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July 12, 2021

VIA U.S. REGULAR MAIL

Mr. Stephen T. Hallet, Registered Agent & Board President
Belmont Hills Property Owners Association, Inc.
2476 N. Essex Avenue
Hernando, FL 34442

Re: Transition Committee Concerns with BHPOA

Dear Mr. Hallet:

This office represents a committee of non-developer members in the Belmont Hills Property Owners Association, Inc., self-described as the Transition Committee. The Transition Committee has been funded by and delegated with authority to represent a group of non-developer members regarding matters related to turnover and transition to member control.

The non-developer owners in the community have concerns with the way Association business is being conducted by the current Board of Directors. The non-developer members would like to advise the Association of its concerns so as to hopefully facilitate a meaningful discussion between the Board of Directors and the non-developer members, especially considering that the non-developer members constitute a majority of the Association's membership. The following constitutes a list of those concerns.

1. The membership has concerns regarding the Association's process for entering into contracts with vendors. More specifically, Pursuant to Section 720.3055, Florida Statutes:

If a contract for the purchase, lease, or renting of materials or equipment, or for the provision of services, requires payment by the association that exceeds 10 percent of the total annual budget of the association, including reserves, the association must obtain competitive bids for the materials, equipment, or services.

As such, if a contract is more than 10% of the total annual budget, including reserves, competitive bids are required. Doing so would allow for transparency in contractor selection so that the membership can be confident that there is not insider dealing occurring.

2. Pursuant to Section 720.306(6)(d), Florida Statutes, reserves are to be established for capital expenditures in the future. The roads in the community are an item that should be reserved. Sections 720.306(6)(b) and (c) "kick in" and the Association is required by statute to fully fund those reserves unless a vote of the membership is obtained to waive or underfund that reserve. Such vote must be taken on an annual basis. It is the Association's concern that no road reserve exists or that there is an underfunded road reserve. This needs to be remedied.

3. There is concern regarding the inaction on Phase 3 of the community. But for Phase 3, turnover of the Association should have occurred from the developer Board to an owner Board. The members would like an update or plan regarding Phase 3 so that an effective turnover can be planned.
4. Section 720.303(7), Florida Statutes requires annual financial statements to be prepared and provided to the membership. Same has not occurred and the membership would like to have financials prepared as required by statute.
5. Pursuant to Section 720.303(5), as members of the Association, members have a right to review all records and documents of the Association, including financials. The membership would like to coordinate an effort to allow members access to the records for review.

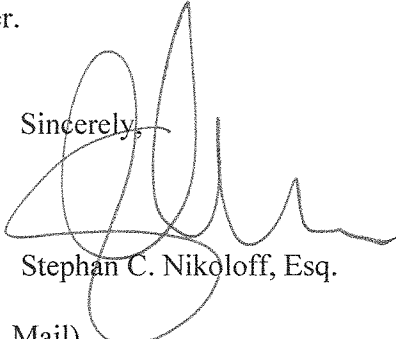
The overarching intent of this letter setting forth the members' concerns is to allow for the membership to be participatory in the dealings of the Association for which the members will be responsible in the not too distant future. The Association's non-developer members, as stated previously, represent more than a majority of the membership and therefore should be able to exert greater influence on the actions of the Association.

The Transition Committee and non-developer members are interested in partnering with the Association and Citrus Hills management representatives on the Belmont Hills Property Owners Association, Inc. board of directors now that the non-developer members are in the majority.

It is requested that the Association respond in writing to each of the points contained in this letter within 30 days of this correspondence. Further, it is requested that the Association refrain from holding an annual meeting until the Transition Committee and non-developer members have an opportunity to review the Association's response. The Transition Committee would like to make proposals and resolutions for consideration by the full membership at the next Association annual meeting.

I look forward to your responses in this matter.

Sincerely,



Stephan C. Nikoloff, Esq.

SCN:bm

cc: Stephen A. Tamposi (via regular U.S. Mail)
Eric Abel (via regular U.S. Mail)