

**GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS NO. 1, INC.**

Minutes of the Meeting of the Board of Directors

February 4, 2010

John Rasmussen called the meeting to order at 1:05 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	Richard Moore, Director (via phone)
Joyce Brown, Second Vice-President (via phone)	Joyce Morris, Director
Robert Krueger, Treasurer	Chris Gourdie, General Manager
Bryon Smith, Secretary	Carol Post, Asst. General Manager

Earl Monari was absent.

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 provisions for owner comments, Harvey Gold suggested that having the directors serve two-year instead of one-year terms be put on the agenda at the next owner's meeting. Shirley Gold asked if it would be better to have the annual meeting at a time when owners want to be here, such as February or March. Some pros and cons were mentioned, and Chris Gourdie said he would have them listed to discuss at the next meeting.

The minutes of the November 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 November 5 meeting stand approved as submitted. The minutes of the November 7, 2009 board meeting were then presented to the board. There being no corrections to the minutes, the president stated that the minutes of the November 7 meeting stand approved as submitted.

Robert Krueger then gave the treasurer's report. He indicated that the Association ended December with a surplus of \$60,873.78 and operating cash of \$243,217. He reported that cash in reserves totaled \$819,316, \$201,757 of which is the SunTrust Property Insurance Fund. The next item on the agenda was the general manager's report. Chris Gourdie reported on the status of repairs at the lakelofts and indicated that all the work should be completed by the end of February. He also reported on the extensive damage to the landscape due to many nights of freezing temperatures.

Under administration, Carol Post reported that receivables in collection totaled \$170,577, \$82,773 of which is owed by a single owner of 19 units. All units in collection have been placed with the attorney and are either liened or have had foreclosure proceedings begun.

Mr. Gourdie then provided the board with information and costs on new laundry equipment. Shirley Gold asked about front loading washers which use less water, and Mr. Gourdie indicated

that he could look into it. Carl Bauer asked about the possibility of renewing the contract with Coinmach with the stipulation that, with “x” number of complaints, the Association could cancel. He also asked if there was a need for machines in every building. Heike Reineke, Westgate’s rental manager, indicated that she receives a lot of complaints about the machines being busy. Joyce Morris suggested that the Association research whether Progress Energy would offer a rebate for energy efficient machines. Shirley Gold expressed her support for the Association purchasing machines but was concerned about whether the staff could handle the extra work. Robert Krueger asked about the card reader, and Mr. Gourdie explained how it worked.

Robert Krueger then moved and Shirley Gold seconded a motion, which was passed unanimously, to authorize the general manager to arrange the final details of the purchase of washer and dryer machine sets for the replacement of the Coinmach contract at Grenelefe, to be presented to the board members for final approval. Richard Moore abstained.

Mr. Gourdie then gave a report on a new style of streetlight that would be more attractive and more cost efficient than the current design. Robert Krueger asked that a sample be installed by the next meeting.

Bryon Smith then left the meeting.

Mr. Gourdie then reported on the condition of the parking lots and drives that belong to the Association and provided some approximate costs to repave and seal coat. He recommended seal coating what is in good enough condition to preserve and overlay the rest when the funds are available.

The next item on the agenda was a request to amend the rental policy. Carl Bauer indicated that the current policy reads, “The Association may, at its sole discretion, disregard convictions or nolle contendere pleas older than 10 years if the applicant’s record is clean since the last conviction or plea.” He stated that 10 years was too long and asked the board to change it to 5 years. Carl Bauer moved and Joyce Morris seconded a motion to change the language “older than 10 years” to “older than 5 years.” The motion passed, with Joyce Brown, Robert Krueger, Carl Bauer, Richard Moore, and Joyce Morris voting in favor and John Rasmussen and Shirley Gold against. Shirley Gold asked who would make the decision whether or not to disregard a particular conviction, and John Rasmussen indicated that the office would, and if there was a problem, they would bring it to him.

The next item on the agenda was destruction of old records. Robert Krueger moved and Carl Bauer seconded a motion to destroy the old records as listed. Thereupon a discussion ensued, and Robert Krueger withdrew his motion and Carl Bauer withdrew his second. Then Robert Krueger moved and Carl Bauer seconded a motion, which was passed unanimously, to destroy the old records as listed, with the exception of the paperwork from the Sports Shinko bankruptcy.

The next item on the agenda was the Association’s property and liability insurance renewal. Carol Post reported that McGriff, Seibels & Williams had provided a quote of \$279,481 for property coverage with a \$10 million wind limit, with an option to purchase another \$10 million in wind/named storm coverage for \$21,542. She indicated that Burlington would renew the

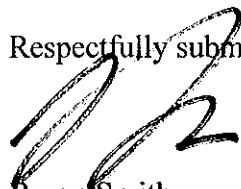
liability coverage but with a 50% increase in premium, and Tudor had quoted a premium with a 25% increase over the expiring program but with a \$5,000 rather than \$2,500 deductible. The board chose not to purchase the additional \$10 million in wind coverage, and Robert Krueger instructed Ms. Post to ask McGriff to try to get a better rate with Burlington. A meeting was scheduled for Thursday, February 25, at 1:00 p.m. to finalize the property and liability renewal.

The next item on the agenda was a discussion of parking. Mr. Rasmussen indicated that, although the Declarations list types of vehicles which are not allowed to be parked in Association parking areas, there are no rules against parking in the grass or on the landscaping. A discussion then ensued regarding issues to bring to the membership at the next annual meeting, including pooling reserves and amending the Articles of Incorporation to require a two-thirds rather than 75% vote to institute rules and regulations.

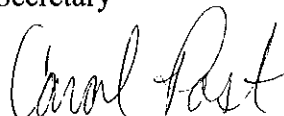
The last item on the agenda was discussion of reallocating the lakeloft roof reserve. Chris Gourdie gave a report to the board on the work that had been completed thus far at the lakelofts, but indicated that the Association would run out of funds for the project before the work was completed. The roofs, however, were all replaced between 2002 and 2005 and would not need work for many years to come. He indicated that if the lakeloft owners would vote to move funds from the roof reserve to the building reserve, that a special assessment could be avoided. Mr. Bauer indicated that CFI would support combining the lakeloft building restoration reserve and the lakeloft roof reserve into a single lakeloft reserve. The board then instructed the general manager and assistant general manager to notice a special meeting of the lakeloft owners.

At 5:45 p.m., Shirley Gold moved and Robert Krueger seconded a motion to adjourn.

Respectfully submitted,



Bryon Smith  
Secretary



Carol Post  
Secretary pro tem