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

John Rasmussen called the meeting to order at 1:05 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
Robert Krueger, Treasurer
Carl Bauer, Director (via phone)
John "Randy" Kuhl, Director
Earl Monari, Director (via phone)
Joyce Morris, Director
Chris Gourdie, General Manager
Carol Post, Assistant General Manager

Bryon Smith and Richard Moore 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, Ljerka Grubisic asked the board who is responsible for damages done by Westgate to the common element. John Rasmussen indicated that probably the Association is, because proving who did the damage is difficult. Mrs. Grubisic stated that it is not right that the other owners have to pay for damages done by Westgate, and that in her case, she saw the damage being done. She indicated that shortly after her stairs had been repaired and repainted, Westgate was getting the unit next to her ready to rent and a single employee was bringing heavy appliances up the stairs and gouged the wood. Carl Bauer said to send them a bill, and they would pay for it.

The minutes of the September 6, 2012 board meeting were then presented to the board. There being no corrections to the minutes, the president stated that the minutes of the September 6, 2012 meeting stand approved as submitted. The minutes of the November 1, 2012 board meeting were then presented to the board. There being no corrections to the minutes, the president stated that the minutes of the November 1, 2012 board meeting stand approved as submitted. The minutes of the November 3, 2012 organizational meeting were then presented to the board. There being no corrections to the minutes, the president stated that the minutes of the November 3, 2012 organizational meeting stand approved as submitted. The minutes of the December 12, 2012 board meeting were then presented to the board. There being no corrections to the minutes, the president stated that the minutes of the December 12, 2012 board meeting stand approved as submitted.

The next item on the agenda was appointment of a director to fill the vacancy on the board. Joyce Morris moved and Glenn Norton seconded a motion, which was approved unanimously, to appoint Earl Monari to fill the vacant director position.

The next item on the agenda was the treasurer's report. Robert Krueger then gave the treasurer's report. He began the report by pointing out some items of interest on the balance sheet. He stated that, on the advice of the Association's accountant, the bankruptcy proof of claim amount of $113,129.40 owed by Treehouse had been separated from the general accounts receivable, with the uncollectible amount of $109,350.88 accounted for in a Treehouse allowance for doubtful accounts. He also indicated that the amount of $12,704.22 represents the cost basis for unit 4137, which the Association sold at the end of December and for which it received payment in January. The Association realized a net gain of $7,304.10 on the sale of that unit.

Mr. Krueger stated that the income statement shows that the Association ended December with a loss of $124,782 of income to expenses for the month and $58,883 for the year. However, these amounts include the $109,351 amount recorded for the Treehouse allowance for doubtful accounts. Without that entry, the financial statements would show a loss of $15,431 for the month and a surplus of $50,468 for the year. Operating cash was $486,754 and cash in reserves totaled $703,090, an increase of $151,377 since the beginning of the year. Mr. Krueger 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.

Under discussion, Mr. Bauer asked about the status of Treehouse's payments. Carol Post stated that Treehouse has been keeping its current fees paid, and Mr. Rasmussen indicated that he believed the Association is to receive the 3.34 percent of the proof of claim amount in either March or May. Mr. Rasmussen questioned the overbudget amounts in FUTA and SUTA, and Ms. Post indicated that the federal and state unemployment tax rates had increased due to the high unemployment rate. Mr. Rasmussen indicated that the cash ending balance on the cash flow report doesn't match the other financial statements. Ms. Post stated that probably that report didn't get reprinted after some year-end entries had been made, but she would look into it.

Mr. Gourdie reviewed some highlights of the General Manager's Report and pointed out the list of buildings to be renovated during 2013. He indicated that the renovations now include refurbishing the laundry rooms and that the Association has been going back and renovating the laundry rooms on the previously PM'd buildings. Under grounds, Mr. Gourdie stated that the Association is not doing as many new installs due to the time of year and the additional labor needed for upkeep and is instead installing mulch to enhance the look of the property. He also indicated that the Association was able to retain a stump grinding company at a cost of $30 per stump. 140 stumps were removed around the property. He also indicated that parking lot resurfacing is slated for all of Palm View Court and portions of Camelot Drive during 2013. The asphalt resurfacing cost initially projected for 2013 was $101,206, but may increase due to additional prep work needed.

The next item on the agenda was the Sherwood 3973 LLC payment agreement. Ms. Post indicated that Mr. Pike had come in and paid the current fees on three of his four units, leaving zero balances, but didn't receive as much as he had expected and had only $6,000 of the $11,524 which was still owing on unit 3973. She indicated that Mr. Pike is requesting that the Association extend the current payment agreement to July 25, allowing $200 monthly payments during February through June, with the full balance due July 25. She stated that Mr. Pike is holding payment of the $6,000 pending the board's approval. Ms. Post indicated that there is a mortgage on the unit with an original amount of $120,000, likely making the current amount owed more than the unit is worth. She also stated that Mr. Pike has brought one unit current with each cash disbursement he has received, as promised, leaving just unit 3973 with a balance. Mr. Norton moved and Randy Kuhl seconded a motion to accept the $6,000 payment and extend the agreement to July 25. Mr. Rasmussen asked about the April payment, and Ms. Post indicated that Mr. Pike has promised to pay the second quarter fees on time on the three current units. Carl Bauer asked if interest was being charged, and Ms. Post stated that it is. Mr. Bauer expressed concern that the board would be negating the agreement, and Mr. Rasmussen indicated that the Association would have the attorney draw up an extension to the agreement. The motion passed, with Carl Bauer, Robert Krueger, Randy Kuhl, Earl Monari, Joyce Morris and Glenn Norton voting in favor and John Rasmussen voting against.

The next item on the agenda was the auditor engagement letter. Mr. Norton asked if the Association was happy with the job that the current auditor was doing, and Ms. Post indicated that the Association was very pleased with her. Robert Krueger moved and Glenn Norton seconded a motion, which was approved unanimously, to accept the services of Doane CPA Firm for auditing the Association's financial statements and preparing its federal income tax return.

The next item on the agenda was approval of destruction of old records. Mr. Gourdie provided a list of records, including 2008 freon logs, 2010 ballots and ballot envelopes, and all other records dated 2005. Randy Kuhl moved and Carl Bauer seconded a motion, which was approved unanimously, to destroy the records listed.

The next item on the agenda was policy for installation of satellite dishes. Mr. Rasmussen read from the policy and gave his interpretation that the language "so long as such placement does not impede a signal of acceptable quality" in the third sentence does not negate the language in the second sentence that dishes may not be installed on any common area. It was agreed the dishes may only be installed on rear patio/balcony posts only, and that owners of improperly installed dishes be given 30 days to remove them.

The next item on the agenda was amendment to the Association's rental policy. Ms. Post stated that the current policy requires that a prospective tenant have no evictions. She related a recent situation where, when she questioned the Westgate rental office about a prospective tenant's eviction, she was told by the rental manager that it is standard for them to approve them with a higher deposit. Ms. Post suggested possibly removing that requirement from the policy, since it is mostly the unit owner that is at risk rather than the Association. Mr. Norton asked Mr. Bauer if Westgate was renting to these tenants, even though it is in violation of the Association's policy, and Mr. Bauer stated that the rental manager discusses these cases with him, and yes, he has approved some. Randy Kuhl expressed the concern that changing the policy would be encouraging non-compliant tenants, and Mr. Rasmussen asked if there was any reason for the Association to amend the policy. Ms. Post explained that she has to uphold the policy and is therefore holding the private owners to a higher standard than Westgate. A discussion ensued wherein Carl Bauer suggested leaving something in the policy about evictions but limiting it. Randy Kuhl asked about making it subject to review by the Association, and Glenn Norton suggested eliminating the requirement "no prior evictions," and if it was for something bad, the Association could deny based on number 4, "Any other incidents recorded in the public records…" Carl Bauer suggested changing "no prior evictions" to "no prior evictions within the last three years." Randy Kuhl moved and Glenn Norton seconded a motion to amend the rental policy to read "no prior evictions within the last three years." The motion passed, with Carl Bauer, Randy Kuhl, Earl Monari, Joyce Morris, Glenn Norton and John Rasmussen voting in favor and Robert Krueger voting against.

The next item on the agenda was discussion of the number of directors specified in the bylaws. John Rasmussen explained that article 3.1 of the Association's bylaws states that "The affairs of the Association shall be managed by a Board of Directors of not less than three nor more than thirteen directors, the exact number to be determined at the time of election." He indicated that this item came up during the lawsuit with Treehouse and that the Association attorney recommended locking in the number. Mr. Norton stated that his interpretation is that the exact number is set at the time of election rather than requiring a change in the documents. Mr. Rasmussen stated that he didn't see a problem with the range, and Mr. Norton asked about having the membership vote on the number of directors. Mr. Kuhl inquired about how many directors the Association has had in prior years, and Ms. Post indicated that some time ago, she had researched the minutes back to the 1970s and noted the dates that the number of directors had changed and any language regarding the issue. She stated that she would go back and find that information, and Mr. Norton suggested the subject be discussed at the June meeting.

The next item on the agenda was a report from the Design Review Committee. Mr. Krueger turned the floor over to Chris Gourdie, who indicated that he had taken over 100 pictures of back patios, and they weren't much different from the photos the prior general manager, Chuck Peloquin, had taken when the topic was addressed several years ago. At that time, Mr. Peloquin had asked the lawyer if the Association could regulate what can be put on back patios and balconies, and the lawyer stated it could not without a change in the documents. Mr. Gourdie stated that the list of prohibited items at that time was too extensive to get passed and that the committee had come up with a much shorter list. Mr. Norton indicated that items on that list included automotive parts, tires, unapproved storage containers, coolers, indoor furniture and other items intended for indoor use, appliances, gym equipment and aquariums, as well as no blankets, sheets, quilts or tarps being used to cover items. Mr. Norton stated that residents having prohibited items could be given 30 days to remove them or the Association would confiscate the items. Mr. Bauer stated that the Association can't take personal property and that 30 days is too long. Mr. Norton stated that the Association would need to be more aggressive in dealing with this situation. Joyce Morris asked if the Association can levy a fine, and Ms. Post stated that no, that issue was brought to a vote and didn't pass.

Mr. Norton indicated that the committee also discussed whether to allow electric grills on patios and the installation of golf cart pads that people could rent. He felt that offering a place to park and plug in golf carts would increase the value of the condos and that the Association would have a revenue stream as it does with the storage closets. He said they could put together something for the June meeting, and Mr. Krueger indicated that there were some concerns that he had, such as liability to the Association. Mr. Norton stated that owners renting the pads would take responsibility for their own property, and he didn't feel there would be a liability issue but suggested asking the lawyer. Mr. Norton then had to leave the meeting to catch his flight.

Mr. Krueger stated that the committee also discussed allowing Florida rooms as well as screen rooms on back patios and balconies. Brochures were presented to the board showing three styles of horizontal sliders with vinyl, acrylic and glass. It was agreed that the windows would need to be tinted. These items will be revisited at the June meeting.

The next item on the agenda was discussion of the Association's insurance renewals. Carol Post indicated that the Association's property and casualty, liability and umbrella policies were scheduled to renew March 1. She stated that she had been told by McGriff that, while the liability would stay flat and the umbrella would see a slight increase, to expect an increase of 20 to 25 percent on the property insurance. Brian Samons with McGriff indicated this is due to Superstorm Sandy and the fact that ICAT, an insurer of large properties, has pulled out. Chris Gourdie stated that he had spoken with Brian Siegel, who indicated that he would work with McGriff on getting the cost down. He had also spoken with Greg Bryan of Mulling Insurance, who had provided quotes previous years, and Mr. Bryan had indicated that he was seeing increases of around 8 percent on his renewals. Ms. Post stated that McGriff is owned by BB&T, which only allows them to work with carriers rated A or above. Mulling Insurance, however, can offer other options, and Mr. Bryan stated that there are a lot of B+ rated companies that are still solid and gave State Farm of Florida as a well-known example of a B+ rated company. A suggestion was made to try to get a second quote from Mulling Insurance if Mr. Siegel is unsuccessful in getting the McGriff premiums reduced.

The last item on the agenda was the roads. Mr. Rasmussen asked Mr. Bauer if there was anything new, and Mr. Bauer stated no.

At 3:55 p.m., Randy Kuhl moved and Robert Krueger seconded a motion to adjourn, which was approved unanimously.

Respectfully submitted,

Carol Post

Carol Post
Secretary pro tem