

**OCEAN DUNES TOWER 1 HOMEOWNERS' ASSOCIATION, INC.
TWENTY-FOURTH ANNUAL MEMBERS' MEETING
MAY 2, 2009**

MINUTES

The twenty-fourth annual meeting of the Ocean Dunes Tower 1 Homeowners' Association, Inc. was held on May 2, 2009 at 9:00 A.M. at the Ocean Dunes Resort at 74th Ave North in Myrtle Beach, S.C.

All owners had registered and had received the handouts that included an agenda, the December 31, 2008 audit report and financial statements and the minutes of the prior year's meeting held on May 3, 2008.

It was stated that a Proof of Notice of the Annual Meeting is on file in the Association's records certifying the mailing on March 14, 2009. Mr. Lohman verified that a quorum was present for the meeting (approximately 80% were present or had sent in proxies.)

Mrs. Sutton, President, called the meeting to order. She introduced the other Board members present who were Mr. Frans Mustert, Dr. Fielding, Harrietta Allen, and Ken Metcalfe. Others present were Paul Lohman and Paul Carsch of Resort Association Management, Inc. (RAM) the property management company.

The minutes of the last annual meeting held May 3, 2008 were presented. They were accepted as presented by those present.

The audit report and related financial statements for the Association as of December 31, 2008 were presented. It was noted that the HOA received an unqualified opinion on its statements. The audit was performed by A.W. Harrison III, an independent CPA. Mr. Lohman pointed out that the HOA had \$22,337 in operating cash and \$92,010 in replacement reserves cash and investments. He noted that there were three new line items on the Balance Sheet. They are Loan Origination Fees, Elevator Construction in Progress and Long Term Debt. All three of these line items relate to the elevator modernization program in progress and is explained in Note F to the financial statements and Audit Report. He also reported a new footnote in the audit report as Note G which describes the lease on the back-up generator that is being shared equally with Ocean Dunes Tower 2 HOA. The cost of the generator lease is presented on the Statement Of Revenues and Expenses. Mr. Lohman also referred to Note D which describes the status of the replacement fund reserves and that the estimated cost to replace those items as listed on page 12 of the audit was 58% funded as of 12-31-08. Mr. Lohman reviewed the Statement of Revenues and Expenses. He commented that the auditor found it necessary to set up an \$8,000 general loss reserve for potential losses of uncollectible HOA dues due to foreclosures. Other new costs mentioned were the cost of installing high speed internet and the monthly cost of that service. The audit report and financial statements were accepted as presented by those present. It was mentioned that the

audit report and various other HOA documents such as the budget, Master Deed, etc. were on the website at www.ramresorts.com.

Mr. Carsch gave a property management report.

He mentioned that the elevator modernization work was progressing as planned and it was anticipated that one of the new elevators will be operational within 3 weeks and then work will begin on the other one. Modernization includes a new car, a new ceiling, new buttons, new thresholds and numerous new other machinery. He mentioned that the balcony spalling work performed by Shields has been completed. Other work to be done on the building including sealing, caulking, painting and repairs will be spread over the next several years.

The swimming pool has been repaired and the drain system redone to comply with the new Federal swimming pool drain regulations.

The HOA is currently considering other ways to remove trash from the building. Currently it is necessary to physically handle the trash to get it in the compactor. The goal will be to eliminate removing trash by hand.

It was mentioned that TV reception is not very good. Mr. Metcalfe mentioned that his IT person is looking into the matter.

Mr. Lohman mentioned that a new property inspector has been employed by RAM to assist Mr. Carsch. Inspection reports will be submitted in detail to the Board monthly.

Mr. Carsch mentioned that the landscape timbers on the west gate exit from the pool will be replaced. Also, 2 new tables and 8 new chairs have been ordered for the pool area.

The next annual meeting was set for May 1, 2010 at 9:00 AM.

There being no other Association business to conduct, a motion to adjourn was made and seconded. The motion was unanimously approved and the meeting was adjourned at approximately 9:55 AM.

Respectfully submitted _____ Secretary

Approved _____ President