

GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS NO. 1, INC.
Minutes of the Meeting of the Board of Directors
February 5, 2015

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 (via phone)
John "Randy " Kuhl, Treasurer	Earl Monari, Director (via phone)
Bryon Smith, Secretary	Chris Gourdie, General Manager
Carl Bauer, Director (via phone)	Carol Post, Assistant General Manager
Thomas Leiser, Director	

Richard Moore and Glenn Norton were absent.

The President announced a quorum was present and that the notice for this meeting was posted in accordance with the bylaws and statutory requirements. The president and other board members welcomed Tom Leiser as a new director.

Under provisions for owner comments, an owner was present but didn't desire to speak.

The minutes of the November 6, 2014 board meeting and November 8, 2014 organizational board meeting were then presented to the board. There being no corrections to the minutes, the president stated that the minutes of the November 6, 2014 and November 8, 2014 meetings stand approved as submitted

Randy Kuhl 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. He stated that the Association ended the year 2014 with a surplus of income to expenses of \$72,619. Operating cash was \$957,431 and cash in reserves totaled \$781,326, which includes a Property Insurance Fund balance of \$140,939.

Mr. Rasmussen questioned whether any surplus funds in excess of the carry forward amount could be rolled into reserves. Earl Monari suggested bringing the issue before the membership at the annual meeting. Carol Post stated that she would to check with Andrea Doane, the Association's accountant.

Chris Gourdie then presented some highlights of the general manager's report. He stated that the maintenance on the multi-unit buildings is on schedule and that by 2016, repair costs should decrease considerably, freeing up funds for streetlamps and parking lot lights. In the interim, Association staff will be repairing the wooden light posts to be sure they last. Mr. Groudie also reported that 33 roofs were replaced in 2014.

Brenda Richardson then reported on delinquent accounts. One unit was sold and the delinquent amounts brought current. Unit 2362 was sold at a tax deed sale, but the Association attorney has received no information on the sale to date. The owner of 3563 previously entered into a repayment agreement with the Association but has since defaulted, so the attorney is proceeding with foreclosure. Four units have sold since the last meeting.

Bryon Smith then asked Mr. Gourdie to give a summary of what the Association is doing with irrigation. Mr. Groudie stated that the Association's irrigation system was installed by golf course contractors and was more than what is needed for residential application. Association staff has been capping off unnecessary heads, especially against buildings, converting the antiquated hydraulic system over to electric and replacing the leaky schedule 20 piping with new schedule 40. The changeover is now 65% complete. He stated that the Association has put \$150,000 to \$160,000 into the irrigation system over the past several years and has succeeded in decreasing its water use by 30 million gallons per year.

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 Bryon Smith seconded a motion, which was approved unanimously, to destroy the records as presented on the list.

The next item on agenda was an update on insurance renewals. Mr. Gourdie reported that McGriff is currently working on the Association's March 1 property, liability and umbrella renewal and has indicated that, while they do not yet have firm numbers, they expect the overall premiums to decrease for the coming year. Mr. Rasmussen asked why McGriff can't provide the numbers before the February board meeting, and Mr. Gourdie stated that McGriff has indicated that the carriers provide the best deals shortly before renewal.

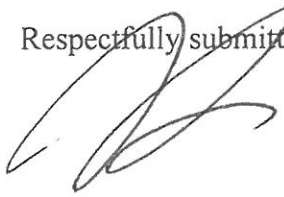
The next item on the agenda was a presentation by Bobby Lue and Danny Kushmer, representatives of Southwest Florida Water Management. Mr. Lue began by stating that, based on current use and anticipated growth, by 2035, Polk County will need more water than is available. He put forth three solutions: accessing the lower Floridian aquifer, making use of rain water and storm water, and conservation. His focus for this meeting was conservation. Bryon Smith stated that SWFWMD offers leak detection and other services to the public, and Mr. Lue indicated that they encourage reclaimed water usage and even help co-fund projects.

Mr. Lue stated that the Grenelefe water use permit allows for 1,000,000 gallons per day, or 150 gallons per day per person, and the utility company has to submit monthly pumpage data. Mr. Gourdie indicated, as far as irrigation, the Association is managed as a commercial entity, and when lumped in on a per capita basis, the water use goals don't seem attainable. Mr. Kushmer stated that changing from a per capita basis would require a different permit, and Mr. Lue suggested looking at the permit again to possibly move the Association irrigation from public supply to lawn and landscape.

The last item on the agenda was discussion of the roads. Carl Bauer stated that he had talked with Mark Waltrip prior to this meeting, and Mr. Waltrip had indicated that the property was still close to selling.

At 2:30 p.m., Bryon Smith moved and Randy Kuhl seconded a motion to adjourn, which was approved unanimously.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'Bryon Smith', written in a cursive style.

Bryon Smith
Secretary