

TREETOPS NEIGHBORHOOD ASSOCIATION, INC.

ADOPTED BUDGET FISCAL YEAR 7/1/07 TO 6/30/08

NOTES

1. All initially capitalized terms not defined herein shall have the meaning assigned to such term in the Declaration of Covenants, Restrictions and Easements for Treetops Neighborhood Association, Inc. Each owner should consult the declaration and its exhibits for a more complete description of assessments.
2. This fiscal year operating budget is based on estimates and is not a guarantee of the actual amount of operating costs; therefore it is possible that actual Assessments may be less than or greater than projected.
3. This estimated Operating Budget is based on 113 homes. The operating cost income consists of assessments collected from homeowners, assessments collected from Developer owned lots, and Developer contributions and/or deficit funding.
4. This line item is for management (to include deed restriction/architectural enforcement, supervision of contractors/maintenance, processing invoices and budget preparation); accounting services (to include preparation of annual financial statements, processing bi-monthly check runs); attendance at Board, annual and special meetings of the association; and other services as required. A management services contract is currently in place for these services.
5. The Corporate Annual Report is required by law and is an annual expense.
6. This line item is for metered electric used to run entrance landscape lighting and irrigation within Treetops. This line item is subject to change based on usage and further possible development within the community. Also included in the electrical expense budget is the street lighting costs related to the pole expenses and/or pole lighting electric within Treetops. Treetops Development will not be eligible to become a lighting district. Accordingly, this will be an ongoing expenditure. The per month price to TECO includes all electricity, sales tax and franchise fees
7. This line is for the standard maintenance for the entry way and sign and existing common area walls and fences for the neighborhood.
8. This line is for the contracted maintenance and repair of the front entry gate. The maintenance contract is based on semi-annual inspections. This budget item also includes amounts for possible repairs to the modem equipment programs, gate entry equipment, and service charges for repair.
9. This line item includes mowing, edging, blowing, weeding, fertilization (four times per year on sod/three times per year on plant material), pruning, monthly irrigation checks, and policing of grounds. Pricing is subject to

- change based on possible changes or additions to landscape, pricing increases, and/or irrigation changes.
10. This line item includes any additional property maintenance and non-contracted landscape work within Treetops. These items include but are not limited to tree removal, tree trimming (two times per year), sod replacement, annual replacement (four times per year), mulching (replenishment), lighting repairs and sign replacement.
 11. The landscape tree replacement budget is based on request for bid figures received to replace specified diseased or dying trees in the common areas.
 12. These line items are for the cost of repairing irrigation lines, sprinkler heads, pumps, other irrigation equipment and valve covers. This is also based on triple net lease of the well from the well owner.
 13. This line item includes legal expenses incurred by the Association for deed restriction enforcement, title searches, liens, and foreclosures. This number is subject to vary based on the specific legal issues that may occur during the course of the year.
 14. This item included day-to-day postage, copies, long distance telephone and fax charges, printing of coupons, and any office supplies needed for the management of the Association. This item also includes the cost of mailing newsletters and meeting notices. This line item may vary based on the amount of mailings or newsletters forwarded to the membership.
 15. This line item is for the cost of the gate entry phone.
 16. This line item is subject to change based on whether additional water purification is needed after aquatic landscaping is fully in place.
 17. Irrigation well usage- The HOA has entered into a well lease agreement whereby each pays a monthly fee of \$27/month. For purposes of this budget it is estimated that an average of 113 homes will be using the irrigation system. The well usage lease also considers irrigation of the common areas at \$365/ month.
 18. This line item is the Reserve for the entry gate replacement.
 19. This line item is the Reserve for the private roads inside Treetops.
 20. This line item shows the annual and monthly assessment payable for each home in Treetops.