

GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS NO. 1, INC.
Minutes of the Meeting of the Board of Directors
September 8, 2016

John Rasmussen called the meeting to order at 10:05 a.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 (via phone)
John "Randy" Kuhl, Treasurer (via phone)
Bryon Smith, Secretary (via phone)
Carl Bauer, Director (via phone)

Thomas Leiser, Director (via phone)
Earl Monari, Director (via phone)
Joyce Morris, Director (via phone)
Chris Gourdie, General Manager
Carol Post, Bookkeeper

Richard Moore was 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.

Under provisions for owner comments, no owners wished to address the board.

The minutes of the June 2, 2016 board meeting were then presented to the board. There being no corrections to the minutes, the president stated that the minutes of the June 2, 2016 meeting stand approved as submitted.

Randy Kuhl then gave the treasurer's report. The Association ended July with a loss of income to expenses of \$6,087 for the month and \$171,475 for the year, due to the cost of resurfacing the roads. Operating cash was \$798,778 and cash in reserves totaled \$744,694, which includes a Property Insurance Fund balance of \$140,971. This fund will be liquidated to offset the cost of the road resurfacing project. Mr. Kuhl stated that with the exception of the road repaving project and construction of the new west side trash disposal location, all expenses were on track. He indicated that the Association was realizing huge savings in casualty and liability insurance premiums and water costs.

Chris Gourdie then presented some highlights of the general manager's report. He reported on the renovations at the Lake Lofts, presenting a revised schedule for completion at the end of 2018. He also reported on landscape renovations that have been completed around the property. Mr. Gourdie then gave an update on the progress of the west side trash disposal area, stating that the installation of fencing, asphalt, electrical meter and fuse box has been completed. He stated that the Association was looking at options for securing the cameras from vandalism and theft. Earl Monari asked if there would be a water line installed to wash off the area, and Mr. Gourdie asked if it was needed on the east side. Mr. Rasmussen stated that it was and that the gravel that had been installed under the dumpsters had washed away over the years. Mr. Gourdie stated that that would be something to look into.

Mr. Gourdie reported that the Association will be working with a new company, NuTerra Management, for disposal of its landscape debris, which the company will then convert into organic fertilizer. Not only is this method more "green," but this arrangement will save the Association considerable money in disposal charges.

Randy Kuhl asked about the purchase of a dump truck, which was mentioned previously, and Mr. Gourdie stated that when the Association asked the seller for the VIN number, he never called back, so the Association had to fix its other truck. Mr. Gourdie stated that the board had already approved the purchase of a truck for \$7,500 and that the Association can attend a Ritchie Brothers equipment auction as a guest and bid on equipment. Carl Bauer had previously suggested replacing the old truck and keeping it as a backup, and Mr. Kuhl agreed. Mr. Gourdie stated that the next auction would be in October.

The next item on the agenda was a report on insurance renewals. Mr. Gourdie stated that there were no renewals since the last meeting, with the next renewal being the Association's crime policy in December.

The next item on the agenda was management of natural areas. Mr. Gourdie stated that there were some philosophical differences in how this was to be done, so he created some guidelines to be followed. The areas of focus would be, first, removal of Brazilian pepper trees and dead trees, then cutting vines. He stated that making sure trees are left with spacing every seven to ten feet would prevent Association staff from having to do so many plantings afterwards. Mr. Rasmussen said that before thinning an area, the volunteers need to get with Mr. Gourdie to make sure everyone is on the same page. Mr. Kuhl asked who would make the decision as to which trees are to be kept, and Mr. Gourdie said it would be him or Tony Aboytes, the landscape manager. Mr. Rasmussen stated that the guidelines wouldn't need a board vote since they're not a policy and instructed Mr. Gourdie to go ahead and send them out.

The last item on the agenda was presentation of the proposed operating budget for 2017 and recommended level of reserve funding. Randy Kuhl stated that Carol, Brenda and Chris did a good job of putting together the budget and that the committee had only one change, which was to move \$15,000 for replacing all the electrical conduit for the air conditioners from operating to reserves. Randy Kuhl moved and Glenn Norton seconded a motion to adopt the budget as submitted and present it to the membership.

A discussion ensued, wherein Carl Bauer expressed concern over the fact that owners of Lake Lofts were seeing fee increases of \$18 per quarter. He understood the need for the increase due to the work being done, but stated that the Lake Lofts were the one area where the roads did not get repaved this year and asked if there was a way to lessen the increase. Mr. Gourdie stated that that level of funding only allows for \$2,300 per unit for repairs and expressed concern that if funding levels weren't increased by the maximum 10% amount allowed, there may be a need for a special assessment in the future.

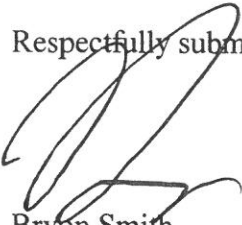
Mr. Bauer then questioned why the Lake Loft owners pay into all the other reserves but have to support renovations there by themselves. Mr. Gourdie explained that the Lake Loft owners do

not pay into the multi-unit building reserve, the multi-unit roof reserve or the laundry reserve. Mr. Bauer then stated that was his only objection, that Lake Loft owners were incurring an \$18 increase but have had no work done on their roads thus far.

A vote was then taken, and the motion passed, with Bryon Smith, Joyce Morris, Tom Leiser, Randy Kuhl, Glenn Norton, Earl Monari and John Rasmussen voting in favor and Carl Bauer against.

At 10:50 a.m., Randy Kuhl moved and Glenn Norton seconded a motion to adjourn, which was approved unanimously.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Bryon Smith', written over the words 'Respectfully submitted,'.

Bryon Smith
Secretary