

GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS NO. 1, INC.
Minutes of the Meeting of the Board of Directors
February 2, 2012

John Rasmussen called the meeting to order at 1:00 p.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)
Earl Monari, Vice-President (via phone)	Glenn Norton, Director
Robert Krueger, Treasurer	Chris Gourdie, General Manager
Carl Bauer, Director	Carol Post, Assistant General Manager
John "Randy" Kuhl, Director	

Bryon Smith and Richard Moore were 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.

Under provisions for owner comments, no owners expressed an interest to address the board.

The minutes of the November 3, 2011 board meeting were then presented to the board. There being no corrections to the minutes, the president stated that the minutes of the November 3, 2011 meeting stand approved as submitted. The minutes of the November 5, 2011 organizational meeting were then presented to the board. There being no corrections to the minutes, the president stated that the minutes of the November 5, 2011 meeting stand approved as submitted. The minutes of the December 5, 2011 board meeting were then presented to the board. There being no corrections to the minutes, the president stated that the minutes of the December 5, 2011 meeting stand approved as submitted. The minutes of the December 8, 2011 board meeting were then presented to the board. There being no corrections to the minutes, the president stated that the minutes of the December 8, 2011 meeting stand approved as submitted.

Robert Krueger 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. Mr. Krueger stated that the Association ended November a surplus of \$34,427 for the month and a surplus of \$88,329 for the year. Operating cash was \$449,824 and cash in reserves totaled \$551,134. Mr. Krueger reported that in December, the Association received approximately \$68,000 in proceeds from the Sports Shinko bankruptcy, funds which had not as yet been designated.

The next item on the agenda was the general manager's report. Mr. Bauer suggested, in an effort to save time, since the report is provided to the directors in advance of the meeting, that Mr. Gourdie not review the report during the meetings. Mr. Gourdie indicated that he could skip the informational items and just cover items that required board discussion.

Carol Post then gave a report on accounts in attorney collection, as well as several accounts that had recently completed the foreclosure process, which resulted in writing off uncollectible amounts totaling \$31,080.43. Since the November board meeting, the Association received full payment on three delinquent accounts in the total amount of \$32,335.93. Ms. Post also reported that the bank was backing out of the deal previously agreed upon at the December 5 board meeting and is instead taking back both Wise units on deed in lieu of foreclosure. Ms. Post also indicated that as of January 26, \$199,862.38 in delinquent fees was currently in attorney collection, \$120,584.96 of which is owed by Tree House, LLC. Tree House defaulted on the payment agreement and the Association began collecting their rents on January 1.

Mr. Gourdie then presented a proposal for installation of a self-serve car wash. He presented the board with specs and costs and indicated that the equipment would pay for itself in a little over three years. Carl Bauer agreed that a self-serve car wash would be a nice amenity but asked about the possibility of setting up the space and leasing it to someone. He offered to look into that option, and Mr. Rasmussen stated that the board could revisit the issue at the June board meeting.

The next item on the agenda was appointment of a director to fill the vacancy on the board. Carl Bauer asked if the board has the authority to appoint someone, and Mr. Rasmussen stated that it does. Mr. Rasmussen indicated that Glenn Norton had expressed a desire to be considered for the position. Mr. Norton's letter and bio sheet had been forwarded to the board previously. Randy Kuhl moved and Carl Bauer seconded a motion, which was approved unanimously, to appoint Glenn Norton to fill the vacancy, with a term to expire at the November 2012 annual meeting.

The next item on the agenda was setting of staggered director terms. A discussion ensued regarding how the board should designate which members serve which terms. Carl Bauer moved and Robert Krueger seconded a motion to stagger the terms such that the current officers, John Rasmussen, Earl Monari, Robert Krueger, and Bryon Smith have two-year terms, and the other five directors serve a one-year term. Glenn Norton indicated that since the membership voted each director in for a one-year term, the membership needs to elect directors to two-year terms. Randy Kuhl stated that the membership approved the concept of two-year terms but didn't elect specific persons to two-year terms and suggested that the board vote to designate four two-year terms and five one-year terms, or vice versa, with the matter of which directors fill those terms to be voted on by the membership.

Robert Krueger then withdrew his second and Carl Bauer withdrew his motion. Then Carl Bauer moved that, in order to facilitate the staggered terms that the membership agreed to at the last annual meeting, at the election in 2012 the directors with the most votes serve two-year terms and the next five serve one-year terms, and if there are only nine candidates and no election, that the two-year terms go to the officers elected at the organizational meeting. A discussion ensued wherein Mr. Norton suggested that the Association notify the membership that there will be five two-year terms and four one-year terms and candidates specify which they are running for. Randy Kuhl moved and Mr. Norton seconded a motion to amend Mr. Bauer's motion. Mr. Bauer then withdrew his motion. Randy Kuhl moved and Glenn Norton seconded a motion,

which was approved unanimously, that effective at the November 2012 election, the board establish five two-year terms and four one-year terms.

The next item on the agenda was approval of destruction of old records. Mr. Gourdie provided the board with a list of proposed records to be destroyed. Carl Bauer asked if employment applications only needed to be retained for one year, and Glenn Norton suggested that Mr. Gourdie double check the retention requirement, that it might be three years. Randy Kuhl moved and Carl Bauer seconded a motion, which was approved unanimously, to destroy all the records on the list with the exception of number 18, employment applications through 2010.

The next item on the agenda was the audit engagement letter. Robert Krueger moved and Carl Bauer seconded a motion, which was approved unanimously, to re-engage the Doane CPA Firm.

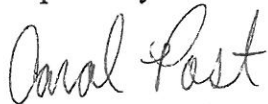
The next item on the agenda was discussion of insurance renewals. Carol Post indicated that the Association's property and liability insurance will renew on March 1 and that McGriff, Seibels and Williams was currently working on obtaining quotes but did not yet have anything to present.

The last item on the agenda was condition of the roads. Mr. Bauer indicated that he had spoken with Mark Waltrip about Westgate donating the roads to the Association, and that Mr. Waltrip seemed interested in entertaining a proposal. A discussion ensued regarding participation of the other associations, and Randy Kuhl asked whether Westgate would offer any incentives for the Association to take over the roads, due to the high liability. Mr. Bauer instructed Joyce Morris to set up a meeting between Mr. Waltrip and a small committee from the Association to discuss potential deeding of the roads at Grenelefe.

Robert Krueger then stated that the Design Review Committee was short one member and asked if any board members would be interested in serving in that capacity. Glenn Norton indicated that he would be happy to help out.

At 3:00 p.m., Randy Kuhl moved and Glenn Norton seconded a motion to adjourn, which was approved unanimously.

Respectfully submitted,



Carol Post
Secretary Pro Tem