

VILLAS OF WINDMILL POINT II POA., INC.

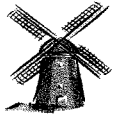
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OFFICIAL NEWSLETTER

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OWNERS BOLSTER BOARDS' INITIATIVES

The Standing-Room-Only Annual Meeting on November 17th, 2010 produced a surprising attendance of 53 owners in person or by Proxy. (Also, several additional proxies came after the meeting, which are not counted, but reflects a great response in light of 22+ units being suspended from voting!) There was a total of only 26 sealed ballots cast, 7 of which had the write-in name & vote for a new Director, Joseph Kevin Mabe, an onsite-resident-owner whose legal, business and real estate business experience should be a real asset to the Board! (Total count of votes per candidate were: McDonald Storey=23; Tom Lesko=22; David Rudzik=22; Justin Caron=20; Joseph Kevin Mabe=7). There were no other write-in or interested candidates, and, unfortunately, no volunteers for any of the committees mentioned in our Bylaws, so, the Board agreed to do the best it could, to serve in those capacities, by default (except the Judicial Committee).

The meeting went on for over two hours to cover the 28 agenda items set out from the meeting's Notice and brought much discussion on several key issues. Here are some of the highlights of the meeting: Fifty owners voted unanimously to approve the newest modifications to the DECS from the Board Rules, which included inserting identification numbers and fees on POA forms, and removing the itemization of specific fee amounts from the rules, and other minor changes, most of which related to Board Rule #100 thru #130 and #380 and #390, and to so update and modify the amendments previously approved last year to the DECS to be called Section 15.1 of Article IX.

They voted 50-0 to continue suspending any contributions to the Reserve Accounts for 2011 to avoid any increase to the quarterly maintenance fees for 2011, and for the POA to continue exercising the First Right of Refusal to Purchase its own units as they became available, and the funds replenished to the accounts, and only after strict compliance with the application and approval process of the POA. Disgruntled individuals have unsuccessfully attempted to intimidate the Board by threatening to make false charges to authorities of discrimination and improper business activities, etc., but the owners voted to send anyone concerned a clear message of their unanimous support of the Board's actions and efforts to protect the community, enforce its rules, requirements and procedures, and business decisions of the Board.

After much discussion, they voted 50-0 to continue the understanding of, and, past, present and future practice of, special charges assessed to individual units for any and all charges relating to an individual unit, with the understanding that when invoicing units for various services, such charges may include a gross profit markup of 33% to 66% for the Association to offset its Administrative and operating expenses, and, which would be lower on Association-owned units. Surprisingly, even owners who were individually assessed and previously paid extra and/or special charges were ultimately supportive of the continued practice! This was very important to the Board, which was seeking ratification and affirmation of such charges, in light of the Zinter lawsuit challenging the Board's right to specially assess the responsible 17 units with Administrative related charges from the 2006-07 recall-related expenses. Board members were very surprised to hear many of those 17 specially assessed owners make damaging statements about their group designated "Recall Representative", Rebecca Brumbelow, whom, they allege, never kept communication up with them as their appointed representative about their recall challenges, and the immediate ensuing appeal in St. Lucie County Court that has been dragging on for 3 years now! After some 300 attempts at personal service on Brumbelow since 2007, a private process server finally served her to appear at a November 22nd hearing. The Court had indicated (also by its recent Order) that the Florida Statutes will be upheld, (which clearly favor the 72 owners who relied on them all along and never wanted the extra expense of a mid-year recall). The Arbitrator, a state agency employee, and not an elected Judge, erroneously disregarded the Statutes, while, also stating that we held our December 2006 election "before" he made his second recall ruling in October 2006, which, of course, is not true!

If the Court upholds those Statutes, and rules in the POA's favor, it would make a nice Christmas gift not only for the 72 owners, but, now, for over half of the 17 owners who have since swung behind the Board to support their collection efforts against Brumbelow and the few who have not paid their \$2K assessment yet. It now appears to be about a half dozen mostly offsite, rental-unit owners who really made up or were behind, the 2006 "Recall Committee" that the remaining owners feel should be separately sued for damages beyond the special assessments already approved.

The owners also voted unanimously to adamantly defend and litigate at all costs, even through the appellant process if necessary, with BB+T and one or two other banks in their possible challenge to our long-held understanding and practice of "Claims of Liens" pursuant to Section 9, Article V of the DECS. Our understanding over the past Twenty-Six years has been that while a POA recorded Lien is subordinated to a bank's mortgage, pending charges that were not yet liened or recorded are NOT subordinated, but must be paid by the owner of a foreclosed property to obtain their required POA Certificate of Approval and to resell the unit. (So far, every other bank to date has complied and paid).

The owners unanimously voted (50-0) to maintain the existing compensation of all of its existing vendors, which, includes 3 different Board Members who also volunteer their services back as Directors, and additionally as Corporate Officers. The Board felt it was appropriate to have the owners approve, affirm and ratify the appointments to be made for its following organizational Directors meeting, in which the President suggested that since the Vice-President 'received more votes', and lives onsite 24/7, that he should take over the President position. The Vice President declined "at any amount of separate compensation" due to the job's extreme challenges and stresses, and pointed out that the President did get triple the amount of Proxies than he, and that many owners didn't feel it was as necessary to return 'ballots' with there being no listed competitive candidates. So, Tom Lesko was re-elected to serve as President for 2011, which will require his continuation of dozens of hours of volunteer service per week, and, was authorized to continue his consulting agreement compensation of 10hrs/wk., (and to maintain his 35% commission / performance bonus rate on all other additional income generated for the Association). McDonald Storey was re-appointed as Vice President and was authorized to continue his weekly-compensated Grounds Maintenance Supervisor Services and monthly Pool Maintenance Services and David Rudzik was re-appointed as Corporate Secretary, and, authorized to continue his compensation for his auxiliary secretarial, notary, and emergency standby services to the Association. Justin Caron was re-appointed as Treasurer, serving totally volunteer, as is the 5th Board Member, Joseph Kevin Mabe who said he will help the Corporate Officers in their day to day administration duties the best he can when needed.

The Board also authorized (at its Oct. 13th mtg.) the Judicial Committee members, Maggie Burns, Pat Cohen and George Santulli to be compensated \$50 per meeting for the remainder of 2010 and for 2011 in anticipation of rather difficult violation hearings in which some date back several years, up to the five-year Florida Statute of Limitations! The Board and the Committee, with very, very limited time, energy and resources, have had to put off minor violations and fines whenever very serious ones popped up that needed immediate attention or legal action, which will still shock violators who finally get notices of violations recorded, but not yet served and assessed by the committee, in the thinking that, "because the Board was overwhelmed with litigation, foreclosures and delinquencies", that it 'just forgot about' the violations and proposed fines. Since that would not be fair to all the others noticed and assessed, (and especially those who paid their fines), the Board has no choice but to pursue what it legally can until the statute of limitations' officially limits them, (which, now, provides a sort of amnesty for any unnoticed and uncollected fines from violations from Dec.2005 and earlier, depriving the POA thousands of dollars of lost collections unfortunately).

Finally the BEST NEWS for last! The owners unanimously approved the stepped-prepayment discount initiated by the Board for the next THREE YEARS! First of all, the special offer extends the current maintenance fee rate of \$450/QTR. without increase, for three years, to anyone who prepays three years in advance now! This means that even if the fees increase to \$480 or \$500 in the next 2 or 3 years, NO additional billing will be sent to anyone who PREPAID through the end of 2012 or 2013 NOW! And, if they SELL their unit after paying, they will be credited on their Estoppel with the full rate/value of 3 years if they pay 3 years now! So, check the next 1Q11 POA Invoice for more details! Anyone who prepays their maintenance fees in full in advance for 2011 by December 31, 2010 can get a 5% cash discount of \$90 off of their \$1800 of quarterly fees! Anyone who prepays TWO years in full in advance by December 31, 2010 gets a 10% cash discount off of the whole two years! They get a \$360 discount off of \$3600! And, anyone who prepays THREE years in full in advance by this December 31, 2010 gets a 15% cash discount off of the whole three years! They get a whopping \$810 off of \$5400 of maintenance fees! (That means they will only be paying around \$382 a quarter for 12 quarters!) The POA is also paying 10% to 15% interest for private loans from anyone willing to refinance its cash purchases of foreclosure units with very flexible terms, owners first, public next.