

**MINUTES OF SPECIAL MEETING
OF THE
BOARD OF DIRECTORS
OF
TREE TOPS NEIGHBORHOOD ASSOCIATION, INC.**

A Special Meeting of the Board of Directors of Tree Tops Neighborhood Association, Inc., was duly held at 11:30 a.m. on Thursday, May 27th, 2004, at the Offices of Gatlin & Birch, P.A., 2nd Floor Conference Room, 620 Twiggs Street, Tampa, FL 33602, pursuant to a Notice of Special Meeting.

The President of the Corporation, Anna K. Laughridge, called the meeting to order. All of the directors of the Corporation were present, who are as follows:

Anna K. Laughridge
Mark A. Brown, Sr.
Charles Hannah

All such directors then signed the Waiver of Notice which is on file herewith.

Because a quorum was present, the President then noted that the meeting, having been duly convened, was ready to proceed.

The President of the Corporation, Anna K. Laughridge, acted as the presiding officer of the meeting, and also acted as Secretary of the meeting.

The Secretary of the meeting then presented to the Board the original Notice of Special Meeting of The Board of Directors of Tree Tops Neighborhood Association, Inc. for this meeting, which is attached hereto and a copy of which was previously sent to each director.

The purposes of the meeting were to:

- (a) consider and adopt a budget for Corporation for the 2004-2005 fiscal year;
- (b) consider and set the general assessment for the 2004-2005 fiscal year;
- (c) consider setting the annual meeting of the board of directors and members of the association; and
- (d) transact such other and further business as may lawfully come before said meeting.

The President then announced that the first order of business is the proposed budget for the association for the 2004-2005 fiscal year, which begins July 1, 2004, and that discussion of the proposed budget was in order. The directors acknowledged having received and reviewed a copy of the proposed budget before the meeting. The board discussed the proposed budget, and Anna K. Laughridge thereafter moved for the adoption of the following resolution:

BE IT RESOLVED that the proposed budget for the 2004-2005, a copy of which is attached to these meeting minutes, is hereby determined and adopted as the operating budget of this Corporation for the fiscal year beginning July 1, 2004;

That motion was then seconded by Mark A. Brown, Sr. A vote of the directors was then taken and the proposed resolution was approved by a unanimous vote of the directors.

The President then announced that the second order of business is to consider and set the general assessment for the 2004-2005 fiscal year, and that discussion of the proposed general assessment was in order. The directors acknowledged having received and reviewed the proposed general assessment, which was based upon the budget adopted for the 2004-2005 fiscal year. The directors then discussed the proposed general assessment, and the payment of the assessment, and Anna K. Laughridge thereafter moved for the adoption of the following resolutions:

BE IT RESOLVED, that based upon that adopted budget for the 2004-2005 fiscal year, this Corporation hereby fixes, sets and levies the annual general assessment on each lot and each owner of a Lot in the amount of \$1,566.36, for the fiscal year beginning July 1, 2004, and ending June 30, 2005;

FURTHER RESOLVED, that except as may otherwise be specifically provided in the Declaration, the general assessment shall be paid in full and paid in advance by the owner(s) of each lot;

FURTHER RESOLVED, that the officers of this association shall notify the members of the date of the annual meetings; and

FURTHER RESOLVED, that the Corporation has not received any notice from the "Declarant" that it wishes to change its prior election to "deficit fund", and as such, the Declarant will continue to "deficit fund" pursuant to section 6.4 of the Declaration.

That motion was then seconded by Mark A. Brown, Sr. A vote of the directors was then taken and the proposed resolutions were approved by a unanimous vote of the directors.

The President then announced that the third order of business is to consider setting the annual meeting of the members of the association pursuant to Section 3.1 of the Bylaws, and the annual meeting of the Board of Directors of the association pursuant to section 7.3 of the Bylaws.

It was mentioned to the Board by counsel for the Declarant that Section 6.1 of the Bylaws, and Section 7.1 of the Articles, provide that the Declarant has, at present, the sole and exclusive right to nominate, elect and appoint all directors of the Board, and there is no other reason for an annual meeting of the members. Additionally, such a meeting would require the unnecessary expenditure of funds for meeting notices and a meeting room. Officers can be elected at the next regular or special meeting of the board, as the current officers serve until they are replaced by the Board. After discussion by the board, no further action was taken and no motion was made.

Anna K. Laughridge then presented proposed minutes of this meeting to the board, which meeting minutes were then read by all of the directors.

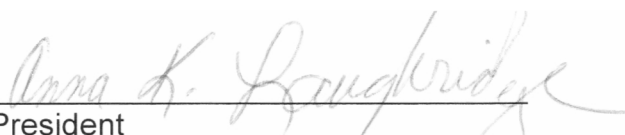
Anna K. Laughridge then moved for the adoption of the following resolution:

BE IT FURTHER RESOLVED that these minutes of this special meeting of the board of directors of this Corporation be hereby approved.

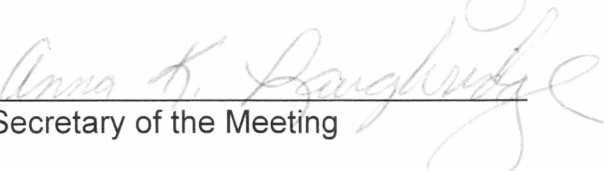
That motion was then seconded by Mark A. Brown, Sr. A vote of the directors was then taken and the proposed resolution was approved by a unanimous vote of the directors.

There being no further business to come before the meeting at this time, and upon motion duly made by Anna K. Laughridge, seconded by Mark A. Brown, Sr., and carried by unanimous vote of the directors, the meeting was thereupon adjourned.

ATTEST:



President



Secretary of the Meeting

TREETOPS HOMEOWNERS ASSOCIATION
ADOPTED BUDGET FISCAL YEAR 7-1-04 to 6-30-05
BASED ON ESTIMATED AVERAGE HOMES

70

INCOME	MONTHLY	ANNUALLY
OPERATING COST INCOME	7,407.12	88,885.40
RESERVE ACCOUNT	-	
TOTAL INCOME	7,407.12	88,885.40

OPERATING COST PAYABLE BY ALL HOMES	MONTHLY	ANNUALLY
ANNUAL REVIEW/TAX PREPARATION	125.00	1,500.00
CORPORATE ANNUAL REPORT (6)	12.50	150.00
MANAGEMENT/ACCOUNTING (5)	500.00	6,000.00
ELECTRIC (METERED) (7)	433.33	5,200.00
ENTRANCE SIGN/WALL MAINTENANCE & REPAIR (8)	125.00	1,500.00
ENTRY GATE MAINTENANCE & REPAIR (9)	166.67	2,000.00
GROUNDS MAINTENANCE CONTRACT (10)	1,666.67	20,000.00
GROUNDS MISCELLANEOUS (11)	666.67	8,000.00
INSURANCE/ DIRECTORS & OFFICERS	10000	1,200.00
INSURANCE/FIDELITY BOND	41.67	500.00
INSURANCE/LIABILITY & PROPERTY (12)	20833	2,500.00
IRRIGATION REPAIRS & SUPPLIES & RESERVES (13)	600.00	7,200.00
LEGAL (14)	166.67	2,000.00
OFFICE EXPENSES, PRINTING, POSTAGE (15)	66.67	800.00
PHONE (GATE) (16)	64.31	771.72
POND MAINTENANCE (17)	704.00	8,448.00
REAL ESTATE TAX (18)	208.33	2,500.00
IRRIGATION REPAIRS (20)	300.00	3,600.00
STREET LIGHTING (19)	959.64	11,515.68
TOTAL EXPENSES	7,115.45	85,385.40
TOTAL COST PAYABLE BY EACH HOME	101.65	1,219.79

DESCRIPTION OF RESERVES FOR ALL HOMES

TOTAL RESERVE PAYABLE BY ALL HOMES IN THE COMMUNITY	MONTHLY	ANNUALLY
GATE RESERVE (21)	166.67	2,000.00
ROAD RESERVE (22)	125.00	1,500.00
TOTAL RESERVE PAYABLE BY ALL HOMES	291.67	3,500.00
TOTAL RESERVE PAYABLE BY EACH HOME	4.17	50.00

RESERVES	RESERVES COLLECTED (AS OF 6/31/04)	RESERVES TO BE FUNDED IN FYE 6-30-05	TOTAL ESTIMATED RESERVES FOR FYE 6-30-05
GATE RESERVE	4,000.00	2,000.00	6,000.00
ROAD RESERVE	3,000.00	1,500.00	4,500.00
TOTAL RESERVES	7,000.00	3,500.00	10,500.00

IRRIGATION WELL USAGE	MONTHLY	ANNUALLY
IRRIGATION WELL USAGE (20)	1,730.00	20,760.00
IRRIGATION WELL USAGE-BY HOME	24.71	296.57

BREAKDOWN OF ASSESSMENTS

TOTAL ASSESSMENTS PAYABLE BY EACH HOME	MONTHLY	ANNUALLY
OPERATING EXPENSES	101.65	1,219.79
RESERVE	4.17	50.00
IRRIGATION WELL USAGE	24.71	296.57
TOTAL ASSESSMENT PER UNIT (24)	130.53	1,566.36

TREETOPS NEIGHBORHOOD ASSOCIATION, INC.

ADOPTED BUDGET FISCAL YEAR 7/1/04 TO 6/30/05

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 70 homes. On or before May 30th of each year the Association shall determine each Owner's pro rata share: provided, however, in no event shall an Owner's pro rata share be greater than 1/70 unless Treetops contains less than 70 homes when completed. The operating cost income consists of assessments collected from homeowners, assessments collected from Developer owned lots, and Developer contributions and/or deficit funding.
4. It is anticipated that Reserve income will be less than the amount shown in this budget, as there are currently less than 70 homes in Treetops. Developer is not required to deficit fund reserve amounts. Any shortage in the reserve account will be recalculated at the end of each year,
5. 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. It is anticipated management services will be required mid year.
6. The Corporate Annual Report is required by law and is an annual expense.
7. This line item is for metered electric used to run entrance landscape lighting and irrigation within Treetops. This line item is only for metered electric and does NOT include electric for the streetlights. This line item is subject to change based on usage and further possible development within the community.
8. This line is for the standard maintenance for the entrance sign and brick wall surrounding Treetops.
9. This line is for the contracted maintenance and repair of the front entry gate. The maintenance contract is based on \$195.00 semi-annual inspections an additional \$100.00 has been budgeted for possible necessary repairs to the

modern equipment programs, gate entry equipment, and service charges for repair.

10. 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.
11. 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.
12. The insurance is an estimated amount. Property and liability coverage may be provided under the Developer's corporate insurance policies or the Association may purchase its own property and liability insurance at any time. Until such time as the Association has purchased its own property and liability insurance, Developer may self insure the Association up to the amount of any deductibles under Developer's corporate property and liability no later than the turnover.

This Association does not presently have a D&O or Fidelity Bond Insurance policy. Once the Association elects to purchase D&O and Fidelity Bond Insurance coverage, the budget of the Association shall increase by the cost of such insurance. The Association shall purchase its own D&O and Fidelity Bond Insurance no later than turnover.

13. This line item is for the cost of repairing irrigation lines, sprinkler heads and valve covers. This based on triple net lease of the well from the well owner.
14. 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,
15. 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.
16. This line item is for the cost of the gate entry phone.
17. This line item is subject to change based on whether additional water purification is needed after aquatic landscaping is fully in place. The initial treatment of the pond and the aeration system budgeted items are based on a bid received.

18. This line item covers the estimated ad valorem real estate taxes on the common areas.

19. This line item is to track any 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:

$$44 \text{ poles} \quad \times \quad 21.81/\text{mos} = \$959.64/\text{mos}$$

20. Irrigation well usage- The HOA has entered into a well lease agreement whereby each pays a monthly fee of \$22/month. For purposes of this budget it is estimated that an average of 50 homes will be using the irrigation system. $50 \text{ homes} \times \$22/\text{month} = \$1,100.00$

21. This line item is the Reserve for the entry gate replacement.

22. This line item is the Reserve for the private roads inside Treetops.

9,171 square yards

Year 10-reseal and stripe @ \$0.75=\$6,878/ 10=\$688

Year 20-3/4" resurface @ \$2.00=\$18,342/20=\$917

Total required over 20 years=\$25,220/20=\$1,261

23. The Developer may elect to deficit fund the revenue shortfall.

24. This line item shows the annual and monthly assessment payable for each home in Treetops.