

GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS NO. 1, INC.

Minutes of the Meeting of the Board of Directors

(via teleconference)

August 19, 2011

John Rasmussen called the meeting to order at 11:03 a.m. on the date above noted via teleconference, as was specified in the notice of meeting.

Those present were:

John Rasmussen, President
Shirley Gold, Vice-President
Joyce Brown, Second Vice-President
Robert Krueger, Treasurer
Bryon Smith, Secretary

Earl Monari, Director
Richard Moore, Director
Joyce Morris, Director
Andrew Smith, Association Attorney
Carol Post, Asst. General Manager

Carl Bauer was 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 purpose of the meeting was to vote on the settlement agreement between the Association and Treehouse LLC, which was drafted at the August 15 mediation.

The president asked for a motion and a second to adopt the agreement presented so discussion could ensue. Robert Krueger moved to adopt the agreement as presented. Joyce Brown seconded the motion, but with questions. Mr. Krueger then asked the Association attorney, Drew Smith, to explain the agreement and how the Association could benefit from the settlement. Mr. Smith explained the terms of the agreement and stated that the Association would get paid back everything it is owed except attorneys fees, court costs and travel costs and would only be giving Treehouse time. He explained that the other option would be to proceed with foreclosure. Shirley Gold asked if all the units had mortgages, and Mr. Smith indicated that there was one mortgage, and each unit was rolled into that one mortgage. He stated that there are individual liens on each unit and that each unit would have to be paid off before its lien was released.

Mr. Krueger asked if any interest would accrue going forward until they were paid off, and Mr. Smith said, no, it was basically an interest-free loan. He indicated that, in the negotiations with Treehouse, this was the best deal the Association could get, and that it was a better option than the Association foreclosing on Treehouse's units.

Mr. Smith explained that, under the terms of the agreement, if Treehouse does not pay by the 1st, the Association is to fax a notice on the 2nd, and on the 12th Treehouse will be in default and the Association can proceed with foreclosure at that time and resume collecting rents.

Joyce Morris suggested that instead of Treehouse collecting the rents and paying the Association the current fees plus \$3,000 per month, that the Association continue collecting the rents and Treehouse pay the difference. Mr. Moore asked what the Association would be gaining by accepting the agreement, and Mr. Smith explained that the Association would be receiving more per

month and that under the current arrangement, not all the units are rented and that Treehouse could stop renting them at any point.

Richard Moore asked why the Association would want to foreclose if it is getting over \$5,000 per month in rents and expressed the opinion that the Association should continue to collect rents as it is currently doing. John Rasmussen, however, stated that the Association couldn't let an owner continue to not pay and the Association not foreclose. Shirley Gold recommended seeing if the Association could amend the agreement to allow the Association to collect the September rent, since the \$3,000 payments are not to begin until October. Mr. Smith felt that Treehouse needed the September rent to make the first payment, and Mr. Rasmussen indicated that Treehouse hinted that if the Association did not accept the agreement, they were going to walk away from the mortgage.

Mr. Moore indicated that he needed to leave the meeting and asked if the vote could be taken. Joyce Brown stated that the only thing holding her vote was whether the Association could collect the September rent, and Shirley Gold agreed.

A vote was then taken, with Robert Krueger, Earl Monari and John Rasmussen voting in favor of accepting the agreement as presented and Shirley Gold, Joyce Brown, Richard Moore, Bryon Smith, and Joyce Morris voting against.

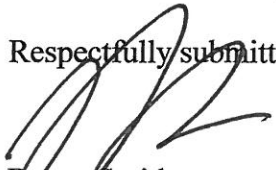
Richard Moore then left the meeting, and the discussion continued. Shirley Gold expressed concern that if Treehouse is so short on funds that it needs the September rent to make the October payment, that it would have trouble making the future payments. Mr. Smith explained if that happened, the Association would resume foreclosure proceedings and collecting rent.

Mr. Rasmussen reiterated that without this agreement, Treehouse is walking away, and Mr. Krueger expressed his opinion that the Association should accept the agreement and take a chance on collecting the quarterly fees. Mr. Rasmussen stated that if Treehouse defaults, it places the Association back in the situation it is in currently.

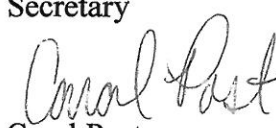
Joyce Brown then indicated that she would like to change her vote and moved to reconsider the agreement as proposed. Robert Krueger seconded the motion. The board members then realized that there was no response from Joyce Morris and Bryon Smith. Penny Dillon in the Association office phoned Bryon Smith and Joyce Morris, who indicated that they were abstaining from the vote. The vote was then taken with Shirley Gold, Joyce Brown, Robert Krueger, Earl Monari, and John Rasmussen voting yes.

At 11:50 a.m., Shirley Gold moved and Joyce Brown seconded a motion to adjourn.

Respectfully submitted,



Bryon Smith
Secretary



Carol Post
Secretary Pro Tem

GRENELEFE ASSOCIATION OF
CONDOMINIUM OWNERS NO. 1, INC., a Florida
not for profit corporation,

CASE NO.: 2009-CA-12765-LK

Plaintiff,

vs.

TREE HOUSE, LLC, and all unknown heirs,
devisees, grantees, unknown tenants, and all unknown
or unrecorded interests which may exist,

Defendants.

SETTLEMENT AGREEMENT

The parties agree as follows:

1) TREE HOUSE, LLC ("Treehouse") shall
pay all quarterly assessments commenc-
ing on 10/1/2011 for all units owned
by Treehouse

2) Treehouse shall pay Greenlefe
Association ("Greenlefe") the sum
of \$117,000⁰⁰ for all sums claimed
by Greenlefe through Sept. 30, 2011.
This sum shall be paid ~~commencing~~
on the 1st day of October for
39 months at the rate of \$3000⁰⁰
per month.

3) Treehouse shall be in default
if payment of ^{either} the quarterly assessment
or monthly payment is not ~~received~~ received
within 10 days of receipt of written

notice by Treehouse of default. ~~Written~~ notice shall be made by ~~fax~~ fax to 866-657-1655 or certified mail to 116 Polo Park East Blvd, Davenport, FL 33897.

Dated August 15, 2011.

~~Garrett Kenny~~
Garrett Kenny,
Managing member of
Treehouse

~~John Rasmussen~~
John Rasmussen,
Pres. for "Grenelefe"

Chris Cathcart,
Chris Cathcart, Esq.

D. Andrew Smith,
D. Andrew Smith, Esq.

4) Tree house is entitled to collect September rents from its tenants and all rents thereafter. Grenelefe shall notify the tenants in writing that all future rents shall be paid to Treehouse until further notice. If any payments are mistakenly made to Grenelefe they shall be endorsed to Treehouse.

5) ~~Upon~~ In the event of Default by Treehouse, Grenelefe shall be entitled to entry of Final Judgment of Foreclosure in the amount of \$126,885 or less payments made. Further, Grenelefe shall be entitled to notify tenants to

h/h
1/15

pay rent directly to Grenelefe pursuant to Chapter 718, F.S.

6) The monthly payments shall be applied ^{first} to the ~~outstanding balance~~ Treehouse units with the lowest outstanding balance. (See Exhibit "A"). Upon payment in full of any outstanding balance, Grenelefe shall provide a lien release and release of lis pendens.

7) The parties agree to abate this action until the Settlement Agreement is fully performed at which time there will be a dismissal with prejudice.

8) This settlement is subject to approval by the Grenelefe Board of Directors. If not approved, it shall have no effect.