



STREAM HOUSE

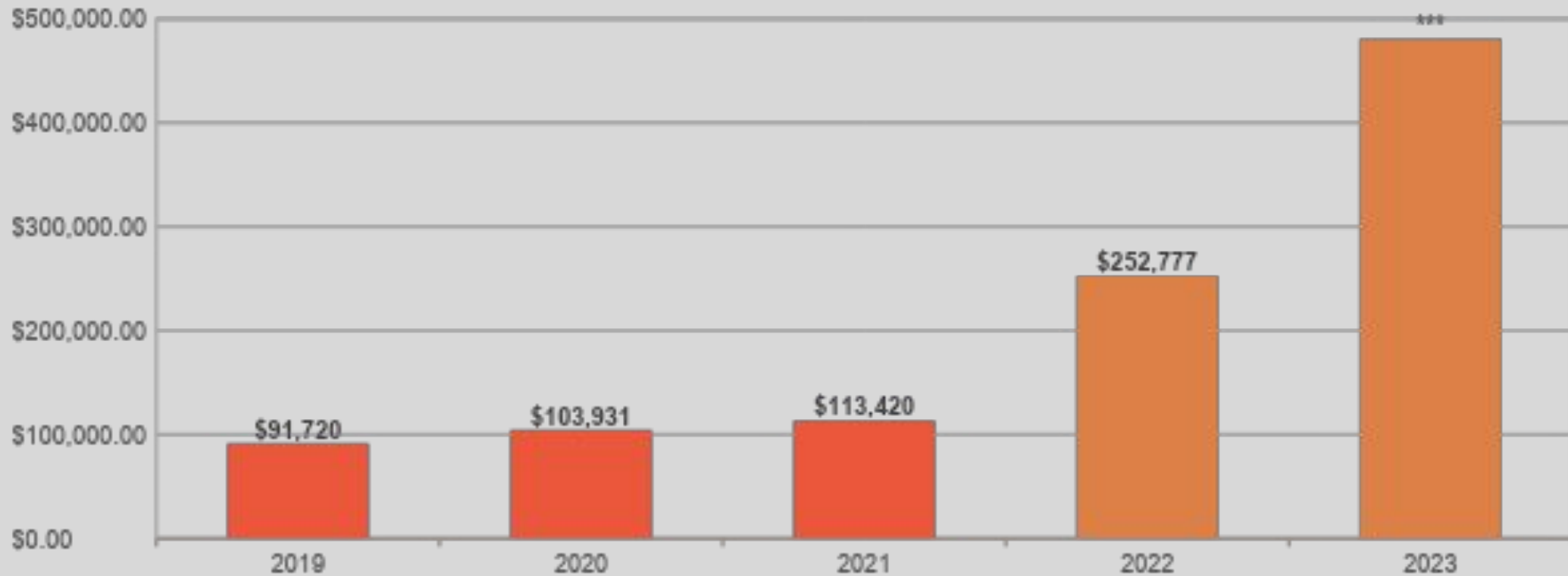
PROPOSED COMMUNITY REVITALIZATION
PROJECT PLAN

Introductions

- Volunteer Board of Directors
- Community Manager – Kaycie Lambright
 - Powerstone Property Management
- Legal Counsel – David Cane
 - Cane & Harkins LLP
- Construction Manager – Conor Ross & Matt Nawabi
 - Ross Construction Management

Leak Related Expenses

5-Year Leak Expenses - \$1,042,942



*** 2023 estimated cost collected from Jan-Apr financials

Why Are We Here?

01

ROOFS

02

DECKS

03

STUCCO
WATERPROOF
COATING



01 ROOFS

Flat roofs are beyond their useful life

Current Roof Condition

- Poor – very poor
 - Well past useable life
- Multiple roof systems
 - Built-up Roofing Systems (hot mop roofs)
 - Torch down roofs
 - Coatings on both (stop-gap measure)

McCarthy Roofing roll-on coating

- No flat roofs in the community have been replaced within the last 20+ years
- A temporary roll-on coating was applied by McCarthy Roofing as a stop-gap measure
 - 190 Singingwood #11,
 - 190 Singingwood #12
 - 204 Singingwood #2
 - 5727 Stillwater #11
 - 5846 Creekside #9
 - 190 Singingwood #14
 - 178 Singingwood #2



Condition of roll-on coating



Roll-on coating continued



Roll-on coating continued



Ponding Water

Current Roof Condition

- Indicators of roof failure
 - Coating delamination from ponding
 - Cracks telegraphing through the asphaltic roofs
- Recent Maintenance (Antis Roofing and Waterproofing)
 - All visible failures were addresses
 - New failures are already showing up
 - Frequency of failures is increasing as the oils degrade
- Ponding
 - Increases failures
 - Voids the built-up roofing (BUR) warranty



Interior leak
damage at
Stream
House



**Previous
Failure
Areas -
Pipes**



New single-ply
PVC membrane
addresses exiting
roof's weak
points



Flat Roof Materials & Warranty

- IB Roof Systems – 60-mil PVC Roofing System
 - Extended 25-year Total Systems warranty
 - 20-year no-dollar-limit warranty
 - Seams are welded with hot air, not an open flame.
 - PVC roofing is basically a modified pool liner, so any current ponding water is not an issue with this system and does not void the warranty.
 - Improved UV reflection



FLAT ROOF REPLACEMENT BUDGET

| Item | | Amount | Notes |
|------------------------|-----|-----------------------|-----------|
| Total Re-Roof Contract | | \$1,897,303.72 | |
| Roof Contingency | 10% | \$189,730.37 | Estimated |
| Total | | \$2,087,034.09 | |



02 DECKS

DECKS ARE FAILING

Current Condition of Decks

- Ok to Poor
 - Decks rated “ok” need a maintenance coat
 - Decks rated poor have (or will soon) fail
- 222 total decks at Stream House (154 front and 68 rear)
 - 67 are rated “ok”
 - 121 are rated “poor”
 - 14 decks have been repaired
 - 10 decks are scheduled for repair
 - 10 decks are approved and pending scheduling
- Maintenance
 - Catches issues before they become major
 - Keeps “ok” decks from becoming “poor” decks
 - Should be top coated every 4 years

Holes In Deck Coating



Deck Failures



Coating Cracks Lead To Failure




Tile On Decks



DECK REPAIR PROJECT BUDGET

| Item | | Amount | Notes |
|------------------|-----|---------------------|-----------|
| Deck Repairs | | \$290,727.27 | |
| Deck Contingency | 30% | \$87,218.18 | Estimated |
| Total | | \$377,945.45 | |



03 STUCCO WATERPROOF COATING

WEATHER-EXPOSED STUCCO WALLS (SOUTH & WEST)

STUCCO WATERPROOF COATING BUDGET

| Item | | Amount | Notes |
|----------------------|----|---------------------|-----------|
| Stucco Waterproofing | | \$291,000.00 | |
| Contingency | 5% | \$14,550.00 | Estimated |
| Total | | \$305,550.00 | |

Project Budget

01

ROOFS

02

DECKS

03

**STUCCO
WATERPROOF
COATING**

Stream House Revitalization Budget

| | |
|------------------------------------|--------------------|
| Re-Roof | \$1,897,304 |
| Decks | \$290,727 |
| Stucco Waterproof Coating | \$291,000 |
| Subtotal (All Projects) | \$2,479,031 |
| Contingency & Project Mgmt., Misc. | \$477,426 |
| Project Total | \$2,956,457 |

Funding The Plan – Loan

- Loan amount: \$2,960,000.00
- Term:
 - 12-month, non-revolving line of credit, then converts to a fixed rate loan
- Collateral is a pledge of assessments not liens on your homes
- Current interest rate: 8.25%
- Fees: Commitment Fee of .25% = \$7,400.00, documentation fee \$500.00
- Prepayment penalty: 5%, 4%, 3%, 2%, 1% on term portion) only in effect if the association re-finances with another lender)

Plan Payment Options

- Pay upfront
 - No interest, principal only
 - \$17,831.33 lump sum payment
- Monthly payments
 - Estimated at \$175 per month (includes principal and interest)
 - 180 months
 - Can be transferred to new owner or settled at sale, it is entirely up to you!

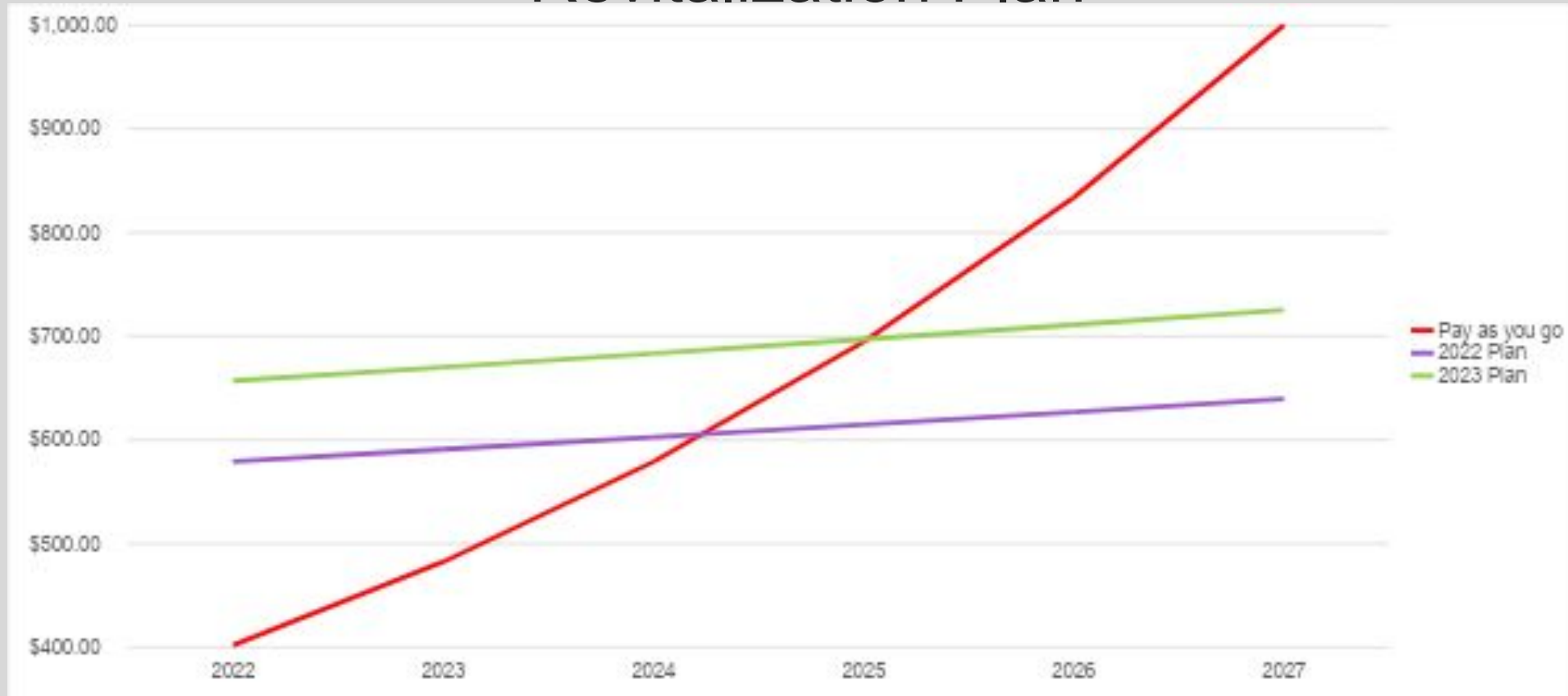
Alternatives To A Loan

- Reserves remain underfunded, delaying repairs for other items
- Annual increases up to 20% year + 5% per year special assessment
- More interior damage, resulting in redundant, costly repairs
 - Restricted use of home
- Increased insurance premiums

Reduced Salability –Input From A New Owner

- Underfunded reserve and disintegrated infrastructure cause:
 - Adverse impact to property values and our property investment
 - Higher HOA fees deter buyers interest in community
 - Reduced property values will result from higher HOA fees
 - High risk of “special assessments” drive property values down
 - Real estate “Black Listing”
 - Reserves of less than 15%: lenders won’t make less expensive loans “Fannie Mae” “Freddie Mac” because they can be resold in the market. Resulting in fewer buyers
 - Lack of reserves for unforeseen emergencies:
 - Local Orange HOA – Gas shut off at the street due to gas leak, HOA reserve fund concerns cause 4 week delayed leaving stakeholders without gas for cooking, hot water for showers more than 3 weeks.

“Pay and repair as you go” vs. Revitalization Plan



2022 plan - \$402 monthly dues plus \$177/month special assessment

2023 plan - \$402 monthly dues (2022 dues) plus \$80 monthly dues increase (2023) plus \$175/month special assessment

Voting Requirements

- To approve an assessment, more than half of all the units must return a ballot, and more than half of the votes that are cast must be in favor of the assessment.
- Stream House has 166 units, so that means at least 84 units must return ballots to establish minimum quorum needed just to be able to open and count ballots. Provided quorum is met, to approve the measure a majority of the votes that are cast must be “yes”.

IT'S ALL UP TO YOU ~ EACH OF YOU!

- We need your “Yes” vote!
- We also need your neighbors’ “YES” votes as well for this to pass
- Ballots will be mailed to your home on Monday, July 17, 2023

**WE NEED YOUR HELP & SUPPORT TO SOLVE
THIS AS A COMMUNITY!**

Questions?

- To raise your hand on Zoom
 - Click “reactions” at the bottom of your screen
 - Click “raise your hand”
- To raise your hand on the phone
 - Press *9

In Person Meet & Greet

- What – Pizza social to discuss project plan and voting
- When – Wednesday, July 26th at 5:30 PM – 7:30 PM
- Where - Villeurbänne Pool (260 N. Singingwood St Orange, CA 92869)
- Why – Answer any questions relating to the loan vote