

BELMONT HILLS

Inverness, Fl, 34453

Notes From Transition Information Meeting of 2/21/2023

The meeting was called to order at 1:00 PM. A coordinated presentation by Marve Stockert, Glenn Khoury, Walter Belt and Rich Johnson was made to the 106 members of the Belmont Hills Property Owners Association (BHPOA) attending and covered the following areas:

1) 2023 Budget Focus

- a) The budget indicates that road reserves are presently \$252,000. A road reserve study needs to be conducted by a qualified professional engineer to determine if this reserve level is adequate so that ongoing assessments can be determined.
- b) Setup of reserves for fences, gate and irrigation system will also need evaluation.

2) Transition Committee (TC) History and Updates

- a) History of TC extends about four years and preparation for turnover has been substantial and is ongoing.
- b) Section 720 of Florida statute sets the purpose, goals, responsibilities and authority of the POA while under developer control. Developer has special status under law which does not transfer to residents at turnover.
- c) Urgency of preparation has increased due to developer's increased interest in transfer of control.

3) Transition of POA Control

- a) Transition means that board majority is elected by residents, not selected by developer. Initially purpose, goals, responsibilities and authority don't change.
- b) Resident elected board will control limited governance responsibilities of the BHPOA including operations management, legal, insurance, administration, maintenance, finance, accounting, dues collection, tax compliance, communications, fee structure, assessments, reporting, covenant and bylaw change and enforcement, setting meetings, holding elections and record keeping.
- c) This means selecting the property manager, attorney, accountant, insurers, and providers of other services and professional advice.
- d) It does not mean the resident elected board will control public safety, law enforcement, security, public health, dispute resolution, courts, utilities, or any other governance duties reserved for municipalities where we reside.
- e) BHPOA will be unrelated to CH Golf & CC so residents' relationships with and responsibilities to this entity will be unchanged. The developer will remain in control of this business.
- f) Developer is largely in control of transition, but resident selected leadership, with advice from qualified experts, can negotiate on behalf of residents for best possible outcomes.
- g) Turnover timing is under developer control, but TC believes preparations are as complete as reasonably possible so inevitable disruptions should be minimized.
- h) Potential for upward changes in charges for dues and assessments are likely, but all TC members are resolved to keep increases to a minimum and qualified third party advisors will be employed as necessary.
- i) Potential areas of negotiation with developer include establishing and maintaining road and other reserves, and developer's obligations to pay fees or subsidize expense deficits going forward.

4) Plan for Circle Five Update

- a) Overall plan is totally in control of developer, but best information on status follows.
- b) Circle will include 69-72 approximately 1/2 acre lots.
- c) Sand pile will be removed by year end.
- d) Infrastructure construction is nearing completion.
- e) Status on inclusion of perimeter fence is unknown.
- f) Addition of amenities like dog park, bocce court, etc. to BHPOA is unlikely.
- g) Two model homes appear under initial construction at this time.
- h) Formal property sales will begin in late 2023 or early 2024.

5) Transition Committee Efforts Updates

- a) Work has been done concerning cost related to road resurfacing and fence cleaning and painting.
- b) Discussed need to address reserves for major cost items versus requiring special assessments.
- c) Discussed difference in focus between a resident controlled and developer controlled board.
- d) Discussed exemptions granted a developer of regional impact (DRI) under Florida statute 720.
- e) Raised funds to obtain professional advice in areas like legal, accounting, reserves, financial audits, legal and more as we move to implement transition.
- f) About 30% of community contributed to current funding. It is in everyone's best interest to help fund current efforts. Rich Johnson is treasurer for new funding. Any remainder will be turned over to BHPOA once transition is complete.
- g) Completed diligence regarding an attorney to provide legal advice and a property manager to assist resident selected board in operations management and administration.
- h) Determined an accounting firm will be selected by board to perform an audit of POA's current financial condition and to provide ongoing review level financial statements in compliance with state law.
- i) Determined an engineering firm will be required to provide a Road reserve study which the board will use to set road reserve assessments for the community.
- j) Decided to request community support for turnover if developer proposes this at annual meeting, for extension of turnover date to year end 2023, for delegation of authority to TC leadership to undertake negotiations with developer regarding transition.
- k) Decided to ask community to avoid requesting turnover if developer does not so propose at the annual meeting.
- l) Advised residents on potential changes to fees and assessments, timing of vote for resident slate of directors, solicitation of road reserve study and BHPOA audit cost estimates.
- j) Provided information on law and property managements firms recommended for use by community selected board.

6) Agenda for BHPOA Annual Meeting

- a) Reviewed agenda for meeting.
- b) Confirmed timing on March 22, 2023 at 10:00 AM.

7) Opened Meeting to Questions and Discussed Same

8) Meeting adjourned at 2:30 PM