

Garden Grove Townhome Association: Background & Claim History

Nov. 24, 2025

From: The Board of Directors

In May and June 2022, the Association experienced two severe hailstorms with hail measuring about $\frac{3}{4}$ inch. Following numerous reports of roof leaks, our contractor, Total Roofing, inspected multiple buildings and confirmed hail damage. On their advice, we engaged an independent public adjuster, who inspected every roof and estimated shingle damage of approximately \$880,000 at 2022 pricing. At that time, the Association carried a \$26 million property policy.

The Board submitted a claim; roughly eight months later, the insurer offered approximately \$16,000. In early 2023, the Association retained counsel and filed suit for \$1,500,000. The insurer's consultants disputed the scope of damage. Mediation was held in October 2024, resulting in a \$650,000 settlement. After legal fees and costs, the Association received \$357,396.92 in late November 2024, which was deposited into the reserve account.

Work Performed & Remaining Scope

Since receiving funds, the first ten buildings have been re-roofed at a cost of approximately \$253,000. Based on current pricing, replacing all roofs is projected at approximately \$1,000,000.

Financial Position & Funding Plan

After the settlement deposit, Association Reserves totaled approximately \$750,000 (this included Reserves from over a decade of owner assessments). To complete the remaining roof work while maintaining prudent reserve levels and avoiding a deficit, the Board will implement a one-time insurance loss assessment of \$5,000 per unit. This approach balances the need to finish the project promptly with the obligation to preserve the Association's financial stability by not spending every dollar from Reserves.

The Garden Grove Townhome Owners Association
Board of Directors