

Notes from October 31, 2022

- 1) The 15% limit in annual increase of HOA fees. Does that include Reserve allocations and or Special Assessment?

Answer: An undetermined amount of the increase will be used for reserves. There is no plan at this time for a special assessment. Any new reserve created from the increase would be for the fence. The amount of the levy would be based on expected future cost and the planned timing of the expenditure.

- 2) For a special Assessment and or Reserve amounts. Do they apply to developer and new residents in Circle 5, when they come as new owners?

Answer: Special assessments made before sales of properties in circle five were sold would not apply to them. They would apply to all currently developed and sold lots except those owned by the developer. Special assessments made after lots in circle five are sold to third parties would apply to them as well as to owners in circles one to four. Special assessments apply to the developer only to the extent of its obligation to make up operating deficits in lieu of paying dues on lots it owns.

- 3) When does Belmont Hills HOA plan to notify current owners of any proposed fees and special assessments for the fence and gate reserve?

Answer: By 12/31/22 or as soon as the budget is approved.

- 4) Will any proposed fence and gate reserves be subject to approval by members at the annual meeting in March?

Answer: It's not likely, but final judgement by the developer is a business decision that will be made before the meeting.

- 5) This is subject if the turnover happens. If the turnover does not happen, will a vote of the residents do anything other than give the Board and Citrus Hills an indication of the residents would like to see?

Answer: No.

- 6) We understand the total number of lots proposed for BH, including circle five, is 290. Is this correct?

Answer: Yes, to the best of Cyle's knowledge.

- 7) What is the total number of properties in BH owned by parties other than the developer at present? The estimate is 22 lots.

Answer: As of today, the best guess is 17 as five sales are pending.

8) The total fees being collected and expenses, will be shown on the budget for 2023. Is this correct?

Answer: They will be shown on the income and expense statement. The budget is based on projected numbers and includes expected additional lot sales. Operating expenses are allocated, not itemized.

9) All Reserve Funds are kept in separate accounts/investments and not part of the general funds. Is this correct?

Answer: Yes. Typically they are held in banks or in investment accounts managed by third parties.

10) Can any of the reserve monies be reallocated to any other expense, other than what is stated as the Reserve. Such as Road, Gate, Painting. Is this correct?

Answer: In general, yes. Reallocation requires a vote by members, not just the developer controlled board. Kyle was unsure whether it was a simple majority or if a higher level majority was required.

11) What is the responsibility of the Developer in regards to any shortfalls for the Reserve Accounts?

Answer: None. As of 2021 the law was clarified. See Chapter 720, section 303, paragraph 6 (l) of Florida statutes.

12) Are we estimating Turnover may be late 2023 or 2024?

Answer: Yes. This will probably be determined before the next annual meeting in March and could be as soon as mid-2023.

13) Any HOA annual dues and or assessments. How are those allocated to the Developer?

Answer: The developer's financial obligation is limited to operating deficit makeup until turnover.

14) Is it the position of the developer that he will not be absorbing the cost of fence cleaning or painting?

Answer: Yes.

Other notes:

1)The new development proposed for north of 486 will be named Davis Reserve and consist of 400 lots. The entrance will be just north of an extension of Ottawa Ave and will be similar to the main entrance at Terra Vista with staffed guard house, etc. Brentwood's current entrance will be moved to an offshoot of the traffic circle leading to Davis Reserve. The current one will be closed.

2) Belmont Hills is a Master POA. It does not have subsidiary POA's. Some of CH's other developments are Masters with subs. This is relevant because if circle five became a sub POA, it could potentially have different covenants and fees. CH currently has no intent to create a sub POA.

3) 1995 is a key date for creation of a "development order". Developments formed before this date have degrees of flexibility beyond those allowed for a DRI, especially regarding dues required to be paid by the developer.

4) To accumulate funds to pay for fence painting on a five year cycle, the dues increase would be close to \$120.00 per property per year. The 15% maximum increase contained in the statute would limit this allocation in the early years but hints at ongoing 15% increases for some time.

5) We asked about the status of the water supply for common area irrigation, noting that the well and pump were not on BHPOA property. It was said this should continue post turnover through an easement or other conveyance of use. He noted it was not the developer's intention to cut this water supply off and require us to obtain water from Citrus County Utilities once turnover occurred. He also noted that we would need to re-file for the well permit when it expired in order to keep pumping water. He said we should remember to include this matter during turnover negotiations.