

**Charles W. Drago**, Secretary

**Charlie Crist**, Governor

October 28, 2009

Mr. Timothy Haak  
4000 Cypress Grove Way, Unit 302  
Pompano Beach, Florida 33069

Re: Palm Aire Country Club Condominium Association No. 12, Inc.  
Case No. 2009054885

Dear Mr. Haak:

As discussed today, in your telephone conversation with Supervisor Phyllis Atwell, your complaint has been received by the Division of Florida Condominiums, Timeshares and Mobile Homes and assigned to me for investigation. Once I have completed my investigation, I will notify you in writing of the outcome. I will keep you informed during the course of the investigation.

The following is a summary of the conversation, and confirms the issue agreed upon that I will be addressing during this investigation:

The Association failed to provide unit owners with a 14 day written notice prior to a special assessment meeting; specifically, the Board only gave a 13 day written notice to unit owners for a special assessment meeting held in May 26, 2009.

As I move forward with the investigation, I will be in contact with the Association to obtain information and documentation regarding this allegation.

As you were advised during the conversation, some of the concerns noted in your complaint are not violations of the Condominium Act. The following summary details the nature of your concerns and the Division's comments, instructions, and resolutions addressing those concerns:

1. Your complaint stated that at a meeting held in October of 2006, the Board voted to spend \$6,620.00 to help fund a "tax district" that was created by the "Council of Presidents".

Please note that your complaint did not include documentation that would suggest that the alleged expenditure was used to fund a "tax district;" neither did it include a copy of the negotiated check or any information regarding the nature of the alleged \$6,620.00 expenditure. Further, as discussed, expenses do not have to be included in a budget in order to be paid. Therefore, this allegation does not constitute the possibility of a violation of the Condominium Act, and the Division is unable to initiate an investigation into this matter at this time. If you become better able to support this allegation in the future, you may file a new complaint with the Division at that time.

2. You also stated that the Board improperly made a resolution at a board of directors' meeting held on March 31, 2009, to charge \$20 per door to be disbursed to the

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management company for the purposes of holiday gift/bonuses without given unit owners the opportunity to attend the meeting and voice their opinions in the matter.

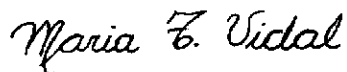
As discussed with Supervisor Atwell, the meeting minutes enclosed to your complaint, detailed the addition of management expenses in an amount equal to \$20.00 per month per unit, but did not indicate that a special assessment had been passed against unit owners; rather the minutes indicated that the management monthly fees were being estimated to include a \$20.00 per door to be available at the end of the year to be used as either Christmas bonuses for management, or to be credited to general funds. The Condominium Act does not prohibit the inclusion of such anticipated expenses in a budget line item.

3. Finally, you alleged that the Board improperly voted at a board meeting held on June 30, 2009, to fund non-budgeted money into a group called "Palm Aire United" when it decided to join the organization.

As discussed, the Board is empowered to run the affairs of the Association; this includes the Association has the right to make a business judgment to join organizations it deems to be for the betterment of the community. As such, the payment made to join the "Palm Aire United"; an organization established for the betterment of the Palm Aire community, as detailed in the meeting minutes you supplied with your complaint; is a legitimate common expense under sections 7118.111(3) and 718.115(1)(a), Florida Statutes. Additionally, any services obtained through such an organizational allegiance shall be treated as any other expense incurred by the Association if the services were obtained independent of the alliance.

Thank you for the opportunity to be of service to you. Please feel free to contact me at 954.202.3982, Extension #230, with any questions you may have regarding the resolution of this portion of your complaint.

Sincerely,



Maria T. Vidal  
Financial Examiner/Analyst II  
Bureau of Compliance – South Florida Section