

\*\*\*\*\*  
**VILLAS OF WINDMILL POINT II POA., INC.**

273 SW STERRETT CIRCLE, PORT ST. LUCIE, FLORIDA 34953

PHONE : 772-336-1090 FAX: 772-871-7847

\*\*\* EMAIL: [VWP2@BELLSOUTH.NET](mailto:VWP2@BELLSOUTH.NET) \*\*\*

WEBSITE: [HTTP://HOME.BELLSOUTH.NET/P/PWP-VWP2](http://HOME.BELLSOUTH.NET/P/PWP-VWP2)

\*\*\*\*\*

**OFFICIAL NEWSLETTER**

**JUNE 10<sup>TH</sup>, 2009**

**Volume 8 Issue 2**

**VWP2 ENTERS "TERRA INCOGNITA"**

"Terra Incognita" is a Latin term which can mean heading into "Unfamiliar Territory" and 'unknown or unfamiliar land or places', which is now the case even for the most experienced residents, owners, Board Members & even our Consultant / President of VWP2, who now receives one or more new legal filings each week, and sometimes each DAY! It's totally unprecedented, unimaginable, overwhelming! Some ongoing Court cases are long, drawn out battles. Some are fire drills, that pop up on little notice, and, must be dealt with, by setting every other business matter aside until the urgent issue is settled.

As of the printing of this newsletter, we now have 27 bank-related foreclosures, with another 10 to 20 possible, (a second wave of 'good people, good credit, under water, going down'), & about a dozen or so units that may be paying their mortgage, but are not paying the POA's maintenance fees, which will result in our own lien and foreclosure on the unit. Each villa has a different owner, a different bank or asset manager, and different expenses & delinquency balances varying from unit to unit. Then, there is a wide variety of socio-economic, educated and ethnic backgrounds, and some personal idiosyncrasies and different circumstances unit by unit that this POA and its Board of Directors has to deal with daily!

And, again, a few rental owners, facing financial stresses, lower their asking prices for rents and/or their standards of a 'model tenant' and may rent the unit out to a financially distressed individual or family, who just 'need a cheap place to rent, quick'. Some of these tenants or residents then show total disregard for our community, and the POA Rules and Regulations, incurring excessive violations, and pending fines, which have overwhelmed the Board and the Judicial Committee to a backlog of YEARS now! Though the statutory limit to act may be 4 years, when the POA finally brings the violations to full documentation and service, and action, the POA still has to fight, tooth and nail for compliance, and/or payment on complaints that "the violations are so old now",-- as if *that* negates the fact that the offenders are the guilty party to begin with, not the POA, and they did, in fact know the rules before moving in, signed an agreement acknowledging it, were given multiple verbal warnings, until the burdensome paperwork can follow, (and even still continued to disregard the community's standards). (The Board apologizes for letting one particular corner unit upset the community, but is correcting it as we speak, and has done its best to jump from one problem to another in the limited time available with the least amount of resources ever experienced). The most disturbing situation occurs when an owner-resident who is losing their unit in foreclosure IS the violator and loses all regard for rules and regulations because they are going to "lose the unit or leave anyway" and has "nothing to lose". The negative effect of this on the remaining timely-paying, and law-abiding residents is very bad at times.

Now, our Accounts Receivable is over \$100,000.00! Powerful banks continue to fight us to pay their share of Maintenance Fees and back dues, even though they have TARP money and bailouts, and we do NOT! And, at last count, we are down to only 20 onsite-resident owners...out of 89 UNITS! And we anticipate we will lose more to this economy. The Board must now deal with this 'new reality' that, even though this is a "HOME Owners Association" (actually a Property Owners Association), we have a super-majority of rentals now, supported by freedoms in Board Rules #380 and #390, and forcing the POA to step in to protect the remaining faithful owners, and the values of all of our properties.

On March 6<sup>th</sup>, 2009, the Board held a Directors meeting to also considerably strengthen some Board Rules and Regulations based on the broad authority granted for such Rule-making in the Declaration of Covenants and Restrictions. The most powerful changes were the imposition of a "First Right of Refusal" to buy or lease any unit in the future, and the imposition of a 1% transfer fee on all sales not involving the POA itself. As a PUD (Planned Unit Development), and a Florida Not-For-Profit Corporation under FS 617, the POA is authorized to buy its own units and rent them out to protect our values and the community, especially necessary now in such unprecedented emergency times of economic distress. By doing so, the Board believes it also may be able to resist massive quarterly assessment increases to the remaining owners, occurring in many other Associations, when half the community is not paying, and requiring great effort, expense & resources to collect. And, as the Landlord, the POA could then be more choosy on the residents it allows in, as long as it is non-discriminatory.

Until now, the Board has had mixed success with Rule #100 c., in evicting non-paying owners and/or residents and/or tenants and seizing the unit and renting it out, without actually taking over the title too, and feels it now needs to pursue the lien-and-foreclosure process to begin taking title on units that fall within that availability too, pushing it into the rental property business. Until now, over the 25 years of this POA's existence, there have only ever been less than a half dozen units taken over by the POA and managed that way, and though those previous Boards hated being landlords, the current Board is well experienced and diversified in possibly succeeding in keeping the community viable and prosperous, and regain value in the future, for each existing owners' benefit, including their own.

Until then, the full impact, and, magnitude, of foreclosures and delinquencies and A/R, is beyond any description or adjective, making the smooth operation and maintenance of the community extremely challenging and almost impossible, and the Board is trying every creative idea and implementation it can in 'making bricks without straw' (*as was ancient punishing limitations placed on slaves in Egypt*).

We were hoping to tell you that we have 'bottomed out' and are 'turning the corner', but out of the existing 27 units in pre-post-or-ongoing foreclosure, ONLY SIX have gone through the full title transfer process so far, as the others have stalled for one reason or another. When these 27 units, and maybe another 10 to 20, finally come around to market and sell by the foreclosing lenders next year and the year after, we are going to test the limits of this new and challenging landscape and territory.

The Special Assessment on March 6<sup>th</sup>, 2009 to 17 units was also the 1st of its kind, and long overdue, and the owners who have paid it so far can, actually, be credited with keeping the community afloat! The few who are challenging it will have to deal with the other 72 owners who demand that money back into the operating account at all costs which will ultimately increase their final amounts due. The Board was encouraged that the Court backed the POA when challenged in February, '09 that the POA couldn't stop a rental owner from renting their unit while owing the 'pending' special assessment. Yes We Can!, and did, and, will continue to enforce Board Rule #380 and #390 for everyone else's benefit.

**REMINDER: 3<sup>RD</sup> QUARTER MAINTENANCE FEE (\$420.00) IS DUE ON OR BEFORE JULY 1<sup>ST</sup>, 2009 – AFTER JULY 1<sup>ST</sup>, \$30.60 Service Charge will be added.**