

**PIRATES' COVE TOWNHOME COUNCIL I**  
**Minutes of Annual Members Meeting**  
**November 22, 2010**

**Called to Order at 6:15PM @ home of Virginia Brown by Tim Towner**

**Quorum was deemed present – those in attendance were Tim Towner, Betsy Smith, Virginia Brown, and Bill and Diana Fraser; a quorum was noted and confirmed by Tim Towner.**

**Old Business**

- 1. Motion for Approval of prior meeting minutes received from Bill Fraser and seconded by Virginia Brown; motion carried unanimously.**

**New Business**

- 1. Townhome Association Update – Tim Towner and Virginia Brown (also director on PCTH Association board) advised the members on the outcome of the settlement of the lawsuit against TWIA and the application of such funds, less attorney fees, applied against the principal balance of the current SBA loan. A confidential settlement agreement was signed by a PCTHA board representative and Tim Towner so no recording of such settlement value will be recorded in the minutes.**
- 2. Renewal of Board Directors. Since all owners are members of the board of directors, a confirmation to maintain such status was provided by the members in attendance. It was also mentioned that there was a pending sale of the fractional ownership currently held jointly between Ira Scott and Shelton Sparks to Bill and Diana Fraser. Upon the completion of such sale and in accordance with the membership eligibility requirements contained in Article II Section 2.1 of the Bylaws of the corporation, Ira Scott and Shelton Sparks will no longer meet the eligibility requirements of a board member as established in Article IV Section 4.1 of the same document and will, therefore, cease being directors.**
- 3. Statement of Financial Condition as of October 31, 2010 was presented by Tim Towner as well as the previous fiscal year ending December 2009. Bill Fraser motioned for approval of the financial statement and Betsy Smith seconded; motion carried unanimously.**
- 4. The 2011 Budget maintained the same level of operation fees and projected spending level that resulted in a projected net loss to the corporation of less than two thousand dollars. The membership was advised that PCTHA is undergoing a reserve fund study that will likely result in an assessment against all townhouse lots so members should expect such assessment to be levied against them as fractional owners in such townhouse lot. Such assessment is projected mid 2011. By maintaining the current operation fee level, there is a minimal amount of reserve growth allowed depending on the level of repair and replacement expenditures therefore any major repair or replacement costs would require a special assessment against the membership to cover such cost(s).**

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- 5. Heavy maintenance items will be carried out during the first two full weeks in January 2011 and areas to be addressed or considered include replacing the living room TV (Bill Fraser agreed to provide), installation of two HEPA room air purifiers, vacuum, kitchen lighting and shampooing of the carpet to include more frequent shampooing intervals.**

**With no further business to discuss, the business meeting adjourned at 7:25 PM by Tim Towner and dinner followed that included a period of open discussion.**

**Kindly Submitted,**

**Tim Towner  
Managing Agent of record, PCTH Council I**