>INSURANCE & TAXES</u>							
PROPERTY INSURANCE	7,684	6,844	6,861	6,529	6,743	6,613	6,811
WORKMENS COMPENSATION			945	361	900	343	900
PROPERTY TAXES			25	33	0	0	0
INCOME TAXES	(570)	0	0	0	200	0	0
TOTAL INS. & TAXES	7,114	6,844	7,831	6,924	7,843	6,956	7,711
TOTAL EXPENSES	113,265	115,851	123,271	119,826	108,189	108,846	112,905
OPERATING CASH FLOW			24,573	31,965	55,516	48,339	64,620
RESERVE PAYMENTS							
REPLACEMENT RESERVES	45,000	49,427	43,978	56,344	55,516	48,339	64,620
INTEREST ON RESERVES			4,760	3,060	4,000	1,700	2,000
TOTAL RESERVES	45,000	49,427	43,978	59,404	59,516	50,039	66,620
RESERVE EXPENSES							
Asphalt			2,237	44,649	0	0	0
Beach			9,963	0	0	0	0

Concrete		3,425	3,000	0	3,000
Flag		1,273	0	0	0
Landscaping/Irrigation		4,241	0	0	0
Lighting			0	0	0
Reserve Study	975		0	0	0
Signs			0	0	0
Fencing		0	0	0	0
Tennis Courts	18,160		0	1,800	0
Club Drive Project		3,260	3,780	14,680	
Total Reserve Expense	31,335	56,848	6,780	16,480	3,000
Cash From Reserves		2,556	52,736	33,559	63,620
Annual Fee	\$195	\$195	\$195	\$195	195
				214	235