

# Windhaven Crossing Townhomes

## Announcement

### Deficiency Assessment

Dear Windhaven Crossing Townhome Owner(s),

We understand that receiving notice of a deficiency assessment can be concerning, so we want to provide transparency upfront. A deficiency assessment is a one-time charge required to cover essential repairs, safety upgrades, or regulatory compliance work that exceeds what our reserve fund can support. Our goal isn't to burden the community, but to proactively invest in our shared property ensuring safety, preserving values, and maintaining insurability for all of us.

We have assembled a few common questions that we have received from other homeowners that we hope can provide more clarity:

- **Can I have a detailed breakdown of how the total assessment amount was calculated?**
  - The HOA will not be providing unit-specific breakdowns. The Board reviewed the overall repair needs community-wide and approved the deficiency assessment accordingly. The total amount was divided equally among all homeowners. This assessment was determined to address widespread damage identified across all buildings as part of multiple storm-related repairs over recent years.
- **Can we get documentation of all repair estimates or vendor contracts?**
  - Communications regarding the repairs have been shared with the community over an extended period. The most recent project summary was distributed in December 2024 and remains available on the community website under the "Current News" section. The Board, elected by the membership to oversee the Association's affairs, thoroughly reviewed all relevant costs before approving this assessment.
- **Can we have evidence that all insurance claims and proceeds have been exhausted?**
  - The HOA was granted an appraisal award in December 2024. However, the total cost of the deficiency, approximately \$1.3 million, far exceeds what the Association can cover from its current reserves. As discussed during the most recent Board meeting, the HOA initially covered a significant portion of the costs to proceed with necessary repairs throughout the community. The roofing contractor has been accommodating by allowing the Association to defer a portion of the payments, but

those balances are now coming due. These outstanding obligations are not yet reflected in the current Balance Sheet, and payment will be expected soon. While the Association does maintain a reserve fund, it is essential for long-term capital repairs and unexpected emergencies. Depleting those funds to cover this deficiency would jeopardize the Association's ability to address future needs and maintain financial stability. Currently, the Association does not have sufficient cash on hand to meet both these upcoming repair-related obligations and continue covering ongoing, recurring operating expenses. This assessment is therefore necessary to meet immediate financial responsibilities without compromising the long-term health of the community.

- **Did homeowners have the right to vote on approving the deficiency assessment?**
  - While homeowner input is always valued, not all Association decisions require a community-wide vote. Per Section 6.3 IV of the governing documents, a vote of the membership is not required for the approval of a deficiency assessment. This type of assessment requires only a majority vote from the Board of Directors, who are elected by the homeowners to make decisions on behalf of the Association. The Board followed the proper procedures in reviewing the financial needs and approving the assessment accordingly.
    - In homeowners' associations, a vote of membership is typically required for matters such as electing Board members, amending governing documents, or approving significant new projects like camera systems or playgrounds when they are not already included in the approved budget. In contrast, assessments needed to address funding shortfalls or meet immediate financial obligations generally fall under the Board's fiduciary duty to manage the Association's finances and safeguard the community's operations.
- **If I sign up for HO-6 insurance policy now will the assessment be covered?**
  - Coverage for special, insurance-related, or deficiency assessments varies by insurance provider and the specific terms of each policy. While most insurance companies typically do not cover assessments retroactively, coverage can differ significantly from one policy to another. We strongly encourage you to contact your insurance agent to review your current policy and explore options for adding or adjusting loss assessment coverage.
    - **Please note that Essex is not a licensed insurance provider and cannot offer advice on individual insurance matters. Only your insurance agent can provide accurate guidance based on your specific policy and circumstances.**
- **How can I make installment payments?**
  - You may make installment payments in any amount of your choosing toward the total balance of \$2,653.00, which must be paid in full by September 30, 2025, deadline. Payments should be made to your HOA account.

- Please note: This payment is in addition to your regular monthly assessment, which remains due by the 10<sup>th</sup> of each month.
- Failure to pay the full balance by the deadline may result in late fees, collection activity including referral to legal counsel, and/or reporting to a credit agency as permitted by law.

We deeply understand this may pose challenges. Our goal is to be transparent, fair, and flexible. If you have any questions, please contact us through the “[Contact Us](#)” tab on the Association’s website.

Sincerely,  
Essex Association Management, L.P., Managing Agent  
On Behalf of Windhaven Crossing Townhome Owner’s Association, Inc.