

# 2025 Annual General Assembly Meeting

December 16, 2025

Flamboyan Room - Golf Club House





# In Memoriam

A dedicated steward of the game, whose passion, integrity, and craftsmanship shaped every course he touched.

His time with us at Palmas Athletic Club left a meaningful and lasting impact on our community and our team.

**May he rest in peace.**



**Lawrence Erik Krahn**  
**GOLF COURSE SUPERINTENDENT**

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# *Proposed Agenda*



- Opening of Annual General Assembly / Welcome
  - Roll call / Confirmation of quorum
  - Approval of the agenda
  - Approval of the minutes of the last annual general meeting
  - Report from the President of the Board, José R. Vizcarrondo
  - Report from the Treasurer of the Board, Ramón Abarca
  - Results of the election to the Board of Directors
  - Open session
  - Adjournment
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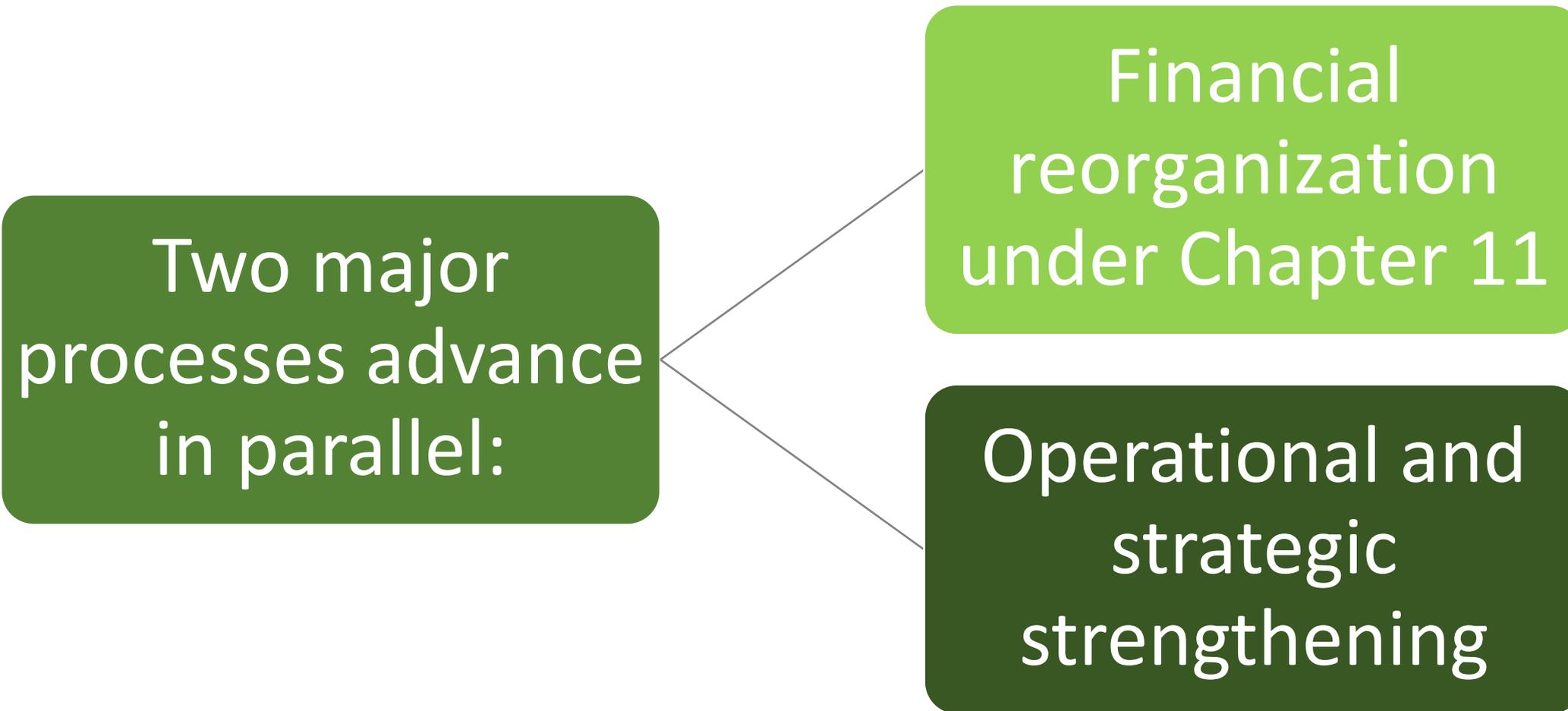
# Securing PAC's Future with a Strategic Plan, Courage, and Results

Annual Palmas Athletic Club Members Assembly

December 16, 2025

Presented by Joe Vizcarrondo, President Board of Directors

# Where we stand: a decisive moment.



PAC is stabilizing its present while restructuring its future through a disciplined and strategic reorganization process.

An aerial photograph of a golf course clubhouse and surrounding greenery. The clubhouse is a large, multi-winged building with a light blue roof and white walls, situated on a green lawn. To the left, there is a parking lot with several cars. The clubhouse is surrounded by lush green grass, palm trees, and other tropical vegetation. A winding path or road curves around the clubhouse and extends into the distance. The overall scene is bright and sunny, with long shadows cast across the grass.

A Moment for Leadership

# Chapter 11: Our Strategic Objective

**Protect PAC assets**

**Strengthen finances**

**Create a legal framework for long-term sustainability**

**Position PAC for future ownership by members**



**PAC holds an exclusivity period**

Reorganization is not a crisis response, it is a strategic reset.

# Reorganization Progress in Court

01

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**Reorganization Plan (the “Plan”) & Disclosure Statement filed with Bankruptcy Court on November 4, 2025**

02

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**Hearing date for approval of Disclosure Statement rescheduled to February 5, 2026, at UBS’ request**

03

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**Depositions (UBS & PAC)  
Prior to February 5, 2026**

**PAC is meeting every deadline and managing the legal process with precision.**

# Financing Offer to Bondholders

**Term Sheet secured with Puerto Rico Municipal Finance LLC**

**Puerto Rico Municipal Finance LLC funds 75% of offer to UBS**

**PAC contributes 25%**

**Immediate payment to bondholders under Plan**

**In accordance with the appraisal, the market value of the asset and PAC payment capacity**



We have structured a responsible, competitive, and member-protective financing solution.

# Reorganization impact on Members



**Financing to be repaid with current cash flow**

**Alternate scenario under the Plan if a higher offer becomes required:  
30 year financing, not attractive to bondholders**

The Plan protects members while ensuring a viable settlement with creditors.

# Phase After Acquisition of debt with UBS

Thereafter, PAC must invest in critical infrastructure:



Clubhouse



Beach Club



Racquet Center



Golf

Plans are currently in development.

□ Reorganization is the beginning of PAC's transformation.

# Capital Funding Alternatives

Post-reorganization options for consideration of members:

Short-term assessment

Long-term assessment

Loan supported by other revenues alternatives

Additional alternatives

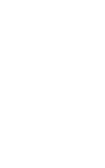
- Members will choose the capital strategy once PAC's foundation is secure.

An aerial photograph of a golf course and a residential development. The golf course is lush green with several sand traps and a winding path. The residential area consists of numerous houses with red-tiled roofs and palm trees. A body of water is visible in the upper left corner. The text is overlaid in the center of the image.

# Progress Against Our Three-Year Strategic Plan

**OPERATIONS & STRATEGIC ACHIEVEMENTS**

# An Exceptional Operational Transformation

-  Rebuilding years of missing compliance
-  Strengthening systems and controls
-  Improving safety and member experience
-  Advancing infrastructure planning
-  Doing all this while managing Chapter 11

▣ These have been PAC's most productive and transformational years.

# Restoring Financial Order

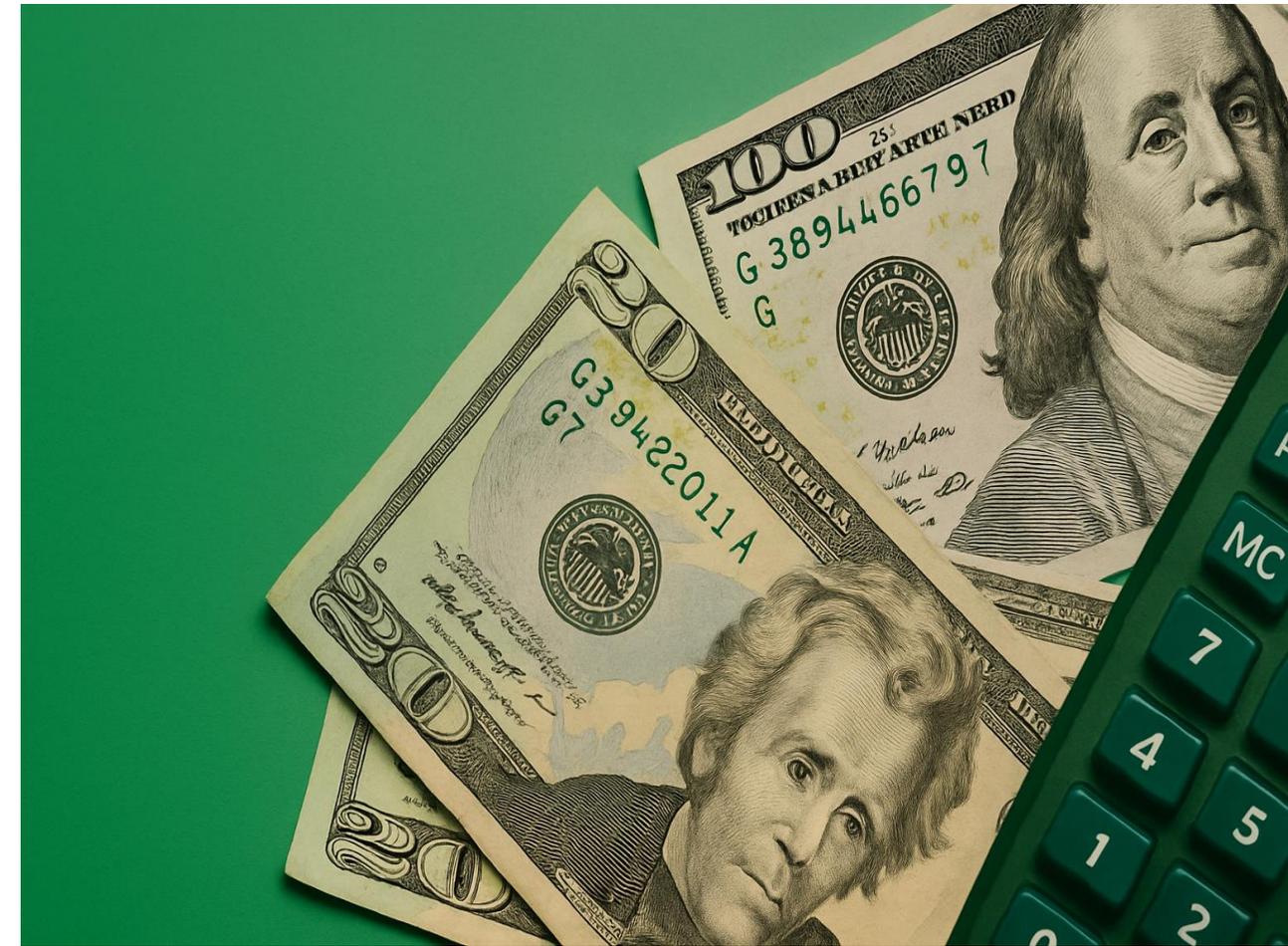
PAC completed large-scale compliance work overdue for 6–8 years:

## Audits & Tax Returns

- Audits completed: 2022, 2023, 2024
- 2025 audit engagement signed
- Six income tax returns (2019–2024) filed
- Six municipal tax returns filed; Municipal License reinstated
- Six personal property tax returns filed

## Operating Compliance

- Operating Permit renewed, first since 2016



PAC is now compliant, transparent, and financially accountable.

# Tourism Tax Incentive Decree

90%

Exemption expected

Across major obligations

- Renewal in final stage
- Major long-term financial impact

This decree is a transformational financial achievement.



# Internal Controls & Governance Enhancements



Standardized payment processes



New payroll system implemented



Procurement processes professionally documented



Exempt employees now sign payroll

❑ PAC is on a clear path toward professional-grade internal governance.

# Safety & Environmental Modernization

- Full safety inspection completed
- Updated signage, extinguishers, evacuation maps

## New BEACH CLUB MIOX purification system:

- Eliminates chlorine
- Eco-friendly
- Saves over \$4,000 monthly



Members now enjoy a safer, more environmentally responsible Club



# Racquet Center Transformation



1

Two tennis courts resurfaced (\$46K)

2

New benches installed (\$15K)

3

Master Plan completed

4

Conversion to 6 pickleball courts by Dec 2025

□ The Racquet Center is being modernized for today's and tomorrow's members' demand.

# Gym Enhancements & Facility Upgrade

Over \$130,000 Invested in Improvements



1

Significant upgrades to equipment

2

Improved layout for better member comfort

3

Refreshed facility environment

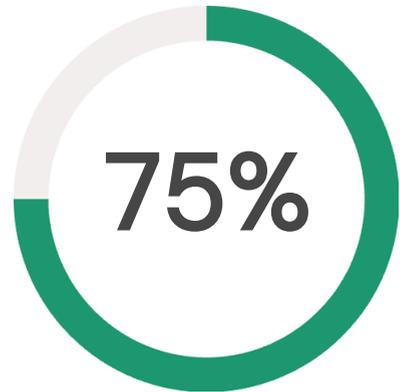
4

Enhancements that strengthen safety

**An investment focused on elevating the member experience**

# Golf Course & Retail Transformation

## Retail Improvements



Inventory  
reduction

From \$200K → \$50K



Turnover  
improvement

From 1.6 → 5.5

Golf is financially healthy,  
operationally disciplined  
and professionally maintained.

## Course Operations

- New Golf and Maintenance professionals hired
- Course conditions challenges being addressed



# A New Culture of Discipline & Excellence

Across PAC, a new culture is **emerging**:



Systems rebuilt



Compliance restored



Administrative discipline re-established



Transparency delivered



Infrastructure planning underway



PAC is evolving into a modern, professionally operated institution.

# How Both Tracks Converge

**Operational strength** ensures PAC can implement its Reorganization

Systems, compliance, and discipline create the foundation

**Reorganization** provides the foundation for future capital investment

Legal and financial stability enable modernization

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Together they create:

Stability

Modernization

Member ownership

Financial sustainability

□ PAC is emerging stronger, more stable, and better positioned for the next generation.

# A Defining Year, And a Defining Future

PAC is in transition, but firmly in control.

The Board has delivered measurable, tangible results.

The foundation is stronger than it has been in many years.

The next chapter will focus on **modernization, investment,** and long-term stability.



# PAC-GOLF CLUBHOUSE HUMACAO, PR

Concept Design

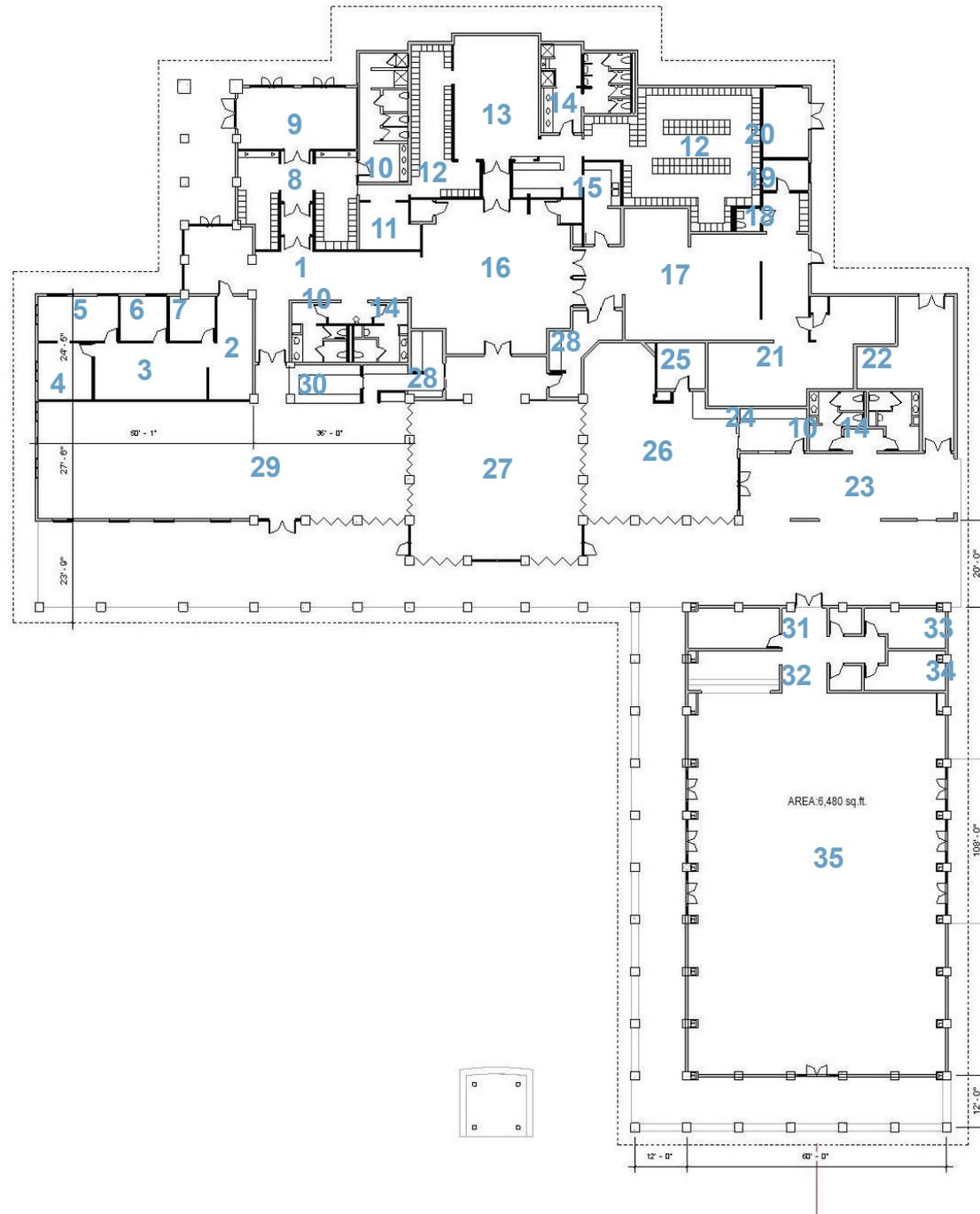
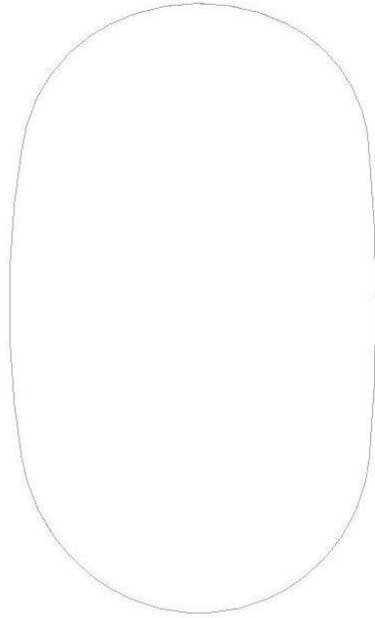
July, 2025





# CONCEPT SITE PAC-GOLF CLUBHOUSE





## AREA LEGEND:

- |                          |                     |
|--------------------------|---------------------|
| 1. BREEZEWAY             | 21. DRY STORAGE     |
| 2. RECEPTIONIST          | 22. STORAGE         |
| 3. OPEN OFFICE           | 23. PATIO           |
| 4. CONFERENCE ROOM       | 24. SNACK BAR       |
| 5. DIRECTOR'S OFFICE     | 25. LIQUOR STOR.    |
| 6. CLUB MANAGER'S OFFICE | 26. MIXED GRILL     |
| 7. OFFICE                | 27. DINING ROOM     |
| 8. WOMEN'S LOCKERS       | 28. WAIT ROOM       |
| 9. WOMEN'S LOUNGE        | 29. MEMBER'S LOUNGE |
| 10. WOMEN'S TOILET       | 30. LOUNGE BAR      |
| 11. MASSAGE              | 31. PREP. AREA      |
| 12. MEN'S LOCKERS        | 32. BAR             |
| 13. MEN'S LOUNGE         | 33. MECH.           |
| 14. MEN'S TOILET         | 34. STO.            |
| 15. ATTENDANT            | 35. BALLROOM        |
| 16. COURTYARD            |                     |
| 17. KITCHEN              |                     |
| 18. LOCKERS              |                     |
| 19. OFFICE               |                     |
| 20. ELEC./MECH.          |                     |

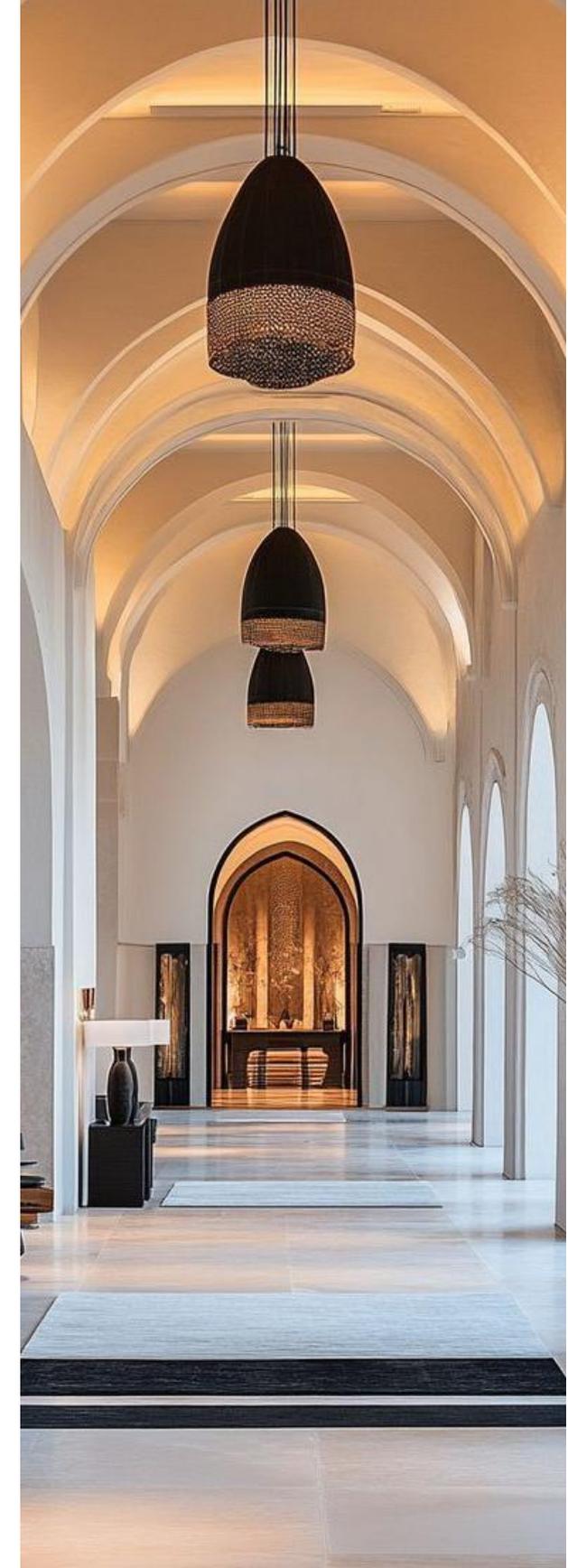
# CONCEPT EXTERIOR







# CONCEPT INTERIOR

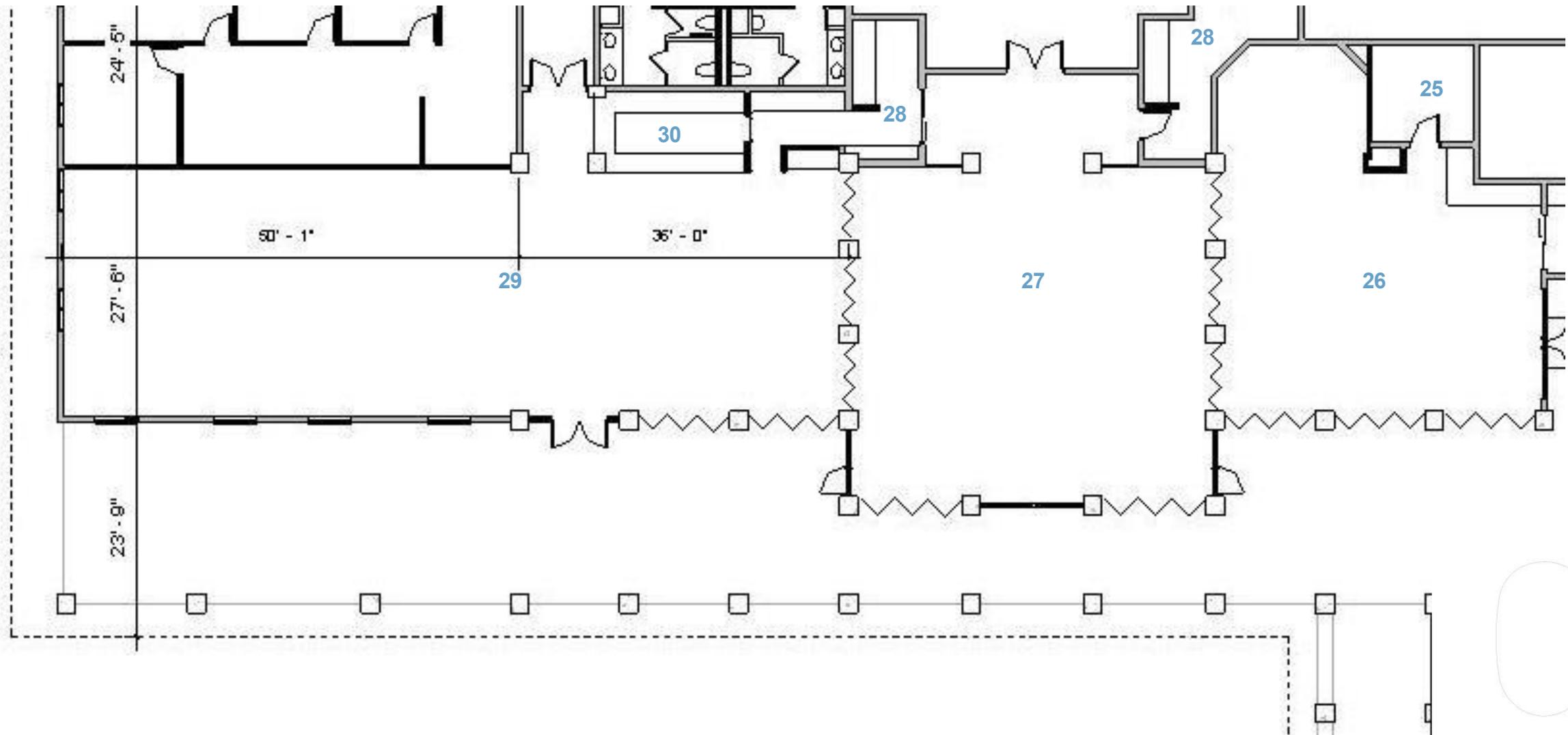




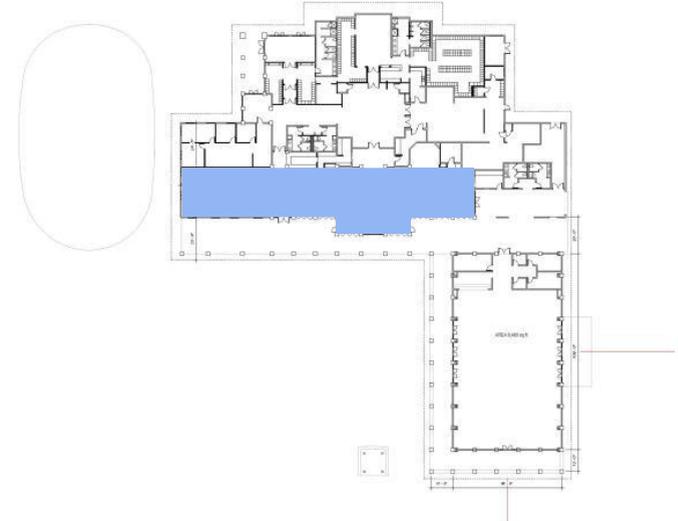


# CONCEPT LOUNGE & MEMBER'S RESTAURANT

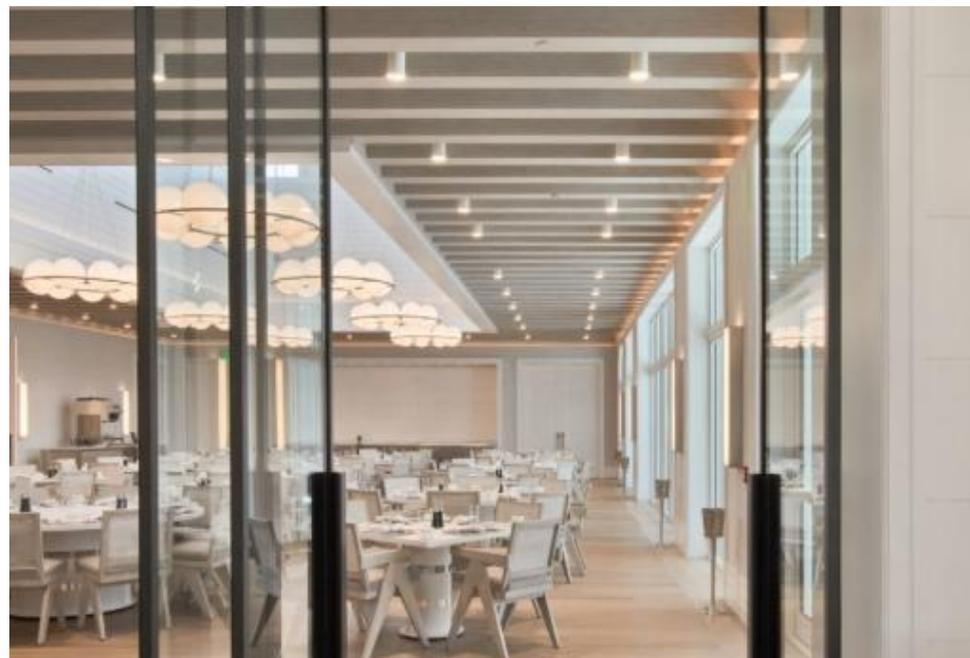
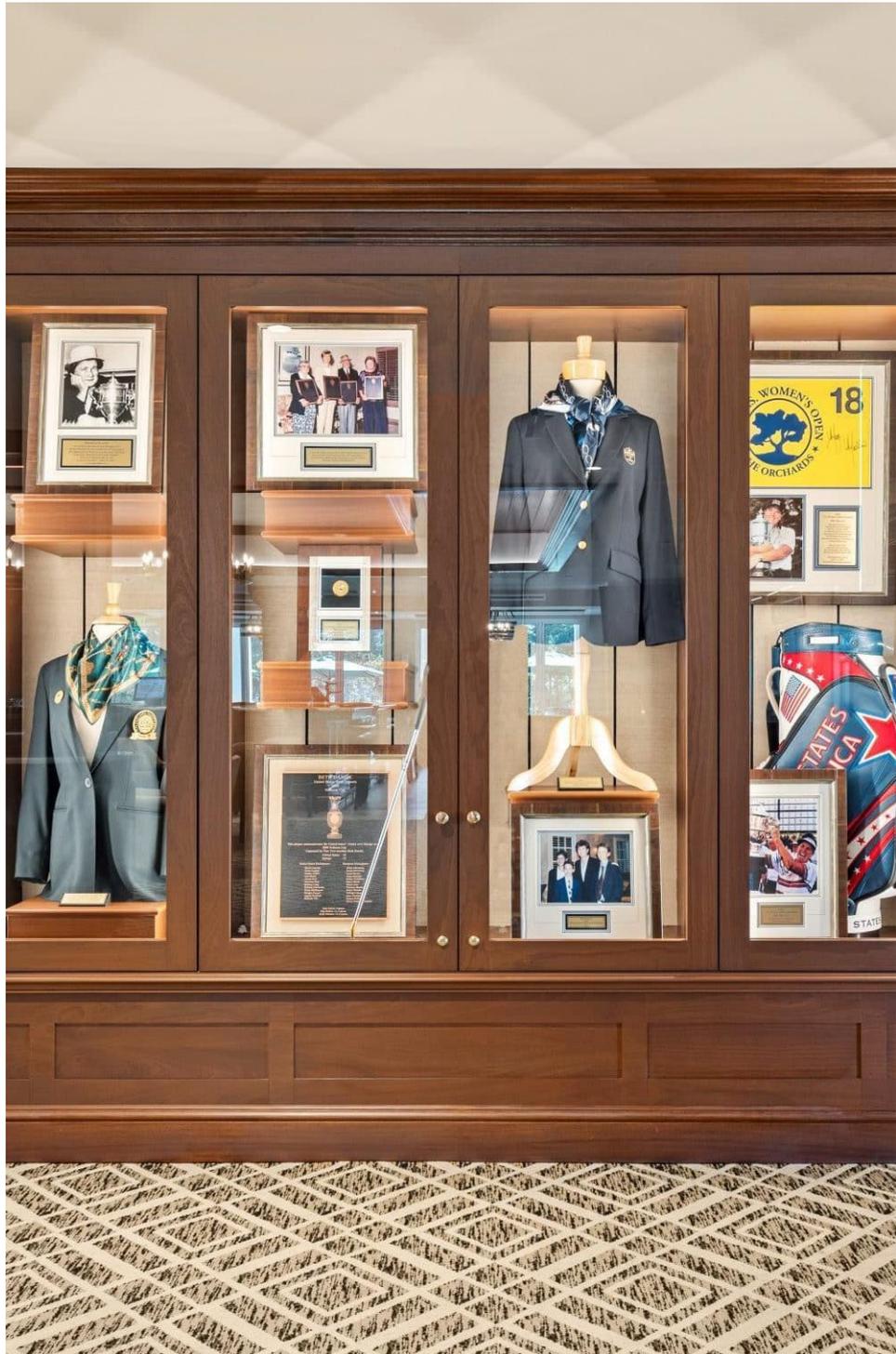




- 25. LIQUOR STOR.
- 26. MIXED GRILL
- 27. DINING ROOM
- 28. WAIT ROOM
- 29. MEMBER'S LOUNGE
- 30. LOUNGE BAR

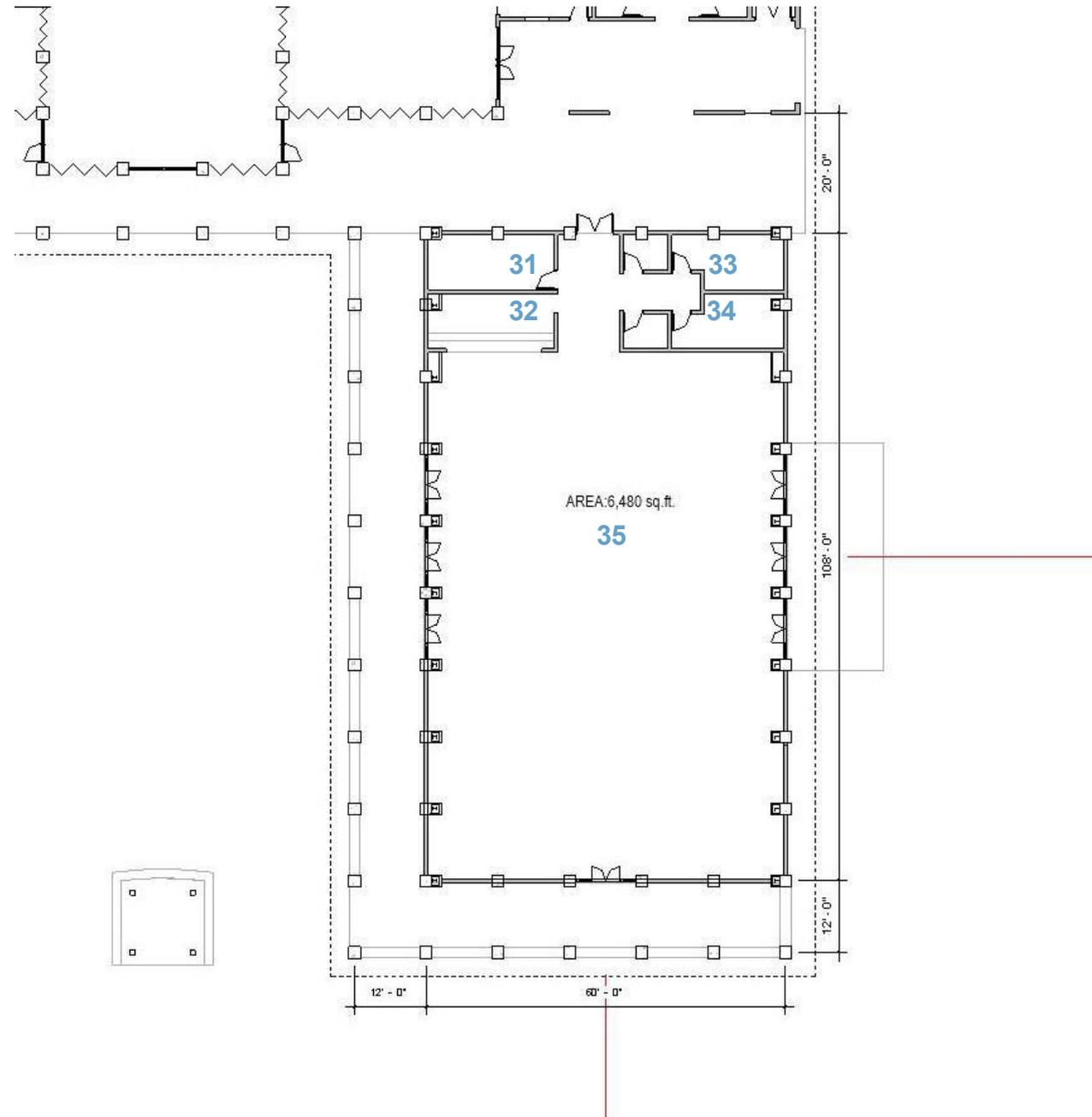






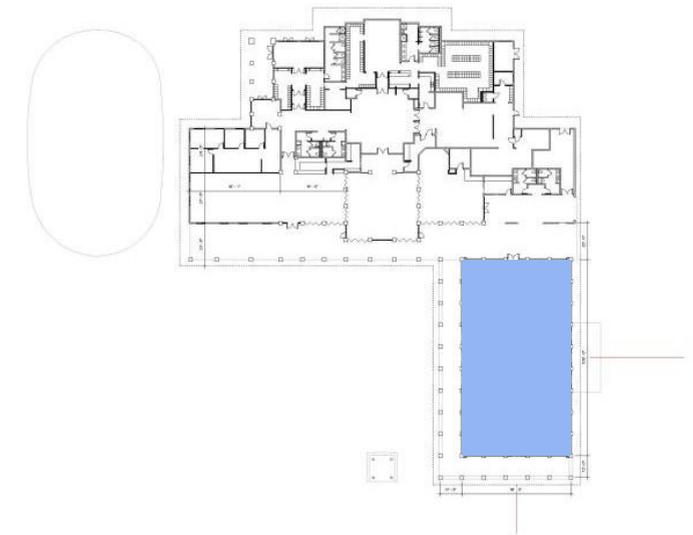
# CONCEPT BALLROOM

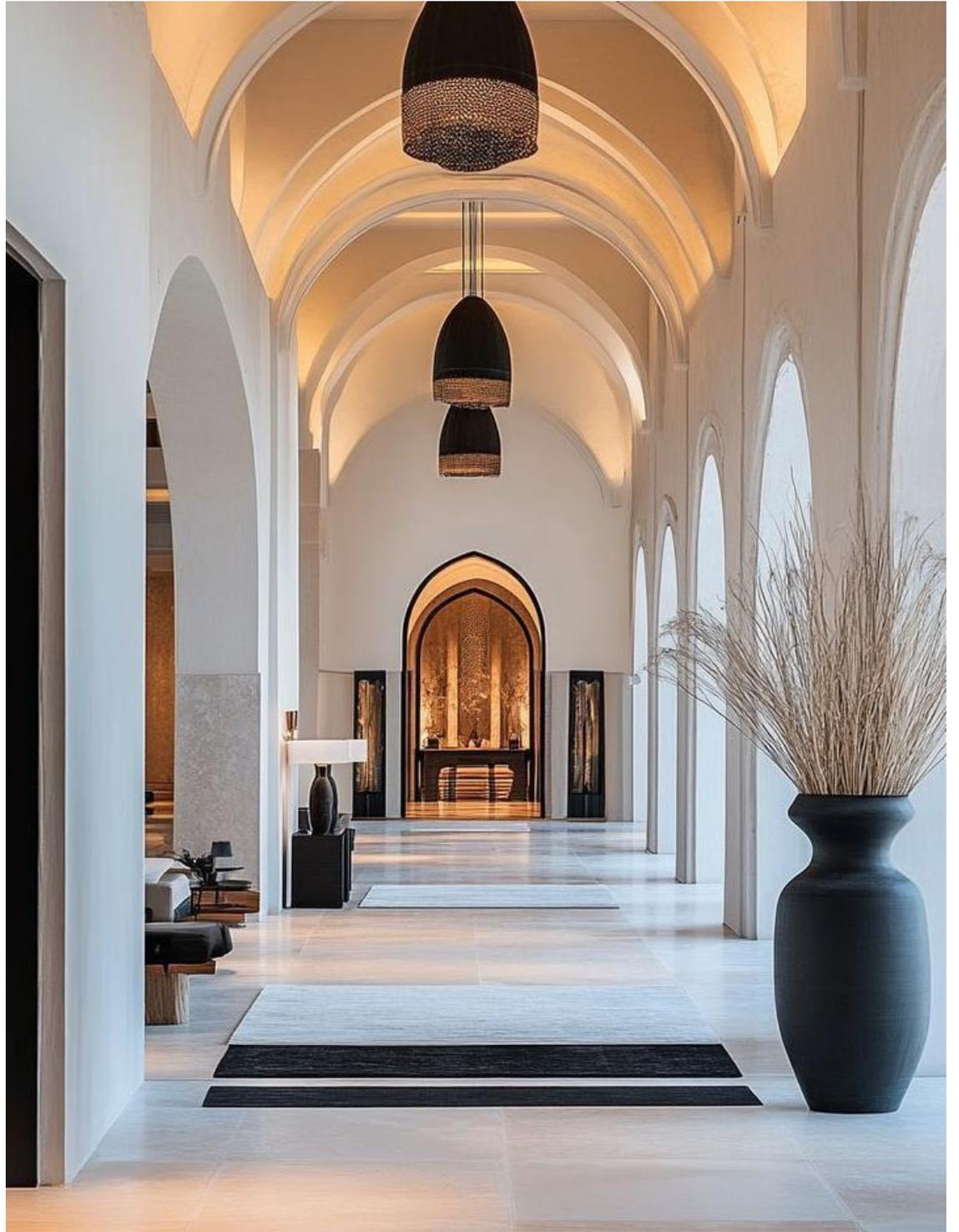




## AREA LEGEND:

- 31. PREP. AREA
- 32. BAR
- 33. MECH.
- 34. STO.
- 35. BALLROOM





# Thank You

We welcome your questions and engagement as we build PAC's future, together.

