

GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS NO. 1, INC.
Minutes of the Meeting of the Board of Directors
June 4, 2009

John Rasmussen called the meeting to order at 1:10 p.m. on the date above noted at the location and time specified in the notice of meeting.

Those present were:

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

Under the provisions for owner comments, Dan Rieth asked to address the board regarding the pool, and Mr. Rasmussen asked that he hold his comments until that topic was discussed. No other owners indicated a desire to address the board.

The minutes of the February 5, 2009 board meeting were then presented to the Board. There being no corrections to the minutes, the president stated that the minutes of the February 5 meeting stand approved as submitted.

The president then skipped to item number 4 on the agenda and asked Hugh Pike to address the board. Mr. Pike proposed that the board consider bringing in outside contractors and doing all the landscaping and building maintenance all at once. He indicated this would cost approximately \$4.5 million and could be funded with a special assessment of a minimum of \$5,000 per unit, ideally \$10,000 per unit. He suggested that the assessment could be collected in installments, for example, \$500 per month for 20 months. He expressed concern over the condition of the conference center, the potholes in the roads, and the disposition of the funds that Westgate received for damages from the 2004 hurricanes, indicating that the owners are entitled to an accounting of what was done with the funds. No action was taken at that time. However, before the meeting was adjourned, Mr. Rasmussen assigned Joyce Brown the task of forming a committee to research Mr. Pike's proposal and poll the owners.

Robert Krueger then gave the treasurer's report. He indicated that the Association ended April with a surplus of \$34,958. He also reported that cash in reserves totaled \$905,734, \$196,729 of which is the SunTrust Property Insurance Fund. He reported on several areas that the Association was overbudget for the month, but not for year to date, and indicated that the Association was underbudget in building payroll, grounds and irrigation payroll, and legal expenses.

The next item on the agenda was the general manager's report. Chris Gourdie reported on the progress of the building maintenance, then presented a detailed preventative maintenance checklist to be used by the building maintenance staff. He presented a comparison of building maintenance costs between four outside contractors and the in-house carpentry staff, using building 414 as an example.

The meeting then recessed for the board to view building 336, which had been recently repaired and painted and had the new exterior lighting installed. When the meeting reconvened, Brian Siegel did not return. Mr. Gourdie then presented a quote for a bulk purchase of the exterior lighting which was discussed at the last board meeting, and showed a comparison between purchasing all the lighting in bulk and purchasing it as needed, proving that due to cost of storage and loss of interest income on the reserve funds, it was more cost effective to purchase them as needed without the bulk discount.

Joyce Morris then joined the meeting via telephone.

Under administration, Carol Post reported that two units had gone through bank foreclosure and two more were currently in the process. She reported that the total collections as of June 1 were \$118,610.99, and that, due to the current state of the economy, the Association will include an amount in future budgets for uncollectible accounts.

Mr. Gourdie indicated that, as requested at the last board meeting, he had gone back to the contractor doing the building 356 reconstruction to negotiate a higher amount for foregoing the faux chimney. He reported that Paul Davis Restoration had agreed to the insurance allowance of \$6,017.50, plus an additional \$2,694.60 pending adjuster approval, making a total of \$8,712.10.

Mr. Gourdie then gave a report on the Association's dissatisfaction with its current laundry equipment provider, indicating that the contract expires in June 2010. He presented quotes for the purchase of new machines, along with estimates of the Association's income from the machines. Earl Monari and Carl Bauer expressed support of the Association purchasing its own laundry equipment as long as it didn't affect the budget.

Mr. Gourdie concluded his report by reporting on concerns that owners had expressed with pool memberships. Mr. Rasmussen then asked Dan Rieth to come forward with his comments. Mr. Rieth asked that the Association consider installing its own pool, stating that the Association should provide some amenities to its owners. Mr. Gourdie indicated that the Association had actually inquired into obtaining a permit for a pool and was currently waiting for a response from the Polk County Health Department who had forwarded our proposal to the state level in Tallahassee.

The president then skipped to item number 10 on the agenda, exterior light fixture replacement. Earl Monari moved, and Robert Krueger seconded a motion, which was passed unanimously, to approve the style of lighting previously approved by the Design Review Committee and presented at the prior board meeting, and to purchase enough fixtures to outfit the 17 buildings painted in 2008, the 5 buildings done thus far in 2009, and as needed in the future.

The next agenda item was cost saving initiatives. A discussion was held concerning discontinuance of the truck and tool allowance for Association employees, eliminating a position in the grounds department, using an online payroll service rather than a bookkeeping service for payroll, and eliminating the office cleaning position, along with the cost savings to be realized by taking the lawn and shrub spraying in house. Carl Bauer moved, and Bryon Smith seconded a motion to discontinue the auto and tool allowance, make the cuts as outlined, and look at reasonable ways to cut expenses. Carol Post asked that the board not cut the auto and tool allowance effective immediately but give the employees who receive it some notice. Carl Bauer withdrew his motion and Bryon Smith withdrew his second. Then Carl Bauer moved and Bryon Smith seconded a motion, which was passed unanimously, to discontinue the auto and tool allowance and make the cuts as outlined as of July 1, 2009.

The next item on the agenda was interest charges on CFI's first quarter maintenance fees. However, Carl Bauer withdrew his request to have that item discussed, and no action was taken.

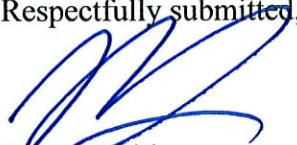
The next item on the agenda was storage closet rentals. Chris Gourdie presented a storage rental policy and storage rental contract to rent the closets in the laundry rooms to condominium residents. It was suggested that postcards be sent to owners and to Westgate's condo rental office to poll residents to determine level of interest. Joyce Brown moved and Joyce Morris seconded a motion, which was passed unanimously, to adopt the storage rental policy and contract, pending approval by the Association attorney, and rent the storage space in the laundry rooms commonly referred to as the maid's closet.

The next item on the agenda was a change in the director's expense reimbursement policy. Carol Post asked that the requirement that receipts be submitted 60 days after incurring the expense be changed to 45 days after the date of the event for which the expense was incurred, to facilitate cleaner financial record keeping. However, no action was taken.

The last item on the agenda was discussion of a letter from the Association attorney regarding former director Eugene Cox's expense reimbursements. The Association attorney stated that chances of a recovery settlement were not very high because of some statutes of limitations on several of the expense reimbursements in question, and other factors surrounding this situation that do not favor the Association's case. He also said that it could cost the Association more money to pursue payment through legal channels than could be recovered. Earl Monari moved and Carl Bauer seconded a motion, which was passed unanimously, to forego pursuing action against former director Eugene Cox for previously paid expenses for which backup was lacking or insufficient.

At 6:00 p.m., Carl Bauer moved and Joyce Brown seconded a motion to adjourn.

Respectfully submitted,



Bryon Smith
Secretary