

Hillcrest East 25, Inc.

Condominium Meeting Minutes: July 31, 20019

Call to Order: Meeting was called to order in the main lobby by Steven Hurtig at 7:30 pm.

Board Members Present: Steven Hurtig, Armond “Clay” Hockman, Cindy Bridges and Mirjan Vehbiu.

Board Members Absent: Cindie Rock (excused)

Meeting Summary:

First Item for Vote: Steve Hurtig made a motion to waive reading of the minutes of the June 26, 2019 board meeting, which were distributed to all board members on June 29, 2019 and to approve the minutes as written. The motion was seconded by Cindy Bridges. The vote to waive the reading and approve the minutes was unanimous.

Mr. Hurtig clarified the purpose of the meeting was for the Board to vote on a single issue: to obtain authorization to mail a limited proxy to all Hillcrest Building 25 unit owners (Total Voting Interest) to grant the Board authority to purchase impact glass windows and door sliders for the building and for all the units that do not have impact glass. This decision, by statute, must be made by the majority of the Total Voting Interest of the building. The Board is seeking the authority to conduct final negotiations with several companies on the purchase and installation of these items.

- Mr. Hurtig stated that the building is now 43 years old and it is not a question of *if* a hurricane will hit us, but *when* a hurricane will hit. In the past 14 years, the building been through 3 separate hurricanes (Wilma, Katrina and Irma), from which our building has been scarred, our windows are not as strong as they once were and are no longer to building code and could not be replaced with the same windows as they are no longer allowed.
- For safety reasons, our windows need to be replaced.
- Additionally, we have found only two insurance carriers that are willing to even write insurance on this building because of the glass. If these carriers agree to underwrite insurance for our building this year, we can expect a substantial increase in premium, which will continue to be a problem in the future.
- Also, there is an issue with safety of our residents and of the safety of our asset.
- The Board has found a variety of options to finance the expense of impact glass replacement, including an option through a government program to finance this project for up to 30 years.

Mr. Hurtig stated that without the approval of the majority of the unit owners by voting ‘Yes’ on the proxy, the Board will be unable to continue this project. Mr. Hurtig also stated that the projects this Board has overseen have all been well vetted and well done and this level of oversight will extend with this proposed project. He stated that the Board has

narrowed the selection of vendors to 3 well vetted contractors who will honor their warranties and will provide quality materials with quality installation. We expect to be given a highly competitive price, due to the volume purchase and we are looking into the possibility of the installation being done under one permit from the City of Hollywood as opposed to over 200 separate permits. Additionally, we are getting close to making a settlement on our lawsuit with the insurance company over damage sustained during Hurricane Irma. Although we don't know the amount of money we may receive in a settlement, any funds from this, assuming this project is approved by unit owners, will be used to buy down the cost of the impact glass. Finally, we will be in contact with the City of Hollywood's CRA (Community Redevelopment Agency) to petition them for a grant toward this project.

Cindy Bridges explained that the issue of impact glass came to the forefront in meeting with insurance brokers. It has become apparent that fewer insurance carriers are willing to provide insurance for buildings without impact glass protection. She stated:

- Our 43-year-old glass and window frames continue to weaken and are now prone to damage.
- We have learned that impact glass is energy efficient and will reduce our cooling costs.
- Impact glass will protect our building interiors (the units and lobby) from projectiles and damage.
- Unit owners are responsible for damage to windows and doors in their unit, not the Association.
- Impact glass will help avoid Building Insurance premium increases that exceed the budgeted expense within our current monthly maintenance fees.
- Impact glass will bring our building glass up to code and failure to protect our building with impact glass could be viewed as negligence by the voting interest of the building.
- We would have the power of group purchasing, so that together we can purchase impact glass for far less than buying one set of glass for your individual unit.
- Impact glass will increase the value and the marketability of our units.
- The Board is researching various sources of long-term financing available.
- People who have impact glass in their homes all agree that it reduces outside street noise.

Mrs. Bridges clarified that the Board is not voting at this meeting whether or not to have impact glass, but rather to decide whether or not to send proxy ballots to unit owners, who will make that decision.

Mr. Vehbiu added that he already has impact windows in his unit and has found that it has saved 30% on his electric bill, that the noise is much, much better and that it provides peace of mind every time a hurricane comes. He also stated that he believes that we will have the power to

negotiate a better price and he approves of the ability to finance for 30 years. Mr. Vehbiu stated that he believes this is the way to go.

Mr. Hurtig stated that, based on the condition of the windows in the building now, he wants to take the liability for negligence away from the Association. Should unit owners decide by proxy not to install impact glass and damage occurs in the future, it will be the responsibility of the individual unit owners rather than this Board. He does not want the Board to be held liable because we knew the risk of damage. The minutes of the meeting will reflect that the Board tried to tell the unit owners about the risks of not replacing the glass in the building and the rest will depend on the unit owners.

Armond "Clay" Hockman added that he would like to see the unit owners have a say in whether or not to have impact windows in our building. Mr. Hurtig responded by stating that, by statute, this decision cannot be made by the Board but must be made by the unit owners.

Mr. Hurtig opened the floor for questions from the unit owners.

Steve Hurtig made a motion to take a vote of the board for authorization to mail a limited proxy to all Hillcrest Building 25unit owners. By request of Mrs. Rock, she was contacted by telephone, through a call from Mirjan Vehbiu, so that her vote would be included. Four Board members voted in favor of and one Board member voted against mailing a limited proxy to the Total Voting Interest of Hillcrest Building 25unit owners. The vote to authorize mailing a limited proxy passed by majority of the Board.

With no further discussion or new business before the Board, Steve Hurtig moved to adjourn the meeting. The motion was seconded by Cindy Bridges and the vote to adjourn the meeting was unanimous.

Meeting Adjourned: 8:02 pm.