

Minutes

Elliott House Inn Board of Directors Meeting

Wednesday, April 7, 2010

3:30PM

Property Management Service Office

President Lane Mullis called the meeting to order. Directors present were Martha Bonds, Yvonne Walker, Jack Ditterline and Ray Murphy. Lona Vest was present representing Property Management Services, LLC.

Lona reported that as of the meeting date the account balance were as follows:

Operating Account \$72, 820.16

Construction Account \$242,081.44

Lona reviewed invoices paid to date from operating and construction accounts.

The Board discussed collection efforts. It was agreed that immediate efforts should be made to file liens and pursue personal liens against delinquent owners.

The Board discussed move out plans for the building. Lona reported that the first four units on all three floors in the three story building will have to vacate. The remaining units in that building may have to vacate but this will not be known until the separating wall has been evaluated. It may have to be shored up. The moving and storage issues were discussed at length. Jack Ditterline said that it was his understanding that the moving and storage will be covered through the regime and noted that such costs had been budgeted by the prior Board. Lona stated that the regime doesn't bear the costs of handling owners' personal property. The Board asked Lona to have a professional look at the wood furniture to see if it's salvageable.

The Board reviewed sections of the Master Deed regarding the definition of personal property in the Master Deed and By-Laws. The covenants stipulate that the interior surface, decorations and furnishings belong to the owners. Mr. Mullis stated that he agreed that the furniture should not be part of the regimes assessments.

A motion was made to hire someone to look at the furniture to assess its condition in each room. It was seconded. It was passed unanimously.

A motion was made to formally adopt the moving and storage policy as presented in the March 31, 2010 newsletter. It was seconded. Yvonne, Martha, Lane, Ray voted in favor, Jack was opposed. Owners will be asked to remove furniture that they wish to keep.

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Collection efforts were discussed. Lona reported that Clay McCullough has filed liens on three units. The remaining liens need to be filed. Lona is to hire a less expensive attorney for collection issues. The Board asked for copies of delinquent accounts. The Board discussed specifics of one owner's history and agreed to turn the account over for liens. Lona is to ask the attorney about a personal lien being filed against owners.

The construction lawsuit was discussed. Lona reported that she asked Trenholm Walker about converting to a contingency basis. Mr. Walker had offered to convert to a blended fee. He is to submit a proposal. Lona also stated that attorney Bill Bundy would be willing to look at taking the case on a contingency fee basic. He however would like Trenholm Walker contacted as a courtesy prior to his review of the case. The Board agreed to have Lona contact Mr. Walker to advise him of Mr. Bundy's possible review. Mr. Murphy urged the Board to continue with discovery before any notifications are made to the case. The Board stressed the need to pursue discovery against Suncoast to understand their assets and exposure.

FEMA requirements relative to the repairs were discussed. The Board discussed the implications.

The Board discussed the property management proposals for rental management. The rates were discussed.

The Board discussed having Lane Mullis meet with Al Allison to review options and potential amendments to the Master Deed and By-Laws.

There being no further business the meeting was adjourned.

Respectfully submitted,

Lona vest
Acting Secretary