

HOMEOWNERS' ASSOCIATION  
**MILLRIDGE TOWNHOUSES**

1610½ N. W. 143rd Avenue • Portland, Oregon 97229



**To: Owners/Members of Millridge Homeowners Association**  
**Subject: Proposed Serial Special Assessment for Garage Roof Coating Project**  
**Date: March 27, 2018**

Dear Owners:

We are writing to notify you that your Board of Directors has determined that a serial special assessment is needed to fund the necessary resurfacing of the garage roofs of all units. The meeting during which owners will vote on the proposed serial special assessment will be held on **Thursday, April 12th, 2018 at 6:30 pm in the Millridge HOA Clubhouse.**

The Serial Special Assessment Resolution, which has been prepared by the HOA's legal counsel, is enclosed. As we've been discussing over the last several months, our garage roofs have reached the end of their useful life and are in need of resurfacing to prevent additional leaks and potential damage to the garages. **The Board fully endorses this proposed Serial Special Assessment and urges all owners to vote "yes" on this very important issue.**

We hope the information provided below in Q & A format will answer the questions you may have about why we are endorsing this proposal.

**Do the garage roofs really need to be replaced?**

The need to replace or resurface the garage roofs this year is evidenced by the number of leaks that have been reported over the last couple of years, by visual inspection of the condition, and by recommendations made by various roofing companies that have done recent repairs. It was also anticipated in the last professional reserve study. According to that study, the expected useful life of 20 years has already expired for all garage roofs. The information below is from pages 45 and 46 of the 2015 Reserve Study completed by Schwindt & Co.:

BUILDING COMPONENT	BUILDINGS	PLACED IN SERVICE	Useful Life Expectancy	Useful Life Expectancy Expired
Garage Roofs	1-3, 5, 13, & 15	1994	20 years	2014
Garage Roofs	4, 8-10, & 14	1995	20 years	2015
Garage Roofs	6-7, 11,12 & 16	1996	20 years	2016

**Why is it referred to as the garage roof coating project, and not garage roof replacement?**

Washington County building code only allows two layers of "torch down" roofing. Since our garage roofs already have two layers of torch down roofing, the roofers would need to do a complete tear off of the existing two layers before applying the new layer. The estimates for doing that were in excess of \$300,000. As an alternative, the existing roofs can receive an application of two layers of GE Enduris, a silicone sealant that has, until relatively recently, been used only on commercial flat roofs, but is now available for residential applications. The silicone sealant's superior flexibility and stability as compared to torch-down roofing or acrylic sealants, makes it able to withstand temperature extremes, daily UV exposure, and even prolonged ponding - when large pools of water remain for long periods following heavy rain, snow, and hail. This option doesn't require the removal of

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the underlying layers, which make it a much more affordable option. With two layers of the coating applied per the product specifications, it has a life expectancy of 20 years and is backed by a 20 year warranty. After reviewing the information gathered and provided by the Maintenance Committee, and the bids from several roofing companies, the board is confident that this is the correct solution for restoring and prolonging the life of our garage roofs.

**Doesn't the HOA have reserve funds to pay for this?**

While the HOA does have funds in the Replacement Reserves account, a significant percentage of those funds will be needed to complete this project. As you know, the Replacement Reserves account accumulates funds for the long term maintenance, repair, and replacement of Association common areas and Association maintenance responsibilities. That is much more than just the garage roofs. As the 2018 Reserve Study (still in draft form) has indicated, there are other deferred maintenance and major projects coming due soon for which funds in the Replacement Reserves account will be needed, including the replacement of the Building 14 roof which was recently approved by the board. Without a dedicated source of funding to complete the garage roof coating project, it wouldn't be prudent to spend such a significant portion of the Replacement Reserves funds on the garage roofs without another way of increasing the amount of replacement reserves on hand.

**Will this Serial Special Assessment be enough to pay for all garage roofs of every building?**

The board anticipates that the Serial Special Assessment will be sufficient to fully pay all costs of the garage roof coating project, which includes the roofs of the two-car garages of all 97 units. The amount includes a cushion, over and above the bid, to cover unanticipated situations that result in increased charges and to allow for the possibility of less than a 100% collection rate on the serial special assessments.

**When will my payments be due and what are the payment options?**

If passed, the first assessment of \$50 will be due on May 1, 2018, and the same amount will be due on the first of every month thereafter through April 1, 2021. This payment amount will be in addition to your regular monthly HOA dues.

A 5% discount will be given if you choose to prepay all 36 serial special assessment payments by the first due date (\$50 per month x 36 months = \$1800, less 5% = \$1710 - a savings of \$90).

Payments can be made using any of the methods available for payment of your regular monthly HOA dues.

***This is a very important issue and we hope that all unit owners will attend this meeting on April 12, 2018, at 6:30 pm.***

Yours Truly,

Millridge Homeowners Association  
Board of Directors