

Board Members Present; Edwin Iturrino, Juan Aguado, Jose Diaz, Luis Arias and Andres Dennis.

Board Members Absent; None

Others present; Courtesy Property Management - Yamile Hernandez- Property Manager

Call To Order; The Board of Directors Meeting was called to order at 8:05 p.m. by Edwin Iturrino, President

Establishment of Quorum; All members were present, a quorum was established.

President's Report: Mr. Iturrino began by stating that the turn over has not been easy. That within the last five weeks, the Board has been working very hard to familiarize themselves with the procedures and documentation involved in running the Association. Our president also indicated that it would have being nice to have had the cooperation of the previous board to help us gather all the information related to pending issues (invoices to be paid, contracts to be signed, repairs pending..) Due to the seriousness of the situation, the president dedicated most of his report to the financial area. Issues highlighted were:

The financial statements presented by the previous board were significantly inaccurate. A large amount owed to Luis Garcia had not been included, several accounts had not been paid and therefore the cash in hand was overstated, the petty cash account couldn't be reconciled since there were no enough receipts to cover the difference between \$30 cash found in the office and the \$600 amount shown in the statements. Another issue presented was the case that some contracts were granted without a clause to finish them within 39 days with previous notification or if the service received is not adequate. In addition, the Board questioned why a Board that was elected for a year entered in a contract for 3 years and with the limitations explained before.

In addition, the president explained that some of the invoices were found to be too much based on bids that the new board had obtained to compare. An example is the wooden fence were the job was paid at \$26.60/foot when

the average of the industry is between \$18 -19. The board is trying to negotiate a new price for the wooden fence job, but he has refused any other deal because that was the price he agreed with the previous board.

Contracts: All contracts have been reviewed including Luis Garcia's contract who was renewed in November for a term of 3 years and with a cancellation clause of 90 days before the expiration date only. The Board feels that in order to terminate this contract would be too costly and there are pending projects which require funds and immediate attention. The Board has met with Luis Garcia and is designing a work schedule along with implementation of procedures to assure that the Association receives better quality of work. Mr. Iturrino proceeded to state that there were many bills that were not paid in a timely manner that now the current Board must find the funds to pay. Bills such as Command Security, Advance Golf Cart and Comcast. Magaly Hamm, owner and previous board member stated that the reason for the delay in payment was due to the turnover of management in August. However, the contracted figures were always specified in the financial statements until the actual invoices were received and paid.

Results Report: Presented to the Board by Management in the form of a Management Report.

Financial and Delinquency Reports: Juan C. Aguado explained the problem with people being delinquent. He read the amount of outstanding accounts receivables.(over \$38,000). He also stated that in the year end financial statement, the pending invoices related to the Special Assessments are not reflected. Last year the board presented a balance with a amount in the payables short comparing to the amount due, for example the report did not included the 88,000 \$\$\$\$ that came from Luis Garcia, work performed in October and November 2005 in the balance presented for December 31.

Security Committee: Luis Arias, explained that the equipment that was purchased last year first came with no warranty, second the value paid for it was too high for what it really is. The camera system that is now in place is not functioning properly because of different reasons, for example the coverage allowed by the lenses in the pool area is limited, wider angles should have been installed. He is in the process of reviewing the system and obtaining quotes to change and improve it.

Landscaping Report: Mr. Iturrino stated that the Board had made an agreement with Luis Garcia to trim all the palm trees in front of the homes and that payment will not be issued until March 2007 without interest or penalties. The contract also guarantees free replacement of tress and ficus while Luis Garcia is still the landscaper.

Pending Matters:

A) Obtaining bids for pending jobs. Mr. Iturrino explained that the Board is currently obtaining bids for pending jobs in the community. Specially with the CPA to be contracted for the audit.

B) Investigation of vandalism- Mr. Iturrino along with Mr. Dennis explained that an investigation is being conducted on who vandalized the swimming pool gate.

We are trying to establish the **Crime Watch program** and one of the requisite is to report any problems within the community to build enough evidence that justifies having a police patrol within the neighborhood at different times of the week.

C) Evaluation of potential providers — An evaluation has been conducted of all current vendors of the Association. The Board has met with the vendors except for ESMI , who has refused to meet with the Board.

D) Financial audit of statements and accounting procedures - Mr. Iturrino stated that the Board is aware that they have to conduct an audit of 2005. However, at this time they are obtaining bids.

E) Invoices pending of payment until we ensure that the work was done.

The Board stated that they are currently reviewing all invoices submitted but that the work was performed during the term of the previous Board. This is to be sure that everything was properly done before final payment is made to the vendor. Because based on the current board research, prices were to high for the jobs that were performed.

Pending also is the outside trees to be replanted.

Pending fixed outside landscaping (ficus, fence,...)

The new board will not contract the lawyer for every meeting.

New Business:

A) Requesting volunteers for committees. The Board needs volunteers for the following committees: ACC - Security - Welcome.

Attached is list of volunteers.

B) Date for Board Meetings. Edwin Iturrino made a motion to hold the Board meeting on the 3rd Thursday of each month. Jose Diaz seconded the motion. All in favor, motion was carried.

Claudia Herrera asked the Board if they could notify the community before they make a decision. Mr. Iturrino stated that decisions need to be made quickly at times without notification and as long as they do not implies requesting more money from the residents, they are considered routine and will be communicated through normal procedures (News letter, board meeting, website)

Oswaldo Lafee, resident, indicated that it wouldn't make sense to have the board trying to consult and communcate everything if it doesn't have new financial impact because the board wouldn't be able to accomplish anything.

Management indicated that if it is an emergency, a decision can be taken via telephone poll with the Board but then must be ratified at the next Board of Directors meeting.

Mr. Iturrino stated that periodically the Board will meet in the office, not to take a decision but to review information. Accordingly, they will have an ongoing announcement that the board will be meeting on regular basis among themselves for routinary administration procedures. The board also stated that board meetings with the community will be held the last thursday of the month unless otherwise indicated.

Mr. Iturrino adjourned the meeting at 9:54 PM