GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS NO. 1, INC.
Minutes of the Meeting of the Board of Directors
November 7, 2013

John Rasmussen called the meeting to order at 1:15 p.m. on the date above noted at the location and time specified in the notice of meeting.

Those present were:

John Rasmussen, President
Glenn Norton, Vice-President
Carl Bauer, Director
John "Randy" Kuhl, Director
Joyce Morris, Director (via phone)
Chris Gourdie, General Manager
Carol Post, Assistant General Manager

Robert Krueger, Earl Monari, Richard Moore and Bryon Smith were absent.

The president called the meeting to order and 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, Rich Leiter stated that there are several elderly owners living on property and asked if there could be some kind of system put in place where the Association would know if someone passed away. Mr. Gourdie indicated that when Association personnel are made aware that someone is sick, several of the employees do stop by and check. He indicated that some of the employees have been stopping in to check on long-time resident Denham Ward, who passed away that morning.

Mr. Leiter then complimented management on the paving of Olde Camelot Circle, stating that, although the pool needs to be gotten rid of, the paving looks beautiful. He asked if there are any plans between the Association and Westgate to get the place going again. He stated that he felt the roads should be a partnership. Mr. Bauer indicated that if the Association wants to partnership with Westgate on the roads, that they would entertain it. He said that when the matter was brought to them a year ago, they weren't interested, because there were three people in line to possibly buy Grenelefe, but that it might be advantageous to have the discussion again. Mr. Leiter suggested having a dedicated entrance to the pro shop from the back rather than having the golfers drive through the property. He asked if there is any talk about any future type of business at Grenelefe, and Mr. Bauer indicated that there are no development plans that he knows of, that Westgate is still hoping to sell. Chris Gourdie mentioned that at one time River Ranch was similar to Grenelefe; then a decision was made to rebuild. Mr. Bauer stated that no one has come up with a plan that would work at Grenelefe.

The minutes of the September 6, 2013 and October 9, 2013 board meetings were then presented to the board. There being no corrections to the minutes, the president stated that the minutes of the September 6, 2013 and October 9, 2013 meetings stand approved as submitted.

In the absence of Robert Krueger, Carol Post gave a brief recap of the treasurer's report. She stated that the Association ended September with a surplus of income to expenses of $15,499 for the month and $21,686 for the year to date. Operating cash was $556,766 and cash in reserves totaled $770,745, which includes a property insurance fund balance of $140,913.

Chris Gourdie reviewed some highlights of the General Manager's Report. He presented pictures which show the extensive repairs that are being required on the buildings currently undergoing preventative maintenance, some valve bank replacements, and several before and after photos of tree trimming and landscaping. He presented some new legislative changes for review by the board and reported that the cameras and signs in the trash disposal areas have essentially eliminated the problem with illegal dumping. Randy Kuhl asked about the possibility of moving the west side trash to Association land, which was discussed at the last meeting. It was decided that a meeting would be set up with Mark Waltrip to discuss this, as well as the roads.

Carol Post gave a report on delinquent accounts and indicated that since the last report, two of the delinquent accounts had been brought current, leaving a balance of $48,198 in collection as of October 29. She also reported eight sales of units and one sale pending.

The next item on the agenda was review of the auditor's management letter. Carol Post stated that the auditor did not encounter any significant issues during the audit, but mentioned one discussion item to be brought before the board, the Association's practice of keeping employee-owned vehicles for Association use. She suggested the Association check the legality of the arrangement and the potential exposure to litigation. Ms. Post explained when employee auto allowances were eliminated and the Association was looking into purchasing vehicles to be used by the employees who do an excessive amount of driving on property, she found that the Association would save over $1,000 per year per vehicle if the employee would retain title to the vehicle and the actual costs of purchase, insurance, gas, tags and repairs would be reimbursed or paid by the Association.

On the auditor's suggestion, she spoke with the Association attorney, who asked if the Association's insurance covered non-owned autos. Ms. Post verified that it does, and in the event of an accident, the employee's insurance would pay out first, then the non-owned autos portion of the association's auto policy. The attorney's other concern was the legality of holding onto a signed title and said that the Association should instead have an agreement with the employee that if he ever left employment for any reason, he would sign the vehicle over to the Association. The possibility would still exist that the employee could remove the vehicle from property and not return it, but with three vehicles costing $400, $1,000 and $2,300, and the fourth on loan from the landscape manager, the Association saves more each year than the purchase price of all the vehicles. Mr. Rasmussen was concerned that the employee's auto insurance company may deny coverage in the event of an accident because the vehicle was used exclusively for work. Ms. Post stated that she would check with each of the insurance companies to verify that it wouldn't be a problem.

The next item on the agenda was disposition of the Honick unit, which was foreclosed on by the Association. Ms. Post indicated that the unit, located at 2035 Corner Lake Drive, was the same type of unit as the Hobbs unit, which the Association acquired at foreclosure. A realtor had already looked at the unit and suggested a listing price of $25,000. Glenn Norton moved and Randy Kuhl seconded a motion, which was passed unanimously, to list the unit at $25,000 with the same realtor who assisted the Association with the sale of the Hobbs unit and to give the president the authorization to accept any reasonable offer.

The next item on the agenda was presentation of insurance proposals and recommendation of insurance committee. Mr. Rasmussen indicated that the insurance committee had met with three brokers and requested proposals for handling all of the Association's insurance needs. Although no premium numbers can be obtained until 30 days prior to renewal, each broker presented information about his company and what it had to offer. Mr. Rasmussen indicated that both McGriff and Mulling work on a commission of 10 to 15 percent, and Hylant works on a fee basis, with a flat fee of $15,000 plus 30 percent of any savings over the prior year's premium, with a cap of $30,000 and the entire fee to be waived if there are no savings. Proposals were distributed to the board, with plans to meet the following week via phone to select a broker.

The next item on the agenda was report on insurance renewals. Ms. Post indicated that the Association's crime policy will renew in December, and although work had begun on the renewal, she didn't have a premium cost yet. She stated that workers' compensation is scheduled to renew January 1.

The next item on the agenda was the results of the survey regarding golf cart and boat parking. Ms. Post indicated that 28 people had responded to the survey. 18 agree with providing golf cart parking with an average suggested price of $30 per month. 12 would use the golf cart parking if it was available. 22 agree with providing boat parking with an average suggested price of $27 per month. Mr. Bauer raised the possibility of the Association leasing storage from Westgate for a nominal amount, if the Association takes total responsibility. He indicated that the most secure area would be the resort parking area near the Association office.

The last item on the agenda was roads. As mentioned previously, it was decided that the issue would be discussed with Mr. Waltrip at an upcoming meeting. Meanwhile, Westgate is continuing to patch them.

At 2:35 p.m., Randy Kuhl moved and Glenn Norton seconded a motion to adjourn, which was approved unanimously.

Respectfully submitted,

Carol Post

Carol Post
Secretary pro tem