

## VMHOA Annual Meeting Minutes Saturday, July 31, 2021

The meeting was called to order at 2:10 p.m.

The President, Vice President (via Zoom), Secretary and Treasurer were present.

There were 26 owners present including Board Members in person, via zoom, or via proxy.

A quorum of homeowners was present.

The President gave opening remarks and recapped the previous year's accomplishments and challenges. Discussion turned almost immediately to the structural issues of buildings 1 and 4.

The engineer's report, engineer drawings, and quotes for repair work were distributed to owners prior to the meeting and hard copies were available to owners who were present. All documents distributed for the meeting are attached to these meeting minutes.

Buildings 1 and 4 are shifting due to improper initial construction. The foundations were laid on clay which expands and contracts with moisture. Additionally, the concrete was mixed with sand that contained salt causing spalling of the concrete surrounding the rebar used in construction. Further, water was not diverted away from the buildings, which has exacerbated the issues. Units directly affected are units 10, 11, 40, 41, 50, and 51; the units are in danger of collapse. 5 of these units 11, 40, 41, 50, and 51 are currently occupied. The engineer has given units in building 4 six months until collapse.

The cost to repair the foundation of building 4 in which units 40, 41, 50, and 51 are ranges from \$143,000 and \$236,000 with the second quote recommending teardown and rebuild at a cost of 30% more than the quoted \$236,000. Vista Mar does not have the money to repair these units. No estimates for building 1 have been received, but the VMHOA Board estimates that it will be approximately the same as for building 4. So, a total of \$300,000 to \$500,000, or a special assessment of \$8,500 - \$14,000 per unit. The possibility of condemning and tearing down units 40, 41, 50, and 51 was discussed. The cost of this is \$40,000-\$75,000. A special assessment of \$1,000-\$2,000 per unit would be needed to pay for this.

An owner recommended obtaining an SBA loan. This led to discussion of likely requirement of obtaining wind insurance in order to obtain a loan. The VMHOA Board received quotes for wind insurance last year and found that it was cost prohibitive. The annual premium was approximately \$50,000, and the deductible was approximately \$200,000. Damage sustained in previous hurricanes, most recently Irma/Maria, has not exceeded \$15,000. VMHOA has approximately \$50,000 in its reserve account that is designated to be used in the event of windstorm damage. The only way to obtain wind insurance would be to raise HOA association dues by approximately \$116 a month AND initiate a special assessment of \$5555 per condo in order to be able to pay for insurance that historically has not been needed.

It was noted that all the information is still not in. Estimates for down spouts, repair of driveways and parking areas, and repair of building 1's foundation were still not in. The President noted that the VMHOA Board has been diligently trying to get these quotes since December. Construction companies on the island are very busy and even obtaining a quote is no guarantee that they will be able to begin work in the near future.

Since all the information was not in and it would not be practical to vote on a special assessment at this time, it was then suggested that HOA fees be raised in order to start saving money for whatever course of action the HOA eventually took.

Mrs. Jackman spoke on how to take care of things in stages. The HOA needed to prioritize and suggested that all foundations need to be done at the same time.

Pat Morris suggested we vote on Board members and whether to increase the dues and an amount could be decided later. Pat made a motion to vote to increase dues, Mr. Westenberg seconded, a vote was taken and was voted down 7 for and 14 against.

Discussion was held that the reason for voting against was no amount of increase was determined.

Pat Morris then made a motion to increase the dues by \$100 monthly, Christina Dorsey seconded, and a vote was taken with 7 for and 14 against.

Then it was announced that the vote for the board would be taken and since there were no nominations a call for nominations from the floor was made. Mrs. Jackman offered to serve as the secretary and was unanimously approved and voted in.

Christina Dorsey stated that she would serve as co Treasurer & Russell Sinclair also stated that he would serve as co treasurer. The vote was taken for Christina Dorsey 7 for and 13 against and 1 abstention. The vote was taken for Russell Sinclair 7 against and 13 for and 1 abstention. Russel Sinclair was voted in as co-treasurer.

Thalassa thanked everyone for attending. Russel Sinclair made a motion to adjourn and was seconded by Janasee Sinclair and the meeting was adjourned at 3:57 PM.

The official count for attendance was  
In Person 16 units, Via Zoom 7 Units, Via Proxies 3 Units,

Throughout the discussions there were interruptions and side conversations that did not directly address issues of discussion and these are not included here.