

CORPORATE RESOLUTION OF THE MAINLANDS SEVEN MAINTENANCE CORPORATION, INC.

WHEREAS, Mainlands Seven Maintenance Corporation, Inc. (hereinafter referred to as "Association") is the corporate entity charged with the maintenance, management and operation of the Mainlands of Tamarac Lakes Seventh Section; and

WHEREAS, the Board of Directors (hereinafter referred to as "Board") is responsible for the day to day operation of the community and the Association; and

WHEREAS, the By-Laws of the Association provide that the Board of Directors shall prepare a budget detailing the anticipated income and expenditures for the ensuing fiscal year; and

WHEREAS, the Board of Directors believes that it is necessary for the proper operation of the community to provide for a plan of comprehensive planning and budgeting.

NOW, THEREFORE, it is hereby resolved, as follows:

The Board is required to prepare a budget at least ninety (90) days prior to the commencement of the fiscal year of the Association. The budget shall include the cost of operating, maintaining and improving equipment and services provided to the community and for the maintenance, operation and repair of the recreational facilities. The budget shall also include expenses associated with the proper operation of the Association itself. In addition to said expenses, the Board of Directors may establish reasonable reserves for capital expenditures and/or deferred maintenance costs as well as a general reserve fund for unknown future expenditures.

The planning committee should consist of at least three (3) but not more than ten (10) persons. The planning committee shall prepare a report to be submitted to the Board at the May general meeting of the Board of Directors. This report will include, among other things, a list of proposed projects the Association should undertake in the next fiscal year and/or next several fiscal years. Any person desiring capital improvements should make their desires known to the planning and budgeting committee. These committees shall determine whether the capital improvement and/or other expenditure should be included in the Association annual budget.

The budget committee shall consist of at least three (3) but not more than ten (10) persons, any of whom may be members of the Board of Directors. The budget committee shall prepare a proposed budget and present same to the Board of Directors at the October general meeting prior to the fiscal year for which the budget is prepared. The budget committee shall also prepare a reserve study. The reserve study should contain a

statement of the percentage of the ideal reserve fund balance as well as a proposed method of assessing the homeowners to obtain that ideal reserve fund balance. The Board of Directors believes that the reserve study, and maintaining reserves, enhances the Board's ability to make responsible, businesslike judgments, protects and enhances the assets of the corporation through a timely planned contribution schedule and avoids the necessity of assessing the homeowners with unexpected significant special assessments. The amount to be reserved shall be computed by means of a formula based upon the estimated remaining useful life and estimated replacement costs or deferred maintenance expense of each reserve item. The Board of Directors is not required to prepare a budget containing fully funded reserves, but shall consider the reserve study and the recommendations of the planning and budgeting committees when preparing the budget for Membership consideration.

The Association shall mail or hand-deliver a copy of the proposed budget along with the amount of each lot owners maintenance assessment to each homeowner at least fifteen (15) days prior to the meeting at which the budget is to be considered. The budget is adopted by Membership of the Association in the manner provided in the By-Laws. Members not present at the meeting may express their approval or disapproval of the budget by proxy.

The budget shall include line items for professional services such as accountants and/or attorneys' fees.

This Resolution was considered at a duly noticed Board meeting held on _____, 1997. There were _____ votes in favor and _____ votes opposed.

Mainlands Seven Maintenance
Corporation, Inc.

By: _____
Robert Roberts, President

Attest: _____
Secretary