GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS NO. 1, INC.
Minutes of the Meeting of the Board of Directors
February 6, 2014

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

Robert Krueger, 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, Frank Griffin stated that the Association rules say that the Association is not required to assign parking spaces, but that it may. He stated that there are four units in his building and five parking spaces in front and asked that one be assigned to each unit. He indicated that there has been a shortage of parking due to residents with multiple vehicles occupying all the front spaces.

Mr. Griffin also brought some other concerns to the board. He reported that recently tires were slashed on some vehicles at his building and that the police suspect the people who lived downstairs but recently moved out. He stated that this tenant had been subletting his unit, that he had several people come and go. He stated that Mrs. Griffin had spoken to one of them, and he claimed that he had responded to an ad on craigslist.

Mr. Griffin then stated that he has seen lots of improvement in the trash dumpster area, but that there is still a problem with excess trash on the ground between dumps. He suggested a fourth dumpster during peak times. He ended by stating that he appreciates the great job the Association does, that staff are always helpful, respectful and always get back to them. Mr. Rasmussen indicated that the request for assigned parking would be put on the June meeting agenda.

The minutes of the November 7, 2013 and November 15, 2013 board meetings were then presented to the board. There being no corrections to the minutes, the president stated that the minutes of the November 7, 2013 and November 15, 2013 meetings stand approved as submitted.

The treasurer's report was then presented to the board. There being no corrections, the treasurer's report was approved as submitted.

Chris Gourdie then presented some highlights of the general manager's report. He stated that the lakelofts are not holding up well and need a lot of repairs. He recommended fixing a few to find out what the total cost is. He indicated that he had discussed with the president the possibility of having an engineer assess the buildings. Randy Kuhl raised the question of whether they may be in such bad condition that they would need to be torn down and rebuilt. It was decided that an engineer would be retained to make an assessment as to what work should be done.

Mr. Gourdie then reported that he is going to research purchasing a tractor with front end scoop capabilities and a ditch digging attachment. He stated that the Association has had to borrow this equipment to do major excavations for irrigation, but it is often not available when needed. Glenn Norton indicated that he was surprised that the Association did not already own this equipment, and Carl Bauer asked about the cost. Mr. Gourdie explained that he didn't know yet, but would be looking at used equipment.

Mr. Gourdie then indicated that he had been asked to get a price for mulching all the beds. He received a quote of almost $166,000 for the mulch and $278,000 to have it blown in. He indicated that he is looking into the new shredded mulch, which doesn't wash away like what the Association currently uses.

Carol Post then reported on delinquent accounts and indicated that since the last report, one account had been brought current and one taken by the bank with a deed in lieu of foreclosure. On the latter, the Association received $1,000 and had to write off approximately $12,000. She stated that two new delinquent accounts have been added to the list. She also reported that she learned that the unit that the Association had taken possession of through foreclosure, unit 2035, is encumbered with a mortgage. $53,000 is currently owing, but the Association attorney is working with the bank's attorney to work out a reasonable amount to clear the mortgage.

Mr. Gourdie then presented the board with crime statistics for the past five years, which show crime decreasing since 2010. He indicated that most of the crimes committed at Grenelefe are petty.

The next item on the agenda was the audit engagement letter and selection of an auditor for the Association's 2013 audit and tax returns. Randy Kuhl moved and Carl Bauer seconded a motion, which was approved unanimously, to once again hire Andrea Doane to do the Association's audit and tax returns.

The next item on the agenda was approval of destruction of old records. Mr. Gourdie presented a list of old records to be destroyed. Randy Kuhl moved and Glenn Norton seconded a motion, which was approved unanimously, to destroy the records as presented on the list.

The next item on the agenda was a proposed amendment to the rental policy. Carol Post stated that the rental policy currently states that "Owners who allow persons to rent, lease, or occupy an apartment for a period of thirty-one (31) or fewer consecutive days will not be subject to the provisions of this policy, and such persons will be considered as guests of the owner." She mentioned a couple of instances where an unauthorized person had moved in with an owner's tenant and claimed to be visiting rather than living there because he would leave periodically.

Ms. Post pointed out that under the current policy, someone could live at Grenelefe, and as long as they left for one weekend each month, they would never have to go through a background check. She asked about the possibility of amending the policy to make the 31 days cumulative over a particular period of time rather than consecutive. Mr. Rasmussen suggested that anyone staying more than three weeks in two consecutive months would require a background check. He also raised the question whether family would be excluded, but Ms. Post gave two examples of owners' adult sons who were criminals and created problems at Grenelefe. Mr. Rasmussen raised the question about setting a minimum time between stays, and Randy Kuhl recommended putting together a committee. A committee consisting of Randy Kuhl, Glenn Norton, John Rasmussen, Chris Gourdie and Carol Post will look into the issue and come up with a recommendation.

The next item on the agenda was the purchase of a new mower. Mr. Gourdie indicated that a mower purchase was approved with the 2014 budget, but that he wanted to remind the board of the purchase. He stated that although the mowers were expected to have a five-year life, the current mowers are reaching six years. Instead of a 60-inch mower, which is what the new one will be replacing, he is going with a 72-inch, which saves a lot of time. The cost will be $13,166 with tax. Randy Kuhl moved and Glenn Norton seconded a motion, which was approved unanimously, to purchase the mower.

The next item on the agenda was Westgate providing a storage area for boats, trailers and cars. Carl Bauer reported that he had checked into it, and Brian Siegel was against it due to the cost and the liability to Westgate, and that Mark Waltrip was also against it. So Westgate will not allow this storage area on its property.

The next item on the agenda was golf cart parking. Mr. Gourdie stated that if the parking areas were open air with electric from a nearby light post, an owner could possibly say the common element was being altered, but it would be a minor change with a minor investment. However, if the Association considered covered parking, that would be a more substantial change and would probably need the vote of the owners. Glenn Norton indicated that he was surprised there was so much opposition at the annual meeting, that if it was done right, he thought it would be a good idea. But he stated that nothing should be done until enough owners committed. Mr. Rasmussen stated that if the board wanted to pursue the issue, it could be brought up at the annual meeting in November. Mr. Monari indicated that there wasn't much interest with the surveys that went out. Mr. Gourdie stated that surveys could be sent with the annual meeting mailing and questions phrased in a way to make clear that the costs of the pads would be borne by the persons renting them and not passed on to the rest of the membership. Glenn Norton asked how much room is in Westgate's cart barn, and Carl Bauer advised him to speak with Billy, the pro shop manager.

The next item on the agenda was the upcoming termite contract. Mr. Rasmussen stated that this is something to look at when working on the 2015 budget, to make sure the necessary amount is included in the fees.

The next item on the agenda was the transfer of the Association office. Mr. Gourdie indicated that he had spoken with David Bronsen, the banker handling CFI's loan, and he indicated that CFI (Westgate) has signed the loan papers. Once the process is completed, the transfer will be able to be made.

The next item on the agenda was moving the dumpster area. Mr. Gourdie stated that the Burnway North association would have to vote to allow the land to be designated for that purpose. He stated that it would need to be clear that the cost will be borne by the entire association, and not just Burnway North. Randy Kuhl moved and Glenn Norton seconded a motion to pursue asking Burnway North to allow the Association to put the trash collection area on their property. Mr. Gourdie indicated that the cost for upkeep would be included in the parking lot reserve, and Mr. Norton suggested that when the issue is presented to the Burnway North owners, information be included regarding camouflaging the area. Mr. Rasmussen instructed Mr. Gourdie to draw up a proposal. A vote was then taken and the motion passed unanimously.

The next item on the agenda was insurance renewals. Carol Post reported that the Association's workers' compensation policy renewed January 1 with considerably lower premiums, due to a decreased experience modification factor. McGriff has been working on the Association's property, liability and umbrella renewal and expects to have proposals to present by February 17.

The next item on the agenda was a volunteer plan. Randy Kuhl indicated that he has been doing a lot of walking and over several days walks the entire property. He picks up a lot of trash on his walks. He stated that due to limited staffing, the Association does not have time to pick up every scrap of paper and all the tree droppings, and proposed organizing the residents who want to contribute a couple hours weekly or monthly to rake and pick up the property, then leave the piles for the grounds crew to pick up on Monday. Mr. Gourdie indicated that the Association could present the idea to the owners and compile an email list of those who are interested. Mr. Bauer suggested putting notices at the mailbox stations, and Earl Monari suggested mentioning something in the quarterly newsletter. Carl Bauer indicated that the rental office prepares a newsletter, but that it is just left on the counter for people to pick up rather than being distributed. Carl Bauer asked if there would be any liability to the Association, and Mr. Gourdie indicated that he would check with the Association attorney. Glenn Norton moved, and Carl Bauer seconded a motion, which was approved unanimously, to move ahead with beginning a volunteer program.

The last item on the agenda was repair of the roads. Mr. Gourdie presented the board with a map that showed the property split into six sections, along with quotes for repairing and resurfacing each from three different vendors. He stated that the board needs to make a decision on area number three, which includes the part of Abbey Court extending from just past Cypress Court to Lake Marion Drive. This section is not used by the Association, so it will be the responsibility of the homeowners associations in that area. Randy Kuhl stated that the board needed to know if Westgate will vote in favor of resurfacing the roads, and Mr. Bauer indicated that Westgate is in favor of fixing the roads. Mr. Rasmussen stated that the total price is approximately $465,000 and asked what portion of that Westgate is willing to come up with. Mr. Bauer stated that Westgate is part of the Association and as such is contributing over 50 percent and wouldn't be funding anything in addition to that. Mr. Rasmussen clarified by asking if the Association, including Westgate, would be footing the entire bill, which Mr. Bauer confirmed. Earl Monari raised the concern that the Association may be setting a precedent by repairing property that is not its own, but Mr. Norton said in the future, we could just say no.

Mr. Norton continued by saying that although he feels it's wrong for the Association to pay the entire bill since the roads also benefit the pool and golf, this is the only way the roads are going to be fixed, that Westgate won't do it otherwise, and at least this way they are paying half the cost. He pointed out that almost everyone at the annual meeting felt their condo values would go up by at least the amount of the special assessment and that the property is more likely to sell with new roads.

Randy Kuhl asked if Westgate has any plans to sell immediately. Mr. Bauer indicated that Westgate has had plans to sell for the last seven years, that a lot of people have looked, but there are no current offers that he knows of. Randy Kuhl raised the possibility, in the event of an imminent sale, that it be a contingency of the sale that the owners would be reimbursed the amount of their assessment and the cost passed on to the buyer. Carl Bauer stated only if every private owner who sells a condo does the same thing. Owner and former board member Shirley Gold asked how future maintenance would be handled and expressed concern about heavy equipment and extra traffic from the resort causing extra wear on the roads. Mr. Rasmussen indicated that the Association is talking about requiring Westgate to add an entrance from the back road for that purpose and asked Carl Bauer to present that to Mark Waltrip. Mr. Monari suggested that the Association set a time frame, and Mr. Rasmussen suggested one year.

Earl Monari asked if there was any way that funding could come from Westgate in the form of a low-interest loan, rather than the Association tying up its lines of credit. Mr. Bauer stated that he would ask about a $250,000 loan. Mr. Rasmussen asked if the board was in agreement that they don't want to use the $69,000 from the Sports Shinko bankruptcy, and Randy Kuhl answered in the affirmative. Mr. Rasmussen then asked if the board wanted to exclude section three from the paving, and Mr. Kuhl said yes. Randy moved and Glenn Norton seconded a motion, which was approved unanimously, to exclude section three from the scope of work and let the other associations pay for it.

Mr. Rasmussen then asked about moving forward on the condition that Mark Waltrip agrees to put in the extra entry and Westgate provides the loan. He instructed Ms. Post to calculate a new scenario based on Westgate providing a loan for $250,000. Randy Kuhl moved and Glenn Norton seconded a motion to go with the option of $250,000 financed through Westgate at a rate of less than 1 percent. Mr. Bauer indicated that they probably wouldn't do anything less than 2 percent. Mr. Rasmussen suggested amending the motion to state 2 percent or less, to be paid quarterly over a two-year period, plus an initial assessment for the balance, and that Westgate will put in an entrance within one year, barring the County saying no. Mr. Gourdie advised making sure that the entrance wasn't in front of anyone's house on the lake. A vote was then taken with Randy Kuhl, Earl Monari, Glenn Norton and John Rasmussen voting in favor and Carl Bauer and Joyce Morris opposed.

Mr. Gourdie then expressed concern over the fact that although Red Fox had the lowest bid, they seemed to be overcharging for the overlay and undercharging for the repairs. He felt if the board chose Red Fox, there would need to be a frank discussion about why they are not putting as much into repairs. Mr. Kuhl suggested having someone oversee the work and Mr. Bauer agreed, stating that the Association should hire an independent engineer to take corings in several spots to make sure the Association is getting what it is paying for. It was decided that the board would have another meeting to discuss the vendors and that in the meantime, Mr. Gourdie would contact an engineer. Mr. Monari asked whether the decision to repair the roads would be a board vote or whether it would need to go in front of the membership. Mr. Gourdie stated that the Association attorney advised that it would be considered an emergency assessment and would need to be voted on by the membership. A follow-up board meeting was scheduled for Friday, February 21, at 10:00 a.m.

At 3:30 p.m., Glenn Norton moved and Carl Bauer seconded a motion to adjourn, which was approved unanimously.

Respectfully submitted,

Carol Post

Carol Post
Secretary pro tem