

Ada Provenzano
President
East Lake Homeowner's Civic Club, Inc
6802 Spencer Circle
Tampa, Florida 33610

May 13, 2022

Sent Via Email

RE: East Lake Park Homeowner's Civic Club
Subject: Corporate violations of Restrictive Deed and Articles of Incorporation

Dear Mrs. Provenzano,

Let this letter serve as official notice to the East Lake Park Homeowners Civic Club, Inc.(hereby referred to as "Corporation) from a concerned Homeowner that I believe the Corporation is in violation of it Articles of Incorporation, Restrictive Deed and Bylaws. I have spent the last 16 years identifying the operations of East Lake Park and over 100 of hours compiling information to present the violations to the Corporation. It is now the Fiduciary Responsibility as President of East Lake Park Homeowner's Civic Club, Inc to address the identified violations of Local, State and Federal Law. This is not a personal attack on any individual and solely with regards to legal operation and management of the Corporation, regardless of the board members.

On April 19, 2022, East Lake Park Special Dependent District (hereby referred to as the "District") invited the Corporation to their official monthly board meeting to discuss the violations regarding the organization's restrictive deed and articles of incorporation. There was limited attendance by the Corporation at this meeting, approx. 4 individuals representing the Corporation. It was presented to the Corporation at this meeting the current violations of Local, State and Federal Laws regarding the business operation and discrepancies in its charter documents. As you are aware the District has had a financial stake in the assuming the Corporation fiduciary responsibilities regarding its assets and has paid the majority of the Corporation's expenses for the last 23 years using taxpayer's money. The meeting concluded with the Corporation agreeing to address the violations and hold a Special Meeting in (2) weeks. Additionally, Eric Easterling stated he would distribute the summary document that was presented at the meeting to the group in attendance for distribution to the membership for review, discussion, comment and immediate action.

On April 25, 2022, an (11) page document outlining the history of the Corporation's and District's inception was sent to the Corporation. Also, The report examined the Charter Documents for the Corporation, Florida State Statutes, Hillsborough County Laws and Federal Law and presented in-depth and detailed findings and cited specific violations by the Corporation regarding Federal, State and Local Law. To date, there has been no formal response by the President of the Corporation to the District regarding this document or any specific dispute of the findings.

Over the next several weeks the District representatives requested the Corporations's leadership schedule a Special Meeting, Article VII, as promised by the Corporation at the April 19th District meeting to address the violations. Additionally, the District recommended the Corporation advertise this meeting and give ample time to its Membership to ensure transparency due to severity of the discussion and potential outcomes if the violations are not immediately addressed and corrected.

On May 10, 2022 a meeting was held 7pm. There was limited attendance with (3) representatives from the Corporation and no official members as defined by the Articles of Incorporation, as there was no advertisement to the Homeowners/Potential Members as requested. It became apparent at this meeting that little to no due diligence had been performed by the Corporation regarding the violations and the concerns identified by a Homeowner, Taxpayers and District Representatives. The discussion was unproductive with generalizations and baseless statements with no legal backing or a concrete plan of action to address the violations immediately. Additionally, it was extremely concerning that the Corporate Board Members had little to no idea what is in its own Charter documents and little understanding of the difference between a Government Entity vs. a Not-for-Profit Corporation. As a Corporation in partnership with a government entity funded by solely by taxpayers, the Corporation should hold itself to the same standard of Fiduciary Responsibility as the Government entity if not higher.

Additionally a discussion was held regarding the restrictive deed attached to the Civic Center Building and Grounds. A statement was made that deed restrictions expire after 30 years. There is confusion as this only applies to Deed Restricted Communities where all parcels are impacted by restrictive clauses of the Deed Restrictions (ie. You can't paint your house blue). This is not the case as Civic Center and Grounds are (2) parcels and a control by voluntary corporation that has no impact on the other parcels in the community and is a supplemental amenity to the neighborhood. Therefore restrictive deed is still enforceable by law, as determined by the Becker Law Firm Memo.

The core principle of the Corporation is the promotion of membership and the benefits of said membership. The Board was specifically asked "What is the total membership in the Corporation?" since the Articles of Incorporation specifically cites that official business and transaction be conducted and voted on by only its classified Members. There was no response from the Corporation. To date there is no Official Member Role or any record of any legal members of the Corporation other than the Board Members. This excludes 98% of Homeowners from any say in or voting rights regarding the business of the Corporation and the use of its \$1million dollar asset, which is waterfront building and park. To date, there has been no formal response by the President and/or Corporation to the District or the Concerned Homeowner's regarding the violations or disputing any of the violations outlined within the report distributed April 25, 2022.

It is Important the violations be addressed swiftly and diligently. The District has an upcoming Mandatory Budget Hearing at the end of June to finalize its Financial Budget for the Fiscal Year 2023. The Budget Package is due to the Hillsborough County Board of County Commissioners on July 12th. The District needs reassurance the Corporation to whom it is partners with is operating with the bounds of the law. I personally, as a Home Owner, Taxpayer and District Treasurer cannot in good faith or with a clear conscience recommend to the Hillsborough County Board of County Commissioners that any taxpayer dollars be allocated to fund illegal operations of the Corporation in the upcoming budget for the Fiscal Year 2023. All supporting documentation regarding this matter with be sent to Mary Mahoney, Hillsborough County Liaison, too substantiate this decision.

It is with great patience to reiterate the detailed findings of the detailed report again regrading immediate actions of the Corporation, they include but are not limited to:

Immediate Actions to be taken by the Corporation:

1. **Cease and Desist** charging Homeowner's fees to use the boat ramp and park. The FOB and Boat Ramp keys are an administrative function of the Corporation and benefit guaranteed by the Articles of Incorporation and Deed. "Prescribed Membership Dues" as defined in the Articles should be properly evaluated annually to address the cost to provide all membership benefits (ie. FOB's) and the cost to conduct the business of the corporation. The Corporation could adopt a non-member fee to renters with the written consent of the HomeOwner to ensure the Renter is legally a tenant.
2. **Cease and Desist** rental of the Civic Center Building and Grounds to Homeowners. Clause #3 of the Restrictive Deed states "No Commercial use shall be made of said property". Rental fees where profit is generated is Commercial use. The Corporation is charging Homeowners commercial rates to rent a building that guaranteed as a Membership Benefit by the Restrictive Deed and outlined in the Articles of Incorporation. Only a Management Fee, Utility costs, Damage Deposit and Cleaning Fee should be charged to Homeowners to utilize the Facility for recreational and social purposes. Additionally, there is no other language in any of the Charter documents other than restriction language regarding the use of the building. The rental program should cease until majority vote and revision to the Bylaws has occurred consistent with the Articles of Incorporation and Deed regarding use to the facility.
3. **Correct** the restricted hours of the Park to be consistent with the Restrictive Deed Clause #4. The FOB program should be updated to the Deed's outlined hours and all homeowners should be informed of this correction and why.
4. **Cease and Desist** all transactions of business of the corporation until 10% of the total Membership is present to vote consistent with Article VII of the Articles of Incorporation. Since there is no current legal membership this should require 10% of all Homeowner or 33 total Homeowners since there is currently no prescribed dues for membership. Any attempt to subvert Notice to All Homeowners will be view a Breach of Trust and Fiduciary Responsibility of the Current Board and will be addressed in a court of law.
5. **Update the Corporation's Bylaws** and remove all language that is in direct conflict with the Articles of Incorporation and Restrictive Deed. This can easily and legally be done by the Corporation. Refer to Article IX of your Articles of Incorporation regarding giving every Homeowner (2) weeks notice of the Special Meeting to amend the By-laws of the corporation. All homeowners should have the opportunity to vote on the Bylaws as there is currently no legal membership of the Corporation. The correction are the following:
 1. Remove and Revise any language regarding purchase of a Boat key or Park FOB by Homeowners as this is a membership benefit and should only be covered by a uniform "Prescribed Dues" amount.
 2. Add an amount of "Prescribed Membership Dues" to the Bylaws to cover all costs: administrative, operational and maintenance costs of the corporation to include but not limited to: FOB's, Boat Ramp keys, Insurance and other Membership Benefits the Corporation plans to provide to its members annually. Non-Member (Renters) should have separate fees for use of the park and boat ramp.
 3. Revise park hours to be consistent with the hours outlined with in the Restrictive Deed.
 4. Revise Quorum definition to be consistent with Article VII of the Article of Incorporation.

5. Remove all language regarding Renter's as Trustees and/or voting rights in the business of the Corporation.
6. Remove all language regarding all language about 18 years of age nominees and their voting rights in the business of the corporation.
7. Remove language that Civic Center and Grounds are solely maintained through the management of East Lake Park Homeowners Civic Club, Inc. (Bylaws: Bottom page #3) This is not a factual statement and there is no acknowledgment of the Taxpayers funding the operation of the Corporation or appreciation of this fact.
8. Provide a detailed plan of action and detailed budget forecast outlining expected income and expenditures within the legal framework of the existing Charter Documents on how the Corporation can meet its Fiduciary Responsibilities specifically regarding the current and past contracts listed in the name of the Corporation. They are the following, but not limited to:

1	General Liability Insurance	1	year	\$2900.00	\$2900.00
2	Building Insurance	1	year	\$1100.00	\$1100.00
3	Lawn Care -Civic Center grounds	12	months	\$300.00	\$3600.00
4	Water - Civic Center	12	months	\$30.00	\$360.00
5	Electric - Civic Center	12	months	\$250.00	\$3000.00
6	Electric - Gazebo Power	12	months	\$25.00	\$300.00
7	Dumpster Services, if needed	12	months	\$125.00	\$1500.00
8	Parker News Letter - see note below	6	each	\$200.00	\$1200.00
9	Miscellaneous and unexpected	1	Total	\$500.00	\$500.00
Total Yearly Expenditures					\$14,460.00

Note: If disputed, Please provide the specific legal document regard the District's responsibility to distribute Meeting Minutes and Treasurer's report via a Community Newsletter.

Failure to respond and the Resultant

At the present time, I have little faith in the current boards ability to address the violations and take immediate action based on the understanding of the information that has been presented, the lack of response, participation and/or the discussions held to date. If there is no formal official response received from the corporation within (2) weeks, from the date of this letter, addressing the violations and outlining a detailed timeline of the corrections, I will have no other choice but to seek the following legal recourse for protection of my rights as a Homeowner, Taxpayer, District Treasurer and ultimately for the continued growth and success of the East Lake Park and the community, as a whole. Including but not limited to:

1. File a Motion for an Order appointing East Lake Park Special Dependent District as the receiver to take over the Corporations operations due to Breech of Fiduciary Responsibility.
2. File an Injunction with the court demanding Membership to the Corporation and ensure that all homeowners receive the benefits outlined in the Charter Documents.
3. Request a Declaratory Judgment from the Court regarding the solvency of the Corporation. Requesting dissolution of the Corporation and transfer of the assets to the District

consistent with the original intent of the Deed and Articles of Incorporation. I.e. The district will perform the same role as it performing now.

4. I will seek remedy from the court for reimbursement of all legal costs expended to correct the violations of the Corporation and its failure to address this matter in a timely manner. This may result in current Board Member and Trustees being held personally liable for the legal costs as they will have knowingly Breached Trust and their Fiduciary Responsibility. I personally have set aside \$10,000 dollars to address this issue if the Corporation will not. I strongly feel there should be a legal precedent on record to eliminate the community confusion, disinformation and the duplication of voluntary efforts within the community in order to streamline the administration, operation, maintenance, use and associated due/ fees regarding the Civic Center Building and Grounds. This burden should not fall solely on the District Taxpayers, which after 23 years have no assets and no rights regarding the Corporation although the District has invested over \$550,000 dollars in the Corporation.

Conclusion

As of today, I have spent over 100 hours providing enough detailed information and a road map regarding the violations directly to Board Members of the Corporation for action. I cannot and will not sit back and watch another Corporate Board kick the can down the road and squander the opportunities the developers entrusted the Corporation with, at expense of the Taxpayers, Homeowners and the stagnation of the East Lake Park, as a Waterfront Recreation Community adjacent to a billion dollar resort and 6 miles from Downtown Tampa.

If the Corporation's board believes they are unable or incapable of addressing and correcting the violations in a timely manner, please be honest as you will be respected. I will then offer additional help to assemble the proper leadership team that can. I do understand the magnitude of navigating this task. It will take a dedicated leadership and an immensely amount of time and effort that you may not have. But it is your legal fiduciary responsibility as President and a Board member of the Corporation, as outline in Florida State Statute 617. It is also what is expected from a Government partnership, the Homeowners and the Taxpayers that the Corporation comply with Local, State and Federal Laws regarding the administration and operation of the Corporation and the amenity, a \$1 million dollar asset.

Sincerely,



Eric J. Easterling - Homeowner and Taxpayer
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CC: John Forma - Corporation Vice President
Jan Reitler - Corporation Secretary
Laura Wilcox - Corporation Treasurer
Lauri Giamporcaro - Corporation Trustee
Elliot Liberatore - Corporation Trustee
Rebecca Fiore - Corporation Trustee
Carol McLamore - District President
Jolene Zeman - District Secretary
Lilian Saul - District Trustee