

Dear Villas at Five Ponds Owner,

Welcome to The Villas at Five Ponds Community Association! As an owner of a villa unit, you are automatically a member of the Association. The Association is governed by a Board of Directors, who has the responsibility of overseeing all functions of the community.

Management

Five Ponds is managed by Continental Property Management, Inc., at 975 Easton Road, Suite 102, Warrington, PA 18976. We are responsible for overseeing maintenance of the common area, including grounds maintenance and trash removal. CPM is also responsible for enforcing all Association rules and regulations. All management services are performed under the authority of the Board of Directors.

Association Documents

The Association's Declaration and Bylaws are very important documents. If you have not reviewed them, you should, as they contain information governing the operation of your community. If you have any questions concerning documents, please feel free to contact your property manager at our Warrington office at 215-343-1550.

Rules and Regulations

The Board of Directors has the authority to establish reasonable rules and regulations for the good of the community. At this time, the only regulations are the use restrictions contained in Article XVII of the Declaration.

Architectural Information

Any proposed changes to the exterior of the building or lot, including certain landscaping (except annual plantings) require the prior written approval of the Association's Board of Directors. All requests for changes must be submitted in writing to the Association for review and final determination. Please refer to the detailed information on architectural requests and review guidelines as outlined in Article XVIII, of your Declaration.

Home Maintenance

Each owner is responsible for maintaining the exterior and interior of their villa home. The Association is responsible for the replacement of roof shingles after their normal projected life of 30 years. The Association's responsibility also includes the mowing of, and turf applications to, lawn areas. Owners are responsible for maintaining their landscaped areas, including weeding, reseeding and shrubbery replacement. A maintenance responsibility list has been attached for your use.

At closing, you should have received the developer's warranty information concerning your home. Please follow their instructions, and report to them, those items that require warranty attention. The Association has no information concerning warranty items and no authority to perform warranty repairs.

Insurance

The Association maintains property coverage on their assets plus general liability and directors and officers coverage. Each owner is responsible for insuring the entire replacement cost of their home, its contents, all personal property and general liability coverage. We suggest you discuss your insurance needs with your personal agent.

Association Assessment

Your monthly assessment is due the first of each month. Enclosed for your convenience is a coupon booklet for forwarding your payment directly to the Association's bank account. Please ensure that you enclose the proper coupon with each monthly payment indicating on it your Five Ponds address. Monthly payments received after the 15th of the month due will automatically be assessed a \$15 late charge.

Upon purchase of your home, you are also responsible for an initial, non-refundable contribution to the Association's capital fund. This amount should be deducted at settlement, and paid directly to the Association.

Trash Removal

Once per week curbside pickup will be performed each Monday. Please place your trash and recycling at curbside no earlier than the night before pickup. Please contact Chesmont Disposal directly at 610-524-3200 to arrange for service and delivery of a 96 gallon toter and recycling bin.

Pet Control

Dogs and cats are not allowed to roam freely outside of your home. The county has a leash law, which everyone must abide by. Owners are responsible for cleaning up after their pet(s).

Snow Removal

The Association is responsible for plowing all roads within the community, and individual driveways when there is an accumulation of snow of 2" or more. The Association will also provide snow removal service for the individual walks when there is any accumulation of snow.

If you have questions, or if we can be of assistance, please feel free to contact us.

Sincerely,

CONTINENTAL PROPERTY MANAGEMENT, INC.
Managing Agent for THE VILLAS AT FIVE PONDS

Enclosure

THE VILLAS AT FIVE PONDS COMMUNITY ASSOCIATION ELECTRONIC FUNDS TRANSFER AUTHORIZATION FORM

I hereby authorize The Villas at Five Ponds Community Association to initiate automatic re-occurring payment from my bank account as specified below:

NAME: _____

ADDRESS: _____

CITY: _____ **PHONE:** _____

YOUR BANK NAME: _____

BANK ROUTING NUMBER: _____
(9 Characters)

YOUR BANK ACCOUNT #: _____

AMOUNT DUE: \$ _____ **SAVINGS** **CHECKING**

PERIOD: One time per month between the first and fifth of each month due.

I understand this authority is to remain in full force and effect until The Villas at Five Ponds Community Association has received written notification from me of its termination in such time and manner as to afford the depositor a reasonable opportunity to act on it. I maintain the right to stop payment of the debit entry (deduction) by written notification delivered to the Association's business office fifteen (15) business days or more before this payment is scheduled to be made.

** Any adjustment to the debit amount, in accordance with a change in the assessments, will be made automatically after the Association has provided each owner with a minimum of ten (10) days notice of the change in assessment.

SIGNATURE: _____

DATE: _____

ATTACH VOIDED CHECK HERE:

The Automated Clearing House (ACH) division of the Federal Reserve Bank says electronic funds transfer (EFT) is by far safer and more secure than writing a check. EFT is tracked and governed by the ACH. It is transmitted in an encrypted format while a check passes through an average of 11 people who have access to all of your bank account and personal information.

FREQUENTLY ASKED QUESTIONS ABOUT THE ELECTRONIC TRANSFER PROGRAM

1. *How will I know I am officially enrolled?*

You will receive an acknowledgement letter confirming when ACH payments will begin.

2. *When do I stop mailing in my check for assessments?*

Once you receive your acknowledgement letter. If the letter and your check cross in the mail, your payment will be refunded. **Continue making regular payments until you receive confirmation.**

3. *I have already paid several months in advance. What happens to the monies already paid if I enroll now?*

You will receive a refund check for all advance payments.

4. *What happens if there are not enough funds in my bank account?*

Your bank will not process the transfer and you will be charged the same late fee as if you had not mailed a check. In addition, you will be charged the same service fee as if your check was returned by the bank unpaid. You must check with your bank to see if they will charge you a service fee for insufficient funds.

5. *What happens if assessment amounts change?*

The Association will automatically adjust the ACH transfer amount in accordance with any change in assessments.

6. *May I discontinue participation in the program?*

Y e s . You will need to notify the Association, and your bank, in writing. The effective date would also be acknowledged in writing by the Association. **Three (3) weeks prior notice is required to discontinue ACH transfers.**

7. *May I enroll at a later date?*

Yes. You will still have to fill out the same paperwork and be acknowledged in the same manner. Effective dates are the **first day of the month.**

8. *If I do not initially enroll, how long will it take to be enrolled once the Association receives the paperwork and our voided check?*

Three (3) weeks.

Each owner is responsible for the repair and maintenance of their home and the real estate they own. The services provided by the Association are set forth in the Declaration.

For your information, a listing of the Association's maintenance, repairs and replacement responsibilities are detailed below. Any function not listed as an Association responsibility is the maintenance, repair or replacement obligation of the homeowner. If you have any questions concerning the following information, please feel free to contact a member of your Board of Directors or the Association's Management Company, Continental Property Management, at 215-343-1550.

CONTROLLED FACILITIES (PRIVATE LOTS):

Grounds Maintenance: Mowing, turf applications, monthly edging of curb lines and sidewalk areas.

Shrubbery Beds: Mulching and edging each spring and annual trimming.

Snow Removal: Service to individual driveways when snow accumulates over 2". Any snow accumulation on the sidewalks will be removed.

Trash Removal: The Association will arrange for once per week pickup of trash and recycling.

Roofs: The Association will replace the villa roofs at the end of their normal projected life of 30 years.

Painting: The paintable exterior surfaces of the villas will be painted on a scheduled basis.

Each owner is responsible for shrubbery replacements, lawn reseeding and weeding of beds.

COMMON AREA:

Grounds Maintenance: Mowing, edging, turf applications, weeding, spring and fall cleanup, reseeding, entry area flowers.

Shrubbery Beds: Mulching, edging and annual trimming, replacement.

Roads: Maintenance, repair, replacement, snow removal when accumulation is over 2".

COMMON AREA (cont'd):

Streetlights: Maintenance, repair, replacement, cost of electricity.

Fencing: Maintenance, repair, replacement.

Entrance Signs: Maintenance, repair, replacement, cost of electricity.

Guardhouse: Maintenance, repair, replacement, cost of electricity.

Sidewalks: Maintenance, repair, replacement.

Walking Path: Maintenance, repair, replacement.

Storm Water Management System: Maintenance, repair, replacement.

Pond Aerator: Maintenance, repair, replacement, cost of electricity.

COMMUNITY BUILDING AND RECREATION FACILITIES:

All maintenance, repair, replacement, insurance, cost of electricity and other utilities.

THE VILLAS AT FIVE PONDS COMMUNITY ASSOCIATI

PATHWAY LIGHTS

(MUST BE IN THE MULCH BED NEXT TO HOUSE)

A) RECOMMENDED LOW VOLTAGE ELECTRIC

1. SEA GULL LIGHTING (12 VOLT LAMPS)

MODEL 9252-4 - 10" HIGH MUSHROOM-LIKE LAMP

MODEL 9260-44 - MEDIUM! HEIGHT INVERTED DISH

MODEL 9255-12 - 28" HIGH INVERTED TULIP ON SHEPHERD'S HOOK

*All lamps available from Astro lighting - Fairless Hills, PA

*All lamps available from Bright Lights - Warminster, PA

2. INTERMATIC MALIBU

MODEL CL 635

MODEL CL 191

MODEL CM 14976 TP - HANGING CARRIAGE LIGHT -PEWTER

MODEL CM 402K -ANTIQUE COPPER FINISH

*All lamps available at Home Depot or Lowe's

- B) SOLAR LIGHTS PERMITTED WHEN AVAILABLE IN THE STYLE OF THE LAMP MODELS NOTED ABOVE - MUST BE IN THE MULCH BED NEXT TO HOUSE (NOT RECOMMENDED - NOT AS BRIGHT AS WIRED LIGHTING ESPECIALLY IN THE WINTER.)

SATELLITE D I S H

(DECLARATION ARTICLE XVII SECTION 17.01J)

- A) SATELLITE DISH MAY NOT BE GREATER THAN ONE METER IN DIAMETER.
- B) MUST BE ERECTED IN REAR OF UNIT UNLESS PLACEMENT IMPEDES RECEPTION. MUST BE APPROVED BY EXECUTIVE BOARD.

STORM DOOR - ALMOND COLOR ONLY

- A) FULL VIEW SINGLE PANE – THE TOP, BOTMOM AND SIDE FRAMES CANNOT EXCEED FOUR INCHES IN WIDTH.
- B) ANDERSON - MODEL #3000 - TRUEASE DOOR. AVAILABLE AT HOME DEPOT.
- C) LARSON – TRADE WINDS EASY -VENT FULL VIEW BRASS. AVAILABLE AT LOWE'S.

THE VILLAS AT FINE PONDS COMMUNITY ASSOCIATION
GENERAL RULES AND REGULATIONS

1. **AWNINGS:**
 - A. **AWNINGS ARE NOT PERMITTED.**
2. **FLAGS AND FLAGPOLES:**
 - A. **ONLY ONE AMERICAN FLAG AND FLAGPOLE MAY BE ATTACHED TO THE HOME, AND THAT IS TO BE FACING THE DRIVEWAY.**
 - B. **THE AMERICAN FLAG CAN BE NO LARGER THAN 3'XS'.**
 - C. **NO OTHER BANNER OR FLAG WILL BE PERMITTED (SEE DECLARATION.)**
3. **GARAGES:**
 - A. **GARAGE IN ALL HOMES SHALL BE AVAILABLE FOR PARKING OF AT LEAST ONE VEHICLE.**
 - B. **GARAGE MAY NOT BE USED EXCLUSIVELY FOR STORAGE.**
 - C. **GARAGE MAY NOT BE CONVERTED TO A LIVING SPACE, OFFICE AND/OR PLACE OF BUSINESS.**
4. **GARAGE DOORS:**
 - A. **NO GARAGE DOOR SHALL BE PERMITTED TO REMAIN OPEN EXCEPT FOR A TEMPORARY PURPOSE.**
 - B. **IT IS EXPECTED THAT THE GARAGE DOOR WILL NOT BE KEPT OPEN UNNECESSARILY.**
5. **GARDEN DEVICES:**
 - A. **GARDEN TOOLS SHALL BE PROPERLY STORED IN THE GARAGE.**
 - B. **GARDEN HOSES ARE NOT TO BE LEFT ON THE GROUND AND SHALL BE PROPERLY STORED IN THE GARAGE WHEN NOT IN USE.**
 - C. **HOSE BOXES AND CUSHION BOXES ARE APPROVED FOR SUMMER SEASON, BUT MUST BE STORED IN THE HOME OR IN THE GARAGE DURING OFF-SEASON.**
6. **OUTDOOR FURNITURE:**
 - A. **OUTDOOR FURNITURE, EQUIPMENT OR OBJECTS OF ANY KIND CANNOT BE LEFT ON A LAWN OR IN THE COMMON ELEMENTS OVERNIGHT.**
7. **DECK/PATIO FURNITURE AND BBQ:**
 - A. **OUTDOOR FURNITURE AND BARBEQUE GRILLS SHALL BE KEPT ON A DECK/PATIO OR PAD NOT ON THE LAWN OR COMMON ELEMENTS WHEN NOT USED.**
***BARBEQUE GRILLS NOT PERMITTED IN MULCH BEDS**
 - B. **OUTDOOR GRILLS ON DECK/PATIO SHALL BE COVERED WHEN NOT USED.**
 - C. **UMBRELLAS ARE TO BE COLLAPSED WHEN NOT USED.**

THE VILLAS AT FIVE PONDS COMMUNITY ASSOCIATION

GENERAL RULES AND REGULATIONS, CONT.

- D. CHIMINEAS (OUTDOOR FIREPLACES) ARE NOT PERMITTED FOR SAFETY REASONS.
- 8. STATUES AND LAWN ORNAMENTS:
 - A. UP TO FOUR (4) ITEMS ARE PERMITTED IN THE MULCH AREAS.
 - B. HEIGHT OF ITEMS IS RESTRICTED TO EIGHTEEN (18") INCHES WITH THE EXCEPTION OF PLANTERS AND SHEPHERD'S HOOKS.
 - C. BIRDBATHS ARE PERMITTED ONLY AS DECORATION. THEY MUST HAVE A HOLE IN THE BOTTOM SO AS NOT TO HOLD WATER.
- 9. AUTOMOBILE REPAIRS:
 - A. IT IS PROHIBITED TO CONDUCT AUTO REPAIRS OR MAINTENANCE ANYWHERE EXCEPT WITHIN THE HOMEOWNER'S GARAGE. THE GARAGE DOOR MUST BE CLOSED.
 - B. AUTO WASHING, WAXING AND INTERIOR CLEANING IS PERMITTED.
- 10. HAZARDOUS MATERIALS:
 - A. POTENTIALLY HAZARDOUS MATERIALS SUCH AS GASOLINE, KEROSENE, FIREWORKS , ETC . CANNOT BE KEPT IN OR ON ANY LOT OR UNIT.
- 11. MAILBOXES:
 - A. MAILBOXES OR SUPPORT POSTS ARE NOT TO BE USED AS BULLETIN BOARDS FOR LOST PETS, LOST OR STOLEN ITEMS, GARAGE SALES, SECURITY SIGNS OR OTHER ANNOUNCEMENTS.
- 12. WATER FOUNTAINS:
 - A. EXTERIOR WATER FOUNTAINS PONDS AND SIMILAR WATER FEATURES ARE NOT PERMITTED.
- 13. TENANT(S), GUESTS
 - A. EACH HOMEOWNER IS CHARGED WITH THE RESPONSIBILITY OF DIRECTING TENANT(S), GUESTS AND INVITEES TO COMPLY WITH. THE ASSOCIATION'S DECLARATION, BY-LAWS, RULES AND REGULATIONS AND ARE RESPONSIBLE FOR THEIR COMPLIANCE.
- 14. STEPPING STONES ARE ONLY PERMITTED IN THE MULCH AREAS OF A HOME AND NOT IN GRASS.

STONE WORK SPECIFICATIONS

- **Stone may be installed in the garage area and/or under the bay window below the original siding.**
- **Minimum 2' high to the top of water table.**
- **Must be exact stone as used in community.
Bucks County Dressed Fieldstone with Water Table Sill.**
- **Area between garage doors can only be done if both neighbors agree.**
- **Stone must be window height on every unit.
Top of water table equals top of window sill.**
- **Prior to any work being performed, the unit owner must fill out the proper application and submit it to the Architectural Review Committee.**
- **Mike Antolino is the contractor for all stone work.
Office: 215-493-7727
Fax: 215-493-8252**
- **All work will be coordinated and paid for by the individual unit owner.**

DECK AND PATIO PLANT MATERIAL OPTIONS

Ornamental Grasses:	Pennisetum, Japanese Sedge, etc...
Perennials:	Coreopsis, Sedum, Liriope, Day Ullly
Evergreen Shrubs:	Arborvitae, Holly, Cypress, Azalea, Yew, Juniper, Dwarf Alberta Spruce
Deciduous Shrubs:	Sand Cherry, Viburnum, Spirea, Euonymus, Cherry Laurel, Lilac

**SOLAR HOUSE NUMBER DISPLAY
STONE STYLE ONLY - APPROVED**

(1) Realistic Crafted Stone Style

powered by solar technology

Size: 15 x 5.5 x 8.75 inches

Mfg: World Source - INTP Inc/World Source

***Available presently at BonTon's Department Store, Doylestown, PA**

Or

(2) Malibu Model # 100210 Stone

powered by solar technology

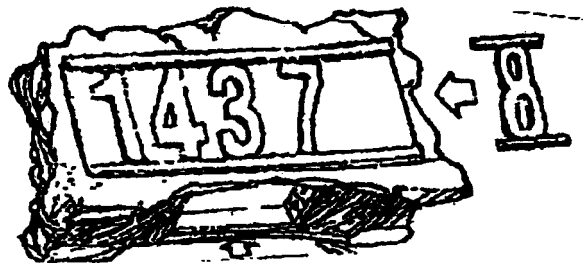
Size 18 1/2" Wide - 8 1/2" High

***Available presently at Lowe's, Warrington, PA**

NOTE: House number displays must be placed in the mulch area close to house - this is in addition to the four other items permitted.

Other manufacturing stone model displays with specifications similar to the approved models are acceptable.

Choice of other than a stone style house number display must be submitted for architectural approval Contact Amy Wert, 215-343-1550.



STONE WORK SPECIFICATIONS

- **Stone may be installed in the garage area and/or under the bay window below the original siding.**
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- **Must be exact stone as used in community.**

Bucks County Dressed Fieldstone with Water Table Sill.

- **Area between garage doors can only be done if both neighbors agree.**
- **Stone must be window height on every unit. Top of water table equals top of window sill.**
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VILLAS AT FIVE PONDS COMMUNITY ASSOCIATION
2007 BUDGET

244 DWELLINGS

INCOME

Assessments	\$481,660
Interest	11,930
Resale Contribution	2,475
Late Charges	<u>300</u>
TOTAL INCOME	<u>\$496,365</u>

EXPENSES - General Administrative

Management Service	\$43,400
Recreation Center Amenities	15,950
Office & Administrative	5,920
Repairs & Maintenance	2,560
Insurance	2,190
Legal & Accounting	2,180
Contingency - Operating Reserve	1,505
Corporate Tax	<u>1,140</u>
TOTAL EXPENSES - General Administrative	\$74,845

EXPENSES - Common Facilities

Grounds Maintenance	\$26,070
Snow Removal	20,700
Site Lighting & Electricity	<u>8,860</u>
TOTAL EXPENSES - Common Facilities	\$55,630

CAPITAL RESERVE & CONTRIBUTED CAPITAL- Common Facilities

23,740 \$79,370
(Includes Interest of \$6,170)

TOTAL EXPENSES & RESERVE - Common Facilities

\$100,430

EXPENSES - Controlled Facilities

Grounds Maintenance	48,900
Snow Removal	<u>46,850</u>
Trash Removal	\$196,180
TOTAL EXPENSES - Controlled Facilities	74,230 <u>\$270,410</u>

SUBTOTAL

CAPITAL RESERVE - Controlled Facilities

\$424,625

(Includes Interest of \$3,960)

TOTAL EXPENSES & RESERVE - Controlled Facilities

\$15,750

15,500

12,830

EXPENSES - Recreation Facilities

Cleaning & Supplies	3,500
Pool Service & Maintenance	3,500
Community Building Utilities	3,000
Insurance	1,400
Repairs & Maintenance	1,400
Sewer & Water	880
Community Building Supplies	<u>320</u>
Telephone & Cable	\$58,080
Security	13,660
Trash Removal	71,740
TOTAL EXPENSES - Recreation Facilities	<u>\$496,365</u>

CAPITAL RESERVE - Recreation Facilities

TOTAL EXPENSES & RESERVE - Recreation Facilities

TOTAL EXPENSES & RESERVE

VILLAS AT FIVE PONDS COMMUNITY ASSOCIATION
2007 BUDGET ANALYSIS

244 Dwellings

INCOME

Assessments: Initially, the monthly assessment will be \$140, an increase of \$1. When the recreation facilities are available to the membership, the monthly assessment will increase to \$182, an increase of \$42. It is anticipated that this will occur June 1, 2007. Therefore, the total assessment income in the budget is based upon 5 months for all **244** homes at \$140 per month and 7 months at \$182 per month. The total monthly assessment also includes \$25 for maintenance of the common facilities.

Interest: Projected at 4.5% of the Association's operating, reserve and capital funds.

Resale Contribution: It is projected that five homes will be resold and pay a contribution of \$495.

Late Charges: It is anticipated that some owners will pay their assessments late, and incur a late charge.

General Administrative

EXPENSES

Management Service: The Association will be managed by a professional management company, which will operate under the direction of the Executive Board and independently from the Declarant. Management includes administrative, financial and common facility maintenance administration.

Recreation Center Amenities: Funds provided for future recreation facility expenditures. This amount also includes all resale contributions.

Office & Administrative: Includes the cost of Association stationery, office supplies, postage, mailing, bank service charges, copying, assessment coupons, court costs and Board expenses.

Contingency - Operating Reserve: An amount provided for discretionary spending by the Executive Board.

Repairs & Maintenance: Includes the cost of all general common facility maintenance. The monthly expense is projected at \$185, plus \$340 annually for common facility extermination service.

Insurance: The Association will maintain insurance on the Association's common facilities, Directors' & Officers' liability coverage and general liability insurance. Owners are responsible for insuring their entire units including the Villa and its contents, as well as liability insurance.

VILLAS AT FIVE PONDS COMMUNITY ASSOCIATION
2007 BUDGET ANALYSIS

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Legal & Accounting: Provides funds for an accountant to prepare the year-end financial statement and tax return, and routine legal activity.

Corporate Tax: The Association is responsible for paying 15% tax on its net interest income.

Common Facilities

EXPENSES

Grounds Maintenance: The Association is responsible for maintaining the common facility lawn area. This includes the entrance areas, the area around the recreation facilities, the basins and the common facilities along the perimeter of the Community. The budget includes 26 mowings and 8 edgings per season, spring and fall cleanup, mulching and edging of the common-facility shrubbery beds, annual trimming of the common-facility shrubbery, turf applications, planting of entrance-area flowers and weeding of the common facilities. The budget also includes \$1,500 for non-contracted services, to be spent by the Board as required, for the maintenance, replacement and improvement of the existing landscaping.

Snow Removal: The Association is responsible for plowing snow from all of the roads and common parking areas in the Community when there is an accumulation of two or more inches of snow. All snow accumulation will be removed from the common facility sidewalks. The budgeted amount is based on five snowfalls at an average cost of \$4,140.

Site Lighting & Electricity: The Association is responsible for electricity to the streetlights and pond aerators, as well as illumination of the entrance signs. The projected monthly cost is \$738.

CAPITAL RESERVE & CONTRIBUTED CAPITAL: The annual contribution to the Association's capital reserve fund for the common facilities is \$17,570, or a monthly unit contribution of \$6. The interest earned on the reserve and capital funds, projected at \$990 and \$5,180 respectively, will be retained in the accounts.

Controlled Facilities

EXPENSES

Grounds Maintenance; Provides for 26 mowings, mulching and edging of the shrubbery beds in the spring, edging of the curbs and sidewalks on a monthly basis, annual trimming of the shrubbery, and 4 turf applications. Owners are responsible for replacement for the Declarant-installed shrubbery surrounding their Villas, and weeding of the mulched areas.

VILLAS AT FIVE PONDS COMMUNITY ASSOCIATION
2007 BUDGET ANALYSIS

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Snow Removal: The Association is responsible for providing snow removal service to the limited common facility driveways and walks. Driveway service will be performed when there is an accumulation of two or more inches of snow. All snow accumulation on the sidewalks will be removed. The budgeted amount is based on five snowfalls at an average cost of \$9,780.

Trash Removal: Trash removal and recycling service will be provided once per week. The projected monthly cost is \$16 per dwelling.

CAPITAL RESERVE: The Association is responsible for replacing the roof shingles at the end of their anticipated 30-year life, and repainting the exterior painted surfaces of the Villas on a five-year basis. The annual contribution to the Association's capital reserve fund for the common facilities is \$70,270, or a monthly unit contribution of \$24. The interest earned on the reserve fund, projected at \$3,960, will be retained in the account.

Recreation Facilities

EXPENSES

Cleaning & Supplies: Provides for janitorial supplies and weekly cleaning of the Community Building.

Pool Service & Maintenance: The Association will maintain two **pools**. The indoor pool will operate year-round. The outdoor pool will open on Memorial Day and close on Labor Day. The budget includes weekly cleaning and maintenance service when the pools are in operation, **but does not provide for lifeguard service.** The budget also includes \$2,000 for miscellaneous pool supplies.

Community Building Utilities: Includes the expense for the Community Building's electricity, including service to the pool pumps and filters. The budget is based on a cost of \$1,833 per month.

Insurance: Includes the cost of insuring the Community Building and recreational facilities.

Repairs & Maintenance: Provides for maintenance of the Association's recreation facilities, based on an expense of \$500 per month.

Sewer & Water; Provides funds for water and sewer charges for the Community Building and the two swimming pools.

Community Building Supplies: Provides funds for miscellaneous Community Building supplies, excluding janitorial supplies, furniture and equipment.

Telephone & Cable: Includes the cost of the Association's telephone lines and television cable service.

Security: Includes the cost of monitoring and maintaining the security system for the Community Building.

Trash Removal: Provides for the cost of trash removal service for the Community Building.

CAPITAL RESERVE: The monthly contribution to the Association's capital reserve fund for the recreation facilities is \$1,952, or a monthly unit contribution of \$8. Until the recreation facilities are available to the membership, this account will not be funded.

NOTE: The expenses for the recreation facilities are based on only 7 months of operation.