

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

273 SW STERRETT CIRCLE, PORT ST. LUCIE, FLORIDA 34953-3325

WEBSITE: [VWP2.COM](http://VWP2.COM)

EMAIL: [POA@VWP2.COM](mailto:POA@VWP2.COM)

PHONE: (888)-POA-VWP2  
(TOLL-FREE) - (888-782-8972)

FAX: (888)-FXX-VWP2  
(888-399-8972)

## **OFFICIAL NEWSLETTER**

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### **POA HITS TURNING POINT AS IT TURNS 30 YRS. OLD**

On September 29, 1982, General Development Corporation ("GDC") incorporated our ("POA") Property Owners' Association under Florida Statute 617 for Non-Profit Corporations, though, not as an IRS tax-exempt charity-type Non-Profit, and began construction of 89 units in 22 clusters of 4 and 5 units until 1984. This year, on 9/29/12, we turned Thirty (30)! GDC's sales team brought in original buyers from all over the state, country, and, even out of the country for all 89 units, selling them between \$60,000 and \$80,000 way back then, with initial quarterly maintenance fees at \$285/quarter. Many of those original owners are still with us today and can write a book on their experiences with all they have seen during their ownership with our Association! They have supported this same Board enthusiastically and most appreciatively. Originally, most if not all 89 units were rentals, with no owners living on-site. Then the foreclosure cycle of the 1990s brought auction-type, cash fire sales in the \$15,000 to \$30,000 range which brought a certain type of investor-landlord buyer interested in a quick buck, or, a buyer that could afford that kind of purchase for their permanent home and didn't mind living among so many rentals and tenants and transiency. Some shared some of the same values and viewpoints of tenants since many of their relatives or friends or private sources helped fund the purchase for them to have an inexpensive home rather than renting at a higher price. Then, came the real estate bubble of 2005-2007 which brought a totally different kind of buyer either investor or owner-occupied in the \$100,000 to \$170,000 range and onsite owner-occupants soared to forty-four (44) Units! That brought quite a mix of economics and values to clash that made it undesirable for any one to want to serve on the Board of Directors, with the inherent problems that the various levels of buyers and residents brought. Crime got out of control from the 1990s to 2005 until the 2005 Board decided to enforce existing Rules and Regulations a little stronger, and modify some and adopt needed ones to bring some order back. This resulted in a type of civil war and complete community unrest in 2005 and '06, leading to two attempted recalls in Spring, 2006 that caused major expense and damage to the community that is only now beginning to finally heal after a Special Assessment passed in 2009 to the 17 actual recallers to reimburse the other 72 owners, (with 4 still pending collection). Most of the unruly and divisive owners have also sold or left. Unfortunately, we were then whacked with foreclosures and severe financial stresses and historic delinquencies and economic disaster from 2008 to date. Learning from its history, the Board implemented its First Right of Refusal to stop disinterested long distance investors from profiting on cheap purchases and quick flips for a buck while taking the community down again. Now, thirty (30!) months ago, we bought our first troubled unit, thinking there might be a total of 18 or 19 per the 2008 POA Newsletters. However, we have been slammed with 38 foreclosures so far, and had some additional private owners panic and 'sell at the bottom' like a bad stock. To date, we bought 24 units and, per our Board Rule #100 (c), seized 6 other delinquent rentals, managing 30 units now. Some of these were stripped and in horrible condition, needing major money to repair, on top of purchase downpayments, financially strapping us from doing community enhancements that we wished to do without raising the fees any further than they are. This was yet another unexpected financial setback on its own that took away the original hopes of POA-rental profits lowering the remaining maintenance fees, which, may have happened if there were only 18 total over 4 years as expected. But, instead in 30 months we were slammed with 24 fire sales to purchase, with, 22 more foreclosures pending! The good news is that we have not been served any brand new filings in about a year. All of the ones pending are years old and winding their way through the system and slowing down a bit in jumping up for us to have to buy "all cash, right away". We hope we will now get a chance to reverse the negative cash flow on the repaired rentals by next year when, we also hope that all existing litigation, that has also been bleeding us dry, will be over. Thus, we believe, we are "at the turning point"!