

DEL WEBB NAPLES COMMUNITY ASSOCIATION, INC.

2025 APPROVED BUDGET

JANUARY 1, 2025 THROUGH DECEMBER 31, 2025

		2024	2024	2024	2025	
		Approved B/O	YTD Actual	Projections	BUILD-OUT	NOTES:
		Budget 2449 Units	Jul-24	Dec-24	Budget 2449 Units	
INCOME						
1	Social Association Fees	\$ 4,636,485	\$ 1,330,542	\$ 1,746,665	\$ 4,945,571	Projection based upon actuals.
2	The Rusty Putter - Revenue	\$ 1,190,000	\$ 748,507	\$ 1,148,507	\$ 1,295,000	Club anticipate an 9% increase in revenue for 2025 when compared to 2024 budget.
3	Member Activities	\$ 49,000	\$ 23,099	\$ 40,000	\$ 49,000	Member activities year end projection based on actual to date.
4	Misc. Fee/Interest/Other - Revenue	\$ 20,000	\$ 13,626	\$ 33,441	\$ 20,000	Lifestyle activities/events room rental, salon, decals, key fobs, etc.
5	TOTAL INCOME	\$ 5,895,485	\$ 2,115,775	\$ 2,968,613	\$ 6,309,571	
ADMINISTRATIVE EXPENSE						
6	Payroll and Employee Related Benefits	\$ 686,061	295,860	507,189	\$ 720,364	Estimate fully staffed based on build out (8 FT, 2PT). 5 % cost of living increase based on tenure and performance.
7	Seminars, Continuing Ed, Travel, Business Meals	\$ 4,000	3,561	4,000	\$ 4,500	Continuing Ed, Pool training, CPR cert, Notary, etc. Added \$500 for continuing education and licenses.
8	Office Supplies, Equipment, Printing, Postage	\$ 30,000	20,208	34,642	\$ 32,000	General office Supplies,news paper, printing of envelopes, statement, letterhead, postage machine, machine leases/Grand Hall & Oasis Club POS.
9	Auditing/Tax Return/Professional Fees	\$ 10,000	0	10,000	\$ 10,000	Tax Return Filing. Annual Audit and other fees.
10	Member Activities	\$ 49,000	24,599	45,400	\$ 49,000	Member Activities to reflect actual expense offset by revenue.
11	Website/Technology Service Fees	\$ 31,000	20,388	29,839	\$ 31,930	Computer programs, Sirius XM, Movie Licenses, Consulting, IT , Grand Hall and Simulator License Renewals. Increased 3 percent.
12	Telephone/Communications	\$ 36,000	13,804	23,664	\$ 36,000	All phones at Oasis, restaurant, gates, Grand Hall and future gates. Phone Lines for Grand Hall.
13	Bank Service Fees/CC Fees	\$ 20,000	4,834	8,287	\$ 20,000	Based on actual trends.
14	Bad Debt Expense	\$ 1,000	0	500	\$ 1,000	No delinquent accounts greater than 12 months old.
15	Legal Fees	\$ 7,500	1,205	2,500	\$ 7,500	General Association Matters.
16	Management Fees	\$ 249,900	67,352	115,461	\$ 262,435	\$8.93 per door includes accounting and management fees. Management fees did not increase in 2024.
17	TOTAL ADMINISTRATIVE EXPENSES	\$ 1,124,461	\$ 451,811	\$ 781,482	\$ 1,174,729	
GROUPS MAINTENANCE						
18	Landscaping Contract	\$ 858,154	\$ 500,581	\$ 858,154	\$ 838,154	2025 Common area landscape contract includes common area additions since 2024: Celebration, new sections of Liberty.
19	Tree Trimming/Tree Replacement	\$ 75,000	\$ 17,743	\$ 75,000	\$ 75,000	Tree Trimming and Tree Replacement common area.
20	Mulch / Pine Straw	\$ 95,000	\$ 765	\$ 95,000	\$ 97,850	Increased anticipated cost for mulch and Pine straw applications in common area beds, and added common areas 3% increase.
21	Landscape Repair / Replacement	\$ 118,909	\$ 39,780	\$ 68,194	\$ 90,000	Plant/tree replacements and soil amendments as needed, additional common area added 2024-2025.
22	Sod, Fertilizers and Chemicals	\$ 70,000	\$ 45,828	\$ 78,545	\$ 70,000	Increased herbicide and pesticide cost. Increase in sod and fungicides.
23	Lake Banks /Waterway Maintenance	\$ 218,000	\$ 76,213	\$ 130,651	\$ 226,720	Contract for Maintaining Lakes, additional ponds and lake bank repairs.
24	Irrigation/Fountain Maintenance and Repair	\$ 42,848	\$ 44,957	\$ 55,000	\$ 44,562	Major Repairs to irrigation heads/system in common area lawns & beds, fountain, etc.
25	Power Washing	\$ 15,000	\$ 8,840	\$15,000	\$ 15,000	Power wash signs, bridges, amenity center, select areas as needed. Replacement power wash machine.
26	Utilities	\$ 583,826	\$ 377,759	\$ 647,587	\$ 720,000	LCEC and AMUC. Irrigation system electric, current streetlights, future street lights and additional irrigation.
27	Common Area Repair	\$ 57,250	\$ 24,462	\$ 56,000	\$ 88,113	All areas, any miscellaneous needs as community ages. Added walkway repairs. Added \$8,000 for landscape light repairs. Added \$20,000 for sidewalk repairs.
28	Gate Maintenance/Repair	\$ 35,000	\$ 18,488	\$ 35,000	\$ 35,000	Gate Systems & Gatehouse repairs.
29	TOTAL GROUNDS MAINTENANCE	\$ 2,168,987	\$ 1,155,416	\$ 2,114,131	\$ 2,300,399	
BUILDING MAINT OASIS CLUB (& GRAND HALL)						
30	Holiday Decorations	\$ 26,000	\$ -	\$ 22,000	\$ 26,000	Decorate all buildings and entry signs during Holidays including Grand Hall.
31	Janitorial Service	\$ 15,000	\$ 5,555	\$ 13,000	\$ 15,000	Oasis Club and Grand Hall pressure washing, windows, carpet cleaning. Includes Rusty Putter.
32	Pool R&M	\$ 81,900	\$ 43,662	\$ 74,859	\$ 81,900	Pool, CES, Symbiont, repairs. Fuel, labor and supplies are up.
33	Operating Supplies	\$ 27,500	\$ 23,283	\$ 27,500	\$ 27,500	Lightbulbs, small tools, general expenses to maintain building (based on actual expenses).
34	R & M Building	\$ 30,000	\$ 35,775	\$53,000	\$ 35,000	A/C Contract, Electric, plumbing, other repairs. One time repairs this year that we didn't have budgeted for that we don't expect to occur again.
35	Grounds Maintenance	\$ 166,036	\$ 89,517	\$153,458	\$ 156,036	Landscape contract, repairs, trimming for Oasis 2025 at Oasis and Grand Hall.
36	Mulch / Pine Straw	\$ 17,850	\$ -	\$ 17,850	\$ 18,386	Mulch and pine straw for Oasis Club including parking lot, sales center, Pro Shop , Rusty Putter and Grand Hall. 3 percent increase in mulch.
37	Landscape Repair / Replacement	\$ 16,551	\$ 9,729	\$ 16,678	\$ 15,213	Annual Flowers, plant/tree replacements and soil amendments as needed including Grand Hall. Decreased based off Juniper.
38	Utilities	\$ 344,832	\$ 228,324	\$ 391,413	\$ 410,000	LCEC and AMUC. Electric and water Oasis Club, Resident Lounge, & propane for the Oasis and Grand Hall.
39	Pest Control	\$ 12,000	\$ 3,100	\$ 7,000	\$ 10,000	Monthly Pest Control for Oasis and Grand Hall, Cabana, pool decks and court areas.
40	Security Systems/Fire Monitoring	\$ 15,000	\$ 7,604	\$ 15,208	\$ 15,000	Contracts and systems to monitor clubhouse, pool, amenities, includes Grand Hall.
41	Tennis/Bocce/Pickleball Maintenance	\$ 15,000	\$ 7,055	\$ 21,000	\$ 15,000	Maintenance of tennis/bocce/pickle ball courts. One time charge of root barrier for 2024.
42	Fitness	\$ 15,000	\$ 6,928	\$ 14,000	\$ 15,000	Annual contract to maintain Fitness Equipment plus parts & supplies.
43	TOTAL BUILDING MAINT OASIS	\$ 782,668	\$ 460,532	\$ 826,966	\$ 840,035	

RUSTY PUTTER										All Expenses is reflective and proportionate to increase in revenues.
44	Food and Beverage Cost of Sales	\$	476,000	\$	329,411	\$	505,343	\$	518,000	Anticipate 40% cogs - Gradually increase menu prices to be similar at build-out. We are currently trending at 44% COGS.
45	Resident Discount	\$	71,400	\$	43,191	\$	65,465	\$	73,815	10 % Resident only discount which is trending at 6% of total revenue.
46	Payroll and Employee Related Benefits	\$	749,700	\$	414,095	\$	666,134	\$	815,850	Rest. Manager, Chef, bartenders, approx. 7-9 FT, 6 PT seasonal employees which is similar to the model at buildout - 63% labor costs and COLA.
47	R & M Building	\$	23,800	\$	14,509	\$	22,970	\$	25,900	Repairs and maintaining the Restaurant.
48	R&M - Equipment	\$	20,230	\$	12,239	\$	22,970	\$	25,900	Preventative Maintenance and Repairs of Kitchen's aging Equipment i.e. AC, stoves, ovens, dishwasher, reach-in, etc.
49	Putter Supplies	\$	66,640	\$	52,171	\$	65,465	\$	72,261	Silverware, Glassware, Uniforms, Cups, Straws, Lids, Cutlery, Cleaning Supplies, paper products, Linen, Menu Jkts. Costs have gone up to be able to provide for more service.
50	Bank Service Fees/CC Fees	\$	10,000	\$	10,371	\$	14,931	\$	16,835	Bank fees and overage for credit card fees. Each credit card transaction will have a convenience fee of 3-4% transaction fee.
51	Utilities	\$	62,876	\$	36,342	\$	62,619	\$	65,391	Water, sewer, cable, electric, propane -Anticipate 6% increase based off projections.
52	TOTAL RUSTY PUTTER	\$	1,480,646	\$	912,330	\$	1,425,897	\$	1,613,952	
INSURANCE / TAXES / FEES										
53	Permits / Fees	\$	6,500	\$	5,524	\$	6,500	\$	6,500	FI Dept of Health, DBPR, Liquor License, Music License, Pool and Spa Licenses, etc.
54	Taxes	\$	54,000	\$	27,145	\$	50,000	\$	54,000	Taxes based on common area.
55	Insurance - General	\$	278,223	\$	164,585	\$	282,146	\$	319,956	Master Program Policy
Club Level General Liability, Auto, Property, Club Level Umbrella, Crime/Fiduciary Rider. Insurance increase nationwide.										
56	TOTAL INSURANCE/TAXES/FEES	\$	338,723	\$	197,254	\$	338,646	\$	380,456	
57	TOTAL OPERATING EXPENSES	\$	5,895,485	\$	3,177,343	\$	5,487,122	\$	6,309,571	
GOLF		2024		2024		2024		2025		
		BUDGET		YTD Actuals		Projections		BUDGET		
				Jul-24		Dec-24				
INCOME										
58	Association Fees - Social (1849) 20%	\$	314,496	\$	108,154	\$	216,308	\$	341,933	20% funding of the golf ops per documents.
59	Association Fees - Golf (600) 80%	\$	1,257,985	\$	432,617	\$	865,234	\$	1,367,731	80% funding of golf ops per documents.
60	Golf Fees	\$	1,523,000	\$	1,329,546	\$	1,519,546	\$	1,603,000	Anticipates a reduction in non member revenue w/ our growing membership and mostly member play.
61	Beverage Cart - Revenue	\$	59,750	\$	33,322	\$	62,201	\$	65,000	Revenue projected per trends from beverage cart sales & assumes generating approx. \$1.38 per rnd = \$65k in sales.
62	Other Income (Range,Rental,Merch-net)	\$	108,560	\$	153,126	\$	118,000	\$	120,560	Revenue generated from incremental income, i.e., range/club rental Approx- \$16k, Merch sales =\$45k, Transfer fees 8 x \$5k = \$40k, Off-season events =5 x \$4k = \$20k.
63	TOTAL INCOME	\$	3,263,792	\$	2,056,766	\$	2,781,290	\$	3,498,224	
GOLF OPERATIONS EXPENSES										
64	Golf Staff		\$542,446	\$	347,750		\$542,446		\$569,568	GM , HP, 2nd Assistant & support staff. Also includes minimum wage statewide for support staff. 5 %increase base on tenure and performance.
65	Advertising & Marketing		\$15,000	\$	15,359		\$24,000		\$15,000	Currently, newspaper advertising for non-mbr play in summer. At build-out anticipate mbr & mbr guest play to off-set non-mbr play during the summer.
66	Operating Expenses		\$190,000	\$	112,695		\$225,391		\$200,000	Includes approx. 5% increase for inflation +,Golf Genius, FSGA / Hdcp (\$15k), Tees/Pencils/Scorecards (20k), Merch bags, range balls (\$15k)/cleaning/AC (\$20k)/tourney exp/employee units (\$10k)/postage/printing/license/ tele/software maint (\$40k)/Thor Gard (\$5k).
67	Bank Service Fees/CC Fees		\$20,000	\$	13,829		\$22,000		\$23,500	Each Golfer will be paying a convenience fee of Approx. 3 % to cover bank service fees for credit cards. Increase based on trends.
68	Lease Expense		\$185,000	\$	115,239		\$192,064		\$204,000	Lease 75 (2024 EZ-GO golf carts) plus gps system and Ice machines-\$195k, 4 seater, beverage cart & ball picker and copier -\$9k
69	Management Fees		\$84,442	\$	52,021		\$84,400		\$88,664	Golf Management portion of Hampton Contract \$74,000, Accounting \$14,664. Management fees did not increase in 2024.
70	TOTAL GOLF OPERATION EXPENSES	\$	1,036,888	\$	656,893	\$	1,090,301		\$1,100,732	
BEVERAGE CART										
71	Food and Beverage Cost of Sales		\$23,900	\$	13,329		24,881		\$26,000	Assumes 40% cogs from revenues generated from beverage cart service.
72	Payroll and Employee Related Benefits		\$34,775	\$	19,492		37,321		\$37,830	5% wage increase based on tenure and performance, plus minimum wage increase.
73	R&M - Carts		\$1,000	\$	646		800		\$1,000	Annual preventive maintenance and repairs to beverage cart vehicle.
74	Beverage Cart Supplies		\$1,000	\$	500		1,143		\$1,000	Supplies, cups, straws, lids from beverage cart service.
75	TOTAL BEVERAGE CART	\$	60,675	\$	33,967	\$	64,144	\$	65,830	
GOLF COURSE EXPENSES										
76	Maintenance Staff	\$	969,852	\$	483,428	\$	907,021	\$	1,018,345	Includes 5% annual increase base on tenure and performance. Plus approx. \$25K for one additional PT team members to help with landscaping buffering. 16-17 team members currently.
77	Repairs & Maintenance	\$	245,000	\$	140,740	\$	289,481	\$	255,000	R&M Equip, pump Station, Irrig/Drainage, Sod, Mulch, Fuel & Oil, Landscaping, shell path repairs, Sand. Increase cost in all petroleum related products.
78	Chemicals & Fertilizers	\$	475,000	\$	222,238	\$	447,283	\$	495,000	Fertilizer, Herbicides, Insecticides, Fungicides and Other Chemicals to aid with course. Increase cost of supplies.
79	Operating Expenses	\$	84,000	\$	21,556	\$	46,705	\$	84,000	Course Supplies, Equip Rental, Staff Uniforms, Safety Supplies, small tools, license, refuse & portables.
81	Utilities	\$	101,000	\$	54,664	\$	99,000	\$	104,940	Golf Shop, Cart Barn, Maint Elec & Water, golf course Wells/Pump station Elec, Course RR.
82	Equipment Lease	\$	291,377	\$	142,890	\$	285,781	\$	374,377	New 2025 Lease for Golf Course equipment plus miscellaneous lease equipment, ice machine etc.

83	TOTAL GOLF COURSE EXPENSES	\$	2,166,229	\$	1,065,516	\$	2,075,271	\$	2,331,662
84	TOTAL GOLF EXPENSES	\$	3,263,792	\$	1,756,376	\$	3,229,716	\$	3,498,224
					2024		2025		
85	TOTAL SOCIAL QUARTERLY OPERATING ASSESSMENT	\$			515.83	\$	551.09		
87	TOTAL QUARTERLY CABLE				248.00		258.00		
88	TOTAL SOCIAL QUARTERLY RESERVE ASSESSMENT				30.00		30.00		
89	TOTAL SOCIAL QUARTERLY ASSESSMENT	\$			793.83	\$	839.09		
90	TOTAL QUARTERLY GOLF ADD-ON OPERATING ASSESSMENT	\$			481.64	\$	523.66		
91	TOTAL GOLF ADD ON QUARTERLY RESERVE ASSESSMENT	\$			108.00	\$	108.00		
92	TOTAL GOLF QUARTERLY ASSESSMENT	\$			1,383.47	\$	1,470.75		
93	LESS CHARTER CREDIT	\$			(125.00)	\$	(125.00)		
94	TOTAL CHARTER GOLF QUARTERLY ASSESSMENT	\$			1,258.47	\$	1,345.75		

ESTATE SERIES

		Annual Per Unit	Quarterly Per Unit	2024 Monthly Per Unit	2025 Monthly Per Unit
EXPENSES					
95	Landscape/Irrigation Maintenance Contract	\$ 1,332.00	\$ 333.00	\$ 107.98	\$ 111.00
96	Mulch / Pine Straw	\$ 203.28	\$ 50.82	\$ 16.45	\$ 16.94
97	Landscape Irrigation Repair/Replacement	\$ 36.24	\$ 9.06	\$ 3.02	\$ 3.02
98	Palm/Hardwood Trimming	\$ 103.08	\$ 25.77	\$ 8.59	\$ 8.59
99		\$ -	\$ -	\$ -	\$ -
100	ESTATE MAINTENANCE EXPENSES	\$ 1,674.60	\$ 418.65	\$ 136.04	\$ 139.55

			2023		2024		2025
101	TOTAL SOCIAL QUARTERLY ASSESSMENT	\$	721.27	\$	793.83	\$	839.09
102	TOTAL QUARTERLY NEIGHBORHOOD ASSESSMENT	\$	392.43	\$	408.11	\$	418.65
103	ESTATE TOTAL QUARTERLY SOCIAL ASSESSMENT	\$	1,113.70	\$	1,201.94	\$	1,257.74
104	ESTATE TOTAL QUARTERLY GOLF ASSESSMENT	\$	1,642.20	\$	1,791.58	\$	1,889.40
105	ESTATE TOTAL QUARTERLY CHARTER GOLF ASSESSMENT	\$	1,517.20	\$	1,666.58	\$	1,764.40

CLASSIC SERIES

		Annual Per Unit	Quarterly Per Unit	2024 Monthly Per Unit	2025 Monthly Per Unit
EXPENSES					
106	Landscape/Irrigation Maintenance Contract	\$ 1,248.00	\$ 312.00	\$ 100.38	\$ 104.00
107	Mulch / Pine Straw	\$ 171.60	\$ 42.90	\$ 13.88	\$ 14.30
108	Landscape/Irrigation Repair/Replacement	\$ 36.24	\$ 9.06	\$ 3.02	\$ 3.02
109	Palm/Hardwood Trimming	\$ 103.08	\$ 25.77	\$ 8.59	\$ 8.59
110		\$ -	\$ -	\$ -	\$ -
111	CLASSIC MAINTENANCE EXPENSES	\$ 1,558.92	\$ 389.73	\$ 125.87	\$ 129.91

			2023		2024		2025
112	TOTAL SOCIAL QUARTERLY ASSESSMENT	\$	721.27	\$	793.83	\$	839.09
113	TOTAL QUARTERLY NEIGHBORHOOD ASSESSMENT	\$	364.83	\$	377.61	\$	389.73
114	CLASSIC TOTAL QUARTERLY SOCIAL ASSESSMENT	\$	1,086.10	\$	1,171.44	\$	1,228.82
115	CLASSIC TOTAL QUARTERLY GOLF ASSESSMENT	\$	1,637.68	\$	1,761.08	\$	1,860.48
116	CLASSIC TOTAL QUARTERLY CHARTER GOLF ASSESSMENT	\$	1,512.68	\$	1,636.08	\$	1,735.48

GARDEN SERIES

EXPENSES

		Annual Per Unit	Quarterly Per Unit	2024 Monthly Per Unit	2025 Monthly Per Unit
117	Landscape/Irrigation Maintenance Contract	\$ 1,092.00	\$ 273.00	\$ 87.73	\$ 91.00
118	Mulch / Pine Straw	\$ 141.12	\$ 35.28	\$ 11.42	\$ 11.76
119	Landscape/Irrigation Repair/Replacement	\$ 33.24	\$ 8.31	\$ 2.77	\$ 2.77
120	Palm/Hardwood Trimming	\$ 103.08	\$ 25.77	\$ 8.59	\$ 8.59
121		\$ -	\$ -	\$ -	\$ -
122	GARDEN MAINTENANCE EXPENSES	\$ 1,369.44	\$ 342.36	\$ 110.51	\$ 114.12

		2023	2024	2025
123	TOTAL SOCIAL QUARTERLY ASSESSMENT	\$ 721.27	\$ 793.83	\$ 839.09
124	TOTAL QUARTERLY NEIGHBORHOOD ASSESSMENT	\$ 319.41	\$ 331.53	\$ 342.36
125	GARDEN TOTAL QUARTERLY SOCIAL ASSESSMENT	\$ 1,040.68	\$ 1,125.36	\$ 1,181.45
126	GARDEN TOTAL QUARTERLY GOLF ASSESSMENT	\$ 1,592.26	\$ 1,715.00	\$ 1,813.11
127	GARDEN TOTAL QUARTERLY CHARTER GOLF ASSESSMENT	\$ 1,467.26	\$ 1,590.00	\$ 1,688.11

QUADS

EXPENSES

		Annual Per Unit	Quarterly Per Unit	2024 Monthly Per Unit	2025 Monthly Per Unit
128	Landscape/Irrigation Maintenance Contract	\$ 936.00	\$ 234.00	\$ 75.38	\$ 78.00
129	Mulch / Pine Straw	\$ 126.48	\$ 31.62	\$ 10.23	\$ 10.54
130	Landscape/Irrigation Repair/Replacement	\$ 28.44	\$ 7.11	\$ 2.37	\$ 2.37
131	Palm/Hardwood Trimming	\$ 99.96	\$ 24.99	\$ 8.33	\$ 8.33
133	Mandatory Termite Bond Renewal	\$ 191.28	\$ 47.82	\$ 15.94	\$ 15.94
134	QUADS MAINTENANCE EXPENSES	\$ 1,382.16	\$ 345.54	\$ 112.25	\$ 115.18

		2023	2024	2025
135	TOTAL SOCIAL QUARTERLY ASSESSMENT	\$ 721.27	\$ 793.83	\$ 839.09
136	TOTAL QUARTERLY NEIGHBORHOOD ASSESSMENT	\$ 327.18	\$ 336.75	\$ 345.54
137	QUADS TOTAL QUARTERLY SOCIAL ASSESSMENT	\$ 1,048.45	\$ 1,130.58	\$ 1,184.63
138	QUADS TOTAL QUARTERLY GOLF ASSESSMENT	\$ 1,600.03	\$ 1,720.22	\$ 1,816.29
139	QUADS TOTAL QUARTERLY CHARTER GOLF ASSESSMENT	\$ 1,475.03	\$ 1,595.22	\$ 1,691.29

THIS INITIAL BUDGET OF THE ASSOCIATION IS PROJECTED (NOT BASED ON ACTUAL HISTORICAL OPERATING FIGURES) AND IS BASED ON BUILD OUT. THEREFORE, ACTUAL INCOME & EXPENSES MAY BE LESS OR GREATER THAN PROJECTED. DEVELOPER HAS AGREED TO OBLIGATE ITSELF TO DEFICIT FUND OPERATING EXPENSES OF THE ASSOCIATION IN ACCORDANCE WITH SECTION 720.308(1)(b), FLORIDA STATUTES, AND WILL NOT CREATE, ESTABLISH, PROVIDE FOR, OR FUND RESERVE ACCOUNTS, AS PROVIDED IN SECTION 720.303(6)(b) or SECTION 720.303(6)(d), FLORIDA STATUTES. ANY REFERENCE IN THE BUDGET TO RESERVES IS SOLELY FOR INFORMATIONAL PURPOSES. CAPITAL CONTRIBUTIONS MADE BY MEMBERS OF THE ASSOCIATION, OR VOLUNTARILY CONTRIBUTIONS BY DEVELOPER ,SHALL NOT BE CONSIDERED OR DEEMED TO BE RESERVES UNDER SECTION 720, FLORIDA STATUTES .

THE BUDGET OF THE ASSOCIATION DOES NOT PROVIDE FOR FULLY FUNDED RESERVE ACCOUNTS FOR CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE THAT MAY RESULT IN SPECIAL ASSESSMENTS. REGARDING THOSE ITEMS. OWNERS MAY ELECT TO PROVIDE FOR FULLY FUNDED RESERVE ACCOUNTS UNDER SECTION 720.303(6), FLORIDA STATUTES, UPON OBTAINING THE APPROVAL OF A MAJORITY OF THE TOTAL VOTING INTERESTS OF THE ASSOCIATION BY VOTE OF THE MEMBERS AT A MEETING OR BY WRITTEN CONSENT .

THE BUDGET OF THE ASSOCIATION PROVIDES FOR LIMITED VOLUNTARY DEFERRED EXPENDITURE ACCOUNTS, INCLUDING CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE, SUBJECT TO LIMITS ON FUNDING CONTAINED IN OUR GOVERNING DOCUMENTS. BECAUSE THE OWNERS HAVE NOT ELECTED TO PROVIDE FOR RESERVE ACCOUNTS UNDER SECTION 720.303(6),FLORIDA STATUTES, THESE FUNDS ARE NOT SUBJECT TO THE RESTRICTIONS ON USE OF SUCH FUNDS SET FORTH IN THAT STATUTE, NOR ARE RESERVES CALCULATED IN ACCORDANCE WITH THAT STATUTE.