GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS NO. 1, INC.
Minutes of the Annual Meeting
November 9, 2013

John Rasmussen, president of the Association, called the meeting to order at 8:33 a.m. on the date above noted at the Grenelefe Conference Center, 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 Carol Post to act as the recording secretary. Carol Post stated that the meeting had been properly noticed to the general membership. Murray Miller moved and Faye Sadler seconded a motion, which was passed unanimously, to waive the calling of the roll. Acting secretary Carol Post then certified the validity of the proxies and declared a quorum. Murray Miller moved and Faye Sadler seconded a motion, which was passed unanimously, to dispense with the reading of last year's annual meeting minutes. Joyce Brown moved and Doug Turner seconded a motion, which was passed unanimously, to approve the minutes of the prior year's annual meeting as previously submitted. Mr. Rasmussen stated that there were four candidates for four open positions on the board, so an election wouldn't be necessary. He indicated that Joyce Morris, Richard Moore, Randy Kuhl and Earl Monari would be appointed to two-year terms.

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 there were no major incidents in 2013, but that the Association did sustain damages totaling $16,500 from several plumbing leaks, three roof leaks, two instances of sprinklers hitting the door and one sewer backup. He reported that the budget committee made no changes to the budget put together by Chris and Carol. He stated that the Association still plans to finish 12 buildings during 2013, with the cycle being completed by the end of 2015, at which time costs for maintenance on the buildings will decrease.

Mr. Rasmussen also indicated that as of the end of September, reserves were up by $85,000 since the beginning of the year, with an expected increase of $117,000 by year end. He stated that to fund the reserves at 100%, a funding level of $999,532 would be required, but that the board was proposing a funding level of $367,235. He indicated that the Association realized gross income of $75,000 during 2012 and $66,300 as of September 30, 2013 from the new laundry equipment.

Mr. Rasmussen reported that the Association appointed an insurance committee to look at brokers for the purpose of choosing one broker to handle all the Association's insurance needs. He stated that the broker would probably be chosen the following week.

He then reported that delinquent accounts had decreased to $48,000 from $188,000 in the prior year, but that $123,000 of that amount was Treehouse LLC, which was written off to comply with the bankruptcy agreement. He stated that Treehouse is currently paying its fees on time. 23

units had sold during 2013, but prices were still low. The Association acquired unit 2035 through foreclosure and would be listing it with a realtor the following week.

In the absence of the Association treasurer, Carol Post then gave a report on the Association's financial condition as of the year ending September 30, 2013, and the Association's auditor, Andrea Doane, gave a report on the 2012 audit, both of which are attached to these minutes of the annual meeting.

Mr. Rasmussen then presented the reserve budget. He indicated that the board was proposing a funding level of $367,235 for 2014. Murray Miller then moved and Doug Turner seconded a motion to waive 100-percent funding of the reserve requirements for the fiscal year 2014 in favor of a funding level of $367,235 proposed by the Board of Directors. The motion passed, with 643 in favor and 10 opposed.

Faye Sadler moved and Dan Rieth seconded a motion to postpone the Association's audit for year 2013 from May 1 to August 1, 2014. The motion passed, with 648 in favor and 6 opposed.

Doug Turner moved and Faye Sadler seconded a motion to defer excess membership income to subsequent years in accordance with Internal Revenue Ruling 70-604. The motion passed, with 644 in favor and 6 opposed.

The next item on the agenda was amending number 5 of the Rules and Regulations regarding loud music to replace the words "a phonograph" with "an audio player." Joyce Brown moved and Doug Turner seconded a motion to amend the wording as stated. A discussion ensued wherein Joyce Brown asked if there was anything the Association could do about cars coming onto the property playing loud music. Drew Smith, the Association attorney, explained that the State statute became unenforceable, that the Supreme Court struck it down. Craig Foster stated that if the Association had security, the problem could be addressed. John Rasmussen said that if the Association received numerous complaints for a particular driver or resident, it would take action. Joyce Brown stated that the Sheriff's office indicated they are regularly patrolling the property. Glenn Norton asked the owners if they are willing to pay extra for security, and Dan Rieth stated that if Westgate wasn't willing to pay, it would be a moot point. John Rasmussen stated that the board could look at the issue again, that it would require a special assessment for 2014 since the budget was already set. Alan Conkey suggested keeping everything gated at night except the main entrance and posting a guard. Craig Foster again stressed the need for security, stating that Grenelefe has had 4 burglaries, 6 thefts and 1 assault in the past year. Faye Sadler complained about excessively loud music at the bar on Friday and Saturday night, and Drew Smith advised going to the County, that there should be a noise ordinance. A vote was then taken and the motion passed, with 641 voting in favor and 3 opposed.

The next item on the agenda was amending number 6 of the Rules and Regulations regarding trash disposal. Dan Rieth moved and Joyce Brown seconded a motion to delete the words "in each apartment building." The motion passed, with 629 voting in favor and 2 opposed.

The next item on the agenda was amending number 7 of the Rules and Regulations regarding grills. George Norton moved and Rich Leiter seconded a motion to amend the rule to allow grilling 10 feet from the overhang of any building, in compliance with the fire codes. Dan Rieth asked if the ordinance applied to electric grills, and Chris Gourdie stated that it does. Joyce Brown asked what happened with the idea of putting in areas to grill. John Rasmussen stated that there would be a cost, and Chris Gourdie mentioned that extra staff hours would be required to keep the trash picked up and to ensure that the grills were off. Rich Leiter pointed out that allowing grilling 10 feet from the buildings eliminates owners with upstairs units. Chris Gourdie stated that the new rule would be easier to enforce, because it offers an option, and Carl Bauer pointed out that it has been endorsed by the board and management. Glenn Norton stated that it makes sense for the Association's rules to mirror fire codes. A vote was then taken and the motion passed, with 626 voting in favor and 21 opposed.

The next item on the agenda was amending rule number 12 of the Rules and Regulations regarding entry on roofs. Faye Sadler moved and Doug Turner seconded a motion to delete the word "employee" and the sentence, "Entry upon the roof is permitted for the purpose of repairing or servicing the air conditioning and heating units." The motion passed with 644 voting in favor and 5 voting against.

The next item on the agenda was adding rule number 17 to the Rules and Regulations regarding items prohibited on back patios and decks. Joyce Brown moved and Craig Foster seconded a motion to add rule number 17 as presented. A discussion ensued wherein Craig Foster asked how the rule would be enforced. Drew Smith stated that the Association sends letters to the owner in violation, and if the violation is not corrected, the matter goes before arbitration. Carl Bauer explained that it is easier to force renters to comply than owners. Rich Leiter asked what is going to be the teeth of it, and Glenn Norton explained that once the rule is passed, they can talk about how the rule has been enforced next time. A vote was then taken and the motion passed, with 635 voting in favor and 5 opposed.

The next item on the agenda was adding rule number 18 to the Rules and Regulations regarding items not to be put into the sewer lines. Faye Sadler moved and Joyce Brown seconded a motion to add rule number 18 as presented. The motion passed, with 638 voting in favor and 1 opposed.

The next item on the agenda was making a rule regarding signs, which was passed by the board in 1983 but not ratified by the membership, rule number 19 of the Rules and Regulations. Doug Turner moved and Joyce Brown seconded a motion to make the board-approved rule regarding signs number 19 of the Rules and Regulations. Faye Sadler asked for more explanation. Chris Gourdie said one type of sign prohibited would be "For Sale" signs. Chris Nicholson asked about a sign instructing UPS to not leave packages at the door, and Chris Gourdie gave an example of "Dog Inside" as a sign that would be allowed. He pointed out that the rule states no signs without Association approval. Craig Foster asked about the liability the Association would face in going into a unit to remove a sign. Drew Smith indicated there would be liability and the Association would have to decide whether it is necessary to exercise the right and whether the risk is appropriate. A vote was then taken and the motion passed, with 641 voting in favor and 9 opposed.

The next item on the agenda was amending the Declarations of Condominium, Section 5.1(i) regarding enclosure of porches and patios. George Norton moved and Rich Leiter seconded a motion to add the words "and acrylic or vinyl windows" after the words "enclose porches and patios with screens," and the words "Glass windows will not be allowed" at the end. Dan Rieth asked why glass was excluded, and Chris Gourdie explained it was too heavy for second-floor balconies. Dan Rieth asked if it would change the square footage of the unit, and Glenn Norton explained that it would not, since the area wouldn't be heated or cooled. Carl Bauer then informed the membership that Westgate would be voting against the motion for several reasons. He stated that although they would like to add the space, they were concerned that if the area was enclosed, people would place heavier items out there, which could be a problem on the second floor. He also felt that owners would be using different builders with different designs and the look would not be uniform. He was also concerned about maintenance of the rooms. Glenn Norton explained that the membership would have to have confidence that the Design Review Committee would not allow different designs. Dan Rieth asked if Westgate would support the change if an approved plan were in place. A vote was then taken and the motion was defeated, with 120 voting in favor and 520 opposed.

The next item on the agenda was amending the Declarations of Condominium, Sections 8 and 9, to allow insurance proceeds to be placed in a separately maintained bank account rather than a trust account, at the board's discretion. Glenn Norton moved and Doug Turner seconded a motion to amend sections 8 and 9 of the Declarations of Condominium as presented. The motion passed, with 646 voting in favor and 1 opposed.

The next item on the agenda was amending the Declarations of Condominium, Section 16, regarding placement of satellite dishes. Faye Sadler moved and Doug Turner seconded a motion to amend Section 16 of the Declarations of Condominium as presented. A discussion ensued wherein Dan Rieth stated that the rule would deny some residents access to satellite due to the orientation of the building. He stated that paragraph 3 of the FCC rules states that satellite dishes must be allowed. Drew Smith responded that according to the FCC rules, condominium associations must allow dishes to be installed in an owner's exclusive use area, but that associations may prohibit the installation of dishes on common element. Dan Rieth said that the rules also state that associations may allow the installation of one dish for multiple residents in a building and asked why the Association wouldn't consider that rather than the placement of individual dishes. A vote was then taken and the motion passed, with 631 voting in favor and 4 opposed.

The next item on the agenda was amending section 3.1 of the Amended and Restated Bylaws to state a specific number of directors. Doug Turner moved and George Norton seconded a motion to add the words "consisting of nine (9) members" after "managed by a Board of Directors," and delete the remainder of the sentence. The motion passed, with 645 voting in favor and 0 opposed.

The next item on the agenda was discussion of roads. Carl Bauer stated that Westgate is paying for patching. He indicated that they pay half of the bills and feel that the roads should be maintained in the same fashion. Rich Leiter stated that Westgate gets the income from the golf courses and the Association doesn't get half of that, and Mr. Bauer responded that the Association has ingress and egress. Dan Rieth stated that more people are deciding to not live at Grenelefe or not renew their golf memberships because of the condition of the roads and the lack of maintenance, which hurts Westgate. Chris Nicholson expressed concern over people flying through the parking areas trying to avoid driving on the roads. Carl Bauer stated that Westgate is not opposed to repairing the roads; they just feel they shouldn't have to pay the entire cost. John Rasmussen indicated that a meeting was scheduled for the following week between the Association and Westgate to discuss repair of the roads. Glenn Norton explained that the Association had gotten a quote a couple of years ago, and based on that quote, the cost would possibly be in the $400,000 range. At the time Westgate wasn't interested because they had a possible buyer for the property, but Mr. Norton felt their attitude may have changed.

Some maintenance issues were brought up then, including the lack of lighting at the four-corner stop sign and the main entrance on Kokomo. Rich Leiter asked if there is any rule holding upper level owners responsible if they leave their water on when the unit is vacant and there is a leak. Mr. Gourdie responded that although the insurance companies have always had the option to subrogate, the Association can now force a negligent owner to pay its deductible. Ellie Rieth indicated that a lot of the streetlight globes are very dirty, and Mr. Gourdie stated that some belong to Westgate and some to the Association.

At 11:10 a.m., Doug Turner moved and George Norton seconded a motion, which was passed unanimously, to adjourn the meeting.

Respectfully submitted,

Carol Post

Carol Post
Secretary