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The Treehouse Condominium Association (Treehouse) is committed to ensuring the long-term asset value for its owners. Following comprehensive engineering evaluations and targeted repair initiatives that include foundation stabilization, atrium structural repairs, balcony guardrail reinforcement, and walkway replacements, we have taken decisive steps to address key structural concerns to maintain a safe community. Project work started in 2020 and is still ongoing as we enter the final phase of repairs. Going forward, the Board of Directors intends to provide real estate professionals and mortgage lenders with transparent, current insights into our approach to property preservation and re-establishing lendability.

Overview:

In 2019, the Board of Directors requested and received from J.R. Harris & Co. (forensic engineers) a report with an assessment of all nine (9) of the original condominium buildings at Treehouse.

Key findings included:

- **Cracked Atrium Beams and Columns:** Columns and beams in Buildings A and B needed immediate repairs.
- **Water Infiltration Problems:** The most critical issue was found in Building C, where water had infiltrated the crawlspace, which had eroded a 4-foot trench, and caused the first floor to sag and joists to fail. This prompted a contractor engagement in 2020 to install a new drainage system and a subsequent re-inspection confirmed that the foundation work was effective. Buildings H and I also needed immediate repairs due to water infiltration, and these repairs were made in 2024.

In 2022 after Red Mountain Community Management LLC (RMCM) assumed property management, RMCM inquired about the status of the 2019 engineering report. The Board re-engaged J.R. Harris & Co. to inspect and thoroughly assess all nine (9) condominium buildings. After multiple inspections, the Association received a comprehensive engineering report in May 2023 with construction drawings detailing the required repairs.

Key findings from the May 2023 assessment included:

- **Universal Deficiencies:** Every building exhibited structural issues requiring attention, including:
 - Compromised joists and studs which had been cut during plumbing installation.
 - Crushed and deteriorated beams, poorly supported beams and joists, damaged and unstable posts, and cracked floor joists.
 - Cracked atrium beams and poorly connected atrium columns.
- **Water Infiltration:** Certain buildings required reinforcement of foundational trenches and repairs to undermined and unsubstantial footings.



Subsequently, the Board asked Ken Cobb, an engineer at J.R. Harris & Co., about the repairs that were required to provide a letter stating each of the nine buildings is sound, habitable and safe. In a letter dated July 19, 2023, Mr. Cobb prioritized repairs that needed to be made and explained that he would need to return to the property and inspect the beams above the second floor, the crawlspaces in Building D, G, H and I, and a representative sample of the balconies on the upper floors of each building.

During these subsequent visits to the Treehouse complex, J.R. Harris & Co. inspected and found additional structural issues outlined in a report dated September 18, 2023.

- **Additional Structural Issues:**

- **Atrium Beams and Columns:** Identified additional beams and columns in most of the buildings that needed repairs.
- **Balcony Guardrails:** Determined that all 2nd and 3rd floor guardrails needed reinforcement to meet load and safety standards of the International Building Code.
- **Exterior Walkways:** Observed that the elevated walkways (entryways to the buildings) had deteriorated to the extent that stability was questionable. Deterioration was due to exposure to extreme weather. The inspection also found several of the foundations to be insufficient. In follow-up conversations between the engineer and the property manager, 8 walkways were identified as needing replacement and 5 needing major repairs.

These findings set the stage for a phased repair approach—initially addressing the most critical issues (i.e., the repairs identified in the May 2023 report). The Association contracted with Excellent Construction LLC in August 2023 with several change orders to address the additional repairs called out in the September 2023 engineering report (except for the walkways). The Summit County Building Inspection Department issued certificates of completion in 2024 and early 2025 for all the contracted structural repairs.

Planning is now underway for the exterior walkways. The County requires the Association to complete an extensive, site plan review process which involves hiring an architect, a surveyor, and a structural engineer.

It is the unresolved structural issues with the exterior walkways that currently have a direct impact on lendability. Lenders—especially those backed by Freddie Mac or Fannie Mae—require a property to be free of known structural defects. As long as the Association must answer “yes” to known structural defects on the long-form condo questionnaire, buyers may not obtain federally backed loans and must resort to alternative lending options.

Even though the foundation and building structural repairs and balcony guardrail reinforcements and repairs have been completed, the remaining exterior walkway issue forces the Association to maintain this disclosure. This limitation reduces the pool of eligible financing options, although several lenders who do not rely on Fannie Mae or Freddie Mac have been willing to lend to buyers of units at the property.



Once the exterior walkways are fully repaired and pass final inspection, the Association will be able to mark the property as free of structural defects, which should ultimately open up more conventional lending channels.

Completed Structural Repairs to Date

Overall Scope:

Addressing structural deficiencies identified in 2019 and 2023 engineering reports specific to the nine original condominium buildings, work has been completed in phases over several years.

- **Building C Foundation/Water Infiltration Repair**
 - **Timeline:**
 - J.R. Harris & Co. (forensic engineers) engaged in 2019 to assess issues with Building C which had caused damage to a ground-floor unit, as well as to inspect all 9 buildings.
 - Contractor engaged in 2020 to fix the water infiltration problem and foundation settling in Building C.
 - A re-inspection in 2023 confirmed that the water infiltration and foundation issues had been resolved.
 - **Completion Status:**
 - Completed.
- **Repairs for Buildings A, B, C, D, E, F, G, H and I**
 - **Timeline:**
 - J.R. Harris & Co. issued report in 2019 identifying issues with Buildings A, B, C, H and I. Some of the repairs for Building C were completed in 2020.
 - After becoming the property manager for Treehouse in 2021, Red Mountain Community Management LLC engaged J.R. Harris & Co. in 2022 to re-inspect all 9 buildings.
 - J.R. Harris & Co. issued a comprehensive report in May 2023.
 - Treehouse contracted with Excellent Construction LLC in August 2023 to make repairs described in the May 2023 engineering report.
 - Repairs started in Fall 2023 and were completed in early 2024.
 - **Completion Status:**
 - Repair work was completed, and final inspections were conducted.
 - Ken Cobb, J.R. Harris & Co., issued a Final Letter of Compliance for the structural repairs on May 10, 2024.
 - On June 12, 2024, Summit County issued Certificates of Completion.



- **Other Structural Issues (Balcony Guardrails, Additional Atrium Beams, and External Walkways)**

- **Timeline:**

- J.R. Harris & Co. identified additional deficiencies in a September 18, 2023 letter, including additional atrium beams, balcony guardrails and external elevated walkways (entryways).
- Treehouse contracted with Excellent Construction LLC to make the repairs to the deficient atrium beams. These repairs were completed in 2024.
- Treehouse attempted to negotiate with Platte Capital Projects Inc., which originally installed the balcony guardrails, to reinforce the balcony guardrails under warranty. When negotiations failed, Treehouse contracted with Excellent Construction LLC in summer 2024 to make the required repairs to the guardrails.
- Additional repairs to correct the spacing between some of the balcony balusters and between the balcony flooring and some of the ankle (bottom horizontal) rails were identified during inspections by Summit County Building Inspection Department. Excellent Construction made these repairs shortly after they were identified.
- Walkway repairs are in the estimation phase and cannot start until at least Spring 2025 due to the need for architected and engineered plans which are being developed.
 - Details for this final phase of work affecting lendability are below.

- **Completion Status:**

- **Additional Atrium Beam and Crawlspace Repairs**
 - Additional atrium beam repairs were completed with Final Letter of Compliance from Ken Cobb, J.R. Harris & Co. on May 10, 2024, and Summit County Certificate of Completion issued on June 12, 2024.
- **Balcony Guardrail Repairs**
 - Guardrail repairs were completed in early 2025. Summit County issued Certificates of Completion on February 6, 2025.
 - J.R. Harris & Co.'s Final Letter of Compliance for the balcony guardrail repairs is still pending and expected to be issued before the end of March 2025.
 - J.R. Harris & Co. issued Final Letter of Compliance on March 14, 2025.



Entryway/Walkway Project

Replacing the walkways constitutes the final project to be completed in order to gain federally-backed lending options for buyers. Once completed, Red Mountain Community Management can respond to a lender's questionnaire that there are no known structural issues or defects with the Treehouse complex.

Scope:

Focused on updating the entryways and walkways, including design, engineering and construction to replace existing entryways.

- **Timeline:**

- September 2024: Informally engaged Crowe Architects in September 2024.
- October 2024: Range West (surveyor) completed a LIDAR and Land Elevation study and contracted to complete survey work.
- November-December 2024: Range West completed topography survey and LIDAR study.
- December 2024: Crowe Architects, RMCM, and the Treehouse Treasurer met with the Summit County Planner to identify County requirements for reviewing and permitting the project.
- January 2025: Reviewed next steps with Crowe Architects who proposed Fee Schedule and Contract.
- February 2025: Executed final contract with Crowe Architects.
- March-April 2025: Completion of conceptual and schematic design drawings to be used for a formal bid process to hire a general contractor. Crowe Architects to provide construction drawings to be submitted for County permits.
- June-July 2025: Board solicited and is evaluating construction bids for the full replacement of the walkways to occur in two (2) phases.
- July 2025: Board passed a motion without a meeting authorizing and directing Red Mountain Community Management (RMCM) to answer any lender's questionnaire by indicating that the Association is not aware of any deficiencies related to safety, soundness, structural integrity or habitability of the Association's buildings and directing RMCM to disclose elsewhere in the questionnaire that the HOA is actively working to improve other infrastructure on the property in accordance with the September 2023 engineering report.
- Summer 2025: Estimated timing to start construction.

Funding to complete this project will occur in a hybrid approach to include a special assessment for the initial work needed for the entryways and a construction loan for the balance of the infrastructure work.

Due to the urgent nature to restore Treehouse Condominium units to lendability for federally-backed loans, the Association consulted their attorney, Candyce Cavanaugh, who provided an updated interpretation of the lending questionnaire. Given the significant progress over the past 2 years along with the start of entryway



replacements this summer, it was determined that RMCM should respond to bank loan questionnaires in a manner that more accurately reflects the current situation. Therefore, effective Thursday, July 17, 2025, RMCM will answer the bank loan questionnaire in a manner that the Board believes will allow for a conventional loan on a Treehouse unit.



Frequently Asked Questions (FAQs)

Frequently Asked Questions for Real Estate Professionals

1. **What is the current status of the structural repair projects at Treehouse?**

Significant repairs addressing issues identified in 2019 and in 2023 engineering reports have been completed. Repairs stabilizing the foundations in the nine original condominium buildings, reinforcing the first-floor framing and interior atrium beams have been completed and certified, as well as reinforcement and repairs to balcony guardrails have been made. Walkway replacement work is currently underway with construction anticipated to begin in Summer 2025 following the snow melt.

2. **When is the project expected to be fully completed?**

A specific timeline to complete the remaining walkway replacement project has not yet been developed. We anticipate having a defined project plan by Spring 2025 and will provide transparent updates as they are available.

3. **Have any new structural issues been identified during the repair process?**

Other than the spacing of some of the balcony balusters and bottom railings (which has been addressed), there have not been any new structural issues identified since September 2023. The Board has completed all but one major structural project and anticipates being able to restore the property's lendability by federally backed mortgages.

4. **Can loan questionnaires be completed in a manner that will allow conventional, federally backed loan approvals by lenders?**

Given the significant progress over the past 2 years and the start of the entryway replacements where needed this summer, it was determined that RMCM should respond to bank loan questionnaires in a manner that more accurately reflects the current situation. Therefore, effective Thursday, July 17, 2025, RMCM will answer the bank loan questionnaire in a manner that the Board believes will allow for a conventional loan on a Treehouse unit.