

GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS NO. 1, INC.
Minutes of the Meeting of the Board of Directors
June 2, 2016

John Rasmussen called the meeting to order at 10:05 a.m. on the date above noted at the location and time specified in the notice of meeting.

Those present were:

| | |
|--|------------------------------------|
| John Rasmussen, President | Joyce Morris, Director (via phone) |
| John "Randy" Kuhl, Treasurer (via phone) | Chris Gourdie, General Manager |
| Thomas Leiser, Director (via phone) | Brenda Richardson, Accounting |
| Earl Monari, Director | |

Glenn Norton, Carl Bauer, Richard Moore, and Bryon Smith were absent.

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

The minutes of the February 4, 2016 board meeting were approved as submitted, with the following correction: Earl Monari noted he was physically present for the meeting rather than present via phone. The minutes of the March 24, 2016 board meeting stand approved as submitted.

On May 4, 2016, the Burnway North #1 Condominium Association held a meeting for the purpose of tallying written votes to relocate the Westside trash site area to Burnway North #1. Of the possible 32 votes, 28 were received, with all 28 (88% of the total votes) being in favor of the relocation. This exceeded the 75% needed to pass. These changes will take place in stages over the next year.

Randy Kuhl 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. He stated that the Association ended April with a surplus of income to expenses of \$21,121 for month and reserve funds are up \$42,516 since beginning of year. Operating cash was \$1,105,187 and cash in reserves totaled \$885,573, which includes a Property Insurance Fund balance of \$140,966. He stated that reserves are in great shape and that the budget looks good.

Chris Gourdie then presented some highlights of the general manager's report. He stated that the Lake Lofts are not on pace to be completed within the time frame projected. As of the meeting date, Association maintenance staff was scheduled to have the seventh building completed, but is currently working on the fourth. There are several factors that have slowed the repair process. These buildings are extremely hard to repair. For example, several window sills are rotted, which necessitates removing the windows, then reinstalling them after the repairs are done, taking care to not break the windows. Further aggravating the situation, the Association has been down one carpenter since March.

The Association has had ongoing problems with sewer lines and will continue to spend money on them. One option to consider is jetting all the buildings, but those doing the work would have to be careful not to break the lines if they are weak.

Mr. Gourdie also stated that the Association has started to replace the electrical conduit for the air conditioning units, due to arching and burning of wires. The work is being done by a licensed electrician, per the board's suggestion, and the old metal conduit is being replaced with an electrical grade PVC.

The landscaping crew is now mowing every week. New installs will begin now that the rainy season has arrived. The Association built another retaining wall at building 303 Camelot. These retaining walls have been a great solution to erosion.

Mr. Gourdie stated that the irrigation department is continuously working on replacing the hydraulic valve banks with the more efficient electric valves. This is a tedious process since a major portion of the irrigation system must be replaced, but the staff has made significant progress.

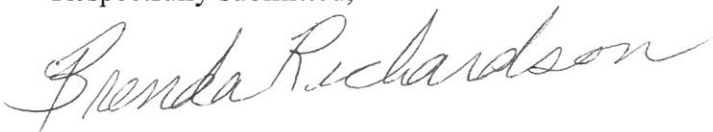
Brenda Richardson stated that delinquent assessments have gone down considerably due to several Association accounts being brought current. Mr. Pike has made all his payments on time with no returned checks. He will be paying off his remaining balances in July, as stated in his contract. The current amount in collections is \$56,245. Sales went up considerably during the past quarter.

The Association renewed the directors and officers insurance in May, at a cost of \$3,700, which represents a \$600.00 increase over last year. The auto insurance renewed at the same time, with a total premium of \$4,250 for the year.

The next item on the agenda was the appointment of a budget committee. It was decided by consensus of the board that Randy Kuhl, Earl Monari and Carl Bauer would serve.

At 10:50 a.m., Joyce Morris moved and Randy Kuhl seconded a motion to adjourn, which was approved unanimously.

Respectfully submitted,

A handwritten signature in cursive script that reads "Brenda Richardson".

Brenda Richardson
Secretary pro tem