

It is clear that much of the water runoff from the park is not captured by the metal drain, but is instead absorbed by the fill under the access road. The runoff is much less visible in the afternoon when it has been absorbed by the access road fill, and partially evaporated. The infusion of drain water over the years is a possible cause of the horizontal movement of the 140 ground slab, in that the partially sunken weight of the podium and timber superstructure may find little horizontal resistance from the water-soaked soil under the access road.

Next Steps

The above conclusions were provided to the Seascape Two Board in a Structural Opinion Letter signed and sealed by Joseph Hoffmayer, PE, SE. They were discussed with a representative of DBA at the SSII Board Meeting held on Tuesday, 13JUL21, which was open to all homeowners via Zoom. The following was recognized and accepted by the Board:

- 1) The 140 slab-on-grade is sinking, which vertical movement needs to be corrected. The previously proposed solution of helical piers is appropriate and effective.
- 2) The 140 podium floor (parking slab) is sliding horizontally, more so than the podium ceiling, forcing the west podium wall to lean inward towards the center of the parking garage. This must be corrected. In fact, it must be corrected before the helical piers are located to halt the vertical sinking. The reason is that if the piers are inserted before the lateral motion is stopped, the piers will simply be bent toward the west, compromising their ability to function as intended.
- 3) An independent soils engineering firm should be contracted to confirm the condition of the fill under the access road, and its lack of resistance to the lateral motion of 140 slab-on-grade (parking slab). (DBA was directed to implement this.)
- 4) A civil engineer familiar with drainage issues should be contracted to study the drainage scheme for Czuleger Park, and to coordinate with the City of Redondo Beach regarding same. (DBA was directed to implement this.)
- 5) Buildings 110, 120 and 130 should be inspected by a licensed structural engineer to determine the structural soundness of each. (DBA was directed to implement this.)

Following the discussion, and the subsequent direction given to DBA, Board members emphasized that there was urgency in the resolution of this issue. The problem is understandably complex, and must be approached in a deliberate, methodical manner, but must also be effected as swiftly as possible without compromising the result. The DBA representative understood this, and agreed to accelerate the effort to the maximum practical extent.

Frequently Asked Questions

Q: Is the situation dangerous?

A: We don't know; however, our consultants tell us that the engineers have not uncovered anything which would indicate that we need *emergency* repairs. For example, the columns supporting the podium ceiling appear to be in good condition with no indication of damage to the internal re-bar; that is, we are not plagued by water corroding the re-bar within the columns. The issue appears to be isolated to the bottom slab drift downward and laterally toward the ocean. Insofar as our engineers and consultants have determined, this drift, both downward and sideways, has not yet damaged the

columns or podium walls to any extent that would put us in immediate jeopardy, although this may change in the mid- or long-term.

Q: How will this effort be financed and how much will it cost?

A: The effort will be financed exclusively through the upcoming Special Assessment. Normally, large projects, such as elevator repair/replacement, or painting and repair of the siding, are financed through our reserve account. Reserve funds, however, are only established for *predictable* repairs and replacements. Movement of the 140 building slab-on-grade (the bottom slab of the podium), both vertically and horizontally, was not predictable by anyone involved in Seascape Two management, Staff or Board. It was *observed* by Staff, fortunately, which led us to our present situation, but no funds have been previously allocated to correct this failure.

The slab repair cost will be comprised of design, management, and construction elements and will constitute a portion of the upcoming Special Assessment. We are presently borrowing from our Reserve Fund to pay for immediate design and inspection costs. Bear in mind that the State of California now requires a Balcony and Walkway Inspection (SB326). This, too, will be costly. A final component of the Special Assessment is the cost of repairing the 140 building elevator, which failed unexpectedly. As of this writing, estimated costs for known repairs include the following:

- 140 slab-on-grade vertical stabilization (rough estimate): \$ 625,000
- Reimbursement to Reserve Fund for already sunk costs: \$ 62,000
- SB326 Balcony and Walkway Inspection (rough estimate): \$ 227,700
- Contingency \$ 35,137
- (Unanticipated) 140 elevator repair and required upgrade: \$ 61,113

Total: \$1,010,950

Note that the above includes the Board's estimate for the 140 slab *vertical* correction repairs only, and does NOT include any repair costs for the 140 slab *horizontal* correction repairs. Using the present amount, \$1,010,950 and dividing by our 171 units, the total assessment comes to an average of \$5,912 per unit. (As always, each unit's actual assessment will be proportional to the amount of square footage contained within the unit). If we add the cost of horizontal correction repairs, using a VERY rough estimate of \$500,000, the average assessment per unit rises to \$8,836 per unit. These numbers will change; they may go up or they may go down. In all likelihood, they will go up, but by how much we can't say. The purpose of giving you such rough estimates is to reinforce the notion that a Special Assessment is coming, and that you need to prepare for same.

Q: What is the schedule for engineering and repair of the 140 slab-on-grade issue?

A: We are not able to offer a firm schedule since there remain too many unknowns. A very rough, albeit aggressive, schedule *might* be as follows:

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| July/August 2021: | Bring a soil engineer on-board our team to study the capacity of the soil underlying the access road to resist the lateral motion of the 140 slab-on-grade, and a civil engineer to study the appropriateness of the Czuleger Park water drainage runoff scheme. |
| September 2021: | Prepare plans and specifications based on the above studies and release same for bid |
| October/December 2021: | Give potential contractors time to prepare their bids |
| January 2022: | Review bids and select a contractor. Once the cost is known, the Special Assessment would be issued. |
| February 2022: | Begin construction |
| May 2022: | Complete construction |

The Seascope/two Board of Directors