

GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS NO. 1, INC.

Minutes of the Meeting of the Board of Directors

(via teleconference)

June 18, 2012

John Rasmussen called the meeting to order at 1:00 p.m. on the date above noted via teleconference at 912 Tennis Way, Haines City, Florida, as was specified in the notice of meeting.

Those present were:

John Rasmussen, President
Earl Monari, Vice-President
Bryon Smith, Secretary
Carl Bauer, Director
Joyce Morris, Director

Glenn Norton, Director
Chris Gourdie, General Manager
Carol Post, Assistant General Manager
Kalanit Oded, Assn. Attorney

Robert Krueger, Randy Kuhl and Richard Moore were 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.

The only item on the agenda was discussion of the Treehouse LLC bankruptcy. Kalanit Oded, attorney for the Association, indicated that she had spoken to the attorney for Treehouse, and he had indicated that if the Association will approve its plan, Treehouse will simultaneously file to drop its adversarial claim.

John Rasmussen then asked if the bankruptcy judge could still go after the rents if Treehouse dropped its claim. Carl Bauer asked what would stop Treehouse from going ahead with the claim after the Association approved the plan, especially in light of the fact that Treehouse has made agreements with the Association in the past and hasn't followed through with any of them. Glenn Norton indicated that if counsel gives word, they will hold to it, that that's the way business is done. Mr. Norton asked Association counsel if Treehouse might guarantee that it will stand with the Association in the event that someone else tries to make a claim against the Association for the rent monies. Ms. Oded indicated she didn't think Treehouse would have a problem with that, because it was unlikely that would happen, and Treehouse wants to move forward and reduce legal costs.

Mr. Norton then stated that he felt it would be in the Association's best interest to keep the \$14,000 in rents collected and vote to approve their plan, since a "no" vote wouldn't change the outcome anyway. Ms. Oded indicated that as an unsecured creditor the Association has no power and would have very little chance of getting the plan thrown out since the bank is in support of it. She stated that besides having to pay back the \$14,000 if Treehouse didn't drop its adversarial action, the Association would incur at least that much in attorney's fees trying to take the case to trial.

Mr. Rasmussen then asked about the possibility of a non-good-faith filing, whether the Association could possibly get the plan dismissed based on there not being enough money to fund the plan. He stated that Treehouse's income figures appeared to be approximately \$4,000 per month overstated, that the most the Association collected in rent was approximately \$6,000 per month, and that the plan is dependent upon a \$3,000 per month injection from Feltrim Development. Ms. Oded stated that in cases where the party questioning good faith is the mortgage holder or a large secured creditor with a strong investment in the case, it was possible, but the Association is not positioned that way. She stated that it was her impression that because the bank is interested in the reorganization plan, the court will probably move forward. Mr. Bauer asked whether the Association could be looked at as forgiving dues by voting to approve the reorganization plan. Mr. Rasmussen stated that in a bankruptcy, that wouldn't be the case.

Mr. Norton then stated that if the Association votes "no" to Treehouse's plan, it would only be a symbolic vote and would not affect the outcome. He felt that this was not the place for the Association to take a stand, given its weak position, and that if Treehouse doesn't drop the adversarial complaint and the Association is stuck litigating the case, the only ones gaining ground are the lawyers. Mr. Rasmussen asked if the Association could make a non-good-faith argument based on the fact that Treehouse filed its bankruptcy petition two days before the Association was to foreclose on its units.

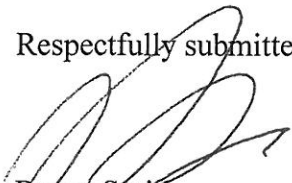
Carl Bauer moved and Joyce Morris seconded a motion that the board vote to reject Treehouse's reorganizational plan. Mr. Norton indicated that the motion was already made and passed at the prior board meeting. Mr. Rasmussen added that since the last meeting, Treehouse indicated that unless the Association votes to approve the plan, Treehouse will not drop the adversarial proceeding. Mr. Norton stated the most cost-effective approach would be for the Association to cut its losses and move forward, vote to approve the plan, keep the rents collected, and stop hemorrhaging lawyer's fees.

Glenn Norton then moved and Earl Monari seconded a motion that the board change its vote and approve Treehouse's reorganizational plan in exchange for Treehouse agreeing to drop its adversarial complaint and the Association keep the rents collected thus far. Earl Monari, Glenn Norton, and John Rasmussen voted in favor and Carl Bauer, Joyce Morris and Bryon Smith were opposed. Since the vote was tied, the motion didn't carry,

Carl Bauer moved and Joyce Morris seconded a motion, which was passed unanimously, to authorize the Association attorneys to file an objection against Treehouse's bankruptcy action on the grounds that it wasn't filed in good faith.

At 1:40 p.m., Carl Bauer moved and Joyce Morris seconded a motion to adjourn.

Respectfully submitted,



Bryon Smith
Secretary