

GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS NO. 1, INC.

Minutes of the Meeting of the Board of Directors

December 4, 2009

John Rasmussen called the meeting to order at 3:32 p.m. on the date above noted at the location and time specified in the notice of meeting.

Those present were:

John Rasmussen, President	Carl Bauer, Director
Shirley Gold, First Vice-President	Earl Monari, Director (via phone)
Joyce Brown, Second Vice-President	Joyce Morris, Director
Robert Krueger, Treasurer	Chris Gourdie, General Manager (via phone)
Bryon Smith, Secretary (via phone)	Carol Post, Asst. General Manager
Richard Moore, Director	

The president announced that a quorum was present and that the notice for this meeting was posted in accordance with the bylaws and statutory requirements.

Carl Bauer began discussion by stating that Westgate has been unable to use 11 of its lakeloft units since after the hurricanes and that the Association closed off some of the units this year, denying them access. He was therefore requesting a credit equal to two quarters fees for the 11 units. Shirley Gold asked when the units were closed off, and Chris Gourdie indicated that the six units were closed off the beginning of June when he noticed phone books on the decks. The board then took a few minutes to read information provided by Chris Gourdie regarding the Association's approach to maintenance and supporting excerpts from the Bylaws, Declarations of Condominium, and Florida Statute 718.

John Rasmussen then asked that a motion be put on the floor before any further discussion. Carl Bauer moved and Joyce Morris seconded a motion that, due to Westgate's inability to use 11 of its units for an extended period of time, far more than two quarters, they receive a credit equal to two quarters of assessments for 11 lakeloft units, totaling approximately \$15,000.

A discussion ensued wherein concerns were raised by Shirley Gold regarding a lawsuit which dealt with the issue of treating some owners differently from others and by Joyce Brown regarding a lawsuit wherein the judge ruled that an owner who had put fees in escrow had to pay all maintenance fees owed plus interest plus attorney's fees. Carl Bauer stated that this situation was different in that the Association didn't fix the units and instead boarded them off to deny access.

Rob Jackson, attorney representing Central Florida Investments, then joined the discussion via phone and stated that the Association is obligated to maintain all units, and asked if a unit is unusable, could that be justification for a waiver of assessments. Joyce Brown indicated that that would have to apply to any unusable units, such as the fire unit, until repairs are completed. Mr. Jackson suggested that temporarily waiving all owners in that situation from paying fees would resolve the issue of disparity.

Mr. Rasmussen then read an excerpt from Florida Statute 718.116(2), stating that liability for assessments may not be avoided by waiver of the use or enjoyment of any common element or by abandonment of the unit for which the assessments are made. Mr. Jackson argued that he is not suggesting the Association has liability, but is asking whether it is reasonable to adopt a rule as stated previously. Mr. Rasmussen then stated that it was inappropriate for Mr. Jackson to be present at the board meeting since Mr. Jackson does not represent the Association and the Association's attorney was not present. Mr. Jackson then left the meeting.

Shirley Gold asked Mr. Gourdie if there was any indication that people couldn't use the stairs to the six units boarded off, and Mr. Gourdie indicated that it was done as a precaution to keep the public out, that he and Mr. Rasmussen had used the stairs in the past week, and that he would have given Mr. Bauer or his staff access. Richard Moore stated that some of the units had a lot of damage and were not safe. John Rasmussen then reminded the board that the issue at hand is whether a reduction in fees is merited.

Joyce Morris then withdrew her second, Carl Bauer withdrew his motion, and Carl Bauer moved and Joyce Morris seconded a motion that whenever a unit has been unoccupiable by an owner for a period of one month or more, due to the action of the Association, the owner be entitled to a credit of Association dues for that period.

Robert Krueger then expressed concern that the motion could apply to special assessments as well as damages such as leaks where the Association could be blamed for delays by the insurance company. John Rasmussen stated that one unit's fees couldn't be credited unless all units were credited, and used the fire unit as an example. Harvey Gold then pointed out that Mr. Bauer's motion was only relevant to the issue at hand unless it was made retroactive.

Joyce Morris then withdrew her second, Carl Bauer withdrew his motion, and Carl Bauer moved and Joyce Morris seconded a motion that whenever a unit owner has, for a period of 30 days or more, been denied access to his unit by the action or inaction of the Association, then that owner may be entitled to a credit of dues for the period for which he was denied access, with the motion being retroactive to June 1, 2009, and going forward.

A discussion ensued regarding the condition of the lakelofts and the work currently being done. Robert Krueger then stated that the board would be remiss in its duty to establish a new policy without first consulting with the Association attorney. Joyce Brown moved and Shirley Gold seconded a motion, which was passed unanimously, to table the motion and recess the meeting until the board could obtain advice from its counsel, and the meeting was recessed at 4:50 p.m.

On December 10, 2009, the meeting reconvened at the same location at 3:32 p.m.

Those present were:

John Rasmussen, President
Shirley Gold, First Vice-President
Joyce Brown, Second Vice-President (via phone)
Robert Krueger, Treasurer
Bryon Smith, Secretary (via phone)
Richard Moore, Director (via phone)
Carl Bauer, Director (via phone)

Earl Monari, Director (via phone)
Joyce Morris, Director (via phone)
Drew Smith, attorney for Assn. (via phone)
Rob Jackson, attorney for CFI (via phone)
Chris Gourdie, General Manager
Carol Post, Asst. General Manager

The president announced that a quorum was present.

Carl Bauer withdrew the motion on the floor and Joyce Morris withdrew her second.

Drew Smith, attorney for the Association, advised the board that Westgate does intend to make a claim for damages if a resolution is not reached, a statement which was supported by Rob Jackson, attorney for CFI. John Rasmussen asked what dollar amount CFI was claiming for damages. Carl Bauer stated that 11 units were affected for over a year.

John Rasmussen suggested a figure of \$6,000, which Carl Bauer said was unacceptable, that the amount should at least be equal to one quarter of fees. Mr. Rasmussen stated that fees couldn't be discounted without discounting fees on all units, and that only six units were boarded off rather than 11. A discussion ensued; then Drew Smith suggested that the board agree to some settlement, to be drafted by the attorneys then approved by the board at a later date.

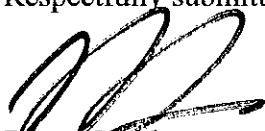
Carl Bauer moved and Bryon Smith seconded a motion that a settlement be entered into in the amount of \$12,000 payable to Grenelefe Resort, LLC for the Association having limited access to Westgate's units, with the agreement to be drafted by the Association's attorney with input from Rob Jackson and to be formally approved by the board at a later date. A discussion ensued wherein concerns were raised about other scenarios where access may be denied due to situations out of the Association's control. The dollar amount was also discussed further, with suggested amounts ranging from \$7,000 to \$12,000.

Carl Bauer moved and Bryon Smith seconded a motion, which was passed unanimously, to amend the prior motion to state a settlement amount of \$10,000 rather than \$12,000. A brief discussion ensued, and Robert Krueger called the question. The amended motion was passed unanimously.

It was agreed by the board that a special meeting would be called to review and vote upon the settlement agreement.

At 4:37 p.m., Robert Krueger moved and Shirley Gold seconded a motion to adjourn.

Respectfully submitted,



Bryon Smith
Secretary