



Timberview Estates West

Recap of Brick Wall from Meeting on May 9 at the Flower Mound Library

1. Q. What is happening to the Brick Walls?

A. The brick walls were built in the mid 1990's to the construction standards of the time. It has since been learned by builders and the Town of Flower Mound that the standards were insufficient and would only maintain a wall panel for approximately 15 years. TEW HOA walls are degrading as a natural result of their design.

2. Q. The walls look great. What do you mean they are degrading?

A. The board has learned that thin brick walls are very complex structures that require engineering certifications for each panel with regard to stress, wind load, panel weight, etc. that are filed with the Town. If at any point on the wall exposed rusted steel wires are visible then water has breached the mortar, rusting the steel wires that run through the wall. When the wires rust they expand to around 7 times their specified size which shoves out the mortar. The primary thing that holds this wall design together is the mortar adhering (gluing) the bricks together. Once the wire starts to rust it is only a matter of 1 – 3 years before the wall fails. Also the walls must be free moving between the columns. In other words you should be able to reach up and move them back and forth with your hand (please do not do this as a decayed wall panel may not handle the lateral stress well). If they are fixed in place it is an indication the internal wires may have already started to expand (but rust may not be visible yet) causing the wall to degrade. At the very least the wall is pinned between the two columns and as the ground shifts causing the columns to move slightly the corner bricks of the wall panels will come off exposing the panel directly to rain which will start the wire rusting process.

3. Q. Do we have to have brick walls?

A. Yes. The Town of Flower Mound passed an ordinance in the early 90's requiring HOAs to have brick walls. As TEW was built after that ordinance was passed we are required to have/maintain our brick walls.

4. Q. Are there any warranties?

A. No. Construction warranties and legal liabilities end after 10 years and TEW walls are well past that age.

5. Q. What walls are covered?

A. Only the walls along Waketon and College are owned by TEW and covered in this project. The wall bordering the apartments is owned by the apartments and they solely maintain that wall at their expense. Note the primary work is to replace the wall panels (the brick between the columns). The columns are actually small buildings that sit on a foundation and can be repaired. It is the wall panels that are between the columns that have to be replaced.

6. Q. Who is in charge of this for the HOA?

A. The President, Jerry is the chief point contact person for any questions at **972-922-6643**. Jerry is supported by the rest of the HOA board and the Architectural Control Committee (ACC). One of the ACC members is a civil engineer trained in engineering and monitoring commercial construction jobs.

7. Q. How did this group learn what to do?

A. I contacted the Flower Mound HOA Coalition (FMHOAC), Wellington, Bridlewood, Stone Hill Farms, Shadow Ridge South HOA, and obtained information from the internet. THE FMHOAC sponsored a meeting on the construction of the brick walls which featured an engineer from ACME brick who helped design the system which was attended by the TEW board and ACC. We gained lessons learned from the HOAs and developed a bidder list that started with 9 vendors and was eventually reduced to 3 who were actively working in Flower Mound HOAs building brick walls. The President walked the TWE walls with each vendor and asked about construction standards, how to see damage, and the best ways to handle the damage. All of this information was shared with the board members and ACC.

8. Q. Was there any advice from the other HOAs?

A. Yes, a lot. Primarily make sure you have a long term reputable contractor and do not attempt to repair wall panels that appear to have only slight problems. The other HOA learned such repairs only held for 1 -3 years and then the panel had to be replaced. Several of the HOAs spent hundreds of thousands of dollars learning this lesson. The TEW board and ACC met many times considering information as it was learned and what it meant for how TEW should proceed.

9. Q. So what action has been taken?

A. The President asked the three qualified vendors to submit bids and references which were reviewed by the board and the ACC. **And?** After negotiations between the President, Jerry of TEW HOA and the various vendors, Steve Jennings Wall Systems submitted the lowest bid (by some margin) and provided 29 years of references (meaning people and brick walls to look at). Steve Jennings also provided a 10 year warranty where 1- 5 years is the standard warranty bid by the other vendors.

10. Q. OK So how much will it cost?

A. The bid ranges ran from a high **\$165,000** down to the winning bid of **\$113,000**. The winning bid equates to roughly **\$600** per home owner (which provides some contingency).

11. Q. How much does TEW have saved?

A. Not anywhere near that much. After subtracting for other repairs that have had to been done this year, TEW has around **\$15,000** in savings.

12. Q. The board isn't going to levy a one-time \$600 assessment is it?

A. No, remember the board has to pay the assessment also. The board has authorized the President to seek a construction loan to pay for the work. The loan will be paid back via 3 special assessments of approximately **\$200 each/resident**. The special assessment will be levied in June of 2011, 2012, and 2013. The regular assessment will continue to be levied in January of each year.

13. Q. Are there problems in getting a loan?

A. Yes. The amount TEW needs (about **\$125,000**) is too small for most banks to deal with. Lending to an HOA is a specialized business as the HOA is an association of people with officers that change periodically. It does not have any re-sellable assets as the common grounds cannot be sold if the HOA defaults. Therefore most banks will not lend to an HOA. TEW has a second problem in that we are entirely self-managed. This causes the banks concern on two fronts-first will they be dealing with the same board members at the end of the loan as at the beginning and two how good is the volunteer group at collecting and record keeping. If an HOA has a management company the banks have answers based on the management company's reputation. There are a small number of banks that do make a business of lending to HOAs and know how to secure a lien against the HOAs income stream. TEW is contacting these banks and attempting to convince them we are a well self-managed HOA.

14. Q. What if TEW HOA cannot get a loan?

A. Then the special assessments will be levied to build up the reserves. Do note the levies will have to be adjusted upward as the cost of construction has started increasing again as the economy in this region is beginning to strengthen. The best guess the board has been able to compile is the project cost would increase **\$15,000** in the first year and between **\$8,000** and **\$15,000** each year after that. There are only a very limited number of qualified vendors in this highly specialized industry and brick walls at many HOAs are beginning to fail providing the vendors with plenty of opportunity so they will not need to discount in the future. Because of the expected cost increases the board is contacting many institutions in an attempt to get the loan.

15. Q. How long does TEW have to get the loan?

A. The current winning bid is good until June 29th. After that it increases **\$15,000** and it is still the lowest bid received.

16. Q. Can a resident make a loan to the HOA?

A. Yes, seriously you can. It would be the easiest route for the HOA. TEW will pay competitive interest rates based on the published rates of bank making HOA loans. Currently this is **6%**. If anyone is interested please contact Jerry, president of the HOA at **972-922-6643**.

17. Q. OK I still have questions that were not answered, who do I contact?

A. Please contact **Jerry**, President of the HOA at **972-922-6643** or by e-mail at **president@timberviewstateswest.com**. The meeting ran about 90 minutes and it would be impossible to cover all the information here that was transmitted at the meeting.

Appeal for e-mail addresses

In order to save money (around \$125 per mailing) the TEW HOA has gone electronic but we still only have about **70%** of the residents contact e-mails. Therefore Melanie Armstrong (one of our TEW residents) has volunteered and been authorized to validate/collect e-mail addresses. Please confirm or provide your contact e-mail information when she knocks on your door.