

GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS NO. 1, INC.

Minutes of the Annual Meeting

November 3, 2018

John Rasmussen, president of the Association, called the meeting to order at 8:40 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. Randy Kuhl moved and Jill Monari 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. Randy Kuhl moved and Jeanne Dannemiller seconded a motion, which was passed unanimously, to dispense with the reading of last year's annual meeting minutes. Randy Kuhl moved and Earl Monari 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 three candidates for four open positions on the board, so an election wouldn't be necessary. He indicated that Carl Bauer, Bryon Smith and John Rasmussen 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 moved on to the president's report. He reported that a lot of improvements have been made around the property. Since there have been no hurricanes this year, the landscaping department has been able to accomplish a lot. He reported that trash compactors will be installed on the 15th, which should help with the mess at the trash areas. Mr. Gourdie stated that Association staff will monitor the areas, pressure washing them to keep them as clean as possible.

Continuing his report, Mr. Rasmussen stated that the budget committee reviewed the budget again this year and made a recommendation to the board, though not unanimous. He stated that the fees are going up this year, the first increase in nine years, with an increase of \$8 per quarter on B units and \$38 on lakelofts. He stated that the Association has run into issues with the lakelofts sagging toward the outside and had tried to impose an assessment, but it didn't pass. Association staff is doing the maintenance needed to keep them in safe condition.

Mr. Rasmussen reported that the reserve funds are expected to increase by almost \$200,000 by the end of the year. He stated that the board is proposing a funding level of \$414,250 in lieu of funding at 100%. The Association has taken in approximately \$88,000 so far this year in laundry income. Amounts owed on units in attorney collection total about \$21,000. There were 16 sales so far this year, ranging in price from \$35,000 to \$95,000.

John “Randy” Kuhl then gave a report on the Association’s financial condition as of the year ending September 30, 2018, which is attached and made a part of these minutes of the annual meeting.

The Association’s auditor, Andrea Doane, then gave a report on the 2017 audit, which is made a part of the treasurer’s report and attached to these minutes of the annual meeting. She stated that there were no significant findings.

Mr. Rasmussen then stated that the board had already approved a total operating and reserve budget in the amount of \$2,554,743. He explained that, unless otherwise approved by the membership, the reserves must be funded at 100%, which would result in higher fees. Randy Kuhl moved and Rich Leiter seconded a motion to waive 100-percent funding of the reserve requirements for the fiscal year 2019 in favor of a funding level of \$414,250 proposed by the Board of Directors. The motion passed, with 581 in favor and 9 opposed.

Randy Kuhl moved and Earl Monari seconded a motion to postpone the Association’s audit for year 2019 from May 1 to August 1, 2019. The motion passed, with 594 in favor and 0 opposed.

Randy Kuhl moved and Rich Leiter seconded a motion to defer excess membership income to subsequent years in accordance with Internal Revenue Ruling 70-604. The motion passed, with 590 in favor and 0 opposed.

The meeting was then open for owner comments. Bonnie Bergeron began by stating that the landscaping looks lovely and the laundry room area looks much better, and she wanted to express her thanks to Association management and staff.

Charles Irwin also stated that Chris Gourdie and his staff do a great job. Mr. Irwin described an unwanted plant that grows everywhere, and when sprayed with chemicals, new growth grows over the old and creates a hedge of dead bush. He said it also takes over and prevents dead trees from falling and asked if it would be possible to have a tractor push back the dead material. He stated that he understands the Association’s limitations in the budget and manpower. Mr. Gourdie stated that the plant he was referring to is the kudzu vines and agreed that it might be a good idea to scalp everything back. He stated that he would look into helicopter-like choppers. He stated that the Association has never been able to do a lot of removal because half the year, there is standing water around the lakelofts.

Mr. Gourdie reported the good news that although the lakeloft floors were sagging toward the outside, Association personnel measured again, and there has been no drop in the past year. He stated that the lakeloft maintenance fees are going up to work toward increasing funds to start addressing those issues. He indicated that his staff couldn’t do the work, because it’s structural, and hiring contractors costs too much.

Mary Graham stated that there is a serious littering problem at her building, where residents empty their cars into the parking lot. She asked if the Association could install a sign that says, “Littering Prohibited.” Mr. Goudie stated that there was a problem like that on the west side, and the Association put up a deer camera to catch who was doing it. The Association also posts

notices on each of the doors. He stated that it's easier to stop tenants from breaking the rules than owners, that an owner can give a tenant a seven-day-to-cure notice, and if they don't comply, the owner can evict them. Mr. Rasmussen agreed, stating that in the case of an owner, the Association has to write a letter, then eventually turn it over to the lawyer, and it's a long, drawn-out process. Mr. Gourdie stated that when an owner sees someone breaking the rules, it's helpful if they will snap a picture and email it to the Association.

Earl Monari then pointed out that only 20-some people attended the annual meeting. He stated that there is a lot of apathy from owners, which was proven by the fact that no one ran for the board. He felt that everybody wants to make the property better and wanted to know if there was a way to get people more involved. He stated that Westgate has a new person managing the bar, that it will have standard hours, happy hour from two to five, and a new menu, which he felt was a step in the right direction for Westgate. He felt, though, that Westgate needed to work on its landscaping, that if more caring was shown by Westgate for the property, it would help the apathy of the owners.

Rich Leiter stated that he didn't know whether owners were absent from the meeting due to apathy and used Ellie Rieth as an example. He thanked Carl Bauer for being there and said that last year, he stated for the minutes that no one from Westgate showed up. He felt that apathy comes from the fact that many owners feel Westgate gives them no answers and no hope. He complimented the board on doing a fabulous job with the funds available. He pointed out the lack of maintenance on the conference center and said that people are buying at Grenelefe because of the low prices. Mr. Bauer stated that the equipment that was brought earlier in the week to repair the conference center is still there and repairs are going to be made. Mr. Leiter said that although conditions on the golf course are bad, the courses still have great tracks. He complained about a huge stump near the fairway for the fifth hole on the south course, stating that golf course maintenance asked Westgate to take out the stump when the temps were there for hurricane cleanup, and they were told "not now." Mr. Leiter asked Carl Bauer if there was anything positive he could report.

Mr. Bauer reported that the property had just been listed with a realtor, Newmark Knight Frank out of Houston, who specializes in this type of property, and he expects it to sell in 2019. He stated that Westgate had planned to make Grenelefe into a Villages type adult community until Civix began the process of purchasing the property, followed by Feltrim. In the meantime, Westgate focused on other things. He stated that Westgate has no intention of developing Grenelefe at this time.

Mike Lane agreed that the little changes, such as those at the lounge, help with enthusiasm of the owners. He said that when he saw guys working on the exterior of the conference center, he asked what they were doing and was told they were putting a new façade on the side of the building visible from the golf course. When Mr. Lane asked about the front, the worker didn't know what the plans were. Mr. Lane stated that if things at Grenelefe keep moving forward, it will help.

Mr. McKendrick stated that on Sundays there's a mixed golf event and afterwards, about 20 of the participants go out to dinner afterwards. He felt that if the option were available, they would

eat here at Grenelefe. He also asked if the annual meeting has to be held this early in the season, that a lot of owners who come down for the winter aren't here yet. Carol Post said one reason the meeting is held in November is because the owners have to approve the reserve funding levels, and the first quarter billing goes out the beginning of December. Mr. Rasmussen stated there's a little flexibility. Mr. McKendrick felt that even a week would help.

Mr. Rasmussen agreed that owners should get involved, that it's their opportunity to shape what happens at Grenelefe. He stated that the board represents the ownership and tries to decide what will make people happy, but that's hard to do without owner input.

Charles Irwin then pointed out some misperceptions about Grenelefe. He said it's not a resort, it's a community, and that when advertising lists amenities like championship courses, tennis courts, pro shops and restaurants, and those items aren't here, it looks bad. He suggested taking down the signs that list everything that Grenelefe is not, and just say it's a community.

Jane Schepman stated that if someone is not a golfer, it's difficult to get information, because a lot of it passes word of mouth. She said she wouldn't have known about the changes in the lounge if she hadn't come to the meeting. Pam McKendrick agreed that it would be good if the owners could build more camaraderie. She stated that she would be happy to help organize something to bring people together. She also encouraged the owners to join the homeowners association for \$35 annually, stating that it entitles owners to attend four parties per year, generally \$30 each, that include dinner and a dance.

Mr. Gourdie stated that the Association would put the information about the lounge in its newsletter, and Mike Lane said the new manager indicated she was going to post the hours and menu on each resident's door. Mr. Lane said the Association needs social activities to bring people together.

Regarding the advertising for Grenelefe, Jeanne Dannemiller stated that she cleans laundry rooms weekly and talks to a lot of renters who rented the property sight unseen, then found out the property isn't what was advertised in the brochures. She felt these old brochures need to be thrown out and the advertising changed to say what it really is, a community.

Edward Elsea stated that there is a men's golf league at Grenelefe, and although one used to have to have a golf membership in order to join, people can now join at a cost of \$130 per year. He said that is how he has gotten to know 60 or 70 people. He said the ladies also have a group and recommended that owners join these groups to get to know more people.

Richard Leiter asked about the Association having a director on the board who is no longer an owner. John Rasmussen stated there is nothing in the Association documents to prevent a non-owner from being a board member. He said Glenn Norton was up for election this year, and although he didn't run for reelection, since there were only three submissions for the four positions, he remains on the board until there is someone to replace him or he resigns. Randy Kuhl stated that when most organizations have their annual meeting, the nominating committee nominates people but there are also nominations from the floor. The State of Florida has changed that process for condominiums in Florida, and there is a requirement that in order to be

considered for the board in the upcoming term, one has to submit a statement stating so. Since the Association only received three of those for the four open positions, there is no election and the board continues as is. He stated that if an owner has an interest in being a board member, the board encourages that. There is a lack of interest of people wanting to be on the board. He stated that if someone has an interest, to let the board know, because it can appoint a director if there is a vacancy.

Jane Schepman asked if the Association can, in its newsletter before the election next year, state the requirements of board members. She stated she has no idea what is involved, how many meetings there are, how many times she would have to come to Florida, etc. Chris Gourdie said he can do that.

Rich Leiter asked how the documents can be changed to state that as soon as a director is no longer an owner, he has to resign from the board. Drew Smith stated that it would require a two-thirds vote of all the owners.

Mr. Leiter then asked what is the status of the volunteers clearing the natural areas. Mr. Rasmussen stated that the Association had a naturalist come in from the State of Florida, who offered ideas. All work had been stopped until the board came up with a plan. Mr. Gourdie put together a plan, and at the November meeting, the board chose two areas at the entrance to the golf course on both sides of the road and also decided to go back to the areas the volunteers had already done and clean those up.

Randy Kuhl added that there were so many areas that had not been touched that the Association's small work force cannot handle. So he brought the issue to the board three or four years ago, stating that there might be some people interested in helping to manage those areas. They began by taking out the Brazilian pepper trees and working their way through some of these areas. The board then decided that there needed to be an overall management plan. To clear and maintain all of the areas would require a huge work force on the Association payroll, so the board decided, utilizing the information received from the state forester and the naturalist, to clean up the areas the volunteers had done previously and to clear the two areas near the entrance of the golf course, since the growth impedes a clear view of traffic. The plan is to take the issue to the whole community when those areas are completed and let the members decide whether to continue, add people to the work force, etc. He stated that the volunteers are not clear-cutting, that Association management is deciding what needs to be removed. He also stated that none of the areas sit right next to a building and intrude on people's privacy, that everything is intended to be safety oriented and aesthetically pleasing. Rich Leiter asked what the Association has done for injuries, and Mr. Kuhl said there is a liability form the volunteers sign that excludes the Association from liability.

Mike Lane stated that he has met a lot of great people during his time working with the volunteers and they've developed a lot of camaraderie, but it's disheartening when the volunteers put a lot of energy and time into the project and so much of what they've cleared has grown back. He stated that coming in the main entrance, down Camelot to Tennis Way, that those areas were cleared sometime back, ground cover plants are coming back in and although it probably wasn't initially, it's easy to maintain those areas at this point. He reiterated that if the property

looks nice, people will care, and that anything that can be done to keep moving forward is positive.

Mr. Rasmussen stated that some people weren't happy with what was being done and that it needed to be a community decision, with a plan somewhere in the middle. He felt that was accomplished at the November meeting. The board doesn't want to create a lot of new maintenance areas, which increases costs. The plan is to go with low maintenance native plants that don't need irrigation and when that is accomplished, to take the issue to the owners.

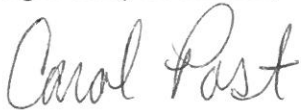
Mr. Gourdie stated that the issue of the weeds and vines growing back in is going to be taken care of. He stated that he has been challenged by the board to plant something in those areas that will look nice and not become overwhelmed with weeds and vines. Then the membership can decide how to proceed.

Mary Graham then asked if there was any way to get a stronger ground light on the big Grenelefe sign coming onto Kokomo Road from 544. Carl Bauer questioned whether they might be able to get the county to put up a streetlight there.

Rich Leiter said that Randy Kuhl has done a great job of putting together and managing the volunteer group. Jill Monari praised the Association management and staff for making the property look as good as it does with so little money.

At 10:27 a.m., Earl Monari moved and Carl Bauer seconded a motion, which was passed unanimously, to adjourn the meeting.

Respectfully submitted,

A handwritten signature in cursive script that reads "Carol Post".

Carol Post
Secretary