

ABACOA PROPERTY OWNERS ASSEMBLY, INC.

BOARD OF DIRECTORS MEETING MINUTES

Tuesday– January 30th, 2007 – 11:30am

Location: 1200 University Boulevard, Suite 210, Jupiter, FL 33458

In Attendance

Peter Lippman, APOA President
Nader Salour, ADC
Donna Cesaro, ADC
Diane Phillips, Bristol Mgmt.
Scott Hedge, APOA V.P.
David Carrillo, APOA Director
Richard Rendina, APOA Director

Joe O'Connell, APOA Secretary
Harvey Silverman, APOA Treasurer
Gary Fields, Attorney
Bonnie Huber, Resident (231 Poinciana Way)
Irwin & Caroline Kessman, Resident (2844 W.
Community Dr.)

1. Determination of Quorum

Quorum achieved.

2. Call to Order and Proof Of Due Notice

3. Approval of Minutes of 12/18/2006 – Mr. Hedge moved that the minutes of the December 18, 2006 meeting be approved as presented. Mr. Silverman seconded and the motion was unanimously approved.

4. Selection of Legal Counsel – Following lengthy debate, Mr. Hedge moved that Gary Fields be selected as APOA Corporate Counsel. Mr. O'Connell seconded and the motion passed unanimously. Mr. Fields was then invited to join the meeting.

5. Designation of Registered Agent – Mr. Fields was designated as Registered Agent of the APOA.

6. Ownership of "ABACOA" Trademark/Trade Style – The question of ownership of the "Abacoa" trademark/trade style was discussed. It is currently the property of the Abacoa Development Corporation. Mr. Salour offered two possible courses of action for empowering the APOA to its use: 1) ADC could issue a license to the APOA to use the name, much as it had done for the Town Center, or 2) Ownership of the trademark could be transferred to the APOA, the prospect of which Mr. Salour would

need discuss with the ADC Board. Board consensus was that it would be preferable for the APOA to own, control and monitor the name, certainly after all construction has been completed and the development company has left the area. Mr. Salour agreed to review the issue with the ADC Board and follow up with Mr. Lippman.

7. Decision: In-house or Contracted Management? – The Board discussed whether an on-site full-time Director for Abacoa would be required or whether the services of a management company would suffice. It was pointed out that the 2007 budget incorporates the cost of a full-time Director. Mr. Salour advised the Board that when the development company set up the APOA, it believed that an on-site Director would be warranted. It feared that Abacoa might easily become bifurcated because of the divergent facets and uses of the communities in Abacoa. A full-time Director could help maintain the originally conceived unity of the project. Mr. Lippman pointed out that if the APOA decides to hire employees directly, the issue of attendant insurance and other costs and responsibilities presents itself. Mr. Fields observed that most of the associations with which he is involved are a blended form of a devoted director and a management company. He believes that Abacoa requires a full-time professional manager. In the major associations he has dealt with, the blended management arrangement has proved extremely successful, particularly at PGA National.

Mr. Carrillo expressed some reservation at the prospect of a hired manager playing any political role, which might best be exercised by directors themselves. Mr. O'Connell observed that the answer to the question might lie in what the directors see as the real purpose of the APOA Board, its focus and intentions. He raised various issues that he judged warranted attention, such as the empty movie theatre, the ongoing challenge of Town Center empty stores and the scarcity of parking. Mr. Carrillo responded that, in the majority of cases, it would appear that the commercial board members interests are aligned with those of the residential members, but he cautioned against political advocacy. Extensive discussion ensued, culminating in a consensus, but no voted resolution, that the APOA would move toward retaining the services of a management company that would, in turn, assign a full-time on-site manager. **Mr. Hedge moved that the Board study existing contracted management arrangements in situations parallel to our own, and then develop a scope of services and functions specification appropriate to the APOA and a list of companies from whom to receive proposals. The motion was seconded and unanimously approved.**

8. Consideration of Office & Related Requirements – Mr. Lippman asked the Board where the APOA would find approximately 1,000 sq. feet of office space for itself within Abacoa. Mr. Carrillo observed that since only approximately \$30/sq. foot is designated for this purpose in the 2007 budget, perhaps accommodation can be found in the retail section of the Town Center, which might be less expensive than office space. Mr. Salour pointed out that there will be some carry forward funds available from the POA budget this year to properly outfit and equip any found space. It was also agreed that records storage would be at a suitable off-site location. **Mr. Carrillo agreed to contact the Rockwood organization regarding the lease of space in the retail section. It was agreed that at least a five-year term would be logical, especially given the investment that would be needed for a full fit out of such space.** David Carrillo suggested Mr. Lippman contact Keith Walker at Rockwood Realty, the management company of

Lehman's holdings in Abacoa, with regard to developing new strategies for rejuvenating the area.

- 9. Proposed Cypress Realty of Florida LLC Short-term Management Contract** – Mr. Lippman asked Mr. Salour to clarify the draft management agreement submitted to the Board. Mr. Salour explained that he had designated a 6-month period, but that duration was of little consequence, since either party upon 3 months notice can terminate the contract at any time. The 3-month cancellation is stipulated out of concern for both parties. For example, were Cypress to become involved in a new project and wish to divert its full attention elsewhere, short-term cancellation would expose the APOA to being left without accounting and administrative support. Under the proposed contract, Cypress is obligated to perform its responsibilities for a specific period of time to assist the Board during the transition. Mr. Carrillo asked what the \$14K monthly management fee included. Mr. Salour explained that the fee covers a full-time director, accountant, director's assistant and a receptionist. He also pointed out that the proposed fee is actually less than that called for in the budget. He agreed that as each function – e.g. bookkeeping – is fully assumed by the APOA, a corresponding line item charge will be eliminated from the monthly fee. **It was agreed that Mr. Salour will have a revised contract prepared for Mr. Fields' review and the Board's execution.**
- 10. Selection of Outside Accountants/Auditors & 2006 Audit** – After extensive discussion, it was agreed that an audit be performed, going back a least two years, as of year end. **Mr. Lippman asked for a motion authorizing Mr. Silverman to employ a suitable accounting company to perform this audit. Mr. Carrillo moved that the Board approve Mr. Silverman's selection via e-mail. The motion was seconded and unanimously approved.**
- 11. Appointment of Architectural Review Committee** – Following discussion, it was agreed that **the Architectural Review Committee (ARC) will henceforth consist of: Nader Salour, Joe O'Connell, Bill Watkins and Jill Watson, with Donna Cesaro as administrative support.**
- 12. Consideration of Proposed Supplier Contracts (+ review by counsel?)** – Mr. Lippman referred to the package of new contracts previously provided by Ms. Cesaro for the Board's review and approval, as follows:
- Seabreeze Communications – Decision: No contract renewal for the time being. **We will work with them month to month. There will be no written agreement until the Board meets with them in the near future.**
- Proton Electrical Systems - (Ms. Cesaro handed out a further revised Proton contract wherein ID markers exhibits and references previously included in error, were removed). Mr. Salour pointed out that experience dictates that there is a definite lifespan to the lights – many were replaced last year. There were no multiple vendor bids solicited for this work because Proton has maintained their pricing without change since 2003. Mr. Lippman asked counsel whether or not the Board is obligated to bid out such work. Mr. Fields responded that there is a statute dictating that where the value of a contract exceeds

\$10,000 per year, the Board is obligated to solicit at least two (2) covering proposals. **The Board unanimously agreed to renew the Proton contract.**

LBFH – While this company had recently raised their hourly rates for the first time in 10 years, Mr. Salour explained that they are the exclusive surface water management engineers for Abacoa. Abacoa has a very complex system requiring that every single neighborhood be designed to conform to the original specifications. Otherwise, system flaws could well precipitate a significant drainage problem. As part of our site plan review process, LBFH review and approve all proposed drainage. Mr. Salour advised that replacing LBFH would present a serious challenge. It was noted that the ARC collects a fee for each of these reviews, so that no negative impact on the APOA budget is projected. **The Board agreed that LBFH will continue to provide services per their renewed rate schedule.**

KDT – Mr. Lippman asked whether they were willing to **continue their service without written agreement until such time as the Board has time to meet with them.** Ms. Cesaro confirmed that **KDT would be willing to do so.**

GHO – Mr. Salour explained that the landscape maintenance contractor had removed the post-hurricane-installed stakes from trees he felt were ready, but, because he is not an arborist, he recommended that we have GHO review the remaining stake situations and advise which are appropriate to remove. He commented that it is not healthy for a tree to be banded and/or staked for too long, as it loses its flexibility. **The Board agreed to accept GHO's proposal to survey the remaining staked trees.**

Creative Plumbing – **The Board agreed to authorize the addition of the newest Abacoa aerial photograph to the website.**

13. Crown Theater & Town Center Challenges – Mr. Lippman recounted his prior unproductive exchanges with Crown executives. Mr. Carrillo added that it was his understanding that the theater seating and screens have been removed, making it less likely another operator could be attracted to the venue. The Board agreed to exert all possible efforts to have the theater reopened or otherwise put to a use beneficial to the community.

14. Implementation Schedule: Town Center Roadway Modifications – Mr. Salour reported that final approval to proceed with the planned roadway modifications had been obtained the week prior. Mr. Lippman disclosed that he had firm assurances from the County administration that the traffic light at Parkside and Donald Ross Road would be in operation before the end of Spring 2007.

15. Town Center II Construction Schedule

Mr. Hedge reported that no date has yet been set for the construction of Town center II.

16. Future Meetings: Dates, Times & Locations – The next meeting will be held on Tuesday, March 6th at 11:30am at the office of Cypress Realty/ADC. The following meeting will be on Tuesday, April 3rd, 2007.


New Business:

Mr. Hedge requested that the Board receive a meeting agenda a little earlier than 24 hours in advance of each meeting. He also suggested that in the future it would be helpful to

include with the agenda any attachments to be discussed at a scheduled meeting, providing directors time to review the material. Mr. Lippman concurred.

There being no further business to discuss, a motion was made to adjourn the meeting, seconded and unanimously approved.

Approved and accepted this 6th day of February, 2007

By: 
Joseph O'Connell, APOA Secretary



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AGENDA

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- 5) Designation of Registered Agent
- 6) Ownership of "ABACOA" trademark/trade style
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- 9) Proposed Cypress Realty Of Florida LLC Short-Term Management Contract
- 10) Selection of Outside Accountants/Auditors & 2006 Audit
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- 14) Implementation Schedule: Town Center Roadway Modifications
- 15) Town Center II Construction Schedule
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