

GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS NO. 1, INC.
Minutes of the Meeting of the Board of Directors
June 7, 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
Earl Monari, Vice-President (via phone)
Robert Krueger, Treasurer
Bryon Smith, Secretary
Carl Bauer, Director

John "Randy" Kuhl, Director (via phone)
Joyce Morris, Director (via phone)
Glenn Norton, Director
Chris Gourdie, General Manager
Carol Post, Assistant General Manager

Richard Moore 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.

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

The minutes of the February 2, 2012 board meeting were then presented to the board. There being no corrections to the minutes, the president stated that the minutes of the February 2, 2012 meeting stand approved as submitted. The minutes of the February 27, 2012 board meeting were then presented to the board. There being no corrections to the minutes, the president stated that the minutes of the February 27, 2012 board 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 April with a shortage of \$8,338 of income to expenses for the month but a surplus of \$33,495 for the year. Operating cash was \$798,407 and cash in reserves totaled \$620,033. Mr. Krueger reported that reserve cash had increased by \$86,225 for the first four months of the year, but that the Association will be doing approximately \$80,000 worth of paving during June.

Since the general manager's report is always provided to the board in advance, Mr. Gourdie did not review the report at the meeting. He did, however, indicate that eliminating the third grounds spraying last year created a bigger problem with weeds this year.

The next item on the agenda was appointment of a budget committee. It was decided that as treasurer, Mr. Krueger would chair the committee. Mr. Krueger then appointed Earl Monari and Carl Bauer to serve on the committee. He indicated that Glenn Norton volunteered to serve, but that he would keep him in mind if one of the other members is unable to serve in the future. A discussion then ensued regarding preparation of the budget. Mr. Gourdie asked the board to state

what it was looking for in terms of a budget. Mr. Bauer stated he did not want to see the fees increase, and Mr. Rasmussen indicated he did not want to decrease reserve funding. Mr. Norton inquired about the possibility of returning the employees to 40-hour weeks and stated he didn't want to see the employees making up the reserve funds. Robert Krueger then asked Mr. Gourdie how Association staff was keeping up with the work load with the reduced hours. Mr. Gourdie explained that in some areas it is working and some not. He indicated that while the work load in the building department has decreased due to fewer buildings to PM, the work load in both the grounds and A/C departments is the same. Thus, the A/C department has fallen behind on preventative maintenance, and while the grounds department is getting the lawns cut and hitting the 80 percent that matters most, there are a lot of extras that the crew no longer has the time to do. Earl Monari advised that the committee not lose track of where they were headed last year and Glenn Norton recommended that the committee consider the fact that the HVAC department is behind when setting the HVAC budget.

The next item on the agenda was the car wash. Mr. Gourdie indicated that Davis Air-Vac and Carwash would charge \$500 to install a vacuum and water wand, and the Association would provide water, electric and a cement slab, which would cost another approximately \$4,000. Carl Bauer asked about insurance considerations, and Mr. Gourdie indicated that Davis carries the insurance. Mr. Bauer advised making sure the Association received some guarantee that Davis would indemnify the Association and hold it harmless from all claims. John Rasmussen questioned whether the Association had \$5,000 to spend. Glenn Norton moved and Earl Monari seconded a motion, which was approved unanimously, to table the car wash idea at least until the budget committee has had an opportunity to meet.

The next item on the agenda was consideration of a quote for a professional reserve study. Robert Krueger indicated that he felt the Association was wasting time and money having a reserve study done until it got further along on rebuilding its reserve accounts. Mr. Rasmussen indicated that while the Association is trying to get its reserves to where they should be, it would be helpful to know what that amount is. Robert Krueger moved and Carl Bauer seconded a motion, which was approved unanimously, to table the reserve study until such time as the board deems appropriate.

The next item on the agenda was discussion of units the Association has recently acquired through foreclosure. A discussion was held regarding the Association trading newly acquired units 418 and 419 Cypress Drive for units 912 and 913 Tennis Way, units currently owned by Westgate but used for the Association's offices. Glenn Norton moved and Earl Monari seconded a motion, which was approved unanimously, to approve trading 418 and 419 Cypress Drive for the Association's existing office space.

The board then discussed newly acquired unit 4137 Abbey Court. Mr. Rasmussen recommended having a realtor suggest a sales price. Carl Bauer moved and Randy Kuhl seconded a motion, which was approved unanimously, to engage one or more realtors to give suggestions for the sale of unit 4137 Abbey Court.

The next item on the agenda was the Feltrim Bankruptcy. Mr. Gourdie indicated that the Association had received Treehouse's reorganization plan, which stipulated that the Association

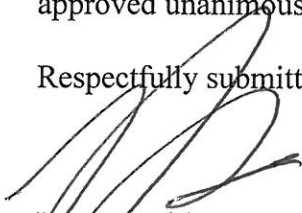
would receive approximately 3.5 percent of the delinquent fees. The Association attorney has advised voting no. With the bank's vote, it wouldn't go our way, but the Association would be on record as not being in support of the plan. Mr. Gourdie also indicated that Treehouse was likely not going to go after the rents that the Association collected in the 90 days preceding its bankruptcy filing if the Association would agree to Treehouse's valuation of its 19 units. Glenn Norton suggested voting against the plan and recommended that the Association ask its lawyer to make sure nothing in the reorganization plan affects Treehouse's future obligations to the Association. He also suggested asking the lawyer what happens if Treehouse doesn't keep up its current obligations. Carl Bauer moved and Glenn Norton seconded a motion, which was approved unanimously, to follow the advice of the Association attorney and reject the plan.

The next item on the agenda was discussion of the Association's insurance renewals. Carol Post indicated that both the auto and the directors and officer's policies had renewed May 1, with almost no increase in the directors and officers and an increase of \$367 in the auto, from \$2,332 for 2011/2012 to \$2,699 for 2012/2013.

The last item on the agenda was the condition of the roads. John Rasmussen indicated that he and Chris Gourdie met with Mark Waltrip, who said Westgate was not putting any money into the roads. Glenn Norton inquired about the Association taking over the roads, and Mr. Rasmussen indicated that Mr. Waltrip said no, that by the end of the year Westgate would no longer own the property.

At 2:30 p.m., Glenn Norton moved and Carl Bauer seconded a motion to adjourn, which was approved unanimously.

Respectfully submitted,



Bryon Smith
Secretary