

Recap of Pulte's June 30, 2025, Presentation for the Renovation of the Rusty Putter
By Tony Tozzi, Resident Board Member

I am writing as I would like to provide some insight and feedback to everyone who attended the meeting and to update those who did not attend. After listening to the latest Developer proposal and the comments from those in attendance, it appears that the 3 big issues continue to be Cost, Management, and Design.

Cost – The developer has modified its Proposal to reduce the special assessment from \$2,745 to \$1,859. That is a step in the right direction, but I believe Pulte should and will reduce that more. After they made the initial presentation, the Developer personally called me to say that they had no additional funds to contribute and that their May 30 presentation was the best we could expect. Obviously, that was not the case. So how credible is their assertion now that they have no funds beyond the amount they suddenly came up with, and that this new proposal is the best deal we are going to get. Pulte needs this renovation because home sales are sagging and they need to better compete with the National and the upcoming Margaritaville development. This Proposal is primarily being driven to improve Pulte's sales competitiveness and boost profit margins. In light of those facts, I think a 20% resident share is more than a fair contribution.

I also don't accept the premise that only existing homeowners should pay. First, since the renovation will benefit all eventual 2,449 households, all 2,449 households should have an equal assessment on the cost. A 20% share divided among 2,449 households would equate to a special assessment of \$285/household. Second, Pulte's plan for contributions from future residents is a gimmick that shortchanges existing residents. That is because the Pulte plan has no financial contribution from future residents for the renovation and provides no real benefit to any resident. Why? The Pulte plan proposes to increase capital contributions on future residents and deposit those funds into the HOA budget over the next 5-10 years. But those additional HOA funds will only serve to benefit Pulte, as it reduces the deficit contribution Pulte is obligated to contribute each year, as explained in the next paragraph. Existing residents would be better served if Pulte fronted the \$285 from the remaining 1,113 homes to be sold and reimbursed itself by a \$285 increase in capital contributions from those sales.

I am also not persuaded by Pulte representations that they are doing us such a great service because they are now willing to fund what amounts to 30% of the renovation cost and because

they have been funding annual operating deficits for the community. While Pulte does fund those annual deficits, Pulte only does so because of Florida's homeowner association law, where Pulte has elected to fund operating deficits rather than paying annual assessments for unsold parcels. That is the election most developers make because it is most cost effective for them. Pulte, like any Developer, incurs significant operational costs during the build out of a community. These costs include annual budget deficits until the community is fully built out. But make no mistake, those budget deficits, as well as all other Developer operational costs, are factored into the price of new home sales in order for the Developer to realize the profit they have made to date and will make in the future. We (the existing and future homeowners) ultimately pay for all those costs in the amount we pay for our homes.

Management – The Rusty Putter has always been a losing financial operation. I believe that is due to the fact that Pulte's management team does not have the requisite experience, time, and ability to devote to making the restaurant a success. If they haven't been able to operate without huge annual losses after all these years, how are they going to handle an increase in restaurant patronage, along with the additional time and effort needed to manage more staff and work from an expanded restaurant operation. The solution is a change in management to an experienced restaurant company or entrepreneur. This will not only increase the likelihood for success, but shift the financial risk from the residents to the restaurant company or entrepreneur.

I am also not persuaded by their assertion that the projected \$300,000 annual Rusty Putter losses will eventually be reduced to \$5/month/household when the community is fully built out. It is very suspect for Pulte to suddenly throw out a \$5/month figure when the Pulte prepared and adopted budget for 2025 projects a \$300,000 annual loss based on there being 2,449 homes in the community. Their assertion that losses will be reduced, in part, due to increased restaurant patronage fails to account for the corresponding increase in expenses from additional staffing and higher costs of goods and services. These assertions are just another example of the disingenuous tactics being used to garner support for their proposal without any evidence to back up those assertions.

Design – I give credit to Pulte for making changes to the design plan and incorporating resident feedback. I do not have experience in restaurant design and don't know whether the latest design options are ideal, but there are many residents that do have restaurant ownership and management experience.

I also do not have experience in developing construction cost estimates and bidding processes, but there are many residents that do, and they have consistently advised me that the \$3.5 million cost is excessive.

That is why I suggested that Pulte form a resident committee comprised of residents who have such experience. Pulte should then work with the committee to send out a resident survey to find out what the majority of residents want in a design plan, on management, on whether the restaurant should be public or private, and if there should be a name change. Then come back with a final proposal on cost, design, and management.

Voting on a design plan in July, before these steps are taken, is premature. Residents should not be asked to choose a design plan without knowing its actual cost and before committee members, with construction experience, can provide input on cost considerations. Likewise, residents shouldn't be asked to vote on a design before the committee members, with restaurant experience, can provide input on the optimal design plan.

There is no urgency to renovate the Rusty Putter, and we should take the time to do this right. I fear that the Developer's plan to have us vote on the design plan in July is a rush to judgment and a divide and conquer strategy designed to inch us closer to approving their proposal. There should be one vote on the entire Proposal after the entire renovation plan is finalized (including design, construction budget and management changes). I hope Pulte will listen, but I suspect they will not.

I will be sending the comments outlined above to the Developer on behalf of myself and those who have responded to me and said they wanted to be included among those who support my position on these 3 issues.

I would also like to address some comments that the positions I have taken in opposition to the Developer proposal are because I am personally against any Rusty Putter renovation. I have no opposition to a renovation of the Rusty Putter per se. I would have no opposition to the renovation at all if Pulte proposed a renovation funded totally by Pulte, as it has done with other new community amenities like the first version of the Rusty Putter, the Grand Hall, and the 8 additional pickleball courts. But when residents are being required to pay for the renovation cost, I believe we have the right to have input and set demands for how the renovation plan will be designed and implemented. If, as I have proposed, Pulte was willing to change management, contribute 80%, and form a committee so experienced residents can have input on an optimal

design plan, and can work on adopting an accurate, transparent construction cost budget, I would be willing to pay a 20% contribution of \$285. Otherwise, I plan to vote NO. Everyone else will need to make their own decision on whether they are willing to approve the latest Pulte plan, where you will pay \$1,856, with no transparency or accountability on the \$3.5 million construction budget, without experienced resident input on whether the design options are optimal for success and without any change in management.

Lastly, I have received many emails, text messages and phone calls from residents on this matter. A big thank you to the 1,100+ residents who responded to my previous emails on the Developer proposal. I appreciate your support and encouraging words. It makes my efforts feel worthwhile and inspires me to continue to fight for what we deserve. While the overwhelming majority of responses were in support of my position on these matters, I would be remiss by not acknowledging that I received a few responses from residents who support the Developer's proposal. I appreciate those comments too, as it is always good to hear opposing points of view.