THIS ISSUE:

Security Update

Pool Issues

Trash Issues

November Town Hall Meeting

HOA Annual Meeting Notice

A Message from Administration

Improving Security at the Peninsula

A little history:

In May of 2011, the Tower 2 Administration resigned as the "Security Administrator" for Residential Peninsula and delivered to the other Towers our

written resignation explaining the reasons for our decision. The Board of Directors decided to submit resignation because, after over 2 years as Security Administrator, we were totally frustrated by the lack of support and cooperation we received from the other Towers. Our recommendations regarding improving Peninsula's over-all security (gated community, unified security force across all Towers. cameras, etc.) were met with disdain or simply ignored. Unfortunately, because



of this lack of support for our security recommendations, Residential Peninsula is well behind in our security preparedness.

The realities of today:

Because of a recent increase in crime, security is now a real and universal concern at Residential Peninsula. Recent events at the Towers have brought a renewed focus on security. As a result, Tower 3 and the developer (Felipe Tome) are now working closely with us to improve security as quickly as possible. The Board Presidents of Towers 2 and 3 have spoken with the developer, Felipe Tome, who has pledged his support and financial participation in constructing a security fence that will enclose the Residential Peninsula complex.

Tower 2 and Tower 3 Board Members and Administration staffs have met on several occasions to develop a master plan for security and have brought in architects and fence contractors to discuss the details.

A major part of our security plan is making Residential Peninsula a "gated community". This plan will be accomplished by dividing the overall effort into three parts:

- (1) construction of a new entrance drive guard casita,
- (2) perimeter fencing around the entire complex,
- (3) beach access gates at both ends of the big pool with swipe locks

We hope to finish the master gated community plan by mid-October and to put the project out for bids. Our goal is to get the construction done correctly and as quickly as possible.

We are in the process of trying to coordinate with Tower 3 for additional security training, guard scheduling and deployment, communication equipment, etc. Other security measures being addressed are:

- (1) Common training for all security guards and hiring additional security guards
- (2) Establishing one set of rules for the common area "usage" and common ownership areas
- (3) Installing and coordinating additional security cameras/motion detectors/lighting
- (4) Beach, entrance drive casita and fence gates with card activated locks
- (5) Relocation of the entrance drive guard casita and implementing better entry security
- (6) A worker photo I.D. program
- (7) A Peninsula resident photo I.D. program
- (8) A uniform parking policy and controls program
- (9) A vehicle I.D. and tracking program
- (10) A Guests/Renter I.D. program with stronger security controls

There are other many good ideas under consideration. Security is the number one major concern at this point, and the Tower 2 HOA Board, Administration and staff are working hard at making Residential Peninsula as safe and secure as possible.

Pool Issues

The pools around Residential Peninsula were constructed in different stages and put into operation at various times between 2007 and 2009. The developer's administrator managed the pools until February 2010. At that point, by agreement with the other Towers, Tower 3 took on the job of being the "Pool Administrator". Pursuant to Peninsula's registered Master Regime, the Towers jointly own as "common area" the pools and each Tower is obligated to pay 1/3 of pool expenses.

In early September, 2011 Tower 3, without any explanation, delivered the key to the swimming pool storage and equipment room to Tower 2's receptionist instructing her to give the key to our HOA President. We immediately contacted Tower 3's office to ask why the key was delivered to us. We were advised the Tower 3 manager was on vacation and that none of its Board members were in P.V.

However, Tower 3's receptionist thought Tower 3 was resigning as the pool administrator, but she was not 100% certain.

We found ourselves in limbo. Tower 3's retention of pool expense prepaid deposits (approximately 100,000 pesos); failure to give notice, document the turnover of inventory, supplies, equipment or provide financial records we felt was more indicative of a short term transfer of duties while their manager was on vacation. However, after a few e-mails and after talking to the pool boss (Jaime), it became clear that Tower 3 had decided to quit administering the pool and simply walked away from its responsibilities without giving any notice, thought or effort to provide for an orderly transition to a properly chosen successor administrator.

The HOA Board does not question Tower 3's right to resign as pool administrator but we do not agree that they have the authority to unilaterally decide who will succeed them as the pool administrator.



Also, the way Tower 3 resigned was not very professional or responsible. As a result, there currently is no authorized pool administrator. As a responsible co-owner of the pool, Tower 2's Board felt there was no other choice but to fill the void created and "temporarily" manage the pool until a successor pool administrator can be properly designated and an orderly transition of records and funds arranged.

We have offered two alternatives regarding the selection of a successor pool administrator. One is that Tower 2 is willing to act as pool administrator, if and only if, the other Towers

agree and enter into a written agreement with us that clearly defines each Tower's duties and obligations. Our second proposal is that pursuant to a written agreement Tower 2 and Tower 3 jointly administer the pool. We have presented both proposals to Tower 3, along with a draft of a pool administration agreement we prepared and are still awaiting their reply.

Our first order of business was to meet with the pool boss, Jaime and our building engineer (Ricardo). We assured Jaime that the pool staff jobs were secure and discussed different aspects of what needed to be done with the pool and set priorities for them.

Their first assignment was to make an inventory of pool equipment and supplies. Next we instructed Jaime and Ricardo to prepare a report on the condition of the pool, including its mechanical and electrical systems. They were directed to report on problems found, recommend solutions and estimate the costs of those solutions.

We then invited the other Towers to join our pool meeting to discuss Ricardo and Jaime's report. Tower 3's manager (Oswaldo) participated in all of our meetings. Tower I's manager only came to the last meeting in which we met with a pool contractor.

At our meeting to review the pool's mechanical, electrical and general conditions report we were shocked and dismayed by what we learned. While we all knew that the appearance of the pool is deplorable, what most of us did not know was just how bad the condition of the mechanical and electrical systems are (attached is the full report we received).

In general terms the report found:

- (1) The water circulation system is functioning at an estimated 10-15% of capacity level
- (2) The electrical panel and wiring is in a very hazardous condition
- (3) The propane tank is in an unsecured area
- (4) The pool's water reservoir is not functioning
- (5) Water flow from the shallow pools into the deep pool is not functioning as designed
- (6) Pumps are in need of repair and most are not being utilized.

After reviewing Jaime and Ricardo's pool report with Oswaldo, we jointly set some priorities to correct extremely hazardous conditions immediately. Because of security concerns, we decided that limiting access to the propane gas tank was critical. To leave the propane tank easily accessible to a disgruntled employee or someone wanting to harm Peninsula is simply irresponsible and



unacceptable. Secondly, the electrical panel and defective wiring were a real fire hazard and electrical surges could cause damage to expensive equipment and it needed to be repaired immediately. Both of these items presented a clear and present danger to our safety and property and they have been corrected.

We established other priority recommendations but we felt it was best for the other Towers to be given an opportunity to fully participate in the process before proceeding further with repairs.

In a meeting held on October 5th (arranged by Oswaldo) we met with the pool company who initially did a report for Tower 2 in 2009. The purpose was to discuss the "permanent" repairs of the pool tiles and leaks. Additionally, we discussed the developer's recent offer to "fix" the tiles again in the mirror pool in front of Tower 1. The pool contractor's analysis and recommendations were:

- (1) The developer's pool contractors used an asphalt base (the cheapest construction and not recommended by reputable pool contractors) beneath the tiles which has failed and cannot be permanently repaired.
- (2) The only "permanent" repair is to remove all tiles, scrape off the asphalt, patch large cracks and cover the pool with a specialized pool membrane product as a base this process comes with a 25 year guarantee.

After meeting with the pool contactor, it was agreed that we would not allow the developer to again drain the shallow pool in front of Tower 1 for a very short-term cosmetic cover up. We also agreed that the Tower 3 Board's President would approach the developer regarding sharing the cost of permanently repairing the pools starting with the shallow pool between Tower 2 and Tower 3.

The major obstacle to the permanent solution is that it is very expensive. The cost is well in excess of 5,000,000 pesos just for the mirror pools. Everyone agreed that Residential Peninsula's homeowners are



not in a financial position to undertake permanent repairs alone. We also mentioned briefly the option of filling in the shallow pools with landscaping or downsizing the shallow pools.

These pool problems also impact the structural integrity of the garage, which is being damaged by the water leaks from the pools, rain and landscape watering. If not corrected soon there is no doubt that the Towers will be faced with an even greater cost for structural repairs. Fortunately, Tower 2's property has less garage wall than Tower 1 and Tower 3. In addition, over the last 18 months the maintenance team has installed 21 outside drains to properly direct water away from Tower 2's garage area. As a result, our garage wall and structures are less affected than the other Towers by this situation.

Much more thought and planning needs to go into finding a permanent solution to pool problems of this magnitude.

Trash Issues

Believe it or not, Residential Peninsula has no facility to store its garbage. Currently, the garbage is being stored for pick up in open drums and garbage bags in the southeast corner of the garage taking

away precious parking spaces needed by Tower 3.



The area is unsanitary, unsightly, smelly and attracts rodents and other animals.

There is no excuse that justifies this deplorable condition. Therefore, Tower 2 is proposing to the other Towers that we jointly build a simple storage shed for garbage made up of 4 cinder block walls, cement floor, roof and a double door. The shed will be ventilated to release gases and air conditioned to prevent odors. The estimated cost is around

25,000 pesos (less than \$2,000 USD) per Tower.

Conclusion

We cannot solve all of our problems overnight. Your HOA Board, Administration and staff are working diligently to identify problems, recommend solutions, determine the costs, prioritize and then implement them as the budgets approved by the homeowners permit.

Town Hall Meeting - November

Tower 2 Administration is hosting a "Town Hall" meeting.

When: November 19th at 10:00 AM in

Where: Tower 2

Topic: To discuss important Security and Pool issues. Since these issues affect our neighbors also, homeowners from all Towers will be invited to attend and participate.





Homeowner Association Annual Meeting – 2012

The annual meeting of the Tower II HOA members is planned for Saturday, February 18th. Should we not have enough homeowners in attendance (as required by law) on that date then the next official meeting will be held a week later on Saturday, February 25th. Please plan to attend or assign your proxy vote to an HOA member who will be attending. All issues to be voted on will be publicized and made available to you in advance of the meeting.

Cecilia F. Delgado
Tower II Administrative Manager

Tower II Board of Directors

Homeowners Association (HOA) Board of Directors

Richard Maslowe - President, 20-D eMail: rickmaslowe@lawyer.com

Rick and his wife, Chris, live at the Peninsula full time. Originally from Chicago, Rick is a retired lawyer and enjoys golf and boating.

Dr. Jose Romo – Secretary, 23-D eMail: joseromo2@hotmail.com

Dr. Romo and his wife, Maria, have lived in Puerto Vallarta since 1980. Jose has been a physician for 32 years and graduated from de University of La Salle, in Mexico City. Dr. Romo speaks Spanish, English, German and French.

Marisol Romero - Treasurer, 2-D eMail: mrsdragon64@hotmail.com

Marisol is an accountant since 1986 and has worked in both Mexico and Canada. For the last 13 years, Marisol and her husband, Jose, have been in the restaurant business in Seattle, Washington. Marisol now lives at the Peninsula full time and speaks Spanish and English.

Carlos Cámara – Member, 18-A eMail: ccab@bb-cg.com

Carlos lives in Mexico City with his wife, Claudia, where he helps to manage his family business. Carlos is a management specialist in Human Resources. Carlos speaks both Spanish and English.

Dewey Desler - Member, 04-D eMail: ddesler@comcast.net

Dewey and his wife, Inga, live in Bellingham, WA where Dewey is Deputy Administrator for the county government.

Rod Hoffman – Member, 19-A eMail: rod.hoffman@comcast.net

Rod and his wife, Toni, live in Seattle for most of the year where Rod works in the software industry.

Juan Rosas – Member, 09-B eMail: juan@tarsa.biz

Juan and his wife, Sofia, live in Guadalajara where Juan is an attorney and a businessman.