

GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS NO. 1, INC.
Minutes of the Meeting of the Board of Directors
September 6, 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
Robert Krueger, Treasurer	Glenn Norton, Director
Bryon Smith, Secretary	Chris Gourdie, General Manager
Carl Bauer, Director	Carol Post, Assistant General Manager
John "Randy" Kuhl, Director (via phone)	

Earl Monari 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, Carol Post indicated that Virginia Posigian of unit 5047 had met her in the parking lot prior to the meeting and asked that Carol read her comments to the board since she had to leave for a doctor's appointment. Ms. Posigian also handed Carol a page of the landscaping budget with notes from owner Barbara Wise of unit 5057. Mrs. Posigian's concerns were: two dogs running loose, landscape detailing not happening as quickly as scheduled, problems with the irrigation system, some people with criminal pasts living at Grenelefe, and gossiping among its residents. Ms. Wise expressed concern over the condition of the landscaping, raising questions such as where the amounts budgeted for irrigation and landscape chemicals were going, and placement of satellite dishes. Chris Gourdie indicated that he would respond in writing to these two owners.

Ms. Post also raised the question of how it would be determined which directors elected at the 2012 annual meeting would serve one-year terms and which would serve two-year terms, and if she needed to do anything different with the ballots. Based on discussions at the February board meeting, it was decided that the current officers (with the exception of Earl Monari who is not planning to run), Glenn Norton and Carl Bauer would run for two-year terms and the other three CFI directors and Randy Kuhl would run for one-year terms, with the term length being indicated in each of their letters of intent. It would then be noted on the ballot what term length each candidate is running for.

The minutes of the June 7, 2012 board meeting were then presented to the board. There being no corrections to the minutes, the president stated that the minutes of the June 7, 2012 meeting stand approved as submitted. The minutes of the June 18, 2012 board meeting were then presented to the board. There being no corrections to the minutes, the president stated that the minutes of the June 18, 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 July with a surplus of \$6,469 of income to expenses for the month and a surplus of \$53,660 for the year. Operating cash was \$740,434 and cash in reserves totaled \$610,474. Mr. Krueger reported that during July the Association paid out \$83,858 for repaving the Pine Court, Tennis Way and Sherwood Lane parking areas, but that the reserve funds were still up \$61,727 since the beginning of the year.

Mr. Gourdie reviewed some highlights of the General Manager's Report and stated that although the carpenters are tackling the worst buildings first, they are still on schedule for completing 12 buildings this year. He indicated that the department has a new manager, promoted from within, who is doing a fabulous job. In grounds, Mr. Gourdie stated that the department has been struggling to keep up with the weeding and other tasks on the reduced hours, but he is expecting next year to be better.

The next item on the agenda was the termite contract. Mr. Gourdie explained that the Association had the property treated with Termidor for subterranean termites and the 5-year contract has now expired. He indicated that the contractor would renew the contract at a cost of \$7,800 per year but would not do so without a booster treatment at a cost of \$58,575. Mr. Gourdie explained that in talking with other termite contractors and doing research on Termidor, he learned that the product is almost 100 percent effective for up to 10 years. He provided the board with a copy of the company's 10-year pledge and an e-mail from the Association attorney stating that there is no specific requirement in Florida law requiring associations to have a termite bond or contract for termite protection. It was decided that the board would revisit the issue in 2015, which would be 9 years after the original treatment.

The next item on the agenda was the Smitherman/Pike payment agreement. Carol Post indicated that Mr. Pike has brought three of his four units current. He has stated that he will receive another large payment in January and will be able to pay off the last unit at that time. He has proposed paying \$200 per month for the next four months, beginning September 25, with the remainder of the balance to be paid no later than January 25. Mr. Rasmussen indicated that Mr. Pike usually runs a quarter behind and questioned whether he would be able to pay the fourth quarter fees due in October on the other three units if all he was able to pay on the delinquent one was \$200 per month. Randy Kuhl moved and Robert Krueger seconded a motion to accept the payment plan Mr. Pike offered on the condition that he agrees to, with that January payment, prepay the fees coming due April 1, 2013 on all four units. Mr. Bauer asked if accepting the plan would require the Association to start the foreclosure process over if Mr. Pike defaults, and Mr. Rasmussen said no, it would not. Mr. Kuhl indicated that the attorney could even schedule the foreclosure hearing for after January 26 and just cancel the hearing when payment is received. Mr. Kuhl then moved the question, and the motion was approved unanimously.

The next item on the agenda was disposition of the Hobbs unit. Mr. Gourdie indicated that two realtors had looked at the unit and recommended listing it between \$25,000 and \$28,000. Randy Kuhl moved and Robert Krueger seconded a motion to list unit 4137 in Multiple Listing at a price of \$27,000. Mr. Bauer asked how offers would be handled and Mr. Norton suggested that

the board set a minimum and allow the president to accept any offers at or above that amount. Mr. Kuhl stated that that figure shouldn't be public record and recommended going into closed session. A vote was taken, and the motion on the floor was approved unanimously. Mr. Norton then moved and Randy Kuhl seconded a motion to go into closed session to discuss real estate matters.

Carl Bauer moved and Randy Kuhl seconded a motion to open the meeting. Carl Bauer moved and Joyce Morris seconded a motion, which was approved unanimously, to allow John Rasmussen to accept offers on the unit subject to board approval.

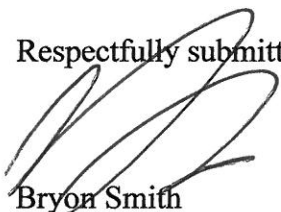
The next item on the agenda was condition of the roads. Mr. Bauer and Mr. Smith indicated that, although there have been some parties interested in Grenelefe, they didn't have any information on any sale. Mr. Rasmussen suggested putting it on the agenda to discuss at the annual meeting and have the Association attorney present the pros and cons of the Association taking ownership of the roads.

The last item on the agenda was the proposed operating budget for 2012 and recommended level of reserve funding. Mr. Krueger, chairman of the budget committee, reported that the budget committee met on August 21 and that it was a consensus of opinion that the general manager and assistant general manager had done a good job of putting together a streamlined budget and that there were no areas that needed to be streamlined further. He stated that it is the budget committee's recommendation that the board approve the budget as submitted and recommend to the membership the level of reserve funding shown in the proposed budget. Mr. Norton indicated that he was happy that the Association is able to keep the budget level but still bring the employees back up to 40-hour weeks. Mr. Norton moved and Randy Kuhl seconded a motion, which was approved unanimously, to approve the budget as presented.

Randy Kuhl stated he wanted to go on record as offering congratulatory appreciation to the treasurer for fiscal conservation in aviation travels.

At 2:45 p.m., Carl Bauer moved and Glenn Norton seconded a motion to adjourn, which was approved unanimously.

Respectfully submitted,



Bryon Smith
Secretary