



EVOLUTION
ARCHITECTURE
Building Envelope Consultants



FAQ GUIDEBOOK

CONDOMINIUM REPAIR PROJECTS

COMMON FAQS AND RESPONSES FROM TRUSTED PROFESSIONALS

Seattle, WA - HQ
3100 Airport Way S. #65
Seattle, WA 98134
206.588.1282
info@evolutionarchitecture.net

Portland, OR
107 SE Washington St, #150
Portland, OR 97124
503.730.4612
kellerb@evolutionarchitecture.net

Bend, OR
2900 NW Clearwater Dr. #200
Bend, OR 977034
206.588.1282
info@evolutionarchitecture.net



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PERYEA SILVER TAYLOR

EVOLUTION ARCHITECTURE



Kris Eggert

Managing Partner | Co-Founder

Email: krise@evolutionarchitecture.net

Phone: 206.276.5227



FAQs

BUILDING ENVELOPE | CONSTRUCTION MANAGER | ARCHITECT

- **Can we phase the work?**

Yes, however phasing a project will almost always increase costs due to factors such as inflation, remobilization, and reduced efficiency. Performing all work at once allows contractors to achieve economies of scale, completing tasks more efficiently and spreading general condition costs—like supervision and equipment rental—over the entire project. For example, splitting a siding replacement project into two phases over two years can increase overall costs by up to 33%.

Additionally, if a project is financed through a loan, banks typically do not allow phased work. As a result, phasing should only be considered under very specific circumstances, such as when financing cannot be secured or a special assessment cannot cover the full project cost.

- **Do we need a general contractor? Can't we just hire the sub trades directly?**

In the State of Washington, any permitted project involving two or more trades requires a licensed general contractor. If a Board chooses to hire individual contractors for such a project, they would effectively be acting as the general contractor—but without the required license or insurance, which exposes the Board to significant liability.

- **Why do we need to replace railings?**

If railings must be removed to perform other work, they must meet current code standards upon reinstallation. This includes a minimum height of 42 inches, maximum spacing between pickets or openings of 4 inches, and the ability to resist a concentrated lateral load of at least 200 pounds.

Many existing railings do not meet one or more of these requirements, which often necessitates full replacement. However, if railings have been recently replaced, removal and reinstallation may be a viable option.

EVOLUTION ARCHITECTURE

- **Why do we need to replace windows when we replace the siding?**

There are several compelling reasons to consider window replacement. First, when replacing siding, windows must be removed and reset to properly install penetration flashing. Since the labor for removal and reinstallation is already being performed, the only additional cost is for the materials. Additionally, while new siding has a life expectancy of 30+ years, this can be shortened if windows are not replaced at the same time. Replacing windows alongside siding effectively “resets the clock” on all materials, helping to better align replacement timelines. Finally, leaving existing windows in place means they carry no warranties, making it difficult to hold contractors accountable in the event of leaks or other issues.

Perhaps the most important reason to replace windows during siding replacement is compliance with RCW 64.55.050(a), which requires water penetration testing of a representative sample of windows and window installations. If all windows are replaced, only one of each type of operable window needs to be tested for the entire project. However, if some windows are not replaced—or if an individual owner has previously replaced theirs—each of those windows would also require testing. Since the average cost of window testing is approximately \$1,500 per window, compared to \$400–\$600 for the window itself, attempting to retain a limited number of existing windows is not cost-effective.

- **What time of year is best/worst to start and finish a project?**

Contractors in the Pacific Northwest are experienced in performing work year-round. However, it is generally best to avoid starting or finishing projects in November or December, as weather and holidays can reduce efficiency. Work such as painting and deck coatings is best performed in warmer, drier conditions to minimize delays. Roof work is also ideally scheduled for drier months, although with proper planning and precautions, it can be successfully completed during the winter.

- **What is a ROM budget? Is it a bid?**

ROM stands for Rough Order of Magnitude. These budgets provide an approximate understanding of project costs and help evaluate the relative differences between various repair options. ROM budgets are planning tools that enable decisions on scope inclusions and design options before a project is competitively bid. They also facilitate the exploration of funding options, such as special assessments or financing. It is important to note that ROM budgets are not bids to perform work and are subject to change due to market conditions, material cost fluctuations, or other factors beyond the control of the preparing party.

EVOLUTION ARCHITECTURE



Kris Eggert

Managing Partner | Co-Founder

Email: krise@evolutionarchitecture.net

Phone: 206.276.5227



FAQs CONTINUED ...

- **How are the bidders selected? We have a contractor we like. Can they be included?**

A list of bidding contractors is typically recommended by the Architect and/or Association Manager based on prior experience with similar projects. If the Board wishes to include a specific contractor, it is important that the contractor is properly vetted. This includes verifying that they carry appropriate insurance for work on condominiums, have experience with occupied structures, have completed similar repair projects, and can provide references from comparable work.

- **What is the warranty on the work?**

In the State of Washington, all construction work carries a mandatory one-year warranty for labor and materials. Some contracts may require this warranty to be extended to two years. Well-prepared contracts typically also include language requiring that all work be performed in a workmanlike manner, which is protected under a six-year statute of limitations for breach of contract. Additionally, all materials come with their own manufacturer warranties, which vary depending on the product.

EVOLUTION ARCHITECTURE

- **What is RCW 64.55 and why is it important?**

If the cost of construction work on a building enclosure exceeds 5% of the tax assessed value of the building, any changes to the building enclosure RCW 64.55 is triggered and requires the following:

64.55.020:

- **Definition:** For any construction of or rehabilitation of a multiunit residential building where the cost of the construction exceeds five percent of the tax assessed value of the building, a stamped set of drawings for a design professional are required for the acquisition of a building permit.
- **Importance:** This is the 5% standard that triggers the requirement for a design professional to be hired to prepare stamped drawings and details, including waterproofing details.

64.55.030:

- **Definition:** All multiunit residential buildings shall have the building enclosure inspected by a qualified inspector during the course of initial construction and during rehabilitative construction.
- **Importance:** This is the requirement for having a qualified inspector review the work in progress during the course of construction.

64.55.050 (a):

- **Definition:** Water penetration resistance testing of a representative sample of windows and window installations. Such tests shall be conducted according to industry standards.
- **Importance:** This is the requirement for water testing which in most instances requires the replacement of all windows. The representative sampling language is what drives the need to test or replace windows that were previously replaced by individual owners.

64.55.060:

- **Definition:** Upon completion of an inspection required by this chapter, the qualified inspector shall prepare and submit to the appropriate building department a signed letter certifying that the building enclosure has been inspected during the course of construction or rehabilitative construction and that it has been constructed or reconstructed in substantial compliance with the building enclosure design documents.
- **Importance:** This is the requirement for a letter to be drafted at the end of the project stating that the work followed the details and drawings prepared by the design professional. This letter is required to close out the building permit.

It is important to understand what triggers this statute. It applies to any repair project involving the building envelope where the cost of repairs exceeds 5% of the building's assessed value (excluding land). The building envelope is defined as:"The assemblies, components, and materials of a building that are intended to separate and protect the interior space of the building from the adverse effects of exterior climatic conditions." (RCW 64.35.105(3))

In practical terms, this includes all components of the exterior walls, roofs, decks, foundations, and similar assemblies.

ACCURATE RESERVE PROFESSIONALS



Karen McDonald

President & Founder

Email: karen@accuratereserves.com

Phone: 509.765.6601



FAQs

RESERVE STUDY SPECIALIST

- **If we have a reserve study, why do we need a separate building envelope inspection?**

The site visit performed for a reserve study is considered a limited visual review since the reserve study is intended to be a budget tool only. The visit is typically conducted from ground level and no destructive testing, structural evaluation or other deeper examination is performed. The reserve study is designed to get the association in the rough timeframe and ballpark cost for a project and it is up to the association to perform periodic investigations, such as a building envelope inspection, and incorporate the results of such investigations into its reserve study as needed.

- **How is the reserve study updated following a reclad project?**

When an association completes a reclad or other major exterior project the reserve study is updated to reset the remaining useful life of the components that were replaced. Additionally, the replacement cost of the components may be adjusted based on the association's actual project costs and the association's reserve account balance will be updated as well. It is important to note that because the reserve study is a budget tool, a study which shows that the exterior project has been completed can be prepared prior to, or during, the project. This allows the association to measure what its financial position will be following the project and evaluate what reserve contributions will be required to maintain appropriate reserve funding in the future. This type of reserve study is often referred to as a "Post Construction Reserve Study". If your association is financing the project through a bank loan, your lender may request this type of reserve study report as a condition of the loan.

ACCURATE RESERVE PROFESSIONALS

- **How are the costs used by a reserve study determined?**

The costs used by a reserve study are determined a number of ways including, but not limited to, recent client cost history, bid(s) obtained by the association, research with association or other local vendors and/or industry average costs. One important factor related to costs within the reserve study is they assume replacement of like for like materials, and they typically do not include things such as hidden damages as these are not predictable from the standpoint of the reserve study. An association can avoid surprise cost overages by collaborating with its building envelope consultant to proactively research projects well in advance to determine the exact scope of work, and whether hidden damages might exist which may increase the project cost.

- **Is remaining life based on condition of building materials or typical life expectancy?**

The remaining useful life of a component in the reserve study may be based on data from a number of sources, including the average useful life of that material, condition noted during the reserve study site visit and/or condition of the item based on investigations the association may have performed (such as a roofing inspection or a building envelope investigation).

- **How often are reserve studies updated?**

The frequency at which reserve studies are updated is often dictated by state statute and/or an association's governing documents. Some states, such as Washington and Oregon, have statutes requiring annual reserve study updates for many communities and some governing documents also require annual updates to the study. It is generally recommended that a reserve study site visit is performed every three years with annual no-site-visit reserve study updates performed in between the site visits.



EMB - ASSOCIA



Kristen Ledbetter
Director, Business Development
Email: kledbetter@embmanagement.com
Phone: 425.615.5970



FAQs

ASSOCIATION MANAGER & INDUSTRY EXPERT

By maintaining organization, consistency, and transparency, the community manager helps protect the association's interests and supports a smooth project for all parties.

- **What role does the Community Association Manager play during a reclad project?**
 - The community manager plays a critical role in coordination, communication, and oversight during a reclad project, serving as the central point of contact between the Board, owners, and the project team.
 - First and foremost, the manager is responsible for communication management. This includes distributing regular project updates, setting clear expectations regarding timelines, access requirements, noise, and disruptions, and ensuring owners receive advance notice of changes. The manager helps translate technical information from contractors and consultants into clear, owner-friendly language, which is essential for reducing confusion and frustration.
 - The manager also supports the Board through project coordination and administrative oversight. This involves scheduling meetings, tracking milestones, maintaining project documentation, assisting with contract compliance, and helping the Board and project team respond consistently to owner questions and concerns. While the manager does not direct construction, they help ensure the project stays aligned with Board decisions, governing documents, and state statutes.
 - Finally, the community manager acts as a problem-solver and buffer. When issues arise, such as access disputes, owner complaints, or unexpected changes, the manager helps facilitate solutions, keeps emotions from escalating, and ensures concerns are addressed through the proper channels.

EMB - ASSOCIA

- **What usually causes the most owner frustration during reclad projects?**

From a Community Association Manager perspective, the greatest source of owner frustration during reclad projects is lack of clear and consistent communication. When owners do not understand what is happening, why it is necessary, how long it will last, or how it will affect their daily lives, uncertainty quickly turns into frustration. Even well-managed projects can feel disorganized when updates are infrequent, vague, or reactive rather than proactive.

Timeline changes and construction disruptions further compound these concerns. Reclad projects are inherently complex, and delays due to weather, material availability, or unforeseen conditions are common. Owners are generally more understanding when changes are explained clearly and in advance. Without transparent communication, however, delays are often perceived as poor planning or mismanagement rather than unavoidable project realities.

Financial impacts and inconsistent messaging also heighten owner frustration. Special assessments or cost adjustments can be emotionally charged when owners do not understand the reasoning behind them or receive conflicting information from management, the board, or contractors. From a management standpoint, consistent, transparent, and frequent communication, especially when expectations change, is the most effective way to reduce owner frustration and maintain trust throughout a reclad project.

- **What is the impact of not doing the work related to disclosures and selling units?**

- In Washington, sellers must disclose known issues, including deferred maintenance or structural concerns. If a seller knowingly omits or misrepresents issues, they could face legal action. In some cases, courts may allow buyers to rescind the purchase, forcing the seller to take the property back. Our office prepares these disclosures on the seller's behalf, which helps to ensure compliance and proper disclosure language.
- If the association is aware of major issues (e.g., failing siding, water intrusion) but individual sellers fail to disclose them, new owners may be unexpectedly hit with special assessments or higher dues. This can lead to disputes within the community which is why it is so important to have a professional preparing / reviewing these disclosures before issuing them to the buyer.
- If a project is postponed, buyers may be hesitant due to future financial and structural uncertainty.
- Lenders may decline financing, and insurance providers may impose restrictions, reducing marketability



CHARTER CONSTRUCTION



Paul Kitchell

Remediation Team Operations Manager

Email: paul.kitchell@chartercon.com

Phone: 206.382.1900



FAQs

GENERAL CONTRACTOR

- What will happen around our building in advance of the work and how do homeowners need to prepare?**

Landscaping within 3 feet of the building may need to be trimmed or removed. Decks will need to be cleared of contents. Certain areas may be closed off to access and / or parking.

- How will the building be protected from rain when the exterior siding is removed?**

Visqueen (plastic) sheeting will be used to protect the buildings as needed depending on weather conditions. Enclosed scaffolding might also be used depending on the size and shape of the building.

- Is my pet safe in the unit while work is going on?**

Yes, however, your pets will need to be contained to a location away from construction and crews during working hours, for everyone's safety, and to prevent any accidental escapes.

- Will I receive advanced notice specifying when construction is scheduled to begin at my unit?**

Yes, we like to provide a 3-week look ahead schedule that is discussed during the weekly progress meetings, and weekly postings that go out to all the residents that outline what will be happening in the coming week.

CHARTER CONSTRUCTION

- **During a project, would a contractor need to access the interior of my home?**

Yes. The Consultant / Contractor will arrange with each homeowner for a walk through of your home before the construction starts to document the condition of your home before the project begins and to advise you what should be moved off or away from the walls. Homeowners will be provided with advance information regarding the work on their building and on their unit. It is critical that the owner or a designated person will be able to provide access to the unit when the contractor needs to do work inside the unit.

- **What specific information will Charter provide after the project is completed?**

At the end of the job, your contractor provides the Homeowner Association with an Operations and Maintenance Manual (O&M). The HOA Board will determine what information in this package will be made available to the management company for inclusion in resale certificates. Photo documentation is performed during all stages of the project by Charter personnel. The HOA Board will be given all the photo documentation which will be included in the O&M Manual. Owners can arrange with the HOA Board to view the O&M Manual and photos after project completion.

- **Will you finish the first building 100% before starting the next?**

There will be multiple trades who have to perform their work at different points of the project. Each building could be in a different stage of construction, depending on the project size, there will be multiple buildings being worked on at a time.

Quick Tips to Prep

- **Homeowner Prep**

- Clear Decks
- Trim landscaping within 3 feet
- Expect temporary access / parking restrictions

- **Pet Safety During Construction**

- Pets must be secured in an area away from active construction and crews during working hours
- Please take extra care to prevent accidental escapes when doors are opened
- These precautions help protect your pets and support a safe work environment for everyone

- **Construction Scheduling & Notifications**

- A 3-week look-ahead schedule will be provided and reviewed during weekly progress meetings
- Weekly notices will be shared with residents outlining upcoming work
- Advance notice will be given prior to work starting at individual units whenever possible



Michael Laskey

Sr. VP - HOA Banking Manager

Email: Michael.Laskey@servbank.com

Phone: 206.226.5102

servbank

FAQs

HOA BANKING EXPERTISE

- **What is the purpose of the association loan**

There are several parts to this question. First, an association loan guarantees funds are available to complete the project. Contractors, consultants, and other vendors can be paid while the association Second, an association loan provides owners time to pay their levied assessment. Instead of an approved special assessment being collected all at once an association loan provides a long-term option to make payments. The long-term option to pay an assessment can be beneficial to many of the owners not readily prepared to pay a large assessment amount.

- **What is the difference between a Loan vs. Assessment**

An association loan supplements an association project and owners' assessment. The association borrows as needed from the loan to complete the project. Owners do not receive individual loans and are not required to sign any loan documents. Instead, owners will pay an approved and levied assessment to the association.

- **How is an association loan different than a mortgage?**

The borrower is the association and not the individual owners. Qualification for the loan is based on the association like a business loan. The security for the loan is the association's future income rather than using real estate as collateral. Owners do not need to provide personal information or offer collateral for the loan. All assessments and collection continue through the association and management.

SERVBANK

- **Who guarantees an association loan?**

An association is non-profit business with volunteer board members. An association loan does not require personal guarantees for an association loan. Instead, the security for an association loan is the right to assign future income. An association loan does not provide a lien against an owner's homes. The association has collection rights that may include a lien for past due assessment payments.

- **Do owners have to be a part of the loan?**

Owners may be provided multiple options to pay their assessment and are not required to pay as part of a loan. An association is supplemental to the assessment. It is not unusual to have some owners to prepay their assessments to avoid paying loan interest. Most often, owners just need more time while they determine how to best pay their individual assessment and may choose to pay off their assessment later. The loan provides owners time to make decisions and pay their assessment.

- **Are there loan prepayment penalties?**

There are no loan prepayment penalties for a loan paid in full through assessments and association funds. It is not unusual for an association loan to be paid off prior to the term. If an association pays off a loan using funds from another bank's loan, there may be a prepayment fee.

- **Can we use reserves?**

The use of reserves for a large project will depend on the association's funding level. Association's pursuing a loan often do not have the funds in reserves to apply to a project. Future repair and maintenance needs will need to be determined and assurances the association is contributing to reserves for those expenses. A lender will work with an association and its experts to determine how to best utilize reserves.

- **What if there are funds left over from the special assessment?**

The experts association's typically hire do a great job of preparing project budgets and in most cases this leaves limited extra funds. However, when there may be extra funds the association may choose to add to the existing scope of work or place the funds in reserves for later. There may be consultation with legal counsel on finalizing this plan.

The logo for Servbank, featuring the word "servbank" in a lowercase, sans-serif font. The letter "v" is colored blue, while the rest of the letters are grey.

STEIN SUDWEEKS & STEIN



Justin Sudweeks, Attorney

Email: justin@condodefектs.com

Phone: 206.388.0660



Daniel Stein, Attorney

Email: dstein@condodefектs.com

Phone: 206.388.0660

FAQs - First Party Claims

- **Won't our insurance rate go up?**

Likely not. Generally claims are not filed against the current insurer. So your rates should remain the same. Likewise, if a claim is filed against the current insurer (only insurer who can raise rates) experience has been that most Association's don't experience a rate increase by filing a claim.

- **How much do the attorneys charge?**

Most attorneys charge a contingent percentage. Meaning they charge a percentage of any recovery received.

- **How much will we recover?**

That depends on the number of insurers, the number of years of insurance, the strength of the insurance policies, the amount of damage found and the risk tolerance of the Association.

- **How long will it take?**

There are no set in stone timeframes. Generally speaking the claims take a year to 18 months from start to finish.

- **Is it possible to file a claim against an old insurance policy?**

Yes. Most claims are filed against all of the Association's historical insurers. Generally, there is not a limit on how far back a claim may reach.

- **What if we don't have a copy of the policy but we know who we were insured with?**

That is fine. Copies of policies are not needed to initiate a claim. Generally all that is needed is who the insurer is during what timeframe.

STEIN SUDWEEKS & STEIN

- **Can we go after the original builder for construction defects?**

Generally you can only go after the original builder for 4 – 6 years after original construction. So if that time frame has passed then an Association would not be able to go over the original builder.

- **Can we perform repairs and file an insurance claim at the same time?**

Yes, as long as the insurers are put on notice of the repairs and have an opportunity to observe the repairs being done.

- **Can we collect on prior repairs?**

As a general proposition the answer is no. Generally the insurers are not put on notice prior to the repairs and/or had a chance to observe repairs being done.

- **What type of Association would benefit from an insurance claim?**

Any Association with hidden damage. Any Association with extensive repairs. Any Association older than 10 years. Any Association that wants to mitigate significant cost of major repairs.

- **You can't hold an insurance company liable for a policy that is years old, can you?**

Yes. As long as some damage occurred during the original policy period that fact the policy is old does not matter. The insurance company could still be liable for any damage that occurred incrementally and progressively over time and within each policy year, regardless of the age of the policy.

- **If the damage occurred a long time ago, won't the claim be barred by a failure to give notice to insurer at the time the damage occurred?**

No. Numerous Courts have held that if the damage is hidden i.e. not in plain site because it was behind the exterior covering (siding), the time to give notice and comply with timing limitations within an insurance policy does not begin/start until the hidden damage is exposed to view by an intrusive investigation.

- **Are there time limits on pursuing a claim?**

Yes. Most insurance policies have a one or two year limitation provision of when a loss occurs. Remember the one or two year limitation provision generally starts only after the hidden damage is exposed to view during an intrusive investigation.

- **Will the insurer deny my claim.**

Generally, yes. Almost all first party insurance claims get denied by the insurer. However, most of the denials are inaccurate and therefore can be set aside.



MCLEOD CONSTRUCTION



Andrea Goodmansen

Founder and CFO

Email: andrea@mcleodconstruction.com

Phone: 206.545.7837



FAQs

GENERAL CONTRACTOR

- **Is there a best time of year to start a project?**

Out of necessity, building envelope replacement projects (siding, windows, doors, roof) are performed year-round in the Pacific Northwest.

However, experienced contractors will ideally want to schedule projects 6-8 months' long in Jan or Feb to allow for the application of sealants, coatings, and paint during the summer during warmer summer weather as required by manufacturers' requirements for warranties.

During the bidding process, contractors should take into account the extra cost for weather protection and/or longer curing times for certain products into account for work performed during fall and winter.

- **Can we phase the project over multiple years?**

The short answer is: "Yes." Talk to your lender, or start talking to a lender, to come up with a plan for financing, special assessments, etc..

- **Should you phase the project over multiple years?**

- The answer to that question is: "Not if you can avoid it."
 - The project will ultimately cost more due to the following:
 - Labor and material cost increases
 - The condition of the work phased later will continue to deteriorate and therefore be more extensive
 - Mobilization/demobilization costs with each phase

MCLEOD CONSTRUCTION

• **What factors may affect unexpected cost increases?**

- Let's focus on the word "unexpected" in that question first. Well-budgeted projects should set the clients' expectations for known costs, expected costs, and a contingency amount for unexpected costs that might arise.

Known costs are the cost to replace siding, windows, doors, deck railings, etc.

Expected costs (shown as allowances) are for anticipated repair work that may be inferred based on site investigations. An allowance may call out for 25% of the roof sheathing to be replaced due to rot damage.

Contingency funds (usually set as a percentage of the total project cost) are there for additional costs usually encountered in these types of projects. Again, experience matters in your consultant, construction manager, and contractor.

Other reasons costs may increase:

Scope Creep and Unforeseen Conditions.

Discovering **hidden, structural damage**. While contingencies are in place to account for some damage, structural damage can mean engaging with an engineer and additional demolition and repair, well outside the general scope of work.

Additionally, any mid-project changes to the design, materials, or schedule from the Architect or HOA can increase costs. Even changes that seem small—like changing window frame color or adding a new garbage enclosure—can snowball into material and labor cost increases.

Material Cost Fluctuations

Pricing for materials like lumber, insulation, membranes, and sealants can spike due to supply chain issues or global demand/tariffs. Specialty products or custom components may also incur premium shipping fees or long lead times.

When bidding, experienced contractors price materials based on current pricing and can often lock in material prices by placing orders as soon as the contract is awarded. However, price increases beyond a contractor's control, such as tariffs and supply chain issues (like we saw during COVID), are generally passed along to the client (with documentation of the newer costs or extra fees charged).

Project Scheduling and Coordination

Delays to the project due to HOA decision-making, changes in permit requirements, or delayed access to individual units can cause cost increases. If such delays prevent other work from being completed, then the contract duration will be increased. This will result in additional costs by the Contractor and Consultant for supervision time, equipment rentals, permit extensions, etc.

MCLEOD CONSTRUCTION



Andrea Goodmansen

Founder and CFO

Email: andrea@mcleodconstruction.com

Phone: 206.545.7837



FAQs CONTINUED...

- **Will I, or my tenant, have to move out during construction?**

No, it is not required for anyone to move out of their unit during a building envelope replacement project. However, we recommend at least planning for alternate accommodations for short periods of time if you fall into one of the following categories/exceptions:

- You work from home: There will be a great deal of noise during this type of project. As the work progresses through each building or side of each building, unit owners will be given advance notice of work affecting their unit. The duration of the highest impact to one unit will vary depending on the size of the building.
- You are sensitive to odors/smells: If your project includes new traffic coatings (waterproofing on solid surface decks), there will be strong odors for 3-5 days. Your contractor should provide Safety Data Sheets describing the chemical(s) used and their composition/information on ingredients along with precautions and exposure information.
- You have pets: Contractors may need to enter your unit (planned and with notice) to make repairs to drywall, trim, paint from the installation of new windows or deck doors. Pets should not be allowed to wander into the work area. If they are sensitive to strangers, sounds, vibrations, pet owners should have a plan to move their pets temporarily to another location.

MCLEOD CONSTRUCTION

- **Can the HOA include individual unit upgrades to the scope of work? If so, how will that be billed?**

Interior upgrades, like kitchen/bath remodels should not be included in an association-wide project.

During large projects like these, it is important for the HOA to focus on common area improvements that apply to the entire association. This ensures warranties are consistent and apply to all building elements in the scope of work. Additionally, when budgets allow, achieving a coordinated look for the property can also mean including items beyond the envelope, such as entry way awnings, pergolas, signage, and even updates to party rooms, cabanas, locker rooms, etc., but again, these should be improvements to the entire property.

However, there may be unit owners who need assistance removing outdoor furniture or other heavy objects from their patios or decks in order to install new sliding glass doors or new railings. We have found it is best to have each unit owner coordinate this work outside of the envelope project (not through the Contractor). While the contractor will want make the project go as smoothly as possible, and they will give advance notice of when items need to be moved, but Contractors are not furniture movers.

We understand finding good contractors can be difficult, but the skillset for siding, window, and door replacement does not always translate to interior finish carpentry even though small interior repairs are part of these projects. Homeowners should seek out qualified remodelers for this work.

At McLeod Construction, we have a separate division that specializes in remodels to condos as well as single family residences, and we love receiving references for remodel work when homeowners have been happy with our work quality and communication on other projects.



PERYEA SILVER TAYLOR



David Silver

Shareholder Attorney

Email: dsilver@pstlawyers.com

Phone: 206.403.1933



PERYEA SILVER TAYLOR
A PACIFIC NORTHWEST LAW FIRM

FAQs

ASSOCIATION GENERAL COUNSEL -

We receive numerous questions from boards and managers regarding major repairs. This is not surprising, given the topic spans an exceptionally wide range of community association legal issues and topics including, but not limited to, assessments, collections, voting, lending, meetings (both board and association), and maintenance and payment responsibilities, not to mention underlying concepts like association and director duties and obligations. (To place a finer point on “major repair,” we use that term to describe any project that goes beyond routine maintenance, such as replacement of common elements like siding, roofing, windows, or decks, and repair of underlying damage.)

When approaching the subject of major repair, it is useful to remember that community association directors have a duty to act in the best interests of the association, and that following the governing documents (and applicable laws) is, generally speaking, presumptively in the association’s best interests. Thus, when faced with the prospect of a major repair, a great starting point for director is to reference the association’s governing documents. In fact, when questions arise regarding maintenance, repair, or replacement of association property or common elements, one of my first steps is to reference the client’s declaration and other governing documents.

It is not uncommon for the documents to be inconsistent, unclear about a particular topic, or out of step with the law, and that is where an attorney can assist to help resolve inconsistencies or interpret applicable laws that may supplement, gap-fill, or override certain provisions in those documents that may control parts of the project.

Accordingly, when a board encounters a unique issue involving maintenance, repair, or replacement, or must undertake a major repair project, seeking the assistance of association general counsel experienced in assisting with such projects is encouraged and often essential. Beyond planning advice and assistance identifying and reviewing the applicable governing document provisions and laws that may pertain to an association’s project, there are numerous major repair topics for which legal advice is commonly sought.

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Using selected FAQ's, we identify and discuss several of these topics

- **Are we required to perform repairs recommended by an engineer/architect/consultant?**

A board is not necessarily required to agree to all recommendations offered by a construction consultant, but it is a good idea to carefully consider them. An association director or officer is generally entitled to rely on information and opinions prepared by consultants (I will refer to them as "experts") if the advice is within the expert's area of competence and the director reasonably believes the expert is reliable and competent. A director is encouraged to ask questions of and confer with the expert as necessary to fully understand their recommendations, and to discuss concerns the director may have. If a board still believes it is prudent to deviate from an expert's recommendations, it is advisable to work with the expert to gain a complete understanding of the potential ramifications of various deviations before making a final decision.

- **What happens if owners reject the special assessment?**

Sometimes, a major repair project fails to launch because owners reject the proposed assessment required to pay for the work, leaving the community short on funds to buy materials or sign contracts. While such situations are fairly rare (particularly when the project is planned with the help of professionals and owners are made aware of the project in advance), if the project involves critical work, a board should continue to work with its experts, management, and legal counsel to potentially try again, perhaps with an alternative path forward if one is available. If those efforts also fail, then arguably a director has met their duty; however, that should not be interpreted to mean a board can give up on maintaining the property. A board should continue to try to prioritize and meet as many of the association's maintenance and repair responsibilities as possible utilizing available funds and resources, and continue to evaluate repair needs and plan for the future.

- **Who makes the final decision on design choices?**

At most associations, the board has the power and authority to make decisions regarding exterior aesthetics such as color, design, and the materials used. However, in my experience, owners appreciate it when they are given an opportunity to provide input. A board might narrow down the design choices to two or three viable plans and then call an informational meeting to gather owner input, initiate a straw poll of the owners, or form a committee to help consider the choices and submit opinions to help the board make final decisions. Providing owners one or more channels to provide input and these aesthetic choices is a great way to build owner support for a project.

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• **What are several considerations for planning a special assessment for repairs?**

One of the most important—and admittedly stress-inducing—parts of a major repair project is the planning and decisions surrounding how to pay for the work. Ideally, an association will have sufficient reserves available for a major repair project, but for many associations that simply is not the case. While the reserve account and reserve study rules have certainly helped communities anticipate and save money for future work, accelerated damage, severe weather, and inflation sometimes overwhelm a diligent reserve savings plan. When this is the case, an association may need to generate funds in a compressed timeframe of months, not years or decades.

When simply upping the reserve savings rate will not generate funds quickly enough to fund needed work, a special assessment may be required. There are numerous considerations when developing a plan to specially assess owners in support of a major repair. Here are a few initial topics a board may find helpful to its planning process:

- 1. When do we need the money?** It probably goes without saying, but an association should have the money to pay a construction contract before it signs the contract. The money could come from reserves, insurance proceeds, settlement funds, special assessments, loan proceeds, or a combination of sources, but the basic assumption here is that an association needs to collect the money to pay for a project before starting the project. If a special assessment is necessary, the question then becomes how to structure it.

Lump Sum Special Assessment. If, for example, the plan is to start a project in less than a year but the association does not have enough money in the bank, then the board will need to consider a “lump-sum” special assessment. “Lump-sum” is the term I use to describe a special assessment where owners are required to pay a large sum of money in one large payment or maybe few monthly or quarterly installments. This would be necessary if the association needed to raise money quickly. Of the various repayment structures, a lump sum special assessment has a higher chance of creating financial hardship for some owners. And if too many owners will struggle to pay, the special assessment might be rejected or the association could run into collection problems after ratification.

Long Term Payment Plan with a Loan. Again, if the plan is to start a project in the near term but the association is short on funds, an alternative to a lump-sum special assessment is to consider a loan for the project. An association loan is used as the source of funds to pay the contractor and other project costs (the association borrows on the loan to pay for the project) and, with the contractor paid with loan proceeds, the association’s payment responsibility ends up being the required loan payments to its lender. Some association loans can have terms as long as ten or fifteen years, which is ideal for larger special assessments because it allows a board to spread required owner payments over those longer timeframes (120 or 180 payments, for example). These lengthy repayment terms are the key to being able to provide owners a relatively low monthly special assessment payment. A long repayment period for a special assessment can turn a daunting lump sum payment plan into a more manageable longer-term solution for owners and can improve the chances the special assessment is successfully ratified.

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Continued ...

If an association uses a loan, it will incur interest. Thus, the interest expense must be anticipated, built into the special assessment, and assessed to owners. Owners who choose to make payments over time are required to pay interest calculated based on the association's loan terms and the amount the owner owes on the special assessment. But, owners who pay their unit's share of the special assessment up front typically do not have to pay interest because the association would not have to borrow that money.

- 2. Can we borrow?** It is a good idea to examine funding needs well in advance of a major repair project's anticipated start date. In addition to providing extra time to supply information and transparency to owners (so they can make plans to pay a special assessment), sometimes an amendment to the declaration is necessary to provide the required authority to take out an association loan. Most association loans require a pledge of assessments and future income as collateral, and an assignment of its right to collect, and an association's ability to pledge these things is often contingent on certain language in the declaration. This topic should be raised with the association's general counsel early in the project planning process because, if an amendment is necessary, it is not uncommon for a declaration amendment to take several months to prepare and get approved.
- 3. Are all costs common expenses?** Often, the costs associated with a major repair project are simply common expenses allocated among units according to the units' respective allocated interest percentages. However, some governing documents require costs related to maintenance, repair, or replacement of certain building features—such as decks, doors, or windows—to be assessed directly to specific units. Association general counsel is often asked to help examine the documents and advise on the proper allocation of a special assessment among units.

- **Owners are responsible for their own windows. How is that handled as part of a reclad?**

Often, a declaration will contain provisions that empower the board to make decisions concerning the building envelope, including windows, even if the owners themselves are required to pay for their windows, or maintain their windows. Sometimes, the owner's responsibility for windows will extend to just the glass, or to simple maintenance or repair, but not replacement. These provisions often vary by community, so a board should review these topics with its general counsel to anticipate issues and create a plan based on their community's unique requirements.



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Partnering with Evolution Architecture has been a rewarding experience, particularly during our significant capital restoration projects. Their expertise in overseeing condo recladding and architectural design is truly exceptional within the multifamily sector. Their thoughtful, customized approach has been invaluable. I've consistently trusted their commitment to quality and their deep understanding of the unique needs of condo properties. Evolution Architecture really sets a high standard for excellence.

- Michelle Weaver | Best Management



Questions? Please Ask!

Jackie Roethel

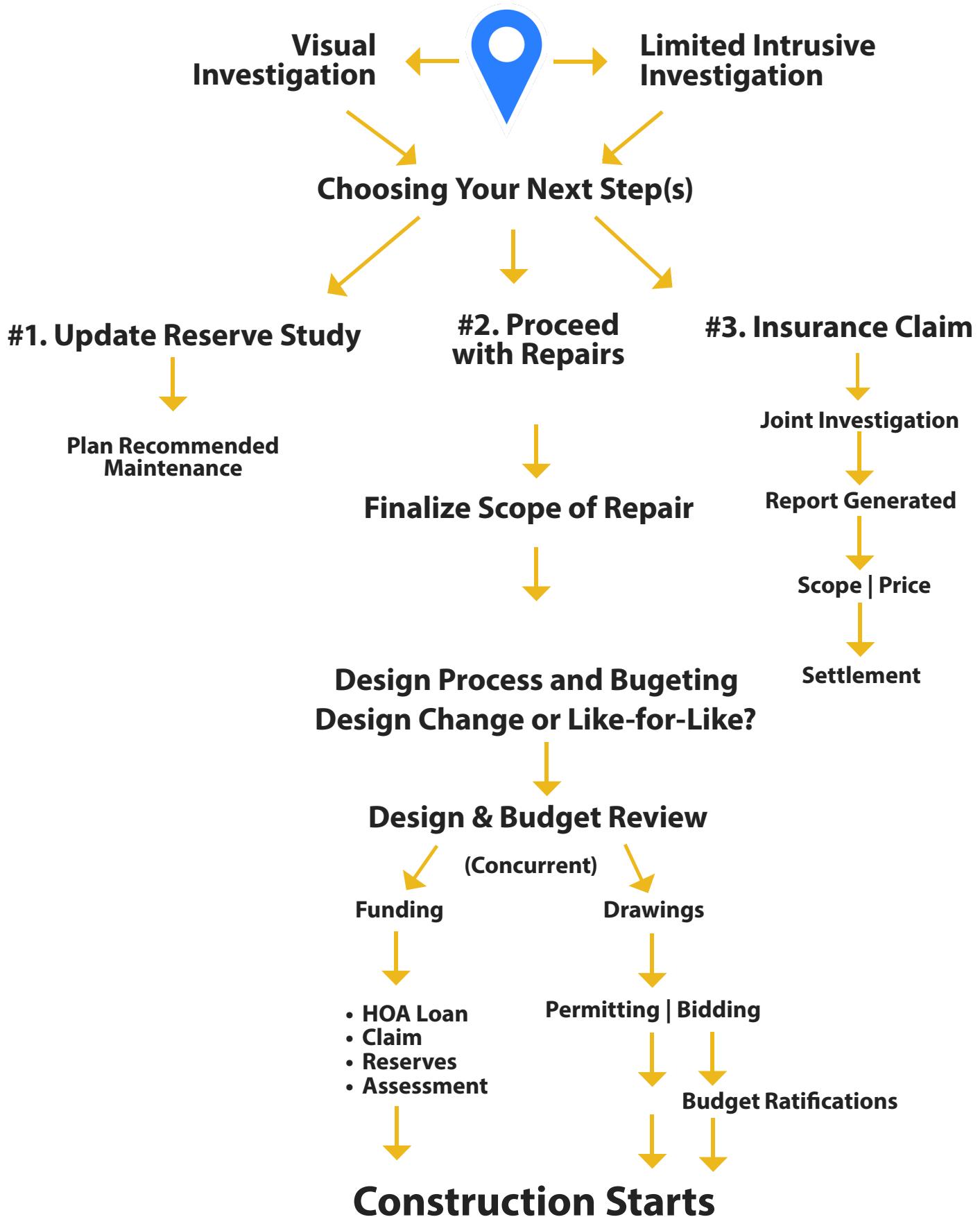
jackie@evolutionarchitecture.net
253-330-7075



Kris Eggert

krise@evolutionarchitecture.net
206-276-5227

ROAD MAP FOR CONSTRUCTION PROJECTS



Once construction is completed, update your reserve study and plan for future maintenance

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Evolution is an excellent choice for property owners looking for a successful design that resolves critical challenges in a cost-effective manner. Their team brings a strong emphasis on cost savings and true value-add design, backed by deep field knowledge and real construction experience. That practical perspective shows up in their drawings and decision-making, allowing projects to flow more smoothly and efficiently from design through construction. The result is fewer surprises in the field, clearer coordination between the contractor and owners, and meaningful cost savings on the construction side.

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- Washington General Contractor

Seattle, WA - HQ 3100 Airport Way S. #65 Seattle, WA 98134 206.588.1282 info@evolutionarchitecture.net	Portland, OR 107 SE Washington St, #150 Portland, OR 97124 503.730.4612 kellerb@evolutionarchitecture.net	Bend, OR 2900 NW Clearwater Dr. #200 Bend, OR 977034 206.588.1282 info@evolutionarchitecture.net
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