

Comite de Vecinos de Palmetto Bay
General Membership meeting Friday October 3, 2009

The meeting was called to order and a sign in sheet was passed around to collect the attendance and proxies that individuals are holding. In attendance were: Philip Buck, Theresa Viola, Rosanne McDonald, Alex McDonald, Jim Guffey, Mike Chapman, Gene DeMarco, Mike & Cindy Carter, Bob Brown, Anna Moskowitz, Joel Moskowitz, Gary & Cecilia Mendez Chamer, Heather & Clay Donnelly, Mike & Alecia Kintner, and Mike Daly. The eighteen persons present with their proxies represent 49 total votes.

The meeting was called to order by the president Gary Chamer at 3:43 P.M. Everyone introduced themselves around the table. Gary began with a "State of the Union" for Palmetto Bay. He described his efforts to induce guests from Honduras with reduced rates and included meals and drinks. He voiced his concerns about fighting among the home owners during a time when things are difficult and urged people to work together.

FINANCIAL REPORT

Alecia Kintner began the financial report describing the historical financial challenge over the last two years with chronic, challenging fourth quarter cash flow. Her evaluation is that the year end deficits were not caused by over spending but by counting on income from owners with a history of nonpayment. She described the efforts of the BOD to get a more accurate budget taking into account more conservative income estimates. The addition of the Water and Electric project, which had high cash outlays, onto the strained budget made 2009 cash flow management even more difficult. The distributed payment of dues in 2009 (Dec and May) helped with the cash flow problems over previous years.

As a result, the 2009 budget was cut to "bare bones" and nonessential expenditures were reduced or eliminated during the year in an effort to meet security payroll and other essential items. For 2009 there are even more owners in default than were planned for which crunched the budget even more.

A question about the mechanics of the budget was asked, specifically about the FY09 Projection for the remainder of the year. Alecia described her projection as based on this year's trend and on year to date actual performance. The year should end with a balanced budget. Alecia described the board of director's analysis of the 2010 budget with both higher and lower fees and indicated that the annual fee needed to remain the same for 2010 to give the HOA a chance to get even for the first time. The final recommendation was to hold the 2010 Common Assessment to the same as 2009 which was \$3,000.

The question was asked as to the dollar amount of unpaid common assessment for 2009. Alecia replied that there were 27 lots that were not eligible to vote due to fees in arrears. Total dollar value of the arrears was approximately \$81,000. A question about the methods used for collection of past due fees. Alecia described a process of sending statements followed by email reminders and more statements showing late fees and interest that have accrued. Gary asked for a motion to approve the budget: Michael Chapman made the motion to accept the budget as presented and the vote was unanimous.

In a related matter, Gary described the board of director's decision this year to establish a U.S. bank account under the Comite de Vecinos de Palmetto Bay name with HSBC. The account is being established to make it easier for some owners to pay their HOA fees by sending money to a US bank which then could be easily wired to an HOA account at an HSBC bank in Roatan.

NOMINATION AND ELECTION OF BOD

Joel began with a description of the method for nominations and voting on the members of the board of directors for this year. First nominations will be made from the group of owners that meet the eligibility requirements. Then from that group, the owners will elect five to be on the board of directors. Next the five elected members will be nominated for the five positions and voted on.

A question was asked about the possibility of expanding the BOD to six members so issues of BOD members being away would have less impact on the decision making. Joel replied and indicated that it would be possible to increase the size of the board of directors but since the number is fixed by the Statutes and would take some pre-planning to make that change. Gary Chamer opened the nominations.

Gary Chamer was nominated by Joel Moskowitz and seconded by Anna Moskowitz.
Clay Donnelly was nominated by Anna Moskowitz and seconded Bob Brown.
Michael Kintner was nominated by Mike Daly seconded by Rosanne McDonald.
Philip Buck was nominated by Michael Chapman seconded by Mike Carter.
Joel Moskowitz was nominated by Gary Chamer seconded by Rosanne McDonald.
Bob Brown was nominated by Joel Moskowitz seconded by Anna Moskowitz.
Alex McDonald was nominated by Heather Donnelly seconded by Joel Moskowitz.

It was requested from the floor that the candidates make a short statement to define their opinions and positions that qualify them to be on the board of directors. A point was made from the floor that after reviewing the sheet of authenticated votes and proxies Gary held enough proxies to have a majority vote and his decision would choose the board of directors. It was discussed and ultimately decided to proceed with statements from the candidates followed by everyone casting their votes. The votes were collected on paper and tallied by Alecia. The following five were elected to the board of directors with the votes indicated:

Alex McDonald	49.5
Joel Moskowitz	45.5
Gary Chamer	45.5
Clay Donnelly	37
Bob Brown	37.5

Philip Buck had 18.5 votes and Michael Kintner had 14.5 votes.

Nominations then began for the position each elected person would hold on the board of directors.

Gary Chamer was nominated for president by Joel Moskowitz and seconded by Anna Moskowitz.

Joel Moskowitz was nominated for vice president by Gary Chamer and seconded by Bob Brown.

Alex McDonald was nominated for Secretary by Gary Chamer and seconded by Joel Moskowitz. Clay Donnelly was nominated by Gary Chamer for treasurer and seconded by Joel Moskowitz. Bob Brown would be "Vocal" by default.

LEGAL UPDATE

Joel Moskowitz presented the legal update in Felipe Danzilo's absence. Banco Atlantida has four lots in Palmetto that are under foreclosure for nonpayment of loans. Palmetto has filed liens against the same properties for nonpayment of fees and an injunction has been filed to prevent the sale of those properties. It is likely that the injunction will be granted within a couple of weeks. The injunction to prevent the sale is considered Palmetto's best chance to get paid since the mortgages against the property are more than the value of the property themselves.

Also Catherine Golden has a lien against her property and the injunction to prevent the sale will be filed for nonpayment of fees within the next few days. These types of legal actions are a last resort measure. Normally owners agree to payment of delinquent fees upon the sale of the property and legal fees do not have to be incurred.

WATER ELECTRIC PROJECT

Gary reported on the water and electric project. The water system is complete and all the lots with homes on them have now been connected to the new system. The only remaining unfinished items are the covers for the street side shut-off valves.

The electrical system is nearly completed; all the transformers and underground portions are in place. There is about two to three more weeks of work needed to complete. The project had an excess of material, specified and purchased, mainly high voltage wire and water pipe. This material has been evaluated and the intention is that it be sold where possible to help re-coup some of the costs. The total cost of extra materials was about \$12,000 of which \$4,000 was piping that has not been identified as available to sell. Even with the length of this project the entire project will only be over the budget by approximately 10% which is about the amount of the material overages.

ROAD PROJECT

Cecilia reported on the new road to Palmetto. A new road has been rough-cut with a dozer by Dale Jackson from just West of the Marbella entrance South across the island to the Dixon Cove area next to Dale's house. The question was raised from the floor as to if this discussion is appropriate for the HOA to consider since the road in question is outside of the boundaries of Palmetto. It was agreed to get an update from Cecilia on the project. She proceeded to describe the scope of the project which has two parts. The first part is the completion of the new road segment to the point of culverts being installed and the surface graded. The cost to complete to this level is about \$150,000. This is to be done with private funds. The second part of the project is to pave the road from Mud Hole to Marbella then to Dixon Cove. This part of the project is all or nothing and would be primarily funded by the national and local government, if it proceeds.

TRASH FACILITY

The construction of the new trash facility is underway and funds to complete the project are being provided by the Gary and Cecilia Chamers. Gary is managing the project, Bobby Rieman is constructing. The new location has been approved by the HOA Board. The facility has been designed with the help of architect/homeowner Jim Guffey. This is a much improved facility designed with removable containers and doors to prevent animal intrusion and facilitate removal of trash. Gary Chamers reported that progress on the facility has been delayed but should be complete the next two or three weeks.

NEW BUSINESS

Michael Chapman stated that communication between the BOD and owners needs to improve. He stated that many owners would like the date for the next general membership meeting to be set today during this general meeting. Mike Daly suggested that the meeting date should be fixed to a particular month and day not a date. Joel Moskowitz made a

Motion: The next general meeting will be on the first Wednesday of October 2010 beginning at 3:30 in the afternoon. Alex McDonald seconded the motion and it was passed unanimously.

Mike Daly would like to see an amendment to the CC&R's regarding the use of Supplemental Assessment vs. Special Assessments (Supplemental assessments can be levied by board action only).

Mike Daly made a **Motion:** The board of directors will formulate a motion to be on the agenda at the next annual meeting that will place a limit on the amount of supplemental assessments which can be levied by the board of directors. The motion was seconded by Rosanne McDonald and passed unanimously.

The discussion moved to the ownership of the common areas by HOA. No one at the meeting had any knowledge of any common area title location or names on the title or if the property taxes have been paid.

Alex McDonald made a **Motion:** At the next general meeting the BOD will present a report presenting the state of the titles for the common area properties (tropical forest reserve, bird sanctuary, beach reserve, common roads, pool) that the HOA is supposed to own, including copies of the titles, surveys and cadastral if they exist. The motion was seconded by Joel Moskowitz and passed unanimously.

Michael Chapman requested that a current version of the CC&R's be distributed to the owners via email and posted on the Palmetto bay Yahoo Group internet site. Joel agreed to provide a clean current copy for distribution.

An email from Phil Weir was read requesting that the penalties and interest that are being levied for late fees be adjusted down and due to the difficult economic times that an amnesty is granted to those that are paying late. Discussion regarding the possibility of reducing the penalties and interest for late paying owners did receive support but a change in the CC&R's must be made to accomplish the change. There was not any support for amnesty for past due owners. No motion was made.

Roseanne McDonald made the following **Motion**: The secretary of the board of directors is the primary point of contact for communication between the owners and board of directors, using an email that is passed from board to board. The motion was seconded by Joel Moskowitz and passed unanimously.

Gary began a discussion about the General Manager position, he stated that there are many talents within the owners of Palmetto Bay and he will be using the resources of those individuals to accomplish the tasks needed to run the HOA. Gary assured the owners that this new policy will be implemented starting next week.

The meeting was adjourned at 7:38

Respectfully Submitted
Alex McDonald
Secretary, Comite de Vecinos de Palmetto Bay