

## FINAL - APPROVED BY BOARD

Boynton Waters Homeowners Association Inc.  
Board of Directors Meeting  
Saturday, December 18, 2010  
Meeting Location – Library – 2:30 pm

Call to order. The meeting began at 2:35pm

The general members present were Gay Williamson, Bobbi and Eric Malkin, Lauri Long, Ann Marie Kominik, Bill and Georgia Dardick, James Lockyer, Shellie Almond, Teny and Max Nameth, Rosina Zimmer and husband, Stuart Mischner, Linda Delpopolo, Michael Grigelis and Felicia Popovici.

The following board members were present:

Larry Lofaro, President  
Larry Berdoll, Vice President  
Maura Slaughter, Communications Director  
Kip Brandrup, Special projects  
Mark Halmo, Special projects  
Charles Mucciolo, Secretary  
Robert Uhrie, Treasurer

A quorum is present.

Larry Lofaro made a motion to approve the minutes from the last meeting (November 20), seconded by Larry Berdoll, all in favor; motion passes.

### Treasurers report:

The starting balance in the checking account was \$23,554.56, we received \$2,060 in deposits, we had expenses of \$17,729.31, an ending balance of \$7,880.35. In the savings account (reserves) we had a beginning balance of \$21,741.98 and an ending \$21,754.49.

Approximately ½ of the special assessment has been collected.

Larry Lofaro reminded everyone present that the meeting is recorded and asked everyone to conduct themselves accordingly so that everyone can be heard and their comments recorded accurately.

Larry Lofaro stated that he wanted to address the emails that went out by several homeowners over the Thanksgiving holiday and that the board members and the general members would have an opportunity to respond and ask questions. He went on to read the following:

“Over the past several weeks, in particular Thanksgiving weekend, several disingenuous emails were circulated throughout the memberships from behind closed doors. Every member is certainly entitled to their opinion. However, I believe just as the founders of this country, that these opinions should be expressed openly and in a public forum. Many of the emails, circulated were from members who have not attended any of the meetings of the Board. Statements, dollar amounts, and notices were given in the emails. As President, it is my duty to address these issues, take proper action when and where required for the best interests of the members. Before I begin, let me preface that at no time am I making any allocations of misconduct or wrong-doing by any prior member of the Board or prior administration. This Board praises the past Board – in fact four member of the present Board were members of the past Board. Larry Berdoll, Maura Slaughter, Kip Bandrup and myself (Larry Lofaro) were members of the past board.

The Past Board has enhanced our community –

- Paving of the Roads
- Flower Bed Landscaping at the front gate
- Pressure cleaning sidewalks
- Etc.

The main issue that is being circulated and stated in these emails is that this Board is “spending Board”. What has happened to all the money in the reserve? If the people who wrote the emails would have attended the Board meetings they would know the answers. The correct answers not the innuendoes. Let me address this issue – to help you understand I will pass out the following information so all can follow. (Two sheets were passed out - see attachments 1 and 2).

Larry referred to the second page which is the Income and Spending for 2009. He explained the difference between a reserve and a surplus. “A reserve is money that is collected by a special assessment and placed in account and a surplus is any money remaining after the budgeted expenses.” He went on to explain the numbers on sheet 1 (BWHOA 2010 NON-BUDGET EXPENSES).

Let’s just briefly talking about accounting – again at no time am I making any allegation of misconduct or wrong doing by any prior member of the Board or prior administration. Everyone does their accounting at their own discretion. At the first meeting of this Board I requested that a separate account – in the general ledger - be created for surplus funds. The purpose was to get a clear, true and accurate understanding of the surplus funds in regards to the surplus funds. In the past the special assessment money collected in 2005 and 2006 was co-mingled with the budget as homeowner’s dues. Again, no accusations of wrong doing.

Therefore when the budget income was projected at \$66,000.00 a surplus was created from the special assessment because the special assessment money was put into homeowners dues. So therefore special assessment money came in and was put into homeowners’ dues in 2005 and 2006 the budget showed homeowners dues of 90-100 thousand dollars. You are going to have a surplus. That surplus was carried over year after year until it was spent. No doubt the money was spent for the betterment of the community. In the following years money not spent on the budget was added to the surplus - during the years from 2006 to 2009 all of the income was not spent and that created a surplus. For example if the budgeted amount was for \$66,000 and only \$54,000 was expensed their was a surplus of \$12,000 for the year. Various projects, excellent projects for the benefit of the community, were approved and implemented by the prior administration. In fact money that may have been spent was not spent. This created the surplus. What I am saying is that there are two types of surplus that were comingled – Special assessment and Budget surplus.

All I wanted to do is to get a complete understand and present a true and accurate representation of the surplus to the members so they could understand under my administration. No accusations, negative comments have been made by members of this board regarding previous boards. Everyone does their accounting as they best see fit.

The Present Board has never criticized or made any negative comments regarding the budgeting and spending of community moneys in the past - it doesn’t make sense because members of this board were members of the previous Board. This Board recognizes what has been achieved in the past and wishes to continue to maintain now and into the future the enhancements the prior administration accomplished as well as create our own enhancements for the community.

The simple fact is that prior administrations were able to achieve the enhancements from the surplus of money generated by a special assessment and budgeted surplus. Some of enhancements and the future maintenance of these enhancements were never budgeted for (Street Paving, Aerators, etc.). That is what this Board is been saying all along.

I have great respect for Phil Kline and all members of his Board. However, I was taken back regarding the emails sent by both Phil Kline and Bill Dardick. I thought they knew me better. Why they did not call me on the phone and voice their concerns before sending out the emails is beyond my understanding. I would have clearly explained to them what I am saying now and what was said in the past. The Board meetings are open to all members and for their own reason they decided not to attend. They decided to hear the information from a grape vine and respond to the mis-information they were provided from behind closed doors and not in a public forum. I can recall when they attended the Board meeting and members of this Board looked to them and asked them questions, which they gladly provided regarding By- laws, Foreclosures, access control.

In their emails they both mention that we enjoy spending the homeowner's money without their approval (at this point Bill Dardick, in the audience, expressed that he did not say that) – we are an expense spending Board - whatever that term means. We are elected by the homeowners and the Bylaws state that we don't need approval of the members to run and maintain the community.

Phil Kline stated in his email: *“he totally disagreed and haven't been going to meetings to keep from getting pissed off”* - Thank God this country doesn't go along with that.

Phil disagreed with the access control saying he believed it was considered a capital improvement and therefore required approval of the membership. He is certainly entitled to his opinion. In fact at the Board meeting he warned the Board to be careful and use due diligence in making their decision. My opinion on the other hand was since the access control could not be repaired on a permanent basis, felt replacement of the access control for the safety of the community was not a capital improvement. So, who was I to say I was right and Phil was wrong. After listening to Phil and out of respect for his wisdom, I decided to contact the attorney regarding this matter. In the meantime the Board was planning to hold a special membership meeting if Phil was correct however; I was advised by the attorney that it was not considered a capital improvement and the Board could vote to replace the system and vote on how the membership should pay for the system. The rest is history.

Phil then wrote “the treasurer has done an in-depth analysis of our budget for the last few years and the current budget. Due to non budget items that we must add as budgeted items our dues are increasing....”

Again, the grape vine. If Phil were at the meeting he would have heard the Treasurer state - he had done in-depth analysis of our budget for the next five years, not the past few years and stated that because some items were not budgeted in the past and because of future expenses that need to be included in the budget our homeowner dues are increasing.

Phil then wrote -- *‘A quick glance at income vs. spending beginning in 2006, (the year I came back on the board), shows we had \$7,699 in the bank at the start of that year. Because we spent prudently, we had a surplus of \$21,117 in 2006, a surplus of \$18,737 in 2007, and a surplus of \$10,289 in 2008 so that at the start of 2009 we enjoyed a surplus of \$50K.’*

Excuse me - Phil, you were disingenuous in your statement. He did not mention in addition to his administration saving money there was a surplus. The surplus started by the creation of the special assessment in 2005. Phil did not mention - again I refer all of you to page 2 (the 2009 budget) the budget had a negative cash flow, repeat, a negative cash flow of \$11,500 and the number in the bank was \$46,180 not \$50,000.

Again, this board, 2010 income and expenses presently shows a negative cash flow of \$16,000 but when you take into consideration what we've done, the aerators, the lake plants, \$13,000 for the gates, \$12,000 for access control \$4,800 for irrigation - this board has spent only \$4,500 more than 2009.

Phil then states that *his administration was prudent* - it was prudent but, the prudent spending of the prior administration was inherited by this administration. He states *“all projects were formally approved by the homeowners, (although the first two probably didn't need to be I feel everything should be), and of course, no assessments or dues increases were needed.”* (Because of the special assessment and surplus).

But Phil, you've got to make up your mind. You originally state that this board never asked permission for spending and then you state that we really don't need to ask permission. Great respect is given to Phil Kline and everybody (on the board), I'm just setting the record straight. The Bylaws is the factor that dictates.

(Regarding) Bill Dardick - As the Treasurer of the "previous administration", you write: *“I, too, take exception to the comments made by the present Board of Directors regarding the budgeting and spending of community monies in the past. I would like the opportunity to examine this "in-depth" analysis, prepared by the present Board Treasurer, as I was part of that "previous administration"... and I, along with the other members of our administration, managed your money in a most responsible and prudent manner. In short, we showed the community a positive cash position -- consistently -- for the past 6 years. I just can't fathom the thought of how we went from a \$50,000 surplus -- to \$32,200 in special assessments and an annual increase of \$120 in Homeowners dues. This is a total outrage!”*

First of all Bill, if you are going to make a statement, the special assessment was \$10,120 not \$32,200 - I have no idea how you came up with that number. Our books and records are open to all members, anytime, anyplace, anywhere, just give us due notice.

In fact Bill, I agree you were an excellent treasurer – I formally now ask your assistance to help this board and will immediately appoint you as bookkeeper, this way your expertise, knowledge and understanding of the financials records would be an invaluable service to this board and more important the members of the community. Do you accept?

Bill Dardick replied: *“I’m not going to express (inaudible)”*. Larry Lofaro said “we will get back to it, I understand.”

With regard to the emails circulated by other members, I can only request that you attend the meetings (to be) aware of what the board is discussing this way you have a clear understanding of the facts before you put them in writing.

With regard to the email circulated by Barbara Malkin, in the email you placed the board on notice, made serious accusations against this board and in particular against an unidentified member of the board. As president it is my responsibility and duty to address this accusation, conduct an in-depth investigation, and present the findings to the Board and members of the association. Therefore, I ask you Barbara that any and all information regarding your allegation be provided to me in a (formal) written statement with any documentation and or evidence that may support the allegation. I will assist you in any way possible so I can conduct a proper investigation into your allegations.

When everything is said and done, for all you people who sent these emails out, if it was your intention to create havoc, harm, animosity throughout the community congratulations, you succeeded. I don’t know, and I’m doing everything in my power as president, to stop the majority of members of this board from resigning. We have done nothing but for the best interests of this community. We are not the spending board, we’ve done what needed to be done. I don’t care how ever you look at the numbers, it can be determined whatever way you want, the facts are simple, money came in, money went out, money was not budgeted for, \$13,000 in gate repair, the access control, etc. this board has done a terrific job and put in an endless amount of time for this community and if you people are going to come back at us through emails and not attend the meetings and criticize us make sure your facts are correct.

The bottom line is, if the budget calls for income of \$66,000 and we spent only \$50,000, that’s \$16,000 that’s not spent. As far as I’m concerned that \$16,000 should not be carried over; it should be spent for enhancements of the community or should be given back to the homeowners. That’s my money, one ninety-second of that money belongs to me. I prefer that it be spent on the enhancement of the community.

With that I turn it over to the members of the board who wish to make statements or ask questions.

Mark Halmo: Just to clarify, as far as the expenditures for the gates. Before the lightning strikes we had to bore the road for \$5,000. I also found out that the entry side had been done several years prior to that so I looked into everything and found that the electrical was not done to code. We found that the underground damage came from the original system not being installed to code. Fast forward to the entry system we are replacing. We have a system with a lot of mileage on it - it needs replacing. We are enhancing the new system to last for many years. We put out a request for proposals for the new system. There was a comment about a lack of expertise on the part of the Board to make the right selection. Kip has been in the trade (inaudible - 45?) years. Charles Mucciolo has been in engineering for 30 years. Larry Lofaro stated that he had been a consultant for the access control replacement for several hospitals in New York. With all that experience we still went out to five different access control contractors. My consultation with others in the trade convinced me to do the job right and not take shortcuts. The electrical is a safety hazard and we could be (liable) for a landscaper or someone who hits the line. I take the time to maintain the gates with grease every month. Everyone on this board invests time to save the community money.

Kip stated that he has a report on the gate controllers for another time.

Mark Halmo made the point to the general members that this is not a ‘spend fest’. We are trying to get the most out of what we spend but there is a lot of work, a lot of expensive electrical work that needs to be done.

Maura Slaughter stated that the emails are supposed to be used by the board for official business only, newsletters, billing, etc. People have asked to be taken off our email list because of the banter that was going back and forth. Those are not public emails for everyone to use. Don't send emails, come to the meetings. I'm not going to do the newsletters anymore because I constantly get nasty remarks back. I get complaints about everything. Complaints about the meetings being held on a Tuesday, suggesting that we (the Board) does it for our convenience when in fact we do it for the community at large. We alternate because of everyone's varied schedule. It was not set in stone when the Board was formed that the meetings had to be on a certain day. It is very hard to be on this Board and invest the time I do writing the newsletter only to get nasty emails so I'm not doing it anymore. If people want to know what is going on they can come to the meetings or read the minutes.

Charles Mucciolo said he would like to respond to one of the emails sent and it is as follows:

Black = Original letter from Barbara Malkin

Red = Response from Charles Mucciolo, Board Member

From Barbara Malkin – To the Board and Homeowners of Boynton Waters:

As I, along with an attorney (pro bono) I have devoted many hours to the up-dating of the BWHOA By-Laws and the creation of Community Rules and Regulations, I was very surprised to read in the Minutes of the last meeting that apparently members of the Board have been consulting with our Attorneys regarding the same thing and that I have not been provided with this information.

The discussion that the Board had was with respect to finding out what rights we have regarding new resident and tenant screening. We felt that this was an urgent issue and with no report on the bylaws to date from you, we acted to expedite a legal opinion from our attorney of record.

If you would like for me to continue with this project, please provide me with the information that you obtained, so that we can avoid time spent in re-writes. If you find that you do not wish to include me in either discussions or the sharing of information in this area, then I may be forced to walk away from this project due to the lack of support from the Board and the counter-productivity of my efforts.

Your statement regarding lack of support is unwarranted. Since this board has been in existence there have been three entries into the minutes regarding the bylaws you volunteered to handle:

- April-14-2010 Bobbi Malkin – has not had time to do anything yet. Also waiting for legislative bills to be passed.
- July 17, 2010 Bobbi Malkin stated that she was working by herself; Charles Mucciolo volunteered to assist.
- September 11, 2010 – Bobbi Malkin will be contacting Lori Goetz regarding modifications to bylaws.

All other entries show as 'nothing to report'.

To date, we have received only one request for assistance from you and that was addressed immediately by me only to have you contact me four months later to say you did not receive the information. The minutes show little or no progress on the bylaws and the board has not received anything in writing for review. We would like to know who the person is that you are consulting with, what their qualifications are, and to get a written report outlining the progress to date.

And, it would appear that your plans are to have the Attorney draw up new By-Laws in 2011 at an estimated cost of \$8,000 to \$10,000; why am I wasting my time and the time of an attorney, since it appears obvious that the Board would rather spend more of our money?

Sometime during the last year I believe Phil Kline stated that we needed to revisit the bylaws and could use that opportunity to make changes - that is the presumption I was responding to. The 8-10 thousand was just a number to budget for - it could be less or more. At some point, even if the work you are providing is free, I believe it would be in our best interest to have the attorneys who have represented this community for a number of years review the final draft. Will you inquire with your attorney as to any requirements we have regarding any mandated updating or changes to our current bylaws and inform the Board, in writing, of same?

Regarding the non-participation of homeowners in the Community on committees, etc., you should be aware that many people in the Community feel that their work is not appreciated; that regardless of what they do, it is not appreciated and that the Board works in opposition to their efforts. On the one hand, you invite all homeowners to attend Board Meetings, but then advise them that they are guests of the Board and they are not to participate unless specifically requested to comment or to make a report, thus making it apparent that you do not really want their input or participation in your (the Board's) meeting.

This is a false statement and as the wife of a former board president and having participated in so many meetings you should be familiar with the Bylaws which state in Article 3 Section 5: "Members may attend all Board meetings, except those with the Association's attorney relating to pending or potential litigation. No member shall have the right to speak at or interrupt a Board meeting, except at the Board's request."

That's exactly how the previous board conducted their meetings and this board has always promoted participation so long as it was done in accordance with the bylaws.

Being chastised by a member of the Board in a public forum because some items were not done in what they (the Board) considered to be a timely manner or "lackadaisical" in nature, is not the way to encourage homeowner involvement and the volunteering of their time.

You claim that I chastised a committee, I say that I asked pointed and pertinent questions after I inquired by email to the chairman (Nov. 16) as to the progress of that committee but received no answer and after that same chairperson promised another board member a report at the next meeting and we got nothing.

When someone commits to a position such as chairman of a committee it is expected that they will make every effort to fulfill their obligations and the Board has the duty to ask questions and motivate the committee to do the job they are assigned to - otherwise the bylaws simply cannot be enforced.

As several members of the Board have pointed out, this is not an over 55 community where the vast majority of homeowners are retired; we are a "family" community, where most of our homeowners work. There are times when even trying to schedule a meeting of a particular committee is difficult due to the inability to insure a quorum with the numerous conflicts in schedules. Those of us who are trying to make a difference and volunteer our time would appreciate some "thanks" from the Board vs. criticism that our efforts are not quite good enough.

These statements apply equally to the Board members - we all have the same responsibilities and receive criticism regarding our efforts - as evidenced by your letter.

It should also be noted that previous Boards operated with similar homeowner participation and a property management company was not deemed to be necessary to the on-going needs or betterment of the community. Turning these many duties over to a management company would not be in the best interests of our Community nor cost effective.

Management companies in our area vary dramatically as to their costs, reliability and consistency; all of which to say that I have not heard of a Community that is thoroughly happy with the job that their particular management company is doing (GRS being one that I have not heard anything good about their handling of properties or people).

You know from your participation in previous meetings that it has been difficult to get volunteers for the committees. Even a 7 member Board can only do so much and is restricted from holding certain multiple positions. Find us residents for committees who can fulfill the responsibilities and we can avoid outside management.

Another item, which may be of minimal consideration on the part of the Board, is the scheduling of Board Meetings. In years past, the vast majority of meetings have been held on the 2<sup>nd</sup> Saturday morning of the month vs. the current scheduling of meetings monthly with no rhyme or reason as to their regularity, making it virtually impossible for homeowners to plan their own monthly calendar should they wish to participate.

This is another inaccurate statement because the board is made up of working people as noted earlier – some of those members as well as some residents work on Saturdays. This is why the Board chose to alternate the meeting dates from a Saturday to a Wednesday and, there has been no noticeable increase or decrease in the number of residents who attend the meetings so it is the Boards feeling that alternating days has had no adverse affect on the ability for residents to attend if they wish to.

*Maura Slaughter interjected at this point, stating that we are at the mercy of the library schedule, it is not a given to get the room whenever we want. We had to have the emergency meeting at Larry Lofaro's house because we could not get a*

*library meeting room because we already had one meeting at the library and are restricted to one per month. We request a Tuesday or Wednesday because there are not guarantees as to what will be available.*

*Continuation of the letter from and response to Bobbi Malkin:*

It is my opinion that the present Board has not been operating in the best interests of the our Community. There has been spending far beyond what is necessary to the smooth operation of a community of this size. Further, there appears to be a possible conflict of interest going on based on the relationship between our new landscape company and a Board member who has no ownership interest in this Community, and now with the proposal of a management company.

The fact is that this Board has inherited a number of items which need to be addressed and is outlined in the proposed budget but perhaps you can explain what you mean by “spending far beyond what is necessary”.

Your statement regarding the possible conflict of interest between a board member and the landscape company conveniently avoids naming that board member but I am certain you are referring to me as I have a relationship with Sunflower, the new landscape company.

As I have stated on several occasions I have known Sunflower for many years because they are the primary landscape contractor for my employer, GL Homes. I have limited contact with them to review planting installation and design. I do not socialize with any of the owners or employees – it is purely a business relationship during which I have seen the work they provide and feel it is of a much higher standard than that of our former landscape company - a standard that is now visible at the entry.

A conflict of interest is when a contractor provides services for Board members at a reduced price or if the contractor is told to provide free services to a Board member as a condition of continued employment with the community. Sunflower does not maintain my residence and I have not received so much as free lunch for presenting them to our community and their subsequent award of the contract.

You also made a statement regarding ‘a lack of ownership interest’ on my part - suggesting that I have no business serving on the Board. When I ran for the Board, Phil Kline told me that I could do so if Lauri wrote a letter stating that I was her assigned representative, which she did and he accepted. Provide documentation stating that I cannot serve the Board otherwise, you should be thanking me for serving this community with no ownership interest.

And, lastly, this is to put this Board on notice that you have been operating in violation of the FL Sunshine Laws regarding Homeowners’ Associations, in that ALL meetings of Board Members where a quorum is present MUST be open to the homeowners and MUST be conspicuously posted with a minimum of 48 hours notice.

First of all, the Florida Sunshine law it applies to meetings of public boards or commissions. It extends to private non-profit entities - such as an HOA - if they are doing business with government. The only time that the Sunshine law applies to an HOA is when the Architectural Review Committee reviews and applications involved and a government building permit requires the HOA approval.

There was one informal meeting very early in this Board’s existence where 4 members gathered to discuss the access control - it was to understand what options we had and what we should be asking of a contractor. In our desire to act expeditiously to a problem we inadvertently met outside the guidelines but we realized our mistake and have not repeated it since.

Also, all meetings of the Board have always been open to the general membership and are posted in accordance with our bylaws - with 48 hours notice or more.

In conclusion, your letter to the community was irresponsible as it contained false accusations and claims, misquotes, slanderous comments and so on. If anyone else feels it necessary to make such comments, whether verbal or written, they would be well-advised to get their facts straight first.

This concludes the response to Bobbi Malkin’s email from Charles Mucciolo.

No other members of the Board wished to make comments and Larry Lofaro opened the floor to the general membership.

Eric Malkin stated that he had some comments on behalf of him and his wife: “First, I want to go on record that I was not on the emails that were circulated. Second, I and or my wife have attended every one of the meetings over the last 10 months of the Board, emergency and otherwise. Third, you are perfectly correct that the meeting held in your house (*Larry Lofaro’s*) for the emergency meeting was perfectly acceptable and that three people including myself attended (*in fact Bobbi Malkin, Eric Malkin, Florin Tudor, Leonard Da Costa, and Sally Ann Putney were present*) however; I asked about lower priced units and received no answer except that ‘this is the best way to go dollar-wise’. I have no objections with your budget. I am concerned about \$25,000 for a system for 92 homes with bells and whistles that we don’t need.”

Mark Halmo asked what would those ‘bells and whistles’ be? Larry Lofaro asked to allow Eric to speak uninterrupted and Mark complied.

Eric Malkin: “What do we need three levels for (referring to the various sub-directories in the system) I believe that after talking with many other communities that this is a wonderful system for 300 homes. I think it’s too much money for us; be that as it may it’s a done deal so we can’t change it anyway because we already spent the money. As far as unbudgeted expenses you are one-thousand percent correct. As far as the extra surpluses, it should have been pulled to a separate account - we (referring to previous Boards) never thought of it. Were there expenses that were not budgeted, yes, I take some of the blame for that. What I am concerned about is communication. When I get an email from Chuck (Charles Mucciolo) I get treated like I’m one of his employees. I feel like I’m being dictated to. I am busy as you (Chuck) is, I have a full report on the violations. When I took it over there were 35 violations, there are 4 left. I had asked Heidi to tell you I would have a report ready, I did not ask her to make a report.

Someone in the audience mentioned something about transparency; Eric said that was not the problem. The problem had to do with the ‘720 law’ (*apparently referring to Florida Statute 720 regarding homeowners associations*) and the Florida Sunshine Law.

Eric went on to state that he would have a full report for the Board regarding the issues contained in Bobbi Malkin’s letter to the community within 30 days.

Larry Lofaro reiterated that he wanted a report specifically regarding the allegations of misconduct of one of the members of the board.

Eric stated: “I will present a report on everything in the letter - the misconduct, the improper meetings, etc. All of which is really not the problem, the problem is communication. You want me to send out 14 day letters as the chair of the violations committee. If you look at our bylaws I can’t do it because the 14 day letter involves a fine and the only ‘fining’ area is you guys (the Board). So I can’t send the 14 day letter. I also can’t send letters without my committee okaying them. I can’t send the letter if I am ‘told’, not asked, to Watercourse Way regarding the recycle bins - it has to come from the committee, I can’t do it. Chuck, you did it, fine, I can’t do it. I don’t feel it’s correct for me as the committee chair to do it. I think the problem is perception. We are told ‘this is what’s being done’. Look, I ran meetings, I didn’t want comments from the homeowners unless the asked for it. Neither did Phil, but it’s the way you say it. That’s what I’m concerned about. People are reacting badly. I think we have to start all over again. We work for you, you work for us. I feel (inaudible) that you set up a meeting, whether or not you knew a lot of people were going to be there or not, in a room that only seats 12 people.”

Larry Lofaro stated that he would respond to that last statement: “Eric, you know we have no control over where they (the library administration) puts us. What happened is that we were scheduled for the big room - they (the library) made the mistake.”

Eric stated that the problem was that no one knew why the meeting was cancelled.

Mark Halmo interjected and said that everyone was present when the librarian came in and told us that we had to remove the extra chairs we had brought in to accommodate everyone and could not occupy the room with more than 12 people due to the fire marshal’s rules.

Eric Malkin continued to voice his frustration over the cancellation of the last meeting.

Charles Mucciolo stated: "You know Eric, you can be as frustrated as you want but, you throw a lot of stuff out at us that is really unwarranted. I would love to hear, right now, what your accusations against me and Sunflower is - throw it on the table. I would like for Bobbi to state that right now since she wrote the letter."

Eric stated that he would speak for Bobbi and that Charles Mucciolo should have recused himself from the vote.

Charles Mucciolo stated: "Oh, she can write the letter slandering me but can't answer the question."

There was some banter between Eric Malkin and Charles Mucciolo regarding perception of the situation. Charles Mucciolo stated: "It's your perception; this entire board reviewed the contracts and voted."

Larry Lofaro asked: "If that's the case, why was I not notified?" Some banter between Board members and Eric continued regarding why the issue was not brought up earlier and Eric stated that it was because he was 'shut down'. More banter continued with the Board members expressing their disagreement with Eric's statement. Eric concluded by stating that "the Board is doing a pretty good job, and that it's just the way you do it - it's just my perception."

At this point Larry Lofaro asked that others in the audience be given a chance to speak and deferred to Bill Dardick.

Bill Dardick expressed some concern that he was accused of something; Larry Lofaro said that he was not. Bill wanted to go on the record stating that Phil Kline was not at the meeting to defend himself. Larry stated that Phil was also not accused of anything and that Phil was his friend also.

Bill then referred to an 'in-depth analysis' that was mentioned in a newsletter and requested a copy of it for his review. There was some discussion as to what exactly the analysis was and it was determined that it was not an analysis of the previous spending for the purpose of determining where the past dues were spent but rather it was an analysis of the individual line items which made up the previous budgets for the purpose of this Board to be sure that it was accounting for all expenses going forward. It was determined that the term 'in-depth analysis' was probably mis-leading and should not have been used.

Bill then asked if we could discuss 'disclosure'. He then stated: "If you could show me a detailed profit and loss for the last 8 months, you guys took over, something that I could see, something that I could post to the website so that others can see, I will come over to each one of you and apologize personally for my remarks."

Larry Lofaro agreed to send the information Bill requested.

There was some further discussion about what the Board might have had at the meeting to give to Bill right then. The discussion turned back to the newsletter statement about 'an in-depth analysis' of past budgets. Once again, clarification was given that the Board did not do an in-depth analysis of the dollar by dollar spending of the last few years but rather an analysis of what line items we should project forward for a budget. Bill then said it was OK to put that issue behind us but to still get him the detailed profit and loss for the last 8 months.

Bill went on to state that we live in a community of apathy and that the number of people attending the meeting today was only because a few had 'made some noise'. Some discussion between Bill and Larry Lofaro took place regarding the ability to attend meetings and that some people only have the meeting minutes as a resource for understanding the goings-on of the community. Larry Lofaro expressed that a direct email to him is one way to find out what is going on.

Bill then expressed his dislike for receiving HOA notices in his mailbox unless they are in an envelope and stamped (delivered by the postal service). Bill was asked by the Board why it would make a difference to have the dues or special assessment notice sent via the postal service or simply put in an envelope as it was. Bill cited proper business procedure for price increases for customers. There was some discussion regarding how necessary it is to address, envelope, and mail these types of notices at an additional cost to the community. Maura Slaughter expressed her frustration over the issue, as she is the one who prepared, enveloped and delivered every notice and stated that she would no longer waste her time doing that and that every notice will now be mailed at a cost of \$50 per mailing. It was also discussed that we can

also no longer send official notices via email because the emails sent over the Thanksgiving weekend have caused many homeowners to request they no longer receive emails from the community.

Larry Lofaro again stated that he would send Bill what he wanted or that Bill could come to him and review everything in person.

Bill Dardick then stated that he had trust issues with Charles Mucciolo. Charles Mucciolo asked for him to tell everyone what those issues were and Bill said that it had to do with comments made regarding the trimming of a tree in Bill's yard that Luis (Coconut Palm) had done. Bill feels that Charles Mucciolo manipulated him in an effort to have Luis no longer serve the community. Charles Mucciolo stated that the tree trimming job that Luis had done was not acceptable in Palm Beach County. There was heated discussion about the matter and Charles Mucciolo made an off-color remark to Bill at which time the meeting was called back to order. Charles Mucciolo retracted his statement and apologized for his outburst.

Shellie Almond asked if the Board members could provide their names and functions as she was not familiar with the present Board; the Board provided the information.

Jim Lockyer asked for clarification on the gate access and went on to describe his understanding of what reserve accounts are for. Larry Lofaro responded by explaining how we are using a part of the special assessment to pay for the access control while not leaving us with no money in that account and that the reserve will be replenished hopefully in time for the next hurricane season for which the reserve is primarily kept for. He went on to state that the access control is going to cost us approximately \$25,000; we are taking more than half of that from the reserves because we only special assessed for \$10,000. "Understand that the prior and current administration has deemed it important to maintain a \$20,000 reserve; that is one of the reasons the dues are increasing so that we can build back up the reserves."

Jim Lockyer: "Does the current board see more assessments in the next 6 months?"

Larry Lofaro: "I think this is where Bill may have gotten the wrong number, and rightly so. When we were looking at all this, we looked at the access control and the gates - saying that the gate motors are going to have to be replaced and we were looking at putting that into the special assessment or increasing dues to cover that, because we felt at the time that the gates could last another year. So, at another Board meeting Maura Slaughter suggested that we should not deal with the gates right now, just the access control, which we did. In the meantime, Kip has spent numerous hours speaking to numerous vendors getting an update or present condition of our gates and how long they are going to (last). Until we hear from Kip on that no, I don't expect any special assessment in the future. I believe, the way we have done things, very carefully and be keeping in mind the time of year, keeping in mind the financial that the country is (in), keeping in mind homeowners and their pockets. Rob (Robert Uhrle) did a lot of analysis going (into the) future as did I. We knew we had to get money, bottom line, case closed. But we had to figure the best way for the community and that is the plan we came up with, \$110 special assessment and \$30 raise in homeowners (quarterly) dues which will carry us in the future for building up the reserve account."

Maura Slaughter: "We took a vote on another \$250 special assessment on top of the \$110 and that was turned down, and that was for the gate motors because they anticipate the gate motors might be shot in the next year."

Kip Bandrup: "Let's everybody stop guessing about the gate motors..."

Mark Halmo: "Hang on just a second Kip. I'd like to point out that during this whole process regarding assessments and homeowners fees we tabled a lot of expenses ... the street light program, the expansion of aerators for the benefit of the lakes has been postponed. We are not a spending (board? - inaudible).

Some discussion regarding the general approaches taken to prioritize the expenses.

Mark Halmo: "We are not a credit card Board. We are not a spending Board."

Stuart Mischner stated that he had recollection from a previous meeting, maybe 8-9 months ago, that we had \$75-80,000 in the bank. Larry Lofaro corrected him by saying that it was more like \$46,000. Stuart accepted that number and went

on to state that the Board is asking for an assessment for the gate. Larry Lofaro stated that we asked for the assessment for a couple of reasons and went on to explain the expenses. Further discussion about the separation of checking or operating expenses from the reserve moneys. Stuart was still unclear about the expenditure of moneys considering the amount we had in the bank.

Eric Malkin commented that during the hurricanes we did not have enough money in the reserves to pay for the cleanup which is why he had to front the association \$9,000 at the time.

Further questions regarding the accounting of reserve and operating expense funds led to Larry Lofaro suggesting that he and Stuart Mischner, and anyone else interested, meet to review the income and expenses.

Bill Dardick asked which of the current Board members who are up for re-election will be running again. Maura Slaughter and Larry Berdoll said they would not, Kip Bandrup said he will stay on in order to finish the projects he is working on and Larry Lofaro stated that he is undecided.

Larry Lofaro then asked those of the audience who would be running for the Board. (no one mentioned a number but listening to the transcript indicates one person said they would). He then went on to state that anyone is welcome to look at the numbers - we may have missed something - but it is unlikely - the numbers are the numbers. And just so you all know, we have been looking at the numbers for a long time.

Maura Slaughter asked the audience why no one was running for the board. Some conversation was had regarding the inability of some to participate and regarding something about the emails and how to avoid sending everyone's email to all recipients (this portion of the tape is difficult to hear). Felicia Popovich expressed concerns about the intimidating nature of the emails that had been sent out. (the remainder of this discussion is inaudible due to numerous people talking at the same time.)

Larry Lofaro wanted to finish addressing Eric Malkin regarding an estimate of the expenditures for the coming year and he estimated them to be approximately \$85,000.

Lauri Long asked to speak and she stated (apparently in response to Felicia Popovich's earlier statement) that while she liked Phil, she was intimidated by the way he conducted the meeting and decided not to attend until more recently. Lauri and Eric were speaking about something related to her statement but again it is inaudible. Lauri also mentioned that the house that is using recycle bins as planters in their front yard should not have to be told that it is a violation of our bylaws, that the resident should be aware that it is not in keeping with the caliber of our neighborhood. Eric responded by saying that he agreed however; he would not contact the resident in either person or via letter until he got the approval of his committee and then the Board.

Larry Lofaro stated that the interpretation of how the violations committee handles things is based on their own administration.

Ann Marie Kominik stated that she was very thankful for all of the Boards hard work and she knows first hand through Kip Bandrup how much time each member is contributing to the betterment of the community. Her praises were acknowledged by the Board members with thanks.

Larry Lofaro stated that Kip Bandrup has done a lengthy analysis of the gate motors but that we must revisit that at the next meeting as we are out of time. He asked the Board if they had any final comments or questions of which there were none so he then opened it to the audience once again.

Felicia Popovich questioned the line item cost for the telephone line and it was explained to her that it was high because the telephone company charges us a commercial rate for the telephone entry system to dial out. She asked another question regarding the expenditure and income for the gate clickers. Larry Berdoll explained that the expense was the purchase of the clickers and the income was from when a resident purchases one from the HOA. She also asked about the line item for insurance and it was explained that it was for (liability? - inaudible) insurance.

Stuart Mischner asked about the line item regarding shrubs and trees for approximately \$18,000; Larry Lofaro explained that it is not a recurring expense and was from the previous administration. Some discussion was had regarding the differences in budget from one year to the next. Much of the discussion is difficult to follow because of the cross-talk. It was suggested that the question be discussed directly with Larry Lofaro outside the meeting.

At this point Larry Lofaro excused himself for a few minutes and Larry Berdoll took over the meeting.

Eric Malkin asked Charles Mucciolo if the window at 9399 Aqua Vista had been fixed; response: yes. He asked if the roof had been cleaned; response: not sure.

Eric Malkin stated that he contacted our local police officer as to whether or not we can tow a vehicle that does not have license plates while on their property; he was advised that the county does not allow us to do that. We can tow if the vehicle is in the street for more than 24 hours. At the beginning of November, per the Boards instructions, he sent out 35 thirty day letters for violations as of November 27<sup>th</sup>, 31 had been resolved. There is a new one that everyone is concerned about and that is the recycle bins at the Zimmer residence. Rosina Zimmer was in the audience and responded that she will move them to the back yard immediately.

Larry Lofaro returned to run the meeting.

Some discussion regarding the procedures of the violations committee and that it would need to be clarified at the next meeting. Questions regarding Estalella's broken column light. Maura Slaughter asked Eric how often they do a violations review and he stated 'once a month but with the holidays it's been a little difficult'. Charles Mucciolo and Eric are going to work through the violations administrative procedures.

Maura Slaughter asked about the status of fine enforcement and it was determined that we should wait until the next meeting.

Larry Berdoll reported for the welcome committee stating that Lynn Berdoll had tried to contact the new residents twice without any luck. Maura Slaughter said that we need to find out who the renters are in that (the Mason?) residence. Maura Slaughter stated that she gave the renters a copy of the bylaws and that we need the Welcome committee to go over there and get some papers signed regarding acknowledgement of our rules. The forms were given to Lynn Berdoll to bring to the renters. Eric stated that he would take care of the forms. Larry Lofaro stated that the property owner is not currently a member in good standing.

Maura Slaughter stated that some neighbors feel that there have been prowlers in the neighborhood and for everyone to be vigilant.

Someone from the audience stated they had seen an alligator in the lakes and they were going to call a trapper. Charles Mucciolo stated that we had an issue with that because we did not want to see the alligators destroyed and that a no kill trapper was available. Maura Slaughter stated that we have the number of an Indian Reservation who accepts the alligators.

Larry Lofaro asked for three members of the Board to assist the residents in filling out the applications for the access control. Several volunteered but the names were not stated for the record.

Larry Lofaro stated that the holiday decorations should be going up shortly pending the weather.

Maura Slaughter stated that she gave all the Board members a copy of the letter from the attorney regarding a new amendment to the bylaws for renters and asked the Board along with Bobbi Malkin to review the document so that we can bring it up at the March general membership meeting. The next meeting is on January 15 at 10am, in the large meeting room of the library and the next meeting is February 12<sup>th</sup> at 10 am in the large room. The March meeting cannot be booked until after January 1 but the tentative date is March 5. We need names of those who will be running for the board in order to make proper notice. We need to vote on the renter's amendment so that we know who the renters are and may possibly be able to charge an application fee.

We have a new family coming in to lot 63 on Aqua Vista.

Some discussion regarding the restrictions available for renters for certain criminal background. Discussion regarding the right of first refusal as part of the amendment and that it would not be to our benefit.

The other clause would restrict renters to a minimum of 6 months. Maura Slaughter disclosed that she has seasonal renters and that this would hamper that for her and others wishing to rent seasonally. Some discussion regarding the elimination of that particular clause in the attorney's letter and developing an alternate.

Larry Lofaro stated that we need to get volunteers for nomination at the next meeting and that we need a budget for the next year to be presented at the next meeting.

Larry Berdoll made a motion to adjourn, all in favor; passed unanimously.

The meeting ended at 4:45pm.

End of tape

Transcribed by Chuck Mucciolo, Secretary

### BWAOA 2010 NON - BUDGET EXPENSES

Cash in Bank Dec. 2009	\$ <u>46,180.21</u>	Balance	(see attached 2009 Inome vs. Expense)
Reserve	\$ 20,000.00		
Extra Cash OVER RESERVE	\$ 26,180.24		
Aerator	\$ 4,431.86	\$ 21,748.38	(membership approved 10K
Lake Plants	\$ 1,167.45	\$ 20,580.93	Board spent = \$ 5,599.31
Irigation	\$ 4,828.61	\$ 15,752.32	
*Access Control	\$ 12,143.05	\$ 3,609.27	
Gate Repair	\$ 12,888.73	\$ (9,279.46)	
	<u>\$ 35,459.70</u>	<u>\$ (9,279.46)</u>	
December 2010 Reserve Account	\$ 21,698.54		
Total December 17, 2020 Checking	\$ 10,050.44		
Total Cash in Bank	<u>\$ 31,748.98</u>		
Special Assessment Access Control	\$ 5,940.00		
Reserve Account	\$ 20,000.00		
Surplus	\$ 5,808.98	\$ (3,470.48)	**2010 present surplus)
Total Cash in Bank	<u>\$ 31,748.98</u>		
*Special Assessment Access Control	\$ 10,250.00		
Collected	\$ 5,940.00		
Balance	<u>\$ 4,310.00</u>		
**50% Down Paymnet for Access Control	\$ 12,143.05		
2010 budget owed	\$ 12,143.05		
minus Special assessment collected	\$ 5,940.00		
2010 budget owed	<u>\$ 6,203.05</u>		
2010 Budget surplus	<u>\$ (3,470.48)</u>		
2010 actual surplus	<u>\$ 2,732.57</u>		

Boynton Waters Homeowners Association, Inc.

Income and Spending 1/1/ 2009 to 12/31/2009

Income Categories

Clicker Receipts	\$620.00
Homeowners Dues	66,504.92
Interest, Late Charges. Reimbursements	368.98
 Total Income	 \$67,493.90

Expense Categories

Contribution PBCF & R	\$100.00
Common Area- Seal Coating Streets	10,575.00
Common Area-Pressure Clean Sidewalks	1,450.00
Corporate Filing	61.25
Dues and Fees	125.00
Electricity	5,137.42
Gate Clickers	272.44
Gate, Entrance, & Gatehouse	2,218.70
Insurance	2,536.74
Lake Maintenance	9,355.00
Landscape Maintenance	24,639.80
Landscape- New Trees, Bushes, and Flowers	18,119.50
Legal Expenses	1,535.55
Miscellaneous	190.00
Office Supplies	229.75
Post Office	357.80
Stickers for Homeowner's Cars	421.58
Taxes	159.32
Telephone	1,397.63
Website	166.80
Welcome Committee	17.05
 Total Expenses	 \$ 79,066.33

 Net of Income and Expenses	 \$11,572.43
Cash In Bank 12/31/2009	\$57,752.64
<u>Negative Cash Flow 2009</u>	<u>- 11,572.43</u>
Grand Total	\$46,180.21
Cash in Bank 12/31/2009	\$46,180.21