

Minutes

Elliott House Inn Board of Directors Meeting

June 25, 2010

11:00 AM

Conference Call

Directors present were Martha Bonds and Ray Murphy. Jack Ditterline, Yvonne Gregory and Lane Mullis participated by phone. Lona Vest was present representing Property Management Services.

The Board briefly reviewed the May financials and a list of paid invoices.

Lona reported that she had spoken with attorney Bill Bundy. Mr. Bundy stated that the regime had a default judgment against Suncoast already. The attorneys just need to file the default judgment with the court. Mr. Bundy stated that he did not think there would be any recovery against Arch – he said there was a precedent setting case that he argued and lost against an insurance company for coverage under the collapse insurance. He recommended that the regime remain with the same law firm and that the Board reconsider the claim against Arch. The Board agreed to discuss this piece of the suit with Clay McCullough.

The Board discussed the pros and cons of dropping the suit against Arch. The Board agreed to meet with Clay McCullough prior to making a decision regarding this suit. The Board agreed that every effort should be made to collect on the judgment against Suncoast. The Board discussed the amount paid to date on legal fees, the fees total \$15,000 to date. Ms. Bonds stated that there is a total of \$20,000 remaining in the budget.

Mr. Mullis asked Lona to send him new histories on 19, 22, 23, 25, 33 & 34. Mr. Murphy agreed send Mr. Mullis a standard sales contract and addendum form to use in the sales of the foreclosed units. The Board agreed to use Krawcheck and Davidson to handle title research and closings. Mr. Mullis stated that he hoped to close units by the end of August if possible.

The Board discussed items to review at the July 31, 2010 Owners Meeting. It was agreed that the following information should be covered at the meeting:

July 31

- Construction update – Lona is to invite Dominic Volpe from Palmetto Craftsmen
- Review updated pricing for phase II
- Provide 2 rental management sales presentations - David Kalek and Charlestowne Hotel Management
- Review Master Deed and Bylaw changes – Lydia Davidson to provide drafts for Board review – drafts to include information on super majority

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for document changes, limitation of rights for owners not in good standing, property management issues

It was agreed that Lona would send the meeting notice with the quarterly statements along with a newsletter updating owners. The Owners Meeting is to be held at Property Management Services Office. The rental companies are to be asked to attend at 11:00 and 11:30 for their presentations.

There being no further business, the meeting was adjourned. The next meeting of the Board will be July 13, 2010 at 3 at the PMS office.

Respectfully submitted,

Lona R. Vest
Acting Secretary