

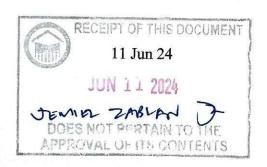
Pulu Amsic Clubhouse, 2nd Floor Conference Room Pulu Amsic Subdivision, Angeles City, Pampanga 2009

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Director Julius Ervin O. Enciso
Regional Director – Region 3
Department of Human Settlements and Urban Development
DMGC, DHSUD/HSAC Bldg,
Malikhain, Brgy, San Fernando, 2000 Pampanga

Dear Director Julius Ervin O. Enciso.



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I am writing in response to your letter dated May 10, 2024 and received on May 28, 2024, regarding the complaint from Mr. Joshua Shaffer. Like the other two complaints we recently received, it is notable that Mr. Shaffer, a known friend of Mr. Bryan Hammer, has only now chosen to criticize the actions of our new board. He remained silent from 2015 until now, never questioning the former board's legitimacy or their actions. Where was his complaint when the former boards repeatedly changed homeowners' dues?

To inform Mr. Shaffer, here are significant actions initiated by the prior board, presided over by Bryan. Hammer, from 2015 until May 2023 which he purposely fails to acknowledge:

- 2016: Homeowners original fees changed from P5/square meter to P1,200/lot.
- 2017: Homeowners fees reverted to P5/square meter, with vacant lots discounted to P2/square meter and special discounts provided to multi-lot owners, including the Hammers.
- May 2022: Fees increased to P7/square meter, with vacant lots discounted to P3/square meter.
- Oct 2022: Just four months after raising the fees, the former board, led by Bryan Hammer, called an emergency meeting and attempted to raise fees to P10/square meter. This increase was rejected by homeowners in attendance.
- May 2023: After sitting on the board for nine years, Bryan Hammer and four other foreigners
 were pressured to resign from the board, and the additional rate increase from P7 to P10 per
 square meter they insisted on was rejected. A spot election was held under the advice and
 supervision of the two attorneys overseeing the election that day, and the results were filed
 with DSHUD and acknowledged.

From 2014 to 2023, board members were selected by a small number of lot owners. Bryan Hammer, a U.S. citizen, served as a self-appointed President for 9 years, violating IRR 9904, Section 72, Para A, which mandates Filipino citizenship for trustees, directors, and officers. Can you confirm if any of the boards from 2015 to 2023 were approved by HLURB/DHSUD? The former boards, led by Bryan Hammer, failed to file required notices. The only official reporting to DSHUD was done in May 2023 when the new board took over.

Mr. Shaffer lists board resolutions passed by the new board in an attempt to discredit them. If one were to agree with his premise, the board would cease to exist at all and the subdivision would likely disintegrate into a chaotic space where peace, order and security of the residents would be compromised. Is that the type of subdivision he wants to live in or does he have another motive for

his action? Perhaps he is part of concerted effort, let by Bryan and Marybel Hammer to undermine the new board without any regard to the welfare or effect on the subdivision?

In the final section of his complaint, Mr. Shaffer presents a list of bullets statements from our meeting minutes, for what purpose, we do not understand, but let us comment on each.

Bullet #1: Aug 2023- 3500 pesos per month for maintaining HOA website; HOA software for 100,000 pesos; and community pool usage rules

It is true that in the name of transparency, the new board voted to re-activate the Pulu Amsic website which the former board had not updated in years. At the same time, we canvassed other subdivisions for a HOA software which we could purchase which would automate the burdensome accounting tasks and eventually give each lot owner the ability to view their account status online and in real time. We also made provisions to post all the monthly minutes and financial reports online for ease of accessibility. Given the amount of effort to create and implement this software, a payment of P100,000 is a bargain and it is certainly not prohibited by any of the subdivision bylaws. With regards to updating the community pool usage rules, what is Mr. Shaffer's concern? Clearly rules should be reviewed periodically and updated.

Bullet #2: Sep 2023 - Opening of a second bank account for construction bonds

Here again, we do not understand Mr. Shaffer's complaint. The board passed a resolution to open a second bank account to hold the construction bond deposits to avoid the construction funds from being comingled with the association's operating funds. It seems that Mr. Shaffer should be made aware that construction bonds must be returned to the homeowner once their construction is completed, barring any deductions for violation of the construction rules. Including the construction funds in the operating fund balances may lead homeowners to believe that the association has more funds available than it really does. It is sound accounting practice to separate them.

Bullet #3: Requirements for residents, renters and employee ID cards

Mr. Shaffer's complaint resembles an earlier one by Marybel Hammer, with similar unverified allegations against security guards. It is ironic that both cite the same allegation against unnamed security guards without providing the names, dates or times of the alleged incidents. However, let's make it clear again that the Board will never condone any harassment of our residents and rest assured that any proven harassment will result in immediate termination of the responsible guard or employee.

As discussed in the reply to the other complaint, the subdivision does have a plan to issue IDs to persons authorized to enter the subdivision. This includes the residents, house help and maids, contractors, etc. The reason for the IDs is to allow easy identification of those persons entering the subdivision and/or using our facilities. However, the requirement for IDs has not yet been implemented.

Bullet #4: Nov 2023 - Adjusted rates for residents, visitor, and contractor vehicle entry stickers

Inflation usually necessitates price increases, including the cost for vehicle stickers. We would certainly love to give out these entry stickers free of charge but with nearly 6.5M pesos in unpaid dues inherited from the former board, we need to recover these costs. Mr Shaffer seems to be unaware that with the cost cutting accomplished by our new board, saving nearly P200,000 a month in expenses, we actually cut the price of the vehicle sticker for CY2024 from P250 to P200. Note that if we followed the former board's precedent, our residents would be paying more for the stickers and

they would already be paying 10 pesos/sq meter instead of the current 7 pesos/sq meter in homeowner fees.

Bullet #5: Dec - 2023 budget plan

Again, we are not sure of Mr. Shaffer's intent to include this topic in his complaint. Does he believe it is not a good business practice to have a budget plan?

Bullet #6: Feb 2023 – Transition to new security guard service from "New-View Security" to "King Taurus Security"

This board inherited a security service on a month-to-month contract that was clearly unable or unwilling to provide the level of security we expected for homeowners. Simple tasks like properly manning the gates, checking vehicle stickers, providing roving patrols and staying awake and alert on duty were clearly not important to them despite numerous requests and warnings. Additionally, we received several complaints of break-ins and burglaries which led several residents to insist on a change. In the best interest of the subdivision, the board voted to replace the security service. Interviews were held with several other agencies and King Taurus Security was selected. There is no provision in the bylaws that requires a vote of the subdivision to affect this change. Perhaps Mr Shaffer can identify where it is written that a board cannot replace an under-performing security agency and explain why we shouldn't have made the change?

In conclusion, Mr. Shaffer seems to question only the legitimacy of this board and as such he takes issue with every action the board accomplished, at the same time failing to even mention the illegitimacy of the prior boards. Did he not have issue with Bryan Hammer signing a contract to pay the garbage collector P90,000/month to haul away the subdivision's garbage? Did he not complain to your office about Bryan Hammer trying to raise our dues to 10P/square meter when he had increased them by 60% just five months earlier? How many complaints did he file with your office when his friend, Bryan Hammer, controlled the board? This complaint is just another part of a concerted effort by former board members and their close friends to malign the Board and to interfere and disrupt it.

For the past year, we don't recall Mr. Shaffer in attendance at any board meeting or committee meeting where his input can be heard and we have not received any written complaint either. If he has concerns or recommendations on how to improve the subdivision, he does not need to run straight to the government unless his intent is not noble. The board of trustees is certainly willing to listen. In fact, we invite him to attend the board meetings and to get involved. The board meetings are held on the FIRST WEDNESDAY OF THE MONTH at the Clubhouse.

Sincerely.

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President

Pulu Amsic Lot Owners Association (PALA), Inc.