

Good evening & Happy Holidays:

We know that this is a particularly busy time of the year, so we want to thank you for taking the time to attend tonight's meeting. Our single item of business this evening is to conduct a members' vote on the Board's proposed amendment to lower the threshold requirement for votes required to amend the governing documents of our Homeowners' Association.

As you likely know from our last informational session, Attorney Kyla Thompson (who is a Partner at Goede, DeBoest & Cross specializing in representing the interests of Homeowner and Condominium Associations) serves as Counsel for the Winding Cypress Homeowners' Association. She recommended (as she does for all of her Homeowner Associations) that changes be made to our governing documents, including but not limited to the number of votes required to pass a change to those documents (i.e., "the threshold") going forward.

Based upon her extensive experience and expertise, Kyla routinely makes this recommendation to Associations as part of the turnover process from Developers. Not surprisingly and completely legitimately, Developers write governing documents to meet their own objectives (i.e., sell every home as quickly and at the greatest profit possible). For example, Developers (including Pulte) routinely include a provision giving themselves veto power over any changes going forward for as long as they have even only a single home closing remaining. We are proposing to lower the voting threshold to facilitate our ability to amend our documents to meet the Association's current needs. Regarding our illustrative example: Without a sufficient number of homeowners' voting to make amendments to our governing

documents, Pulte will retain their veto power, and they will appear as a party in our governing documents, rather than your Winding Cypress HOA Board of Directors.

Based on Kyla's and our own experience in attempting to encourage homeowners to register in HOASt and/or attend meetings to date, getting sufficient numbers of homeowners to vote on any issue is always a challenge. There are many legitimate reasons for Homeowners not to vote on issues before the HOA Membership. For example, some homeowners may not vote because they are too busy and have competing demands on their time. Some homeowners may not feel particularly strongly about an issue or two and, therefore, decide to "sit this one out". Still other homeowners may prefer not to spend time in retirement conducting HOA business by voting. Whatever their reasons for not voting, under our documents as currently written, 2/3 of the entire membership -- or 511 votes are required (that's 2/3 of 766 homes at final buildout) to make any change to our governing documents, including simple but important technical changes like removing references to Pulte and eliminating the veto power that they currently still retain.

Our proposed amendment is to change the voting threshold to 2/3 of the **voting** interests present – whether in person, by proxy or by electronic voting in HOASt. **What does this actually mean to you and to us as a community?** It means that, rather than continuing to require 511 votes to make any changes, 2/3 of **those actually voting on a particular issue** – whether that number might be 766, 500, 250 or even fewer households – could vote to adopt a change. **That's** what this vote is about.

This proposed amendment does **NOT** change the quorum required to conduct any members meeting in the first instance. **A quorum is and will continue to be required to conduct a membership meeting in order to conduct any membership vote.** Pursuant to Florida state law, a 30% of all households or 230 households must be present before a vote is conducted. When and only when 230 households are present, whether in person, by proxy or through HOAst, can a vote for any changes to our amendments be made. It is at this point that the proposed change in voting threshold would be triggered.

Over the course of the past 6-8 months, that's what we have tried to communicate through briefing, postings, newsletters and conversations. This is the issue that we have presented to all households for their respective votes. Again, we thank you for taking the time to understand and participate.

Please now turn your attention to HOA Vice President Bill Bell for his report on HOAst and proxy participation to date.