

GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS NO. 1, INC.

Minutes of the Annual Meeting

November 6, 2010

John Rasmussen, president of the Association, called the meeting to order at 8:45 a.m. on the date above noted at the Haines City Banquet Hall, 799 Johns Avenue, Haines City, Florida, the location specified in the notice of meeting.

Mr. Rasmusen then stated that if there were no objections, as president of the Association, he would chair the meeting and appoint Bryon Smith to act as the recording secretary. Bryon Smith then presented the chairperson with an affidavit stating that the meeting had been properly noticed to the general membership. William Davis moved and Daniel Rieth seconded a motion, which was passed unanimously, to waive the calling of the roll. Acting secretary Bryon Smith then certified the validity of the proxies and declared a quorum. Daniel Rieth moved and Linda Gilbert seconded a motion, which was passed unanimously, to dispense with the reading of last year's annual meeting minutes. Linda Gilbert moved and Robert Bong seconded a motion, which was passed unanimously, to approve the minutes of the prior year's annual meeting as previously submitted.

Mr. Rasmussen then announced the candidates for election. He stated that each of the nine current board members plus Phillip Calvin were candidates for a one-year term of office. He then declared the polls closed and announced that Jill Monari was chairperson for the tabulation of votes. He also listed the names of those persons who were validating and tabulating the votes visible to the membership. Those persons were Penny Dillon, Karen McDonough, Delores Groth, Willa Weidt, Faye Sadler, Mary Whitmarsh, Dan Leiter, and Jill Monari.

The general manager then presented a slide show depicting some of the work done during the year throughout property.

Mr. Rasmussen then gave the president's report. He reported that, after finally reaching an agreement with the insurance company, work had begun and was progressing quickly on the buildings damaged by the tornado. He also reported on changes made to the budget to keep the fees the same as the prior year, namely in the area of employee compensation. He reported that back fees due to the Association have reached \$260,000, up from \$147,000 the prior year, but that the Association is currently collecting rents from the tenants of Feltrim, who owes approximately 45% of the back fees.

Mr. Rasmussen indicated that the Association ended its contract with the laundry vendor and purchased card-operated equipment. He also indicated that while the board has had several discussions regarding the roads, there has as yet been no resolution, but that the Association will in 2011 begin a seven-year plan to resurface and seal the parking lots and roads owned by the Association, beginning with Camelot Circle. He ended his report by thanking the board members and charging the board and general manager with continuing to look at ways to become more efficient and cost effective.

Treasurer Robert Krueger then gave a report on the Association's financial condition as of the year ending September 30, 2010, and the Association's auditor, Andrea Doane, gave a report on the 2009 audit, both of which are attached to these minutes of the annual meeting.

Chris Gourdie followed with an explanation of the operating and reserve budget. He reviewed the portion of the operating budget approved by the Board and discussed the suggested contribution to the reserves for membership approval. Robert Bong moved and William Davis seconded a motion to waive 100-percent funding of the reserve requirements for the fiscal year 2011 in favor of a funding level of \$272,000 proposed by the Board of Directors. The motion passed, with 619 in favor and 7 opposed.

Daniel Rieth moved and Robert Bong seconded a motion to postpone the Association's audit for year 2010 from May 1 to August 1, 2011. The motion passed, with 634 in favor and 0 opposed.

Robert Bong moved and Linda Gilbert seconded a motion to defer excess membership income to subsequent years in accordance with Internal Revenue Ruling 70-604. The motion passed, with 632 in favor and 0 opposed.

Earl Monari moved and Robert Krueger seconded a motion to amend Sections 10 and 13 of the Declarations of Condominium, Articles 3 and 9 of the Articles of Incorporation, and Article 8 of the Bylaws to synchronize the percentage of votes required to make changes to the governing documents. Daniel Rieth expressed concern about giving one entity too much power in being able to amend the Association's documents, and Attorney Drew Smith explained that the Declarations already require 66 2/3 percent. The motion passed, with 631 in favor and 8 opposed.

Robert Krueger moved and Linda Gilbert seconded a motion to amend Section 4, paragraph 4.4(b) of the Declarations, which restricts types of vehicles permitted in parking areas and drives and prohibits parking on the turf. The motion passed, with 640 in favor and 0 opposed.

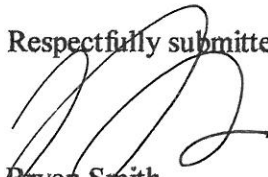
The meeting was then opened for owner comments. Carl Bauer announced that Central Florida Investments would be holding a real estate sale and liquidating as many units as it can, and Bryon Smith indicated that a reserve price would be set for each. Daniel Rieth then asked whether there would be improvement to the roads, and Mr. Bauer said no, that the associations would have to come together. Dan Rieth asked if the associations would be given ownership of the roads, to which Mr. Bauer said no, just ingress and egress, and Robert Bong asked if the roads could be turned over to the County.

Daniel Leiter asked if CFI would sell the west course, and Bryon Smith indicated that anything is for sale at a price. Daniel Rieth asked if any changes would be made prior to the sale, and Carl Bauer said there wouldn't be significant changes. Earl Monari indicated that there will be a web site and sales brochures as the date gets closer. William Davis asked if CFI will still maintain the courses after the units are sold, and Carl Bauer said he believed so but didn't know.

Mr. Rasmussen then announced the results of the election. Those elected for one-year terms expiring in 2010 were Carl Bauer, Joyce Brown, Shirley Gold, Robert Krueger, Earl Monari, Richard Moore, Joyce Morris, John Rasmussen, and Bryon Smith.

At 10:30 a.m., Joyce Brown moved and Faye Sadler seconded a motion, which was passed unanimously, to adjourn the meeting.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'Bryon Smith', written over the printed name.

Bryon Smith
Secretary