

**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 11:00 a.m., on Wednesday, May 31st, 2006, 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
Richard D. Brown
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, and presented a copy of the meeting notice sent to the Members of the association, which is attached hereto and a copy of which was previously sent to each Member:

The purposes of the meeting were to:

- (a) consider and adopt a budget for Corporation for the 2006-2007 fiscal year;
- (b) consider and set the general assessment for the 2006-2007 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.

1. **BUDGET:** The President then announced that the first order of business is the proposed budget for the association for the 2006-2007 fiscal year, which begins

July 1, 2006, 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. Charles Hannah thereafter moved for the adoption of the following resolution:

BE IT RESOLVED that the proposed budget for the 2006-2007 fiscal year, 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, 2006;

The President then called for a second, and that motion was seconded by Richard D. Brown. A vote of the directors was then taken and the proposed resolution was approved by a unanimous vote of the directors.

2. **ANNUAL GENERAL ASSESSMENT:** The President then announced that the second order of business is to consider and set the general assessment for the 2006-2007 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 2006-2007 fiscal year. The directors then discussed the proposed general assessment, and the payment of the assessment. Charles Hannah thereafter moved for the adoption of the following resolutions:

BE IT RESOLVED, that based upon that adopted budget for the 2006-2007 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 \$2,196.66, for the fiscal year beginning July 1, 2006, and ending June 30, 2007;

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; 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.

The President then called for a second, and that motion was seconded by Richard D. Brown. A vote of the directors was then taken and the proposed resolutions were approved by a unanimous vote of the directors.

3. **MEETING OF THE BOARD AND MEMBERS:** 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. Discussion was then had. Charles Hannah thereafter moved for the adoption of the following resolution:

BE IT RESOLVED, that a special meeting of the board of directors be scheduled for some time in August, 2006 (at a date, time and place to be determined by the property manager, subject to availability of the directors), for purposes of soliciting members of the association in connection with transition, and to solicit input from the members on general items of concern to the members of the association, which list of general agenda items will be compiled by the property manager, based upon input from the members of the association, and will be incorporated into the special meeting notice that will be thereafter issued by the President of this association.

The President then called for a second, and that motion was seconded by Richard D. Brown. A vote of the directors was then taken and the proposed resolution was approved by a unanimous vote of the directors.

4. **APPROVAL OF MEETING MINUTES:** Anna K. Laughridge then presented proposed minutes of this meeting to the board, which meeting minutes were then read by all of the directors.

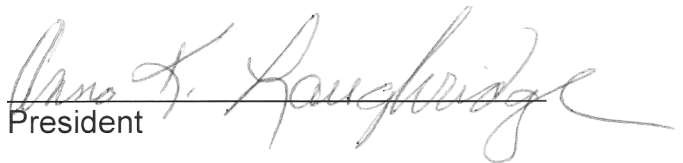
Charles Hannah then moved for the adoption of the following resolution:

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

The President then called for a second, and that motion was seconded by Richard D. Brown. 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 Charles Hannah, seconded by Richard D. Brown, 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 7-1-06 to 6-30-07
 BASED ON ESTIMATED AVERAGE HOMES

INCOME	MONTHLY	ANNUALLY
OPERATING COST INCOME	20,136.08	241,633.00
INTEREST INCOME	104.17	1,250.00
ARCHITECTURAL REVIEW FEES	833.33	10,000.00
RESERVE ACCOUNT	0.00	
TOTAL INCOME	21,073.58	252,883.00

OPERATING COST PAYABLE BY ALL HOMES	MONTHLY	ANNUALLY
ARCHITECTURAL REVIEW FEES	833.33	10,000.00
ANNUAL CPA COMPILATION REPORT/TAX PREPARATION	250.00	3,000.00
BANK SERVICE FEES	5.00	60.00
MANAGEMENT/BOOKKEEPING (5)	1,200.00	14,400.00
CORPORATE ANNUAL REPORT (6)	12.50	150.00
ELECTRIC (METERED) (7)	3,516.67	42,200.00
ENTRANCE SIGN/WALL MAINTENANCE & REPAIR (8)	183.33	2,200.00
ENTRY GATE MAINTENANCE & REPAIR (9)	166.67	2,000.00
GROUNDS MAINTENANCE CONTRACT (10)	2,875.00	34,500.00
GROUNDS MISCELLANEOUS (11)	725.00	8,700.00
LANDSCAPE -TREE REPLACEMENT (12)	2,083.33	25,000.00
INSURANCE/ DIRECTORS & OFFICERS	100.00	1,200.00
INSURANCE/FIDELITY BOND	41.67	500.00
INSURANCE/LIABILITY & PROPERTY (13)	208.33	2,500.00
IRRIGATION REPAIRS & SUPPLIES & RESERVES (14)	600.00	7,200.00
IRRIGATION REPAIRS (14)	433.33	5,200.00
LEGAL (15)	1,666.67	20,000.00
OFFICE EXPENSES, POSTAGE & PRINTING (16)	91.67	1,100.00
PLAYGROUND, GAZEBO, & CANOE LUNCH MAINTENANCE	350.00	4,200.00
PHONE (GATE) (17)	68.75	825.00
POND MAINTENANCE (18)	704.00	8,448.00
REAL ESTATE TAX (19)	208.33	2,500.00
IRRIGATION WELL USE LEASE (20)	3,062.50	36,750.00
TOTAL EXPENSES	19,386.08	232,633.00
TOTAL COST PAYABLE BY EACH HOME	176.24	2,114.85

DESCRIPTION OF RESERVES FOR ALL HOMES

TOTAL RESERVE PAYABLE BY ALL HOMES IN THE COMMUNITY	MONTHLY	ANNUALLY
PLAYGROUND EQUIPMENT RESERVE	166.67	2,000.00
GAZEBO & CANOE LANCH RESERVE	166.67	2,000.00
GATE RESERVE (21)	166.67	2,000.00
ROAD RESERVE (22)	250.00	3,000.00
TOTAL RESERVE PAYABLE BY ALL HOMES	750.00	9,000.00
TOTAL RESERVE PAYABLE BY EACH HOME	6.82	81.82

RESERVES	COLLECTED (AS	BE FUNDED IN	RESERVES FOR
PLAYGROUND EQUIPMENT RESERVE	2,000.00	2,000.00	4,000.00
GAZEBO & CANOE LANCH RESERVE	2,000.00	2,000.00	4,000.00
GATE RESERVE	8,000.00	2,000.00	10,000.00
ROAD RESERVE	7,500.00	3,000.00	10,500.00
TOTAL RESERVES	19,500.00	9,000.00	28,500.00

BREAKDOWN OF ASSESSMENTS

TOTAL ASSESSMENTS PAYABLE BY EACH HOME	MONTHLY	ANNUALLY
OPERATING EXPENSES	176.24	2,114.85
RESERVE	6.82	81.82
TOTAL GENERAL ASSESSMENT PER UNIT (24)	183.06	2,196.66

TREETOPS NEIGHBORHOOD ASSOCIATION, INC.

ADOPTED BUDGET FISCAL YEAR 7/1/06 TO 6/30/07

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 110 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. It is anticipated that Reserve income will be less than the amount shown in this budget, as there are currently less than 110 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.
- S. 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.
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 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
8. This line is for the standard maintenance for the entry way and sign and existing common area walls and fences for the neighborhood.
9. 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.

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 landscape tree replacement budget is based on request for bid figures received to replace specified diseased or dying trees in the common areas.
13. 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.
14. 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.
15. 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.
16. 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.
17. This line item is for the cost of the gate entry phone.
18. This line item is subject to change based on whether additional water purification is needed after aquatic landscaping is fully in place.
19. This line item covers the estimated ad valorem real estate taxes on the common areas.

20. Irrigation well usage- The HOA has entered into a well lease agreement whereby each pays a monthly fee of S24/month. For purposes of this budget it is estimated that an average of 110 homes will be using the irrigation system. The well usage lease also considers irrigation of the common areas at S348/ month.
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.
23. The Developer has elected to deficit fund the revenue shortfall.
24. This line item shows the annual and monthly assessment payable for each home in Treetops.