

## **Pirates Cove Townhome Association -- Annual Owners' Meeting**

The Pirates Cove Townhome Association's Annual Owners' Meeting was called to order at approximately 3:00 P.M. on Saturday, September 18, 2010, at the Galveston Country Club by president, Liz Cook. Other Board Members present were Jerry Brewer and Virginia Brown. David Henley was feeling ill and not in attendance and Rollin Fischer was moving his business office so also not able to attend.

Owners in attendance introduced themselves and gave their unit number. It was established that a quorum was present. Jerry Brewer moved that the Minutes of the September 26, 2009, meeting be approved and Virginia Brown seconded the motion, which passed unanimously.

The election of two Board Members was called, and having no further nominations from the floor; the membership elected Paul Barker and Nick Cruttenden by acclamation.

Tim Towner presented an overview of the Financial Report for fiscal YTD ending August 31, 2010 as well as the previous fiscal year ending January 31, 2010. Craig Bailey suggested breaking out the maintenance fees from the special assessment income on the financial report rather than reporting the combined income on one line item. Discussion ensued regarding the reserve balance situation and if any of the current maintenance income was specifically dedicated to building cash reserves. Tim Towner stated that the cash flow exceeded the monthly fixed expenses by \$5,000 each month and such funds become available for any repairs or can be used to build reserves but no funds are currently being specifically used to build reserves. Craig Bailey stated that the board needs to determine the level of reserves required for this HOA and present a plan to the membership on how to obtain the funds and set a timetable for achieving such needed reserves. Tim Towner also advised that all owner funded repairs to the exterior have been reimbursed.

The status of the Texas Windstorm (TWIA) lawsuit was discussed. There is a mediation date scheduled for October 1, 2010 where a board member and the Managing Agent will attend with the attorneys representing the interests of the membership. The board will advise the membership the results of the mediation once known.

Capital Improvement projects were briefly discussed and pended until the current TWIA litigation is resolved and the fate of the SBA loan balance is known. Craig Bailey indicated that all non-safety related capital improvements should be delayed until such time as the cash reserves were adequately funded or plans to rebuild them were well defined and underway.

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The 2011 proposed budget was presented and will be reviewed further by the board before approving.

The condition of the Waterman's Restaurant was discussed and, and on behalf of director Rollin Fischer, Tim Towner proposed a letter writing campaign to city and county officials as the property had not been attended to some two years after the storm damage occurred. Attached to these minutes is a suggested template for owners use or reference.

Open Discussion was held regarding various miscellaneous matters including the matter of the ACC approval for 36 Dana (Jose Martinez) installation of lower level windows. Subsequent to the earlier approval, the ACC has determined there is a need to install lattice panels in front of the side window facing 37 Dana but the rear windows facing Country Club Drive should be adequately covered by recently planted oleanders once they hit their growing spurt in the spring. Jose Martinez discussed the ACC approval process he underwent for this project and wanted the membership to know that he had various meeting with individual ACC members and a board member to obtain the approvals necessary for this project.

Being no further business, Neat Grubbs motioned for adjournment and Brenda Towner seconded. The meeting was adjourned at approximately 4:10 P.M.

Respectfully Submitted by Tim Towner.