



September 18, 2026

Dear Grenelefe Condominium Owners:

This letter is to give you first notice of the Annual Meeting of the Grenelefe Association of Condominium Owners No. 1, Inc. The meeting will begin at 10:00 a.m. on Wednesday, November 18, 2026, behind the Association office, at 912 Tennis Way, Haines City, Florida. The purpose of the meeting is to review the operating budget, plan for funding the reserves, elect two directors for two-year terms and one director for a one-year term, and consider other business presented at the meeting.

The Board of Directors will meet on Wednesday, October 14, 2026, at 10:00 a.m. at 912 Tennis Way via Microsoft Teams to consider for approval the attached proposed operating budget for 2027 and to consider the proposed allocation to reserves for the membership to vote upon at the annual meeting. The proposed budget is enclosed with explanations of each expense category. **Please also note the bolded paragraph on the Introduction to Budget regarding 2026 costs versus 2027 costs.** If you wish to attend via Microsoft Teams, please use the following link:

<https://tinyurl.com/4th9uz8b>

Meeting ID: 939 985 367 867 1

Passcode: Fh66XA

This letter is also to inform you that an individual desiring to be a candidate for the Board of Directors must give written notice of his/her intent before the close of business (4:00 p.m.) on Wednesday, October 7, 2026. The notice may be sent by certified mail, return receipt requested or by personal delivery, or may be sent by regular U.S. Mail, facsimile, e-mail or other method of delivery to the Association office.

If you intend to be a candidate for election, you may submit a one-page information sheet describing your background, education, qualifications, and any other factors deemed relevant by you for consideration by the membership. The Board cannot by law edit, alter or otherwise modify the contents of the information sheet. The information sheet must be submitted to the Association office before the close of business (4:00 p.m.) on Tuesday, October 13, 2026.

I hope that you will mark your calendar and plan to attend.

One final note, the 2025 audit is complete. However, due to its length and the cost of mailing, the audit is available for viewing and downloading under the "Financial Information" tab on the Association's website (www.grenelefecondominium.com).

Sincerely,

Joseph (Yossi) Edelkopf
President

YE/cp

Enclosures

912 TENNIS WAY • HAINES CITY, FL 33844

(863) 422-0077 • email: info@grenelefecondominium.com • website: www.grenelefecondominium.com

2027 BUDGET & IRRIGATION UTILITY UPDATE

Important Notice to Association Owners

Dear Owner,

As part of the annual budget process, the Board of Directors and Management reviewed the Association's operating costs, service needs, and long-term financial obligations. For 2027, Management has worked to keep maintenance fees as close as possible to 2026 levels while preserving essential services and maintaining the community.

To accomplish this, certain planned projects, including annual building pressure washing, are not currently included in the proposed 2027 budget.

WATER & IRRIGATION COSTS

A significant financial impact on the Association is the substantial increase in water utility rates that became effective **May 1, 2026**.

For several years, the irrigation system and pumps were not operational, however, the Association was still incurring the irrigation meter base charges. In **May 2026**, the Association sent correspondence to Grenelefe Utility advising that the Association will be suspending payments towards the base rate until they bring their systems to working condition. However, Grenelefe Utility recently advised that its irrigation system has been repaired and is operational and has begun billing the applicable irrigation meter base charges starting these months. This cost is not anticipated nor budgeted within the approved 2026 budget. These monthly base charges apply to the irrigation meters regardless of whether the Association uses irrigation water.

Exact numbers will be provided by the utility and shared at the budget meeting, but based on the approved rates effective May 1, 2026, the estimated charges for the Association's irrigation meters are as follows:

Estimated Monthly Irrigation Base Charges: \$16,000

Estimated Annual Irrigation Base Charges: \$192,000

Grenelefe Utility has recently requested an **additional rate increase for 2027**. Any recently approved or potential future increase is **not included in the proposed 2027 budget**.

Management has consulted with the Association's legal counsel regarding the irrigation charges and available options to eliminate those base rates.

Based on counsel's current guidance, if the irrigation meters remain connected and service is available, the applicable base charges must be paid even if the Association does not use the irrigation water.

One potential option is to permanently disconnect the irrigation system by cutting, sealing, and capping the lines at the applicable meters. The Association is obtaining quotes for this, which will be shared at the budget meeting. Since this may constitute a material alteration of the Association's common elements, **membership approval is required**. Per counsel's confirmation, a total of **75% membership vote is required** to approve material alterations of Association's common elements.

If approved, the cost of the permanent disconnection would likely require a **special assessment**, subject to the final project cost and applicable legal and membership approval requirements. Following disconnection, the Association will evaluate alternative irrigation solutions, including the potential installation of Association-owned wells or another independent irrigation system. This may provide greater reliability and could reduce long-term irrigation costs.

IMPACT ON THE 2027 BUDGET

The proposed 2027 budget **does not currently include the irrigation meter base charges**.

This budget approach is based on the expectation that the Association will be able to address the irrigation meters and eliminate the recurring base charges.

If the Association remains connected to the utility system and the base charges must continue, the 2027 budget would need to account for the approximately \$192,000 amount, resulting in an estimated 5.6% **increase in maintenance fees**, based on the current proposed budget.

The actual impact will depend on the final approved utility rates, the Association's applicable meter charges, and the outcome of any required membership approval.

RESERVE FUNDING

Owners should also understand that reserve funding is an important part of the Association's long-term financial planning. Funding reserves at less than the amount recommended or required under applicable law and the Association's governing documents may result in insufficient funds when major repairs or replacements are needed and could require future **special assessments or other funding measures**.

The Association will provide the applicable reserve disclosures and information required with the budget materials.

WHAT HAPPENS NEXT?

Management and the Board will continue working with legal counsel and the Association's professionals to address the irrigation charges and finalize the 2027 budget.

For required membership approval of 75% to disconnect the irrigation system, owners will receive the appropriate notice and voting materials explaining the proposed action, applicable voting requirements, estimated costs, and financial impact.

The proposed 2027 budget is being provided for owner review as part of the Association's annual budget process. The budget may be adjusted as additional information becomes available or as otherwise permitted during the budget process.

Our goal is to address the irrigation issue responsibly, maintain essential community services, and minimize unnecessary long-term costs to the Association and its owners.

Thank you for your attention and participation in the 2027 budget process.

Sincerely,

Board of Directors

Grenelefe Association of Condominium Owners No. 1, Inc.

Management

Grenelefe Association of Condominium Owners No. 1, Inc

GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS NO. 1, INC.
PROPOSED OPERATING AND PROPOSED RESERVE BUDGET
January 1 to December 31, 2027

INTRODUCTION TO BUDGET

In presenting this budget, Florida Statutes and the Administrative Code require that certain information be disclosed in the budget pertaining to the reserves. The Statutes also require that the reserves be 100-percent funded unless waived by the general membership.

This is the proposed operating budget for 2027, including a proposal to fund the reserves at less than 100 percent. The board will review the proposal in October and approve an operating budget for 2027 at that time. It will also review the proposed funding level for the reserves and submit its recommendation to the membership for final approval at the annual meeting.

Based on cost savings accomplished during 2026, estimated operating costs for 2027 are anticipated to be \$117,978 less than what was budgeted for 2026. However, since the lake lofts are no longer part of the Association, the amounts previously contributed to the operating budget (amounting to \$102,226 in 2026) are no longer included in the budget. This creates a decrease in operating income for 2027 comparable to the decrease in expenses, which results in a very minimal fee increase (approximately 1.2%).

GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS NO. 1, INC.
DRAFT OPERATING AND RESERVES BUDGET
JANUARY 1 TO DECEMBER 31, 2027

Revenue	2027	2026
Fees to fund operating expenses	2,455,958	2,519,848
Fees to fund reserves	597,807	635,319
Electricity surcharges	2,760	2,760
Water surcharges	64,500	52,620
Estimated interest income from operating funds	950	1,200
Stock Dividends	1,500	700
Laundry room revenue	106,600	189,800
Air conditioning revenue	39,600	30,000
Interest on late fee payments	11,000	20,000
Laundry room storage rental closet	13,440	13,195
HVAC service	104,500	104,663
Estoppels and questionnaires	8,000	12,000
Total Budget	\$ 3,406,615	\$ 3,582,106

Monthly Amounts Needed to Fund Operating Expenses and Reserves
(feas funded at level recommended by board)

	2027					2026		
	<u>Total</u>	<u>Operating</u>	<u>Reserves</u>	<u>\$</u>	<u>%</u>	<u>Total</u>	<u>Operating</u>	<u>Reserves</u>
A	322	260	61	4	1.21	318	257	61
B	163	133	30	2	1.26	161	131	30
AC1	450	364	87	5	1.20	445	359	87
AC2	459	372	87	6	1.23	453	367	87
SL	331	268	63	4	1.21	327	264	63
LL	0	0	0			342	251	92
A-CL	402	340	61	4	0.97	398	337	61
A-CLE	412	350	61	4	0.94	408	347	61
B-CL	243	213	30	2	0.84	241	211	30
B-CLE	253	223	30	2	0.81	251	221	30
ACD-CLE	725	617	108	7	0.93	718	610	108
AC1-CL	565	479	87	5	0.95	560	473	87
AC1-CLE	585	499	87	5	0.92	580	493	87
SL-CL	411	348	63	4	0.97	407	344	63
SL-CLE	421	358	63	4	0.95	417	354	63

Fees needed to fund reserves at state mandated levels

Revenue		
Fees to fund operating expenses	2,455,958	\$ 2,519,848
Fees to fund reserves	999,532	\$ 999,532
Electricity surcharges	2,760	\$ 2,760
Estimated interest income from operating funds	64,500	\$ 52,620
Stock Dividends	950	\$ 1,200
Laundry room revenue	1,500	\$ 700
Air conditioning revenue	106,600	\$ 189,800
Tenant background checks	39,600	\$ 30,000
Interest on late fee payments	11,000	\$ 20,000
Laundry room storage rental closet	13,440	\$ 13,195
HVAC service	104,500	\$ 104,663
Misc. office (estoppel & questionnaire)	8,000	\$ 12,000
	3,808,340	\$ 3,946,318

Monthly Fees Needed to Fund Operating Expenses to State Mandated Levels

	2027					2026		
	<u>Total</u>	<u>Operating</u>	<u>Reserves</u>	<u>\$</u>	<u>%</u>	<u>Total</u>	<u>Operating</u>	<u>Reserves</u>
A	360	260	100	4	1.08	357	257	100
B	189	133	56	2	1.08	187	131	56
AC1	499	364	135	5	1.08	494	359	135
AC2	507	372	135	6	1.11	502	367	135
SL	370	268	102	4	1.08	366	264	102
LL	0	0	0			347	251	96
A-CL	440	340	100	3	0.80	437	337	100
A-CLE	450	350	100	3	0.78	447	347	100
B-CL	269	213	56	2	0.63	267	211	56
B-CLE	279	223	56	2	0.61	277	221	56
ACD-CLE	782	617	165	7	0.86	775	610	165
AC1-CL	614	479	135	6	0.95	608	473	135
AC1-CLE	634	499	135	6	0.92	628	493	135
SL-CL	450	348	102	4	0.84	446	344	102
SL-CLE	460	358	102	4	0.82	456	354	102

GL number	2025	Operating Expenses	2026	2026 6-month actual	2026 12-month projections	2027
Payroll Expenses						
Multiple	\$ 619,176	Payroll	\$ 624,529	\$ 298,031	\$ 596,061	\$ 651,808
Multiple	\$ 47,424	Payroll Taxes	\$ 48,712	\$ 22,732	\$ 44,044	\$ 50,799
Multiple	\$ 142,383	Medical Benefits	\$ 110,193	\$ 54,347	\$ 101,226	\$ 110,193
Multiple	\$ 3,770	401 Benefits	\$ 7,215	\$ 5,566	\$ 5,566	\$ 6,331
5400	\$ 10,205	Workman's Compensation	\$ 12,669	\$ 1,251	\$ 10,008	\$ 12,783
4585	\$ 984	Uniforms	\$ -	\$ -	\$ -	\$ 1000
	\$ 823,942	Total Payroll Expenses	\$ 803,318	\$ 381,927	\$ 756,906	\$ 832,914
Vehicles						
4414	-	HVAC - Vehicle Maintenance (2 golf carts)	\$ 1,500	\$ -	\$ 3,194	\$ 3,500
4360	\$ 16,000	Vehicle Maintenance	\$ 20,000	\$ 9,844	\$ 22,688	\$ 18,000
4451	\$ 9,000	Gasoline - grounds & buildings	\$ 10,000	\$ 4,790	\$ 11,380	\$ 13,600
5500	\$ 10,000	Vehicle Insurance	\$ 10,000	\$ 2,682	\$ -	\$ 3,000
	\$ 35,000	Total Vehicles	\$ 41,500	\$ 17,316	\$ 37,262	\$ 38,100
Building Maintenance						
4280	\$ 8,000	Lighting	\$ 6,000	\$ 844	\$ 3,688	\$ 4,000
4290	\$ 2,000	Smoke alarms/batteries	\$ 2,000	\$ 382	\$ 1,510	\$ 2,000
4291	\$ 93,000	Building Materials - PM/Carpentry	\$ 80,000	\$ 70,644	\$ 141,287	\$ 122,500
4294	\$ 40,000	Tools & Equipment - PM/Carpentry	\$ 40,000	\$ 106	\$ 2,430	\$ 3,000
4590	\$ 80,000	Painting contractor	\$ 80,000	\$ 40,000	\$ 80,000	\$ 70,000
4591	\$ 40,000	Building paint	\$ 40,000	\$ 23,182	\$ 46,364	\$ 42,000
4415	\$ 12,000	HVAC Tools & Equipment	\$ 3,000	\$ 760	\$ 1,519	\$ 3,000
8112	\$ 18,000	HVAC Supplies	\$ 10,000	\$ 2,724	\$ 11,448	\$ 10,000
4572	\$ 7,500	Fire Extinguisher Inspection/materials	\$ 11,000	\$ 4,579	\$ 9,158	\$ 10,000
4575	\$ 26,400	Pest Control Interior Service	\$ 26,400	\$ 12,000	\$ 24,000	\$ 24,000
	\$ 326,900	Total Building Maintenance	\$ 298,400	\$ 155,221	\$ 321,406	\$ 290,500
Grounds						
4450	\$ 27,880	Irrigation and Grounds Supplies	\$ 15,000	\$ 5,100	\$ 10,199	\$ 10,000
4510	\$ 354,228	Landscaping Service	\$ 357,048	\$ 163,204	\$ 326,408	\$ 326,400
4560	\$ 15,000	Mulch and Plant Replacement	\$ 15,000	\$ 2,028	\$ 15,000	\$ 13,000
4565	\$ -	Pressure washing	\$ -			\$ -
4570	\$ 40,200	Tree Care - pruning, removal, stump grinding	\$ 35,000	\$ 12,250	\$ 28,905	\$ 25,000
4569	\$ -	Hurricane/storm cleanup	\$ -	\$ -	\$ 20,000	\$ 10,000
4455	\$ 5,400	Dog Station Maintenance	\$ 3,000	\$ 217	\$ 550	\$ 1,500
4444	\$ 10,000	Parking Lot Maintenance	\$ 5,000	\$ -	\$ 3,000	\$ 3,000
	\$ 452,708	Total Grounds	\$ 430,048	\$ 182,798	\$ 404,062	\$ 388,900

Utilities												
4610	\$	14,400	Electricity		\$	30,390	\$	12,397	\$	24,794	\$	26,000
4650	\$	40,500	Water & Sewer		\$	52,620	\$	41,299	\$	82,599	\$	64,500
4571	\$	144,000	Trash Removal		\$	120,000	\$	66,069	\$	134,139	\$	126,000
4574	\$	15,000	Trash Concierge Pickup		\$	7,500	\$	629	\$	4,259	\$	4,000
	\$	213,900	Total Utilities		\$	210,510	\$	120,395	\$	245,790	\$	220,500
Insurance												
5100	\$	889,568	Casualty & Liability		\$	665,152	\$	358,037	\$	716,967	\$	717,864
5300	\$	12,834	Directors & Officers		\$	11,200	\$	5,250	\$	10,500	\$	11,200
	\$	5,000	Insurance Deductible Expenses		\$	5,000	\$	-	\$	-	\$	5,000
	\$	907,402	Total Insurance		\$	681,352	\$	363,287	\$	727,467	\$	734,064
Laundry Room												
8065	\$	12,000	Laundry Expense		\$	16,000	\$	7,098	\$	14,195	\$	13,600
8069	\$	67,200	Laundry Electric & Water		\$	269,930	\$	53,026	\$	106,052	\$	108,000
	\$	79,200	Total Laundry Room		\$	285,930	\$	60,124	\$	120,247	\$	121,600
Office & Admin Expenses												
4820	\$	15,000	Audit & Tax Preparation		\$	15,000	\$	15,000	\$	15,365	\$	15,000
4805	\$	7,200	Bookkeeping		\$	60,000	\$	27,000	\$	58,500	\$	60,000
4830	\$	30,000	Legal: Routine		\$	30,000	\$	33,680	\$	46,219	\$	35,000
4851	\$	3,112	Fees payable to division		\$	3,112	\$	1,556	\$	3,112	\$	3,112
4850	\$	4,782	Fees, Publications & Education		\$	4,000	\$	3,171	\$	3,600	\$	4,000
4895	\$	5,428	Office Maintenance Fees		\$	5,916	\$	2,556	\$	5,112	\$	5,916
4770	\$	25,583	Office Equipment & Supplies		\$	4,000	\$	2,195	\$	4,390	\$	4,000
4775			Software contracts		\$	17,600	\$	7,557	\$	15,675	\$	17,602
4780	\$	8,948	Postage, Printing and Billing		\$	8,000	\$	431	\$	2,862	\$	2,000
4800	\$	6,666	Telephone/Internet		\$	4,000	\$	2,044	\$	4,089	\$	4,000
4445	\$	500	Signage		\$	500	\$	-	\$	2,000	\$	500
4920	\$	1,680	Annual Meeting Expense		\$	1,000	\$	-	\$	700	\$	500
	\$	1,800	Tags & Taxes		\$	2,600	\$	202	\$	2,602	\$	2,600
	\$	110,699	Total Office & Admin Expenses		\$155,728		\$95,391		\$164,226		\$154,230	
4573	\$	20,000	Electrical/Plumbing/Sewer Contractor		\$	20,000	\$	17,001	\$	35,000	\$	18,000
7305	\$	-	Uncollectible fees (bankruptcy/foreclosure)		\$	20,000	\$	-	\$	-	\$	10,000

\$ 2,969,751	Total Operating Expenses	\$ 2,926,786		\$ 2,808,808
\$ 626,222	Contributions to Fund Reserves	\$ 635,319		\$ 597,807
\$ 3,595,973	Total Budget	\$ 3,562,105	\$ -	\$ 3,406,615
\$ 3,247,883	Maintenance Fee Income	\$ 3,246,318		\$ 3,053,765
\$ 349,085	Other Income	\$ 341,938		\$ 352,850
\$ 3,596,968	Total Income	\$ 3,588,256		\$ 3,406,615

Reserve Budget

A portion of your fees is also placed in a reserve for future capital improvements. In addition to being good business, the State of Florida requires that condominium associations reserve certain funds for improvements to buildings, roofs, parking lots, and major equipment. The Florida Administrative Code now requires that certain information be disclosed in the budget pertaining to reserves. The budget must include a reserve schedule which lists each capital expenditure and deferred maintenance reserve separately. For each reserve item, the following information must be disclosed:

- 1) the total estimated useful life of the asset
- 2) the estimated remaining useful life of the asset
- 3) the estimated replacement cost
- 4) the estimated fund balance at the beginning of the budget period

The following is a list of the current reserve accounts and explanations of each reserve account:

Reserve Component	Estimated Current Replacement Cost	Annual Funding Required to Fund at 100%	Funding Recommended	Last Year's Funding	Estimated Fund Balance on 12/31/2026
Multi-unit Building	3,630,306	586,991	245,000	280,000	295,168
Lakeloft Reserve			0	37,512	0
Multi-unit Roofs	3,267,266	91,361	352,807	317,807	187,285
Parking Lots	734,202	119,032	0	0	215,841
Laundry Equipment	210,081	50,037	0	0	232,037
Landscaping	780,151	48,131	0	0	2,702
Office/Maint Equipment	233,546	70,229	0	0	67,404
Special Projects					103,625
Totals	8,855,552	999,532	597,807	635,319	1,104,062

Multi-Unit Building:

This reserve is to fund contract labor for maintenance and repair of the multi-unit buildings. This reserve also covers the replacement of street and parking lot lights, which was completed in 2019 and will not be needed in the near future. In order to keep the assessments close to the 2026 levels, one of the budget savings we implemented was decreasing from the number of buildings from eight to seven for scheduled preventative maintenance.

Lakeloft Reserve:

Per the agreement with the Lakeloft owners for separation from the Association, the Association repaved the Lakeloft roads, at a cost of approximately \$72,000. In addition, 50% of the \$14,500 cost of the property survey was paid from this reserve, with 25% paid by Scott House and 25% by the remaining Lakeloft owners. The remaining funds left in this reserve (approximately \$97,000) will be kept by the Association to cover any Lakeloft owner balances that must be written off in accordance with the agreement. This reserve will have a zero balance by 12/31/26.

Multi-Unit Roofs:

This reserve is to fund replacement of roofing materials on the multi-unit buildings. Approximately one third of the roofs were replaced over a short period of time in 2006 due to hurricane damage. Almost 300 of these roofs are still due for replacement. This will need to be done as soon as possible, due to the fact that they are now more than 20 years old.

Parking Lots:

This reserve is to fund maintenance and repair of all the parking areas that are owned by the Association. A full cycle has been completed, and the Association has installed parking stops and drains and has also striped the parking areas. Therefore, this reserve is not being funded during 2027.

Laundry Room Equipment:

This reserve has been funded to replace laundry equipment as it ages out. However, the Association has begun leasing machines as needed and is looking into building a centralized laundry facility. This reserve is not being funded during 2027.

Landscaping and Special Projects:

In light of the fact that the Association has had no access to irrigation water over the majority of the past three years, a situation that will take some time to resolve, there are no plans for installation of new sod or plant material in the foreseeable future. (Services such as tree trimming and mulching have continued, with those costs paid from operating funds.) Last November, the membership voted to move \$133,880.12 from this reserve to a special projects fund. \$30,255 was used this past February to purchase trash receptacles for each unit to implement valet trash service. The redesignation of these funds allows the Association to use them for landscaping as well as other improvements to the property.

Office and Maintenance Equipment:

This reserve is used to purchase major equipment such as lifts, utility vehicles, dump trucks and other vehicles, as well as power tools and equipment used for maintaining the buildings and landscaping the property. It also funds the purchase of office equipment. There are no major purchases planned for 2027, so this reserve is not being funded.

Each major component of each reserve, along with its estimated useful life, estimated remaining life, and replacement cost, can be found on the next page.

Recommended Funding for Reserves	\$ 597,807
Total Operating Expenses	<u>2,808,808</u>
Cash Needed to Operate and Fund Reserves	\$3,406,615

COMPONENT	ESTIMATED USEFUL LIFE	ESTIMATED REMAINING LIFE	REPLACEMENT
Multi-Unit Building			
Decks	21	1 to 21	1,303,260
Stairs	21	1 to 21	945,000
Fascia/Soffit Board	21	1 to 21	119,000
Siding	21	1 to 21	726,138
Lighting	21	1 to 21	418,880
Signage	10	1 to 10	34,570
Vinyl Tile	21	5	19,008
Laundry renovation	10	1 to 10	59,500
Smoke detectors	10	2	<u>4,950</u>
			3,630,306
Multi-Unit Roofs			
Asphalt shingles	20	1 to 20	3,267,266
Parking Lots			
Overlay	20	1 to 20	580,036
Seal Coating	3	1 to 5	54,164
Parking Blocks	15	1 to 15	<u>100,002</u>
			734,202
Landscaping			
Irrigation	4 to 20	3 to 11	330,151
Plants & Trees	25	1 to 25	<u>450,000</u>
			780,151
Laundry Room Equipment			
Water Heaters	15	4 to 10	26,561
Washers and Dryers	10	7 to 10	177,520
Card Dispenser	5	4	<u>6,000</u>
			210,081
Office and Maintenance			
Office Equipment	1 to 5	1 to 5	18,812
Equipment General	10	1 to 8	10,700
HVAC Equipment	4 to 12	1 to 13	3,100
Bldg. Maint. Equip.	4 to 15	1 to 15	67,789
Landscaping Equip.	5	1 to 5	74,345
Vehicles/trailers	10	1 to 10	<u>58,800</u>
			233,546
			=====
GRAND TOTAL			8,855,552