



PHA DELEGATES COMMITTEE MEETING JULY 8, 2008 MINUTES

Attendance:

Carlos García
Jose J. Martínez
Pedro Ever Sánchez
Luis Lomba
Julio Bagué
Luis Ortiz Segura
Isabel Maisonet
Mirna Ríos
Ricardo Collazo
Angel Del Moral
Frances Olivieri
Reynaldo Encarnación
José Colón
Daniel Vasse
Rafael Santos
Juan Gracia
Pedro Cosculluela
Servando Díaz
Graciela Roig
Heriberto Silva

Palmas Doradas
Montecarlo – Palmanova
Beach Village IV
Plaza Resort
Casillas de Palmas
The Woods
Harborside
PDM Business Assoc.
Beach Village II
Sunrise
Shell Castle Club
Palmanova Plaza
La Jolla
Anchor's Village
Aquabella
Flamboyán Greens
South District
Costa Verde & PHA Board Director
Villa Franca
Palmas Plantation

Members Absent:

Gladys Fornaris
José Beauchamp
Jorge Mattei
José Garcés
Marie Sylvia Rivera
Providencia Walker
Lizann Plá
Rita Molinelli
Pablo Quiñones
Sylvia Burn
Eva Candelario
Néctor Robles
Miguel Santiago
Victor Nieto
Fernando Valledor

Palladio
Harborlights
Bahía Del Sur
Seascape
Maralago
Palmarina
Fairlakes III
Beach Village I
Beach Village III
Beach Village V
Club Villas
Crescent Beach
Fairlakes Village
Fairway Courts & PHA BOD
Harborpoint

Joseph Barlia
Jaime Fernández
Heriberto Silva
Luis Muñíz
José Bacardi
Ricardo De Varona
Héctor Robles
Radamés Acosta
Ivonne Cruz

Las Villas I
Las Villas II
Palmas Plantation
Plaza Del Puerto
San Marcos Island
San Miguel Island
Tennis Village I
Tennis Village II
Haciendas de Palmas

Others Present:

Antonio Maldonado
Ilía Bermúdez
Wilfredo López
Rubén Chamorro
Benjamín Orengo
Luis López
Félix Santoni
Eric Grafals

PHA Executive Director
Crescent Cove Administrator
ARB Executive Director
Palmas Reales Homeowner
St. James Security
PHA Security Director
PHA Board Director
Shell Castle Club President

I. CALL TO ORDER

Mr. Servando Díaz, President, called the meeting to order at 6:50 p.m.

II. APPROVAL OF MINUTES

Minutes of the May 13, 2008 meeting were approved upon a motion by Mr. Luis Ortiz Segura seconded by Mr. Rafael Santos Del Valle.

III. ARB PRESENTATION

Mr. Wilfredo López, ARB Executive Director, gave a short presentation on the status of the construction fence around the Palmas Inn parcel, the luminaries in the Shell Castle Club area, the retaining wall along Shell Castle/Surfside Street and violations in Beach Village.

In regard to the construction fence around the Palmas Inn Parcel, Mr. López indicated that certain portions of the fence are being removed, others relocated and others are being fixed. This effort has been contracted by the ARB as authorized by the developer using security deposit funds. Specifically the fence in the beach side and the Coqui Park area are being removed. The fence portion behind Club Villas is being relocated approximately 60 feet away from Club Villas. Club Villas will take care of maintaining the area that is being opened. The fence portion between Palmanova Plaza and the Palmas Inn parcel will be fixed but will remain in place to block access to the old Palmas Inn area. Work is already in progress and should be completed within a few days.

Mr. Reynaldo Encarnación pointed out that this is the worst fence that exists in Palmas del Mar. As the representative of Palmanova Plaza he does not concur with the ARB proposal to leave in place the old portion of the construction fence between Palmanova Plaza and the old Palmas Inn parcel. In his view the fence needs to be reinforced and replaced with something that is not an eyesore and the community can live with. He also indicated that the Palmanova regime was not consulted about these changes and he would have preferred the complete removal of the fence.

Regarding the two luminaries that have been out of service at the entrance to Shell Castle Club, Mr. López informed that these luminaries were affected by the construction of the new villas in the area. The one on the left side of the street is being repaired by the electrical contractor of the project developer. Work should be completed within a week. The one on the right was inspected by PREPA and they found that the breakers at the transformers that feed these lights are missing. The PREPA inspector will follow up in coordination with PHA to replace the missing breakers. Additionally, Mr. López informed that the construction materials and fence located at the construction site will be removed and the area cleaned.

Ms. Frances Olivieri suggested that deadlines for the completion of the above actions be established with the developer to insure they are accomplished on a timely manner. Also, Ms. Olivieri pointed out that the green area between the new construction and the existing house at the corner of Shell Castle and Shell Castle Club (Shell Castle no. 13) be restored to its original condition. Prior to the construction this green area was being kept in a beautiful condition by the owners of Shell Castle #13 and it was practically destroyed by the construction.

In relation to the retention wall behind the Kolodziej project and along Shell Castle road, a new contractor has taken over the project and is working on its completion. A new security deposit has been given at the ARB and clean up of the street areas is already in progress.

Regarding Beach Village, unauthorized construction was detected in Beach Village No. 172 and no. 82. The entire back of these villas were blocked with plywood and apparently internal modifications are being performed. This work is being done without the ARB review, approval or permit. Although no ARB approval is required for internal modifications, a pre-construction meeting must be coordinated to insure contractors and workers are knowledgeable of construction rules and restrictions. Also, for security purposes workers must be identified and registered with PHA Security.

Mr. López informed the Delegates that a new system for imposing fines to violators of the ARB codes has been implemented. The new system allows for placing violation fines directly in the PHA assessments accounts as ARB violations are also violations of the PHA Restricted Covenants.

Mrs. Graciela Roig inquired about the status of Villa Franca AG-12. Mr. López replied that the house had several fines for violations including daily fines imposed by the Superior Court. The bank repossessed the property and is now negotiating with the ARB to clear the fines and violations. Mr. Pedro Cosculluela complained, as the bank contractor in charge of clearing the house violations, that after the bank had been given a debt certificate showing zero balance, another debt certificate had been issued that shows a \$17,000 ARB debt. Mr. López replied that the original debt certificate had not included the ARB fines and correct one had to be issued subsequently. This is an issue now between the ARB legal representatives and the bank lawyers.

Ms. Frances Olivieri suggested that it is time to publish a new article in the PHA magazine advising the community about the ARB rules, violations and requirements. Mr. Maldonado will work with Mr. López to publish such an article in the next magazine edition.

Mr. Juan Gracia asked Mr. López about the rules for solar water heaters. Mr. López replied that as long as the collectors are hidden from public view they can be installed. The ARB guidelines already cover this item as well as antennas, air conditioners, etc. Mr. López added that the new ARB design guidelines soon to be published will contain new criteria for the construction of roofs to allow for solar energy and alternate energy collection devices. Regarding the possible use of windmills Mr. López informed that this option is not under consideration.

IV. REVIEW OF OLD BUSINESS

A. Children's Park

Park is nearing completion. It is anticipated the park will be completely finished by Friday July 11, 2008 and ready for use during the same weekend.

This community project for which the land was donated by Mr. Joaquin Soler and PDMPI contributed \$50,000 will have a total cost at completion of approximately \$210,000 to include additional improvements such as a gazebo, additional tables and benches. The PHA Board feels that this is a very worthwhile investment in the well being and quality of lie of the community.

In addition to the playground equipment for toddlers ages 2 -5 and children 5-12, the park will have auto and golf cart parking. Signage has been installed and the rules for the use of the park have been posted.

There will be a formal opening and ribbon cutting ceremony on Saturday, July 19th at 10:00 a.m. A reminder/invitation for this event will be sent to all Delegates. More information will be coming from PHA regarding this event.

B. Marbella Lawsuit Negotiations

Mr. Julio Bagué reported that a meeting was held at Attorney Vionette Benítez office on Friday, June 6, 2008. In addition to PHA lawyers, the meeting was attended by Mr. Jaime Morgan, Mr. Julio Bagué, Mr. David Susson (Maxxam Legal Counsel), Attorney Juan Marchand and Mr. Antonio Maldonado. The purpose of this meeting was a final attempt to resolve remaining differences in the MOU as outlined at the last PHA Board meeting and within the June 6, 2008 deadline also established by the PHA Board. After a very long meeting which lasted from about 9:00 am to 7:00 pm, both parties were able to reach an agreement except in two points.

1. PDMPI still refuses to provide any warranties or representations regarding the title of the parcels to be transferred.
2. The introduction of third parties to whom the Forest may be transferred to for PDMPI tax credit purposes in the event PHA does not qualify as a recipient of a conservation easement. PHA understands that there is no need to consider transferring the Forest to third parties as the Forest should be considered a nature preserve to be conveyed to PHA, in accordance with the PHA Covenants, at the closing of the 90% of the units defined in the Master Plan.

Following the meeting a new draft MOU document was received from PDMPI lawyers; however, this document still contains language that is not acceptable to PHA. The new draft MOU contains language whereby not only PDMPI will not provide any representations or warranties regarding titles of properties to be transferred, but also adds language to the effect that PHA will not make any claims on title defects other than title insurance. PHA's position is that it cannot accept such language unless it can obtain title insurance completely free of any exceptions and PDMPI provides all documents which may be required by a title company in order to issue a title policy. A title study will be conducted of the main parcel of land where the Forest and the Forest passive park is located. Such a study should reflect all segregations done from that parcel and provide sufficient proof of title ownership by PDMPI and for title policy requirements.

PHA will continue to work through its attorneys trying to reach an acceptable agreement on all areas; otherwise it will proceed with the lawsuit through the Court of Law.

C. Villa Franca Channel

Mrs. Graciela Roig informed that the banks of the Villa Franca channel are being treated with herbicides. The result of this practice is not aesthetically pleasing and contributes to the erosion of the channel. A memorandum from Arch. Angel M. Rodríguez was received at the Villa Franca Homeowners Association where he recommends this practice be discontinued. He also recommends that the banks of the channel be planted with types of ground cover and other vegetation that will help stop the erosion process. A copy of Architect Rodríguez letter was given to Mr. Antonio Maldonado. PHA Executive Director, Mr. Maldonado will work with the landscaping maintenance contractor to stop

the use herbicides and to determine the possibilities of implementing Mr. Rodriguez recommendations.

D. Stray Dogs

Mr. Heriberto Silva expressed his concern with a pack of stray dogs that have recently appeared in the Flamboyant Greens/Palmas Plantation area scaring and threatening residents. Mr. Maldonado replied that PHA, has doubled its efforts to neutralize this particular pack. These dogs have been identified and are using a track running from Palmanova Village to Montecarlo, through the Tennis Center to the Palmas Forest and the Church Construction, Flamboyant Greens, Palmas Plantation, Rosa's Cafeteria and on to the golf course where they are hiding in the wetlands area. Traps have been set but they have proven difficult to catch. PHA is engaging the additional services of Humacao Animal Shelter Inc. who has the permits to use tranquilizer guns to trap dogs and place them in a shelter for adoption or eventual disposition. Humacao Animal Shelter charges \$140 per dog to trap them with the use of tranquilizer guns. PHA is willing to do anything within its power to eradicate this problem completely from the Palmas community.

E. Trash

Mr. Daniel Vasse pointed out that in spite of PHA's best efforts with trash cans and personnel picking up trash daily, there seems to be a lack of displicense among people, particularly visitors to Palmas del Mar. This was evident during the 4th of July weekend. It was noted that many condominiums do not have trashcans in common and parking areas and people end up leaving trash in open areas or in the streets. He suggests that realtors could help with the problem by passing flyers to their rental guests. Also, regimes can help by posting signs alerting people about the location of trashcans within the condominiums.

Ms. Frances Olivieri suggested that the Municipal Police be used to issue fines as this can be enforced through the Humacao Municipal Code as has been planned with the golf carts.

F. Recycling

Luis Ortiz inquired about the status of expanding the recycling program to the rest of Palmas del Mar. Mr. Maldonado indicated that the municipality has advised that it is in the process of acquiring another recycling truck. As soon as the truck arrives PHA will be notified and coordination will be affected to expand the program to all residential areas within Palmas. Currently the program is limited to Palmas Plantation, Palmas Reales, Villa Franca and Haciendas de Palmas. The program is working very well.

G. PHA Building

Mr. Carlos García inquired into the status of naming the PHA Building. He was informed that this item is pending for consideration by the PHA Board.

V. PHA EXECUTIVE DIRECTOR'S REPORT – ANTONIO MALDONADO

A. Perimeter Surveillance System

The bank loan for the acquisition and installation of the Perimeter Surveillance System has been closed. The installation contract is now under review as is expected to be signed within the next five (5) days. Once the contract is signed the project will take approximately two months to complete and become operational.

B. Security Update and Incidents Review

Security personnel has received refresher training in CPR, fire-response, crime scene protection, intervention and detention during the month of June. A comprehensive contingency plan was implemented for the summer months with special emphasis on long-holiday weekends and is working well. Excellent cooperation is being received from the State and Municipal Police.

In spite of a very busy 4th of July weekend with record number of visitors to Palmas, the weekend transpired without major incidents except for graffiti vandalism and youngsters driving golf carts irresponsibly at late hours of the night. Extra efforts and planning were put in effect to control Palmanova Plaza with excellent results.

In terms of security incidents the situation in Palmas del Mar has remarkably improved since April 2008 following the implementation of added security resources and the implementation of several initiatives to include 100% inspections of all commercial vehicles and closed vehicles leaving Palmas del Mar.

During the months of May and June there was no major criminal activity within Palmas del Mar. In June there were twelve (12) illegal appropriations ranging from golf cart stickers to construction tools. Four (4) of these appropriations took place in residential areas. Three burglaries were reported to Palmas Security and the Police (one each in Villa Franca, Club Villas and the Beach Bohio). One vehicle was stolen from the Club Cala area and subsequently recovered. The camera system at the main gate was key in solving this car-theft.

Thirty (30) individuals were intervened by Palmas Security and eleven (11) of them detained and turned over to the Police. Forty two (42) fines were issued to golf carts totaling 305 for the year. Three individuals were rescued from drowning by the Beach Patrol bringing the total to 32 for the year. During 2007 there were 19 rescues the entire year.

PHA is working closely with the Municipality of Humacao in the enforcement of the Municipal Code to have commercial establishments close as required by the law.

C. Recordar es Vivir

This is a Palmas/Humacao community event held for the 4th year in a row. PHA and Club Aries of Humacao collaborate in the planning of this annual event held at the main Humacao Public Plaza in front of the Humacao Catholic cathedral. There will be artistic shows, antique cars, dancing competition, artisans, food kiosks and several other entertaining events. This activity is open to the entire public and the community of Palmas is encouraged to participate. Information is being posted in the PHA web site and the Facebook chat site.

VI. COMMUNITY ACTIVITIES REPORT – JOSE J. MARTINEZ

Mr. José J. Martínez, Community Activities Coordinator presented the following report:

The Walkers and Runners will be holding its third meeting. The first of which was held on May 3rd, the second on June 14 and the third is scheduled for July 19. The activity has had great enthusiasm and interest with an average of 20 participants.

The bird watches have exceeded our expectations. The next watch is scheduled for August 16. The first watch was held on February 16 and the second on April 19. There have been over 30 participants in each of the watches.

The PHA Movie Nights opened with an inaugural premier on July 5. Over 60 homeowners and their guests were welcomed to a grand beginning. The movie nights will be held every first Saturday of the month. The next movie screening is scheduled for August 2.

Other activities that were offered and deemed enjoyable were the Latin Chi night on June 20 and the Reef Awareness Conference on May 17.

The PHA Cultural Activities program is working on the development of the PHA Actividades profile presence on facebook.com

The Kids Aboard Summer Boatbuilding Workshop will be starting on July 14 with a program aimed at 40 kids from ages 8 to 17.

Finally, Mr. Martínez informed that a continuation of the Latin Chi nights is ready to go. It will be hosted by an instructor that will bring the depth of martial arts discipline to the community.

VII. NEW BUSINESS

Reynaldo Encarnación gave a status report on the PDMU program to correct treatment plant filtration problems. This problem is causing storm waters to get into sanitary lines and is overloading the plant. Notification has been sent to property owners and neighbors of areas affected. Mr. Encarnación also mentioned that the Rio Blanco plant is back to normal and the sprinkler systems in Palmas are being reopened.

Mr. Encarnación thanked PHA, Mr. Luis López, and St. James for the excellent manner in which Palmanova Plaza was controlled during the 4th of July weekend. The contingency plan elaborated for Palmanova Plaza with cooperation from PBI, PHA and the Police worked very well. No incidents were registered at this location.

Mrs. Myrna Rios provided advanced information regarding a community-wide activity being planned by the Business Association and PHA during the month of August. Activities being considered include a typical music event in Palmanova Plaza and a picnic in the Villa Franca Clubhouse. Details of these activities are being developed and will be shared with the community by the end of July.

Mrs. Rios also asked about the community rules for open house signs. It was explained to her that open house, for rent and for sale signs are specifically prohibited by the PHA Covenants and the PHA Board has affirmed this prohibition. Mrs. Rios indicated that some realtors, particularly Palmas Realty, are violating these rules. In their view, rules are applicable to everyone and there should be no exceptions. On the other hand, she added, in view of the real-estate market problems being experienced in Palmas and throughout Puerto Rico, the PHA Board should consider relaxing these rules to promote the sale of properties. Mr. Servando Díaz asked Ms. Rios to develop a reasonable proposal and bring it to the PHA Board for consideration. The PHA Board has already expressed its willingness to work with developers and realtors in initiatives that may help ease the slow-down in real estate sales.

VIII. ADJOURN

The Delegates Committee adjourned at 8:50 p.m. upon a motion from Mrs. Graciela Roig seconded by Mr. Rafael Santos Del Valle.