

GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS NO. 1, INC.

Minutes of the Annual Meeting

November 8, 2008

John Rasmussen, president of the Association, called the meeting to order at 8:40 a.m. on the date and time above noted at the Grenelefe Conference Center, the location specified in the notice of meeting.

Mr. Rasmussen asked for a motion, which was made by Harvey Gold and seconded by Dan Leiter, to adopt a resolution making this special meeting of the membership the annual meeting of the Association for year ending December 31, 2008, and authorizing the transaction of any and all business which will be conducted at this meeting. The motion was unanimously passed by the membership.

Mr. Rasmusen then stated that if there were no objections, as president of the Association, he would chair the meeting and appoint Bryon Smith to act as the recording secretary. Bryon Smith then presented the chairperson with an affidavit stating that the meeting had been properly noticed to the general membership. Harvey Gold moved and George Norton seconded a motion, which was passed unanimously, to waive the calling of the roll. Acting secretary Bryon Smith then certified the validity of the proxies and declared a quorum. Dominic Fragomeni moved and Harvey Gold seconded a motion, which was passed unanimously, to dispense with the reading of last year's annual meeting minutes. Harvey Gold moved and Dominic Fragomeni seconded a motion, which was passed unanimously, to approve the minutes of the prior year's annual meeting as previously submitted.

Mr. Rasmussen then stated that if there were no objections, he would move item number 13 on the agenda, changing bylaws to allow two-year staggered terms for directors, forward. He read from the new Statute and explained the reason for the change. George Norton moved and Harvey Gold seconded a motion to approve the change to the bylaws to allow two-year staggered terms for directors. The motion failed, with 579 voting in favor and 8 opposed. Mr. Rasmussen explained that a two-thirds vote was required to amend the bylaws, and that per the new Statutes, the new directors would be elected to one-year terms.

Mr. Rasmussen then announced the candidates for election. He stated that Robert Bong, Joyce Brown, Robert Krueger, and Joyce Morris were candidates for a one-year term of office. He then declared the polls closed and announced that Jeanne McDonough was chairperson for the tabulation of votes. He also listed the names of those persons who were validating and tabulating the votes visible to the membership. Those persons were Dolores Groth, Willa Weidt, Mary Whitmarsh, Margaret Ann Seibert, Zetta Ann Weaver, Karen McDonough, and Penny Dillon.

The general manager then presented a slide show depicting some of the landscaping renovations throughout property and announcing the Association's new web site coming in February 2009.

Then Mr. Rasmussen gave the president's report. He reported that during 2008 the Association had ended its relationship with the landscaping contractor and taken landscaping maintenance in house. He also reported on several policies which had been instituted during the year, including policies for owner participation at meetings, the directors expense reimbursement policy, and the policy for delinquent accounts. He gave a status report on the mailbox installation and indicated that the Association hoped to have boxes available by December 1. He also indicated that, per the membership's request at the previous annual meeting, the general manager had done a feasibility study on installing a pool and had a preliminary price of \$250,000 for a single pool with an estimated monthly maintenance amount of \$2,000.

Treasurer Robert Krueger then gave a report on the Association's financial condition as of the year ending September 30, 2008. Chris Gourdie followed with an explanation of the operating and reserve budget. He reviewed the portion of the operating budget approved by the Board and discussed the suggested contribution to the reserves for membership approval. George Norton moved and Harvey Gold seconded a motion to waive 100-percent funding of the reserve requirements for the fiscal year 2009 in favor of a funding level of \$271,500 proposed by the Board of Directors. The vote was 567 in favor and 8 opposed.

Harvey Gold offered an expression of appreciation from the floor for all the hard work of the Association staff throughout the year.

Richard Leiter moved and George Norton seconded a motion to postpone the Association's audit for year 2008 from May 1 to August 1, 2009. The vote was 579 in favor and 1 opposed.

Harvey Gold moved and Richard Leiter seconded a motion to defer excess membership income to subsequent years in accordance with Internal Revenue Ruling 70-604. The vote was 581 in favor and 1 opposed.

While waiting for the tallying of the ballots to be completed, Mr. Rasmussen opened the meeting for owner comments. George Norton indicated that he had never seen Association personnel loafing and offered his compliments to the general manager, staff, and board of directors.

Richard Leiter then addressed the membership with questions about owner responsibility if water from an upper unit damages a lower unit, term limits for directors, and an amount allocated for flowers at a prior meeting. He expressed support for the general manager and said that the Association was doing a beautiful job with parking lots, buildings, and landscaping. He then expressed concern to the CFI directors about the condition of the

roads and mold issues in CFI's vacant units where the air conditioning has been turned off.

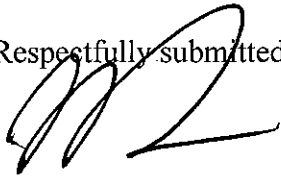
Nick Nasarenko asked that motions voted on at board meetings be put in the form of numbered resolutions, and that the Association check units which have been vacant for a number of months to make sure they are not infested with mice, ants, etc. He also indicated that he had installed water turn-offs throughout his unit so there is less likelihood of water damage when he is gone.

Dominic Fragomeni expressed a desire for more coordination and communication between all of the associations at Grenelefe to address items of mutual interest. Zetta Ann Weaver expressed appreciation to CFI, stating that they have been very helpful and are good sources of information and business contacts. Jerry Royer indicated that the fire department's response to the fire at building 356 was unacceptable and asked that the Association look into once again having a fire department on property.

Mr. Rasmussen then announced the results of the election. Those elected for one-year terms expiring in 2009 were Joyce Brown, Robert Krueger, and Joyce Morris.

At 10:30 a.m., Nick Nasarenko moved and Zetta Ann Weaver seconded a motion, which was passed unanimously, to adjourn the meeting.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Bryon Smith', written over the text 'Respectfully submitted,'.

Bryon Smith
Secretary