

We are construction consultants.

We have been involved in the Southern California HOA industry for over 40 years.

We are unique in that our sole focus is on servicing the HOA industry.

We are a company with strong depth of construction knowledge and experience.

We have a deep background in assisting HOAs in projects just like yours

- **Complete all Preconstruction activities as assigned by the Board**
- **Oversee project progress to completion in a timely and cost-effective manner.**
- **Advocate for the HOA and provide recommendations to issues that arise.**
- **Coordinate and monitor the contractors' activities and progress.**
- **Review the work in progress to verify compliance with contracts, specifications, schedules and invoice requests.**
- **Review change orders for accuracy and reasonableness.**

- **Maintain project budget and cost records for the HOA.**
- **Review lien releases associated with each invoice.**
- **Verify the receipt of all guarantees, warranties, releases and manuals.**
- **Conduct final inspections of the project and develop “punch lists.”**
- **Ensure proper close out documents and obtain Notice of Completion.**

In short, we act as a representative of the Board, and act in the Board's best interest.

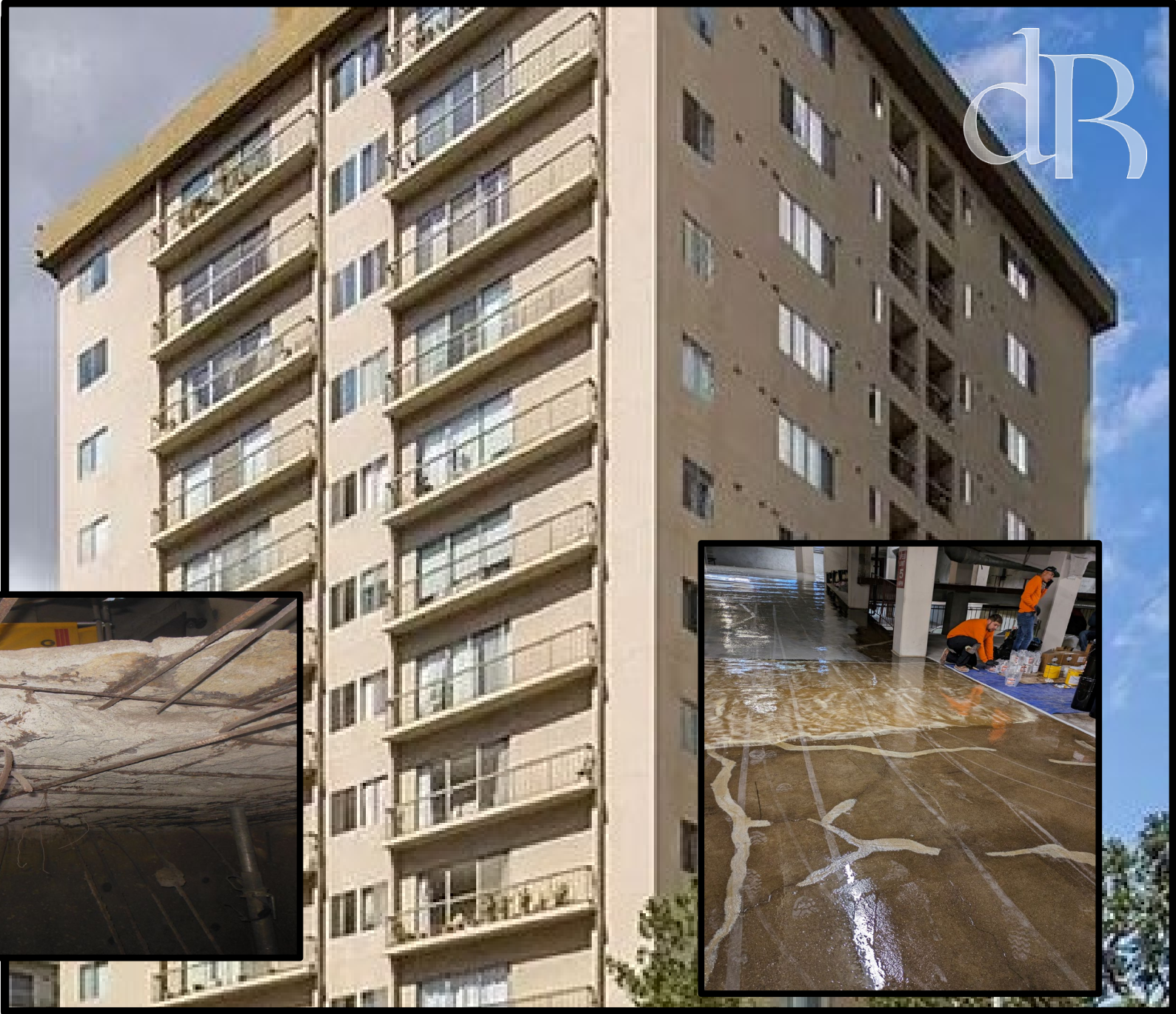
Chateau Royale

Sherman Oaks

Renovation Included:

- Seismic Retrofit
- New roof
- laundry room reno
- Asphalt Replacement
- Balcony Repairs





Wilshire Selby East

• Wilshire Blvd

Renovation Included:

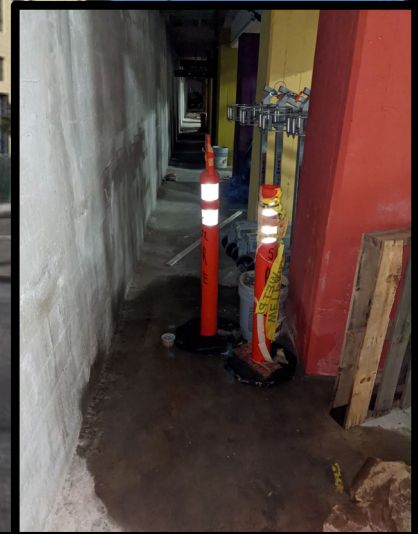
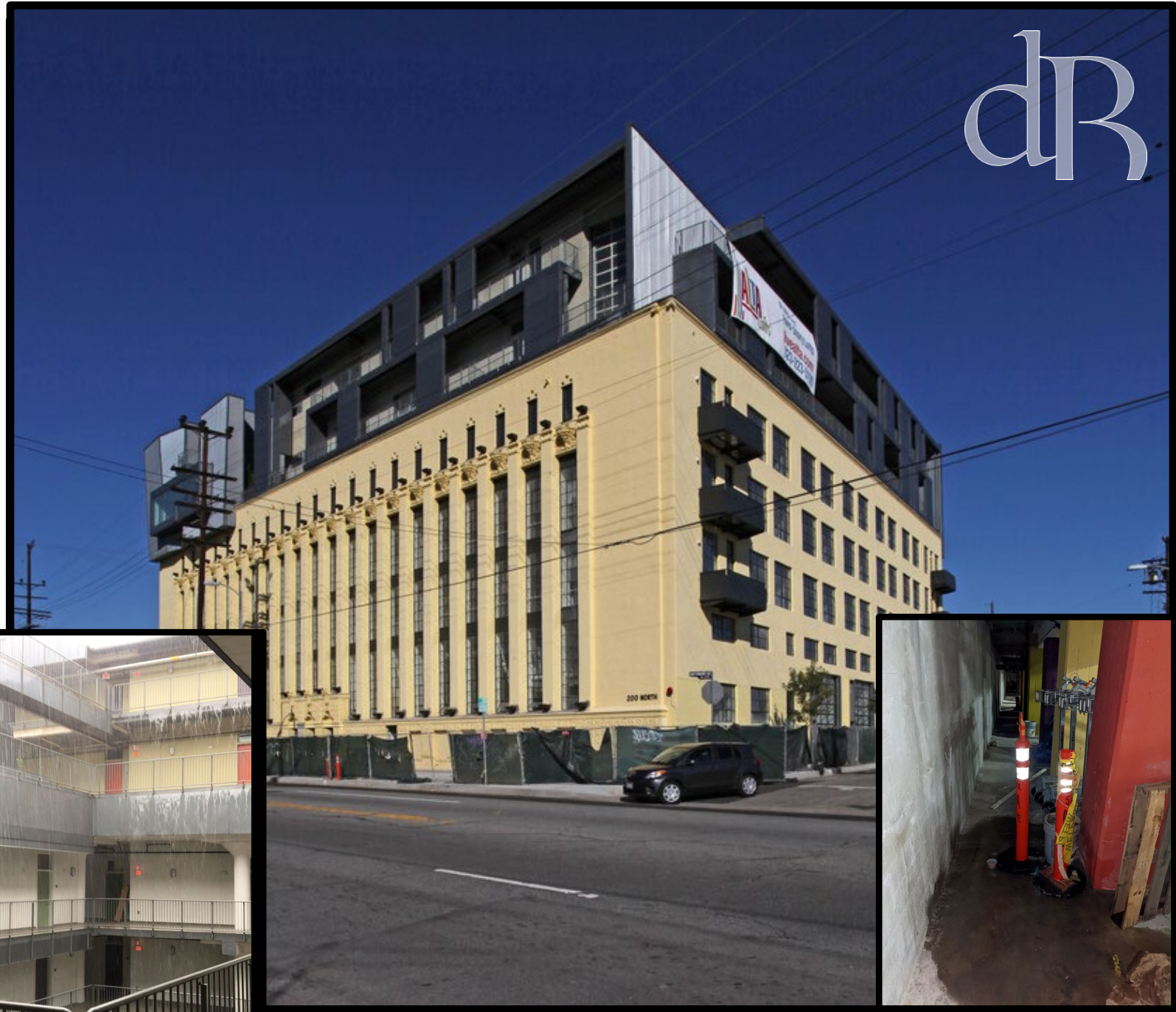
- Concrete repairs
- New roof
- Replace cooling tower
- Waterproofing planters
- Balcony Repairs
- Reconstruct pool

Alta Lofts

- Lincoln Heights

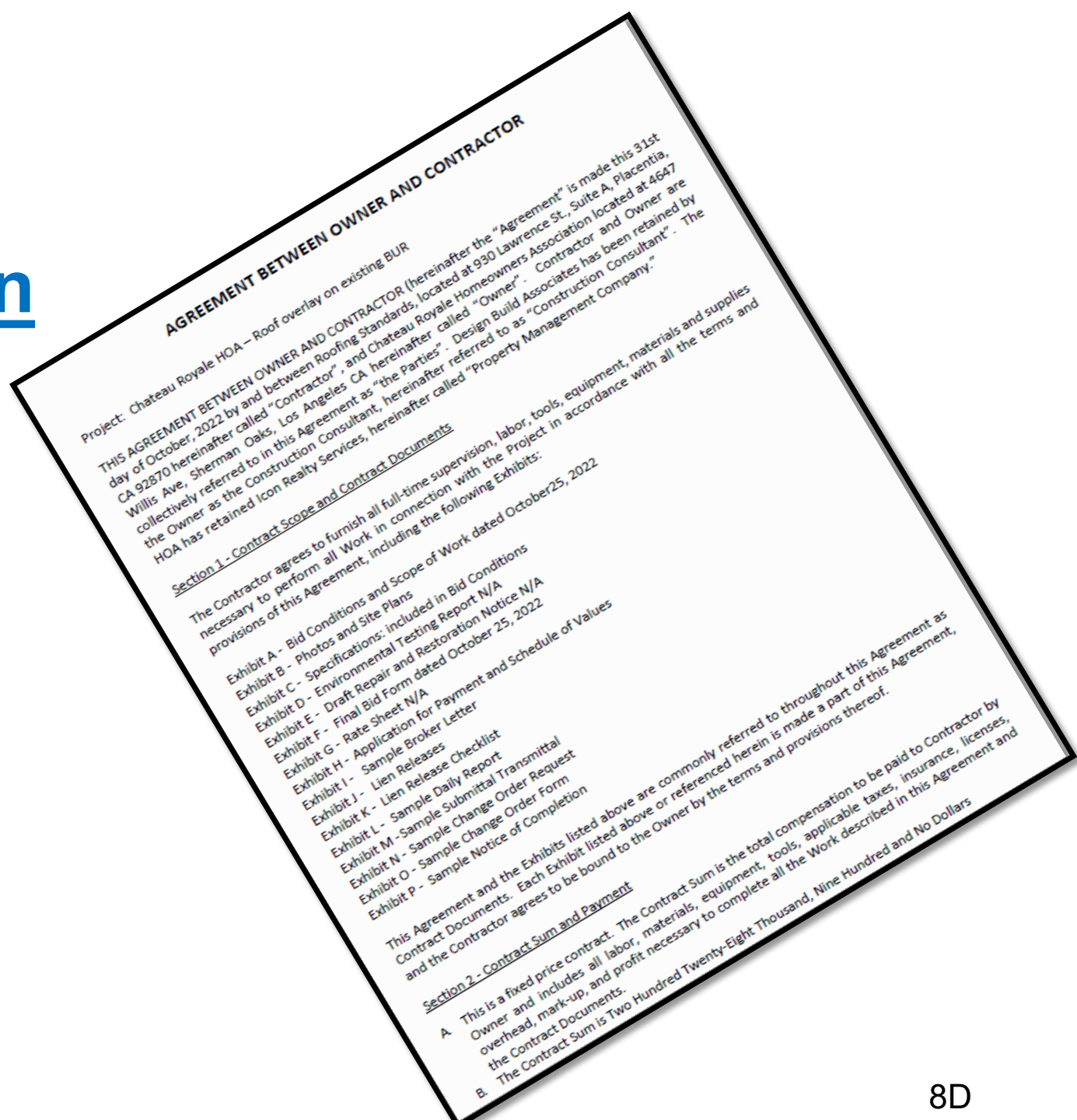
Project Consists of:

- Evaluate work of general contractor
- Improper waterproofing
- Inadequate deck coating
- Failed to perform window repairs
- Window washing system failed



Contract Execution

Owner Contractor Agreement



Communication

Repair and Restoration Notice

REPAIR AND RESTORATION NOTICE (Preliminary)

March 2022

This notice is prepared to help and guide the Homeowners and Tenants through the project. It is essential that all Homeowners and Tenants read and understand the information contained in this document.

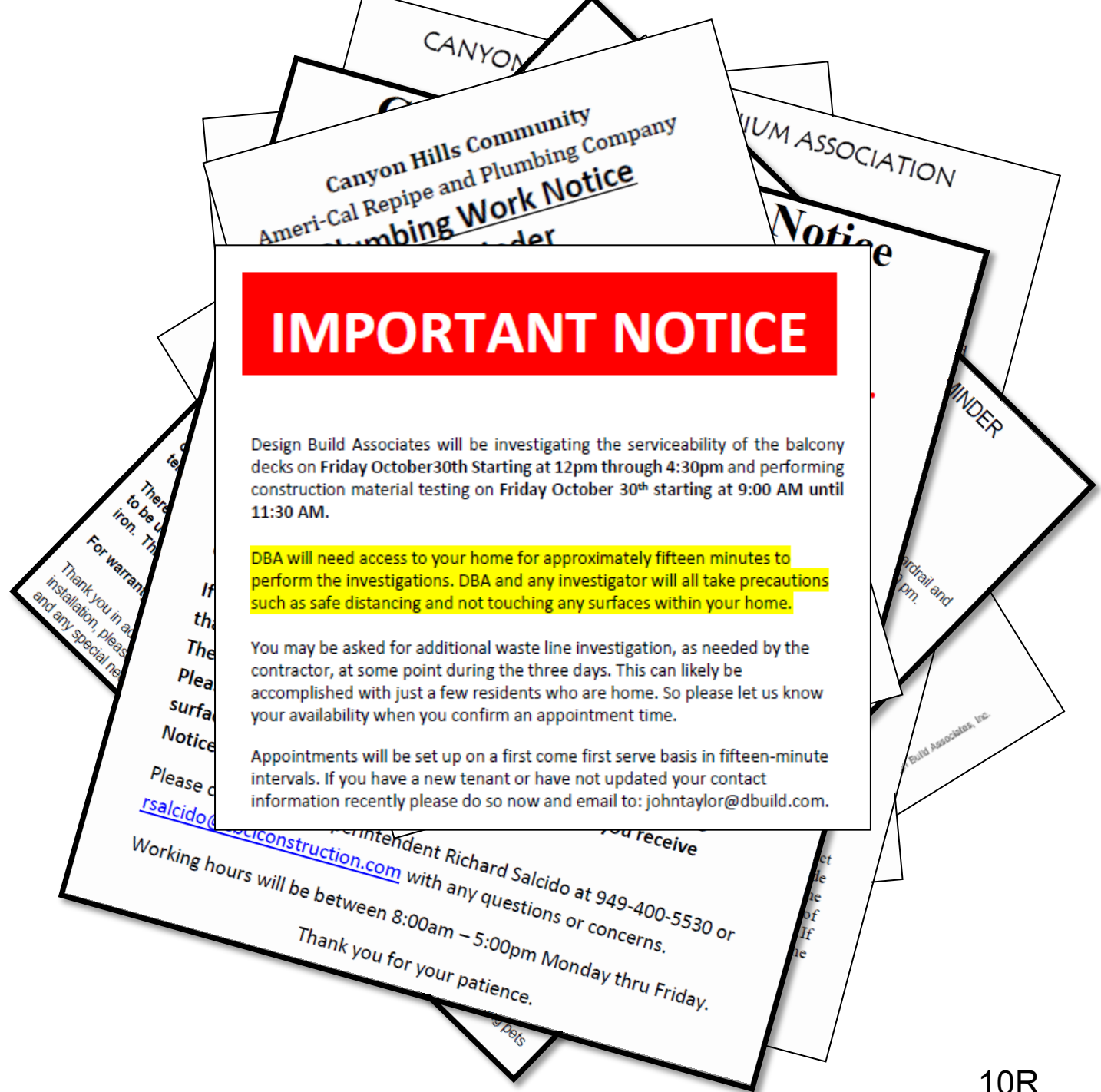
This Repair and Restoration Notice ("Repair Notice") has been adopted by the Board of Directors of the Harbour Walk HOA ("Association") to help inform the community about the scope of the repair and restoration project ("Project"), to explain how it will impact the common areas and individual homes, to identify the responsibilities of the HOA, the Contractor, the owners and tenants, and above all to ensure the Project proceeds as smoothly and efficiently as possible to a successful conclusion. The Board has made every attempt to be fair and equitable to every homeowner who is a member of this Association. The intent is to make as many of the repairs required to restore the property to its original or upgraded condition, nor is the Association required to compensate an individual homeowner for personal property that may have to be removed in order to repair the common areas. Please refer to your CC&Rs for specifics.

The Association reserves the absolute right to alter any of this Repair Notice at any time subject to its discretion should we find that during the course of the work certain changes are required to make the project function more effectively.

This Repair Notice is intended to cover all situations that are expected to be encountered during the course of the Project. However, because each unit is unique, homeowners are advised to bring to the Board's attention, in writing, any item that the homeowner feels is not covered by this Repair Notice. Design Build Associates (DBA) is the Construction Manager for the project. DBA's role is to manage the construction activities from start to completion and to oversee the work of the general contractor and its sub-contractors. Written concerns about the Project should be sent to our construction consultant, Dale Meredith at Design Build Associates. He can be reached at 949-250-3910 or dalemeredith@dbuild.com. Any issue that is not resolved will be referred to the Board for its consideration, again with the intent of treating every homeowner fairly.

Homeowners please understand that if your home is rented, it is your responsibility to communicate this Repair Notice to your tenants and to make sure that your tenants and residents/guests comply with the terms of this Repair Notice. If a tenant fails to comply

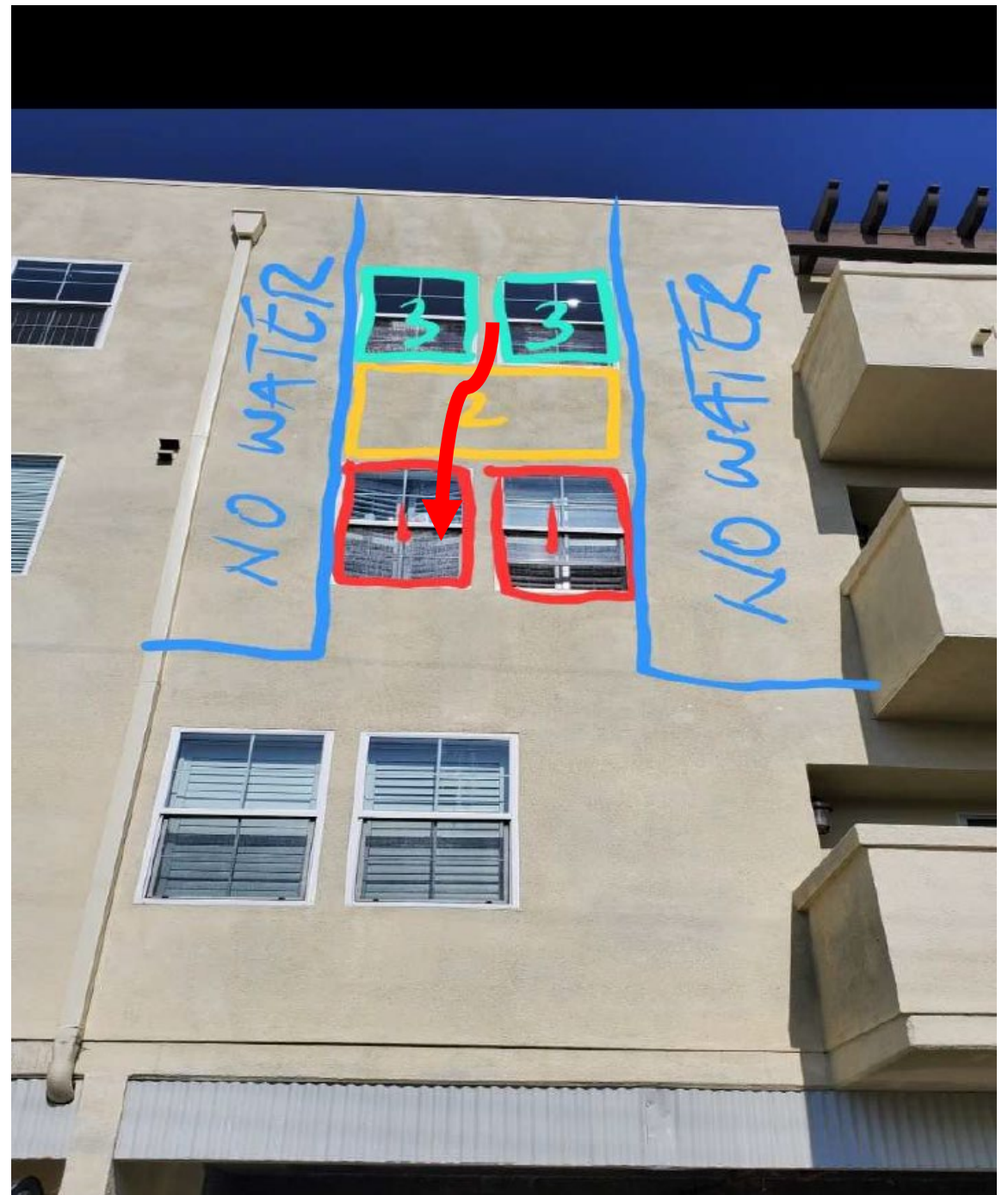
Homeowner Communications & Notices



Conditions at 14242 Burbank

- **Windows leaking**
- **Balcony decks leaking**
- **Upper roof deck leaking**
- **Pergolas need repairs**
- **Waterproof exterior stucco**

Windows leaking

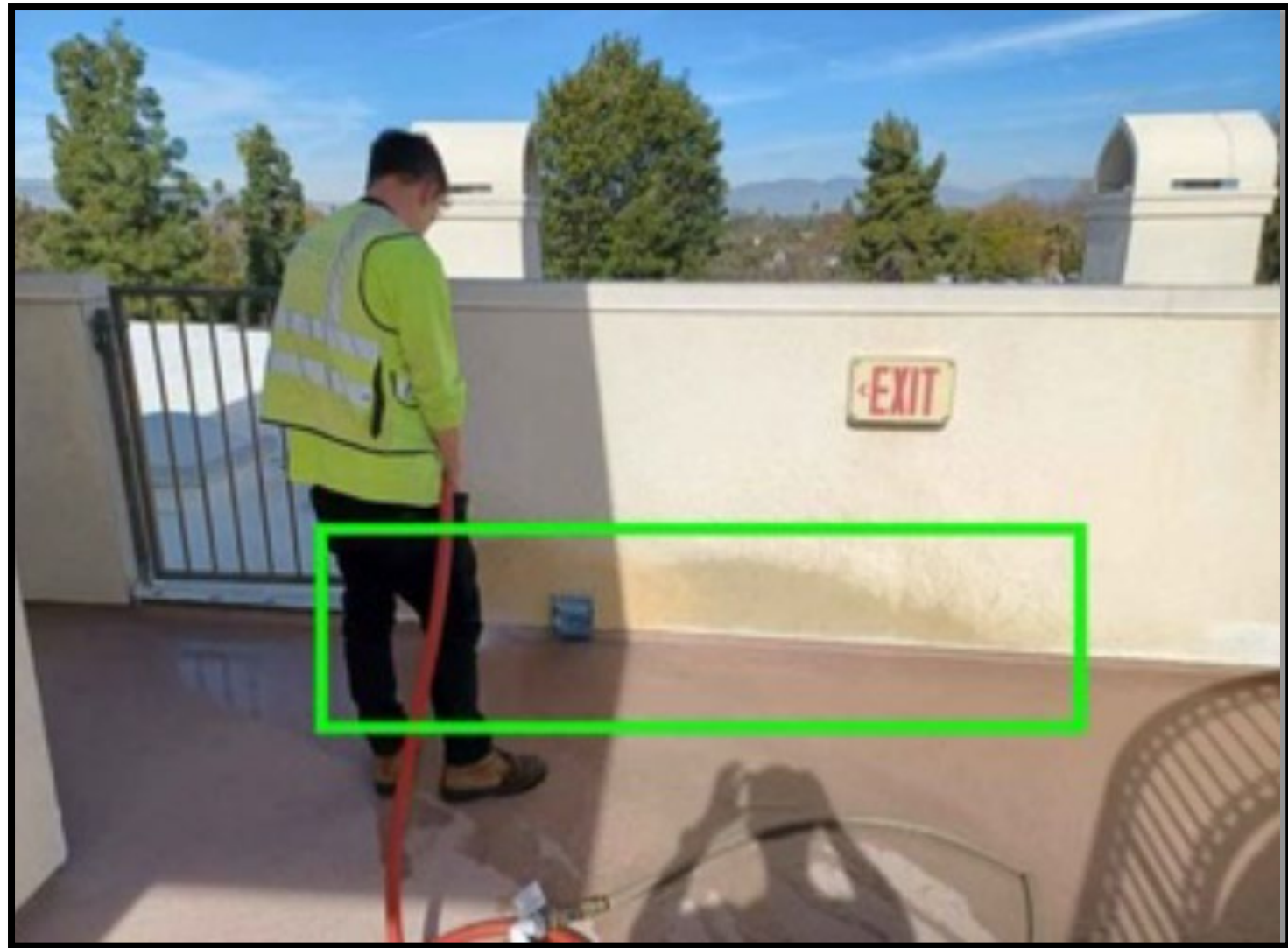


Balcony decks leaking



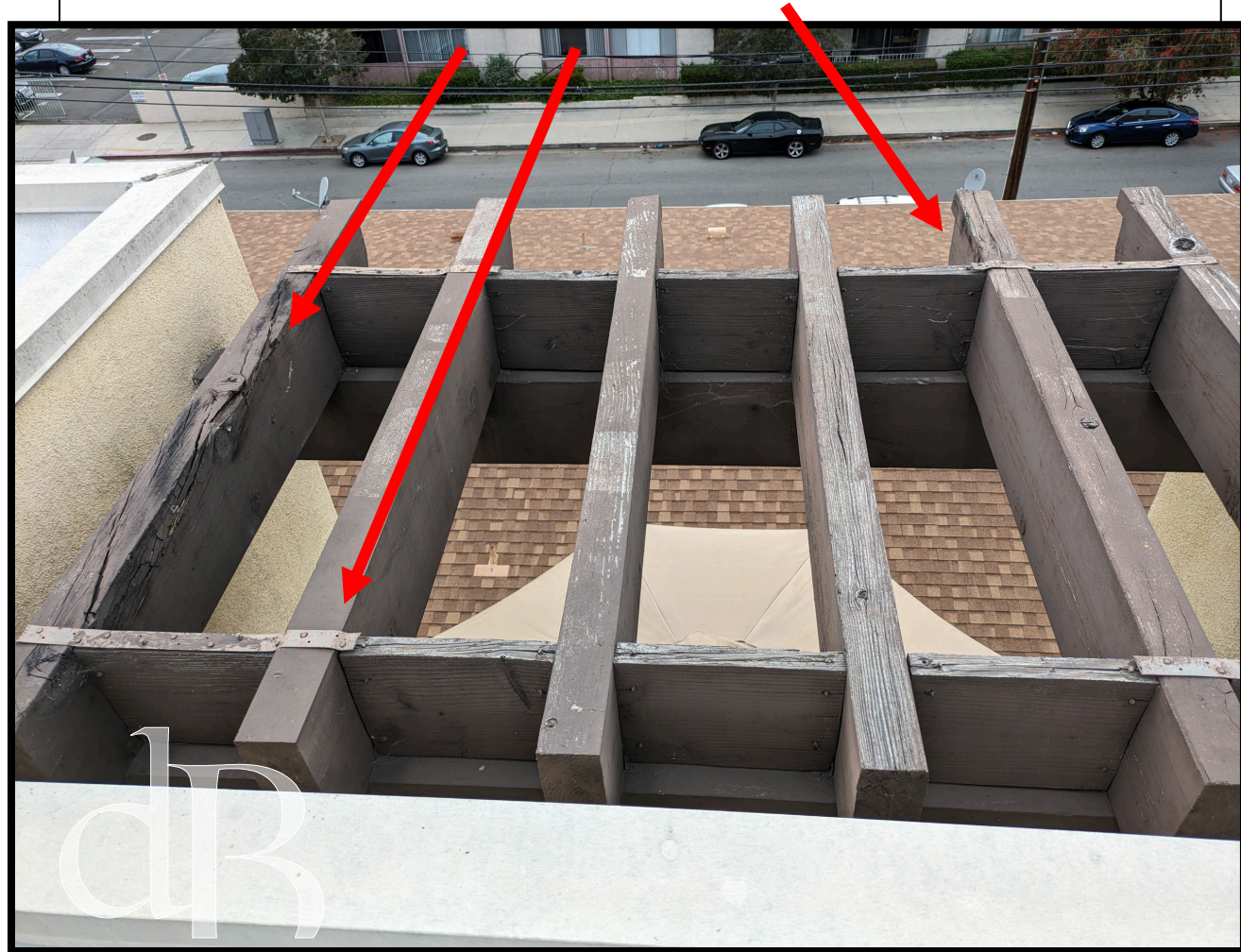
Third floor balconies have least protection

Upper roof deck leaking





The wood shade structures above the third floor balconies look fine from street level. But they have sustained moderate damage from years of neglected maintenance



Waterproof exterior stucco



There was obviously a defect in the stucco coating at your community. Random cracks are a bad sign. In older buildings we see the lath paper behind the stucco has deteriorated over time, and the most economical solution is elastomeric coating.



Sources of Funding Available for a Repair Project

- **Contributions from Reserves**
- **Contributions from regular assessment increases**
- **Contributions from a special assessment**
- **Couple the special assessment with a loan**

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14242 Burbank Blvd
Sherman Oaks, CA



Report #: 26061-3
Beginning: January 1, 2022
Expires: December 31, 2022

RESERVE STUDY
Update "With-Site-Visit"



Reserve Study Executive Summary

With-Site-Visit

14242 Burbank Blvd -
Sherman Oaks, CA

Report #: **26061-3**
of Units: 26

Level of Service: **Update "With-Site-Visit"**

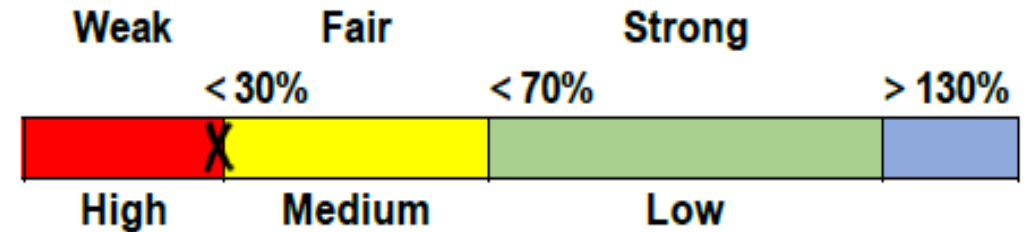
January 1, 2022 through December 31, 2022

Findings & Recommendations

as of January 1, 2022

| | |
|---|-----------|
| Starting Reserve Balance | \$170,720 |
| Currently Fully Funded Reserve Balance | \$564,744 |
| Average Reserve Deficit Per Unit | \$15,155 |
| Percent Funded | 30.2 % |
| Recommended 2022 Monthly "Full Funding" Contributions | \$2,635 |
| Recommended 2022 Special Assessments for Reserves | \$100,000 |
| Budgeted 2022 Monthly Reserve Contribution Rate | \$2,196 |

Reserve Fund Strength: 30.2%



Risk of Special Assessment:

Sources of Funding Available for a Repair Project

- **Contributions from Reserves**
- ~~Contributions from regular assessment increases~~
- **Contributions from a special assessment**
- **Couple the special assessment with a loan**

Example of how owners can participate in a loan

- **The HOA secures the loan with owner approval**
- **Your community qualifies for a fixed rate loan at 6.25%-7.0% interest for a period of 10-to-12 years.**
- **Each owner can opt to pay the assessment in full or take advantage of the loan.**
- **The ballot for the assessment will state the amount of the assessment and the terms of the loan.**

| 14242 BURBANK SCOPE OF WORK | 4/08/2024 | TRIFECTA* | PRO SERVICES** |
|---|-----------|-----------|----------------|
| BALCONY DOORS AND SURFACES | | | |
| Top Floor: Remove/reinstall doors to install sill pans/flashing | | | |
| Rebuild balconies to align with doors | | | |
| 2nd & 1st Floors: Apply sealant to doors; recoat balcony surfaces | | | |
| LEAKING WINDOWS: Remove, install flashing, reinstall | | | |
| ALL OTHER WINDOWS: Apply sealant around frames | | | |
| EXTERIOR STUCCO: Waterproof all four sides with elastomeric paint | | | |
| ROOF DECK: Install flashing; rebuild with new wood as needed | | | |
| 2ND & 3RD FLOOR WALKWAYS: Recoat to waterproof | | | |
| PERGOLAS: Repair or replace as needed | | | |
| ROOF TOWERS, PARAPET WALLS: Waterproof with elastomeric paint | | | |
| All lights and fire signage to be sealed | | | |
| METAL RAILINGS: To be sealed and painted | | | |
| CONTRACTOR PROPOSAL | | 766,455 | 861,185 |
| UNIT TERMITE TREATMENT: Fund on exception basis | | 6,000 | 6,000 |
| THIRD-PARTY PROJECT MANAGER: Project & Construction Over | | 30,000 | 30,000 |
| CONTINGENCY FUNDING | | 50,000 | 50,000 |
| CREDIT FROM JANUARY SPECIAL ASSESSMENT | | -126,853 | -126,853 |
| PRELIMINARY GRAND TOTAL | | 725,602 | 820,332 |
| PRELIMINARY TOTAL PER UNIT OWNER | | 27,908 | 31,551 |
| * Trifecta has a project manager on-site a minimum 3 days week to oversee workers plus a project team. | | | |
| ** Pro Services has an experienced construction superintendent on-site daily all day to oversee workers | | | |

Villa Tivoli Budget

| Project Budget | Qty | UM | Selected Bidder |
|---|-----|----|----------------------|
| 14242 Burbank Weatherproofing Enhancements | | | |
| R& R sliders and install door pans | 13 | EA | \$ 6,305.00 |
| 3rd Floor balcony reconstructions | 13 | EA | \$ 119,305.00 |
| Roof Walkway repairs | 1 | LS | \$ 79,415.00 |
| Deck coating re-coat on 1st and 2nd floor balconies, 2nd & 3rd floor walkways | 36 | LF | \$ 108,440.00 |
| Remove and re-set 24 windows to achieve proper flashing | 24 | EA | \$ 90,600.00 |
| Repairs on 13 wood overhead shade structures | 13 | LS | \$ 47,615.00 |
| Scaffold 6 months rental+OH | 1 | LS | \$ 60,030.00 |
| Elastomeric paint exterior elevations+ railings | 1 | LS | \$ 254,745.00 |
| Total | | | \$ 766,455.00 |

Villa Tivoli Budget

| | | |
|--|--|--------------------|
| Budget for Project | | |
| Hard Construct cost from above | | \$ 766,455 |
| Contingency: 10% | | \$ 76,646 |
| Subtotal | | \$ 843,101 |
| Permit Fee @ 1.0%+ termite inspections | | \$ 13,665 |
| Construction Management fee @ 8% + hourly | | \$ 88,000 |
| Total | | \$ 944,766 |
| Credit from January special assessment | | \$(126,853) |
| Preliminary Grand Total loan amount | | \$ 817,913 |

Villa Tivoli Potential Lenders

| Villa Tivoli | | | | | | |
|---|-------|-------------------------|-----------------|-----------------------|----------|---------------------------------|
| Loan Proposal Comparison assuming \$817,913 principal amount | | | | | | |
| Lender | Rate | Amortization Term (yrs) | Monthly Payment | Mo. payment per owner | Loan Fee | Comments |
| Citizen's Bank | 6.50% | 10 | \$ 9,287 | \$ 357.20 | \$ 2,044 | Loan is amortized over 10 years |
| Popular Association Bank | 6.65% | 12 | \$ 8,259 | \$ 317.67 | \$ 3,000 | Loan is amortized over 12 years |
| | | | | | | |
| | | | | | | |
| Notes: | | | | | | |
| Each lender has performed preliminary underwriting before issuing a proposal | | | | | | |
| Each lender require the HOA to set up accounts at their bank and keep a +/- \$50k of Reserves in the bank. | | | | | | |
| Citizen's will fund entire loan at closing, which will increase interest payments | | | | | | |
| PAB will fund loan draws monthly from credit line, convert to term loan at completion of construction, so interest only accrues to funds drawn. | | | | | | |

Draft Ballot Villa Tivoli

THE FIRST BALLOT QUESTION seeks approval for the **SPECIAL ASSESSMENT** of \$31,458 per unit (\$817,912 Total) to pay for the recommended building repairs. A summary of the construction project budget is enclosed.

To approve the special assessment to repay the loan amount, a majority of the votes represented and voting in a duly held election in which a quorum is represented must vote in favor of this special assessment.

THE SECOND BALLOT QUESTION seeks approval for the HOA to obtain a bank loan / line of credit from Popular Bank for up to \$817,912. This is the maximum amount of money available to the HOA for a **10-year** loan based on the terms described in the enclosed Commitment Letter from the lender.

To approve the obtaining of the bank loan, a majority of the voting power of the membership (greater than 50%) voting in a duly held election in which a quorum is represented must vote in favor of this special assessment. Thus, 14 or more votes in favor are required for the bank loan to be approved.

Draft Ballot Villa Tivoli

Please cast one vote approving or rejecting the following two ballot questions. PLACE ONLY A SINGLE "X" NEXT TO THE PROPOSED ACTION WHICH YOU SUPPORT. Only one ballot per unit is allowed.

BALLOT QUESTION NUMBER 1:

YES, I APPROVE THE SPECIAL ASSESSMENT IN THE TOTAL AMOUNT OF \$817,912 (\$31,458 PER UNIT). THE SPECIAL ASSESSMENT FUNDS WILL BE USED TO REPAY THE PROPOSED BANK LOAN IN EQUAL MONTHLY INSTALLMENTS FOR 10 YEARS (120 MONTHS). THE MONTHLY INSTALLMENTS, INCLUDING INTEREST, SHALL NOT EXCEED \$_____ PER UNIT FOR 120 MONTHS. I WILL HAVE THE OPTION OF PAYING THE SPECIAL ASSESSMENT EITHER IN THREE LUMP SUM PAYMENTS OR BY PARTICIPATING IN THE CONSTRUCTION LOAN.

NO, I DO NOT APPROVE THE PROPOSED SPECIAL ASSESSMENT.

BALLOT QUESTION NUMBER 2:

YES, I APPROVE THE HOA OBTAINING THE PROPOSED BANK LOAN FOR UP TO \$817,912 PER THE TERMS DESCRIBED IN THIS BALLOT AND THE POPULAR BANK LETTER OF COMMITMENT. I WILL HAVE THE OPTION OF PAYING THE SPECIAL ASSESSMENT EITHER IN THREE LUMP SUM PAYMENTS OR BY PARTICIPATING IN THE CONSTRUCTION LOAN.

NO, I DO NOT APPROVE THE HOA OBTAINING THE PROPOSED BANK LOAN.

Agenda for this meeting

- Design Build Associates (DBA)
- Conditions at Villa Tivoli
- How special projects are typically financed
- **Questions from homeowners**

Villa Tivoli Comments from April Meeting

1. Will I be reimbursed for the termite treatment I paid for, related to moisture from the pergolas and balconies? Will you treat for any termite activity found during the repairs?
2. Will you provide a schedule of what repairs are being done to which units for the whole building? I would like to know what repairs are being planned for my unit, and also for the unit above me since this may affect my unit.
3. If we need extra work done after the planned repairs, how will you prioritize the contingency funds?
4. SPECIAL ASSESSMENT: If we pay cash, can this be paid in installments? Will you provide at least a 30-day lead time for payments?
5. Just to confirm, you are applying the previous special assessment to the total cost of repairs, correct?
6. Will the recoating of the 2nd & 3rd floor walkways cover the existing stains? Will you plug all holes left by the SB326 testing?
7. How will claims of problems be handled after the project is completed? For example, if my windows start leaking after they are repaired? What are the warranties?
8. If you find wood rot around windows or moisture damage to the flooring and underlayment near patio doors when you remove windows and doors, what is the plan to correct this



COMMITTED TO OUR CLIENTS

PROFESSIONAL CONSTRUCTION MANAGEMENT & CONSULTING





Serrano Sandcastle is a collection of 76 condominium homes in Orange County. The community consists of seven buildings, spacious open areas with a spa and children's play area. It is conveniently located in Lake Forest near the Sun and Sail Club and both the 405 and 241 Toll Road. The Board has engaged DBA to oversee a community-wide repipe.

[ACCESS WITH PASSWORD](#)

Wilshire Selby East



Wilshire Selby East is a high-rise condominium tower constructed in 1972 consisting of 90 units on 12 floors. Located on the west end of the Wilshire Corridor, convenient to Westwood/UCLA, the building offers an on-site 24/7 concierge doorman, secured underground garage parking and soon to be renovated pool/spa area. The Board has hired Design Build Associates to oversee repairs to the parking structure, balconies, and pool area.

[ACCESS WITH PASSWORD](#)

Sample Project



Enchanted Valley HOA is a 300-unit townhome and single family complex located in Anytown, CA. The gated community features a community pool, spa and recreation facility located among meandering greenbelts with mature trees. The Association has engaged DBA to provide construction management/consulting services for their roofing, repiping and refurbishment project.

[ACCESS WITH PASSWORD](#)

Mountain View Section Hill HOA

DaleMeredith@Dbuild.com

(Mention Community name and your Unit # in Subject Line please)