

Renovation Special Assessment FAQ

Why do we need a special assessment?

There are large projects critical to the maintenance of Windemere that were not included in the reserve study and therefore the HOA does not have the funds to pay for them out of our reserves meant for the high cost of maintenance and replacement to major common area components. Replacing the condo/manor home podium deck waterproofing is essential to maintain the integrity of the structure. Plumbing is past the useful life and was substandard to begin with. Failure to address these issues now will lead to continued building deterioration, resulting in significantly higher repair costs in the future. Furthermore, our insurance costs will likely increase—if we are able to secure coverage at all.

What is a podium deck?

The structure, which serves as both the roof for the parking garage and the foundation for all condos and manor homes, is composed of three layers. These layers are a post-tension concrete slab, a waterproofing layer, and a walkway surface made of concrete.

You can see a diagram of the podium deck here:

<https://tinyurl.com/TWHOA-TH-PD>

What is wrong with the podium deck?

The existing waterproofing layer has failed and is well beyond its useful life. This failure allows water to penetrate, which causes the rebar inside the concrete to rust and expand. The expansion leads to concrete cracking and can result in spalling, where large pieces of concrete break off and fall. Furthermore, tree roots in the planters are worsening the problem by creating additional cracks in the concrete and allowing water to intrude into the mechanical mechanisms of the elevators, resulting in elevator failures.

You can see many of the problems caused by the failure of waterproofing in the slideshow linked below as well as the condition of hardscape components that need to be replaced.

<https://tinyurl.com/TWHOA-TH-PD-PROBLEMS>

What will be on the ballot?

The ballot will have two questions, one to approve the Special Assessment and one to approve the Bank Loan to finance the Projects

Why should I vote to approve the Bank Loan (if I'm not going to utilize it)?

If the Bank Loan does not pass everyone will have to pay the full Special Assessment in a lump sum. The Bank Loan must be approved to give people the opportunity to finance the Special Assessment if they wish. Owners that opt out of the Bank Loan will not bear any of the burden of the Bank Loan.

We ask that you vote for the Bank Loan even if you don't plan to use it so that others will be able to!

Who is DDC?

Design Development Construction specializes in construction and renovation projects for HOAs. They were hired by the board to plan and manage the restoration of Windemere.

<https://www.designdevelopmentconstruction.com>

How do we know we can trust DDC?

The HOA Board of Directors worked closely with our Horizon Management representative, Roy Nelson to select and vet DDC from a list of 5 reputable companies that handle projects of this type and scope.

Is \$19.8 Million total / \$49.5k per unit the final number?

Yes, the scope of work has been finalized. A detailed breakdown of the costs can be found at the end of this document.

Why did the number go down from ~ \$67k per unit?

At one point the scope of work included all pipes in every unit being replaced. This included both the common area pipes and the exclusive use pipes. It was determined that the HOA could not require that owners repipe their exclusive use pipes so that part of the project was removed from the scope of work.

What if I want my exclusive use pipes repiped?

Each owner will have the option to have the same vendor doing the common area repipe do their exclusive use pipes if they want. However, this will be a direct contract between the vendor

and the owner which means the owner will have to pay for it up front, in full, without the benefit of HOA loan assistance.

The only way in which the HOA is involved is that the vendor is offering a “bulk discount” and the opportunity to have your pipes redone at the same time.

The vendor has quoted Townhome and Manor Home Repipes at \$22,916.17 and Condo Repipes at \$15,026.00.

Why do Condos pay less than Manor Homes and Townhomes?

The cost is determined by the vendor and is based on the floorplan of the unit and the total amount of pipes that must be repiped.

How many votes are required for the Special Assessment to pass?

There are 399 units in Windemere so at least 200 ballots must be cast. Of the ballots cast over 50% of them must vote in favor of the Special Assessment for it to pass.

How many votes are required for the Loan to pass?

The loan is a separate vote but requires the same majority as the Special Assessment.

Please remember, even if you aren't going to need the loan other owners will so please vote for it *even if you are voting against the Special Assessment* so that if it passes owners will have the option to use it!

When will the vote occur?

Ballots will be mailed after they have been reviewed by our HOA Legal Counsel. The votes will be due 35 days after they are mailed.

What are my options for paying the special assessment?

If the Special Assessment passes, and funding has been attained, residents will have the option to pay the Special Assessment all at once or to pay it in monthly installments at the interest rate determined by the funding we obtain.

The interest rate is currently projected not to exceed 6%.

The HOA shouldn't replace plumbing that the CC&Rs define as the owner's responsibility.

Only common area pipes are being replaced as part of the renovation.

I'm concerned about dropping property values as a result of the special assessment.

The problems with the podium deck, plumbing, asphalt, sidewalks, curbs & gutters, condo railings, elevator mechanicals, and SB 326 repairs are all well documented and therefore must be disclosed to any new buyers. Failing to address these known issues is likely to cause property values to drop.

Addressing the issues now will cost us money now but will likely result in higher property values in the future.

What warranty will we get with the repipe?

Different product types have different warranties from the manufacturer but the warranties are available for you to review here:

<https://tinyurl.com/TWHOA-TH-PIPES>

Why aren't we replacing sprinkler pipes?

Sprinkler pipes haven't been failing and aren't in need of replacement at this time.

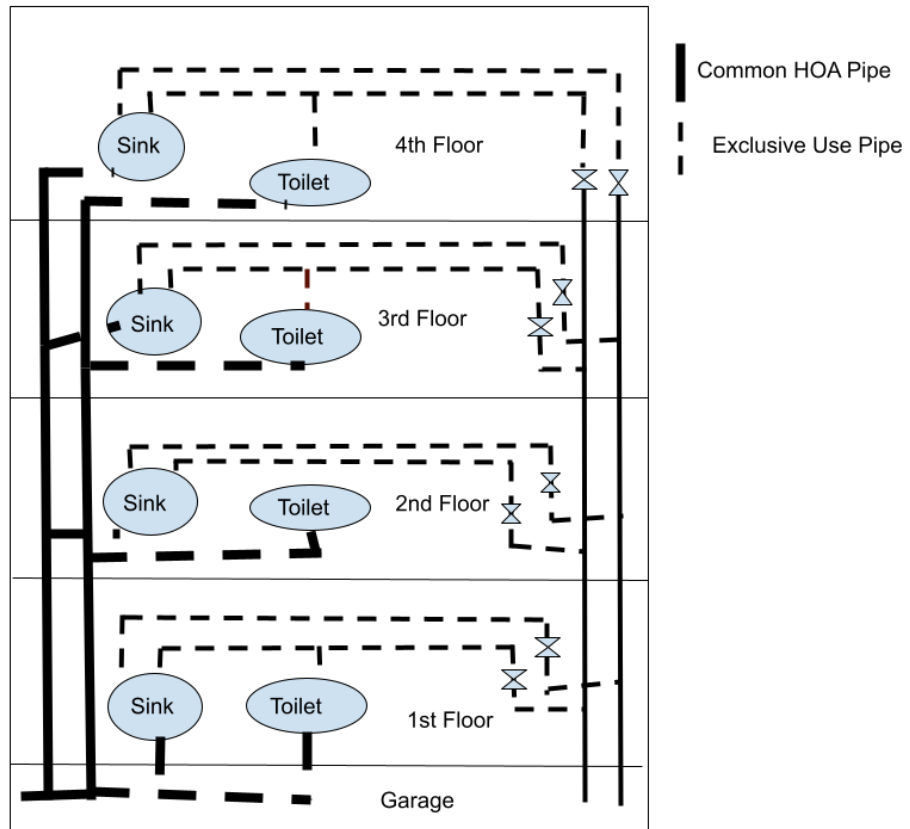
What is included in the Renovation?

- Podium deck repairs including waterproofing. To accomplish this the top layer of the podium deck, the part you walk on, and most of the planters, along with the trees in them will need to be removed.

The planters and trees will be replaced with new planters designed to last longer without causing water intrusion problems and will be filled with vegetation that will not pose a long term problem but will still provide privacy to the 1st floor units.

- Repiping of the Condo and Manor Home Common pipes. Exclusive use pipes are NOT included. The diagram below illustrates which pipes are Common and which are

Exclusive Use:



- Badly cracked portions of the asphalt, sidewalks, curbs & gutters will be properly repaired. In the past only the top layer has been scraped and replaced leaving the underlying problems to reoccur.
- Common Railings at the Condos will be repaired or replaced with new railings that meet current code. Damaged caps will also be replaced.
- Elevator Cab Mechanicals will be upgraded.
- SB 326 is the California legally mandated balcony inspection that occurs every 9 years. After the last inspection approximately \$750,000 worth of repairs are legally mandated. The costs of these repairs will be covered by the Special Assessment.
- Pre-construction, completed repairs, and closing costs will also be included.

The exact amounts and funding sources for each project component are shown below:

**TORRANCE-WINDEMERE HOMEOWNERS ASSOCIATION
FINAL PROJECT BUDGET**

Final Dated: 1/22/26

Trade	Cost	% of Project	Funding	
			Loan	Equity
Pre-Construction Costs	\$ 148,530	0.7%	\$ 148,530	
Completed Repairs to Date	\$ 85,516	0.4%	\$ 85,516	
Re-Piping	\$ 3,876,533	18.9%	\$ 3,773,276	\$ 103,257
Waterproofing Podium Deck	\$ 13,423,464	65.5%	\$ 13,218,534	\$ 204,930
Asphalt, Sidewalks, Curbs & Gutters	\$ 566,596	2.8%	\$ 496,076	\$ 70,520
Railing at Condos	\$ 450,000	2.2%	\$ 450,000	
Elevator Cab Mechanical	\$ 1,178,000	5.7%	\$ 1,178,000	
SB 326 Repairs Pending	\$ 743,500	3.6%	\$ 341,315	\$ 402,185
Closing Costs	\$ 34,590	0.2%	\$ 34,590	
	\$ 20,506,729	100%	\$ 19,725,837	\$ 780,892
			97.0%	3.0%
		Total	\$ 19,725,837	

Total Budgeted Loan Cost \$19,725,837	\$ 49,438 /unit
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What is a contingency fund?

Projects of this magnitude require contingency funding of about 20% of the total cost to account for possible budget overruns due to unexpected costs. Unused funds will be put into reserves to serve the common good of the community.

These funds can be used to resolve other outstanding issues such as the long ignored gutters, replacing trees previously removed, and removing trees not on the podium deck that are dangerous, at their end of life, or destructive to property.

What are the repercussions if the Special Assessment doesn't pass?

- The maintenance/infrastructure problems won't disappear just because we voted against the Special Assessment.

Maintenance problems don't fix themselves; they simply will get worse and **more expensive**.

We are in no danger of the podium deck collapsing at this time, but neither were the Surfside Condos in Florida when they were first reported in 2018. The problem is that if we don't do the repairs now it will only get more expensive later.

If we can't afford it now, how will we afford it in the future?

- The common use pipes in the condos will continue to split, dumping water into units. The HOA pays to repair these pipes each time it occurs, pays to do any mold remediation required (a **very expensive** process), and then the owner pays for all the repairs to the interior of their unit!
- The asphalt, sidewalks, curbs, and gutters, condo railings, and SB 326 repairs will still need to be done and this money will come from the reserves, drawing them down to levels that will further hurt property values or will require continued increases in HOA dues.

In essence, you will be paying for them either way. You pay for a Special Assessment once, increases to due you pay every month in perpetuity.

How can I find out more?

Attend the **second** Town Hall. The date, time, and location will be announced after the ballots have been mailed.

I missed the Town Hall, can I see / hear it?

You can view the slides presented at the Town Hall here:

<https://tinyurl.com/TWHOA-TH>

You can listen the the recorded audio here:

<https://tinyurl.com/TWHOA-TH-AUDIO>

What if I still have questions?

Contact:

Horizon at windemere@horizonmgmt.com or call (310) 543-1995

DDC at robert@d2construction.net or call (714) 679-8916

Walter Branch at windemere26@gmail.com

Aaron Braskin - Board President: windemerepresident@gmail.com