

Board of Directors
c/o 110 The Village #104
Redondo Beach, CA 90277

#3751.00
SEASCAPE/two

January 17, 2022

APPROVAL OF SPECIAL ASSESSMENT TO COVER PRE-CONTRACT ACTIVITIES TO SUPPORT
REMEDICATION OF FOUNDATION MOVEMENT IN THE 140 BUILDING,
140 BUILDING ELEVATOR REPAIR COST RECOVERY,
AND IMPACTS OF A NEW STATE LAW ON MANDATORY EXTERIOR INSPECTIONS

Unit 140 /311

Dear SEASCAPE/two Homeowner:

In November 2020, homeowners were sent an update on 140 Building Foundation movement issues, 140 Building Elevator Cost Recovery, and the impact of California SB326 and the likelihood of a Special Assessment to address the financial impact of these issues. A subsequent update was sent to homeowners in July 2021 regarding the 140 Building foundation movement and described an expanded scope of pre-contract work required to assess both vertical and horizontal movement of the 140 Building foundation.

Homeowners are now being asked to approve the first of two Special Assessments to cover expenditures associated with these 3 issues. A short description of each issue is provided below.

140 Building Foundation Movement

In late 2018, a crack in the concrete floor in the lower 140 Building parking garage was observed by staff. Due to the length of the crack, the Association engaged a licensed structural engineer to evaluate the crack. Based upon the findings of the initial investigation, the Association engaged Stoney-Miller Consultants, a Geotechnical Engineering firm. In April 2019, a soil investigation was performed, boring holes and collecting soil samples under the 140 garage. The evaluation concluded that the distress to the parking garage slab is attributed to long-term settlement of loose fill and dune sand deposits supporting the foundations of the parking garage. A manometer survey of the western portion of the 140 parking garage indicates a maximum floor elevation difference of 2.2 inches. Subsequent to that initial investigation, the Association engaged Design Build Associates (DBA) to manage pre-contract activities. A structural engineer (Richmond Hoffmeyer, Inc.) engaged by DBA discovered that in addition to vertical movement, the 140 Building foundation is also moving horizontally. DBA and the Association are currently in the process of performing additional soil sampling of the area west of the 140 Building to determine potential causes of the horizontal movement, so a remediation plan can be developed.

As detailed in the July 2021 update, the Association has expended significant funds to perform pre-contract investigation of the foundation movement issues. To date, the Board has borrowed \$177,000 from Reserves (\$62,000 in June 2021 and an additional \$115,000 in October 2021). By law, these funds must be repaid to Reserves within one year. To support construction contract management activities, approval of an additional \$250,000 has been requested, for a total of \$427,000. It should be noted that this amount does not include the actual cost of construction for the remediation itself, which would be put forth for approval as a second Special Assessment later in 2022.

140 Building Elevator Cost Recovery

In late 2019 and early 2020, the 140 Building Elevator encountered a failure of the hydraulic oil tank assembly that required replacement of the tank and associated pump motor at the cost of \$61,113. As a “life of the building” component, the tank and pump motor replacement was never foreseen in prior Reserve funding estimates. While the Association has worked with the Reserve Study company to incorporate future tank and pump motor replacement costs for the remaining buildings starting in 2021, the 140 Building costs must be recovered to maintain the financial health of the Association.

California SB326

SB 326, which took effect January 1, 2020, introduces Civil Code Section 5551, which sets forth new requirements for associations with three or more multifamily dwelling units. For these associations, all exterior elevated elements that are supported in substantial part by wood or wood-based products, such as decks, balconies, stairways, and walkways, must be visually inspected every nine (9) years by a licensed structural engineer or architect (“Inspector”). The inspections are intended to determine whether the exterior elevated elements are in a generally safe condition and performing in accordance with applicable standards. These new requirements follow in the wake of a catastrophic balcony failure that resulted in a number of tragic deaths.

The law mandates that the initial inspection be completed prior to December 31, 2024. In the interest of safety, the Board of Directors has decided to perform the initial inspection in 2022. The Association must examine a “statistically significant sample” of all balconies and walkways. Based on a proposal received from a licensed structural engineering firm, the Association estimates the cost of inspection, patching of holes created by the inspection, and a very limited number (3-5%) of balcony/walkway repairs at \$227,700. While costs of subsequent inspections (performed every 9 years) have been incorporated in the Reserve funding process and included in monthly Homeowners Association fees, the cost of the initial inspection is not covered.

Approval of the first of two Special Assessments in 2022

On the attached ballot, homeowners are being asked to approve a Special Assessment in the amount of \$715,813 to cover the pre-contract costs of 140 Building foundation movement and construction contract management estimates, 140 Building Elevator Cost Recovery, and the initial California SB326 inspection. As noted above, a second Special Assessment will be put forward for approval in 2022 to cover the construction costs of remediating 140 Building foundation movement.

For your unit (140 /311), the amount of the first Special Assessment would be \$3,751.00, based on the ownership percentage specified in the governing documents of the Association.

Approval of this Special Assessment is essential to the continued financial health of the Association. If the Special Assessment is not approved by the homeowners, the Board will need to evaluate other measures, such as borrowing the funds at the prevailing interest rate (which will only increase costs) and subsequent repayment through monthly fee increases. As always, the Association will keep homeowners advised of progress, costs, and the path forward.

Sincerely,
Your SEASCAPE/two Board of Directors

Seascape/two: Special Assessment Amount Per Unit

Below is breakdown of the proposed special assessment amount on a per unit basis. Individual unit assessment amounts are allocated based upon the square footage of each unit as specified in the governing documents of the Association.

Building	Unit	Amount
110	101	\$4,059.00
110	102	\$2,827.00
110	103	\$2,827.00
110	201	\$4,059.00
110	202	\$2,827.00
110	203	\$2,827.00
110	204	\$4,288.00
110	205	\$4,288.00
110	206	\$4,288.00
110	207	\$4,288.00
110	208	\$4,288.00
110	209	\$4,288.00
110	210	\$4,288.00
110	211	\$4,288.00
110	301	\$4,059.00
110	302	\$2,827.00
110	303	\$2,827.00
110	304	\$4,288.00
110	305	\$4,288.00
110	306	\$4,288.00
110	307	\$4,288.00
110	308	\$4,288.00
110	309	\$4,288.00
110	310	\$4,288.00
110	311	\$4,374.00
110	401	\$4,653.00
110	402	\$2,827.00
110	403	\$2,827.00
110	404	\$4,288.00
110	405	\$4,288.00
110	406	\$4,288.00
110	407	\$4,288.00
110	408	\$4,288.00
110	409	\$4,288.00
110	410	\$4,288.00
110	411	\$4,374.00
110	501	\$5,046.00
110	502	\$5,046.00
110	503	\$5,046.00
110	504	\$5,046.00
110	505	\$5,046.00
110	506	\$5,046.00
110	507	\$5,046.00
110	508	\$5,104.00

Building	Unit	Amount
120	101	\$4,288.00
120	102	\$4,288.00
120	103	\$4,288.00
120	104	\$4,288.00
120	105	\$4,374.00
120	106	\$3,779.00
120	107	\$3,157.00
120	108	\$3,157.00
120	109	\$3,865.00
120	110	\$3,751.00
120	111	\$4,094.00
120	201	\$4,374.00
120	202	\$4,288.00
120	203	\$4,288.00
120	204	\$4,288.00
120	205	\$4,374.00
120	206	\$3,779.00
120	207	\$3,157.00
120	208	\$3,157.00
120	209	\$3,865.00
120	210	\$3,751.00
120	211	\$4,094.00
120	301	\$4,374.00
120	302	\$4,288.00
120	303	\$4,288.00
120	304	\$4,288.00
120	305	\$4,374.00
120	306	\$3,779.00
120	307	\$3,157.00
120	308	\$3,157.00
120	309	\$3,865.00
120	310	\$3,751.00
120	311	\$4,094.00
120	401	\$5,104.00
120	402	\$5,046.00
120	403	\$5,046.00
120	404	\$5,046.00
120	405	\$4,953.00
120	406	\$4,374.00
120	407	\$3,679.00
120	408	\$3,157.00
120	409	\$3,865.00
120	410	\$3,751.00
120	411	\$4,094.00

Building	Unit	Amount
130	101	\$4,796.00
130	102	\$3,751.00
130	103	\$3,529.00
130	104	\$4,145.00
130	105	\$4,230.00
130	106	\$3,951.00
130	107	\$3,865.00
130	201	\$4,796.00
130	202	\$3,751.00
130	203	\$3,529.00
130	204	\$4,145.00
130	205	\$4,230.00
130	206	\$3,951.00
130	207	\$3,865.00
130	301	\$4,796.00
130	302	\$3,751.00
130	303	\$3,529.00
130	304	\$4,145.00
130	305	\$4,230.00
130	306	\$3,951.00
130	307	\$3,865.00
130	401	\$3,751.00
130	402	\$3,529.00
130	403	\$4,145.00
130	404	\$3,865.00
140	101	\$4,345.00
140	102	\$4,288.00
140	103	\$4,653.00
140	104	\$3,243.00
140	105	\$3,243.00
140	106	\$3,894.00
140	107	\$3,751.00
140	201	\$4,431.00
140	202	\$4,288.00
140	203	\$4,653.00
140	204	\$3,243.00
140	205	\$3,243.00
140	206	\$3,894.00
140	207	\$3,751.00
140	208	\$3,865.00
140	209	\$3,837.00
140	210	\$3,865.00
140	211	\$3,751.00
140	212	\$3,751.00

Building	Unit	Amount
140	213	\$3,751.00
140	301	\$4,431.00
140	302	\$4,288.00
140	303	\$4,653.00
140	304	\$3,243.00
140	305	\$3,243.00
140	306	\$3,894.00
140	307	\$3,751.00
140	308	\$3,865.00
140	309	\$3,794.00
140	310	\$3,865.00
140	311	\$3,751.00
140	312	\$3,751.00
140	313	\$3,751.00
140	401	\$4,402.00
140	402	\$4,288.00
140	403	\$5,075.00
140	404	\$3,722.00
140	405	\$3,722.00
140	406	\$4,553.00
140	407	\$4,316.00
140	408	\$3,837.00
140	409	\$3,865.00
140	410	\$3,751.00
150	1	\$5,497.00
150	2	\$5,497.00
150	3	\$5,497.00
150	4	\$5,497.00
150	5	\$5,497.00
150	6	\$5,497.00
150	7	\$6,092.00
160	8	\$5,784.00
160	9	\$5,727.00
160	10	\$5,727.00
160	11	\$5,727.00
160	12	\$5,727.00
160	13	\$5,727.00
160	14	\$5,727.00
160	15	\$5,727.00