

GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS NO. 1, INC.
Minutes of the Meeting of the Board of Directors
November 1, 2012

John Rasmussen called the meeting to order at 1:07 p.m. on the date above noted at the location and time specified in the notice of meeting.

Those present were:

John Rasmussen, President
Robert Krueger, Treasurer
Bryon Smith, Secretary
Carl Bauer, Director

Glenn Norton, Director
Chris Gourdie, General Manager
Carol Post, Assistant General Manager

John "Randy" Kuhl, Earl Monari, Richard Moore and Joyce Morris were absent.

The president called the meeting to order and 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, no owners expressed an interest to address the board.

Robert Krueger then gave the treasurer's report. He indicated that he had reconciled all of the Association's bank statements with the balances on the balance sheet, and that all the numbers are accurate. Mr. Krueger stated that the Association ended July with a loss of \$1,627 of income to expenses for the month and a surplus of \$67,508 for the year. Operating cash was \$544,989 and cash in reserves totaled \$630,070.

Mr. Gourdie reviewed some highlights of the General Manager's Report and stated that the landscaping department has fallen behind with the current staffing levels. He indicated that the crew has been focusing on taking care of the serious weed problem around property, making sure walkways are clear and responding to complaints. Mr. Krueger asked if Mr. Gourdie was proposing to add a part-time employee. Mr. Gourdie said no, it's not in the budget, that he just wanted to let the board know the landscaping is not the same as it had been in the past. Mr. Krueger instructed Mr. Gourdie to let the board know if an increase in staffing is needed, because the Association has a responsibility to provide the same level of service as four years ago. Mr. Bauer asked about the possibility of using a weed barrier with new installs, and Mr. Gourdie indicated he would look into it.

The next item on the agenda was review of the auditor's management letter. Carol Post reviewed the following recommendations with the board: 1) physically transferring reserve funds into a separate account and paying those expenditures from that account (implemented January 1, 2012), 2) monitoring non-exempt income for losses and net profits, 3) establishing an estimate of uncollectible amounts for recording in the financial statements, 4) trying to budget in such a way that the Association does not continually realize profit, and 5) insuring that all vendors requiring 1099-MISC filings receive them, specifically the president. In relation to item number three, it

was decided by consensus of the board to estimate all of Treehouse's receivable to be uncollectible except the 3.34 percent stated in their proposed plan, and the uncollectible amount of the other receivables to be set at 5 percent of the total.

The next item on the agenda was review of Association insurance policy renewals. Ms. Post indicated that the only two policies coming up for renewal before the next board meeting were the fidelity bond and workers' compensation. She indicated that little or no increase is expected in the cost of the fidelity bond, but that the workers compensation premiums are expected to increase due to an increased experience modification factor.

The next item on the agenda was disposition of the Hobbs unit. Mr. Gourdie indicated that the unit was listed.

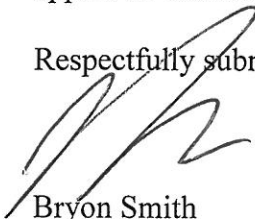
The next item on the agenda was discussion of a lawnmower purchase. Mr. Gourdie indicated that the Association's lawnmowers are almost five years old and beginning to require a lot of repairs. He indicated that Commercial Lawn Equipment has a 72-inch mower with only 200 hours use for \$6,200, which is half of the cost of a new one. Glenn Norton stated that if the money is in the budget, the board should trust Mr. Gourdie to make the right decision as to the purchase. Robert Krueger moved and Glenn Norton seconded a motion to go ahead with the purchase. Carl Bauer asked if it would be wise to trade in one of the older mowers, and Mr. Norton agreed, stating that the Association should keep it. Mr. Krueger asked if they may agree to a better price without a trade-in. Mr. Rasmussen instructed Mr. Gourdie to ask, but if not, to go with the \$6,200 price. A vote was then taken, and the motion passed unanimously.

The last item on the agenda was the roads. Mr. Bauer indicated that Westgate is still trying to sell. Bryon Smith stated that they are getting calls, everyone loves it, but no one puts down money. He indicated that they are looking at grouping a bunch of small buyers together and doing a condo sale.

Mr. Norton stated that a lot of residents around property store lots of stuff on their patios and balconies and that it looks terrible. He asked what can be done to govern it. Mr. Rasmussen indicated that there is nothing the Association can do since there are no rules governing items on back patios and balconies, and the area belongs to the owner. Mr. Norton indicated that the board should work on coming up with some rules.

At 2:15 p.m., Glenn Norton moved and Carl Bauer seconded a motion to adjourn, which was approved unanimously.

Respectfully submitted,



Bryon Smith
Secretary