

**SAND DUNES NORTH HOMEOWNERS' ASSOCIATION, INC.
ANNUAL HOMEOWNERS' MEETING**

October 17, 2009

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TO BE APPROVED AT THE NEXT ANNUAL MEETING**

MINUTES

The Annual Meeting of the Sand Dunes North Homeowners' Association, Inc. was held at 9:30 AM on Saturday, October 17, 2009 at the Sand Dunes Resort in Myrtle Beach, South Carolina.

Mr. Michael Rink, President, opened the meeting by introducing himself and the Board of Directors. The Board of Directors consists of Michael Rink, President; Bob Whitmore, Vice-President; Jerry Blount, Secretary; Ken Metcalfe, Treasurer and Howard Anderson, Director-at-Large.

He also introduced Paul Carsch and Paul Lohman of Resort Association Management, Inc. (the property management company).

Mr. Lohman stated that a certificate of proof of mailing informing the membership of the annual meeting is included in the corporate records. He also announced there is a quorum for the meeting based on the number of owners present and those represented by proxy.

Mr. Rink called the meeting to order. He stated that this is a Homeowners' Association meeting pertaining to matters of the Association and the common areas of the property and not to rental matters. Any questions relating to rental matters will have to be discussed with your rental agent. Representatives from the Rawcliffe Resorts rental program will be available after the meeting.

Mr. Metcalfe read the minutes of the last annual meeting held on October 18, 2008. An owner made a motion to accept the minutes as presented. The motion was seconded and unanimously approved.

Mr. Lohman presented the September 30, 2009 interim unaudited financial statements for the HOA. He pointed out that the complete audit as of the year ending 12-31-08 is available in its entirety on the web site at www.ramresorts.com. The audit was performed by Mr. Aaron Harrison an independent CPA. Mr. Lohman mentioned that at September 30, 2009 the HOA had approximately \$575,000 in cash and CD's. Approximately \$529,000 of those funds had been allocated to the Reserve for Repairs and Replacements. Mr. Lohman continued by reviewing the Statement of Operations for the nine month period. The financials were accepted as presented.

The property report commenced.

The main subject in this area that was discussed was the cracks noted in the building. A Charlotte, North Carolina consulting engineering firm (Sutton-Ken

nerly & Associates, Inc.) ("SKA") has been engaged to do an engineering study on the sixth floor transfer girder and a survey of the masonry and under slab conditions of the sixth floor concrete in search of the cause of the cracking. The cost of the study was estimated to be approximately \$25,000-\$28,000 as compared to another proposal that was estimated to be approximately \$55,000. It was mentioned that several engineers have looked at the problem and all have indicated that no serious problem or safety problem appear to exist. However, the Board approved the study to be conclusive on the matter. Mr. Rink mentioned that Mr. Whitmore has spent over 100 hours on this project without charging for the time. Others also spent many hours on this subject including the other Board members and representatives from RAM, the property management company. The report was expected to be completed in 30-60 days.

An owner questioned why none of the balcony cracks have been repaired. Mr. Rink replied that the Board did not want to do any building repairs until the engineering report was received. It was mentioned that the surface walls and floors will need to be resurfaced to prevent moisture intrusion and spawling. It was estimated that the cost for this would be about \$7 a square foot for Quartz or \$5 for surcret surface covering. It was further mentioned that the flooring would again be carpeted. The building is now 8 years old.

An owner asked if resurfacing will cut corridor care costs. Mr. Anderson said no because we still will have the carpeting that will need to be vacuumed and cleaned periodically.

An owner inquired if we should include the cost for future elevator replacement in our Reserve schedule. Mr. Rink mentioned that the Board had decided not to include that in the reserve schedule at this time.

An owner inquired if a formal complaint on the crack issue had been filed with the contractor. Mr. Rink replied that the contractor (Baiden & Associates) has been on site to view the problem their engineer with the directors and the property management company present. Baiden is well aware of the problem and it is in writing. The HOA has also contacted an attorney who is ready to go depending on what the engineering study reveals and the position that the contractor may take on the results of the study. The attorney recommended that the HOA wait for the engineering study before taking any legal action if in effect legal action is necessary. It was mentioned that according to the plans, the contractor was supposed to caulk the balconies where the slab meets the walls. Per Mr. Whitmore, this was never done. Mr. Whitmore has contacted Baiden and Baiden has agreed to do this at no cost to the HOA.

An owner recommended that the Board look into using CFL bulbs and florescent bulbs wherever possible. Mr. Carsch indicated that the hallway and corridors are presently on florescent but will look at other areas. Mr. Metcalfe mentioned that an energy audit was in process.

Pets were again mentioned. It was reinforced that no pets are allowed on the property and that the Board will take steps to ensure this policy is enforced.

Some owners indicated the need for assigned parking. It was responded that there are no provisions in the Master Deed or the By-laws for assigned parking. An owner stated that his attorney said he was allowed to have assigned parking and wanted an official response to this matter. Another owner mentioned that there appeared to be a lack of control on the use of parking. Mr. Rink mentioned that parking control could be improved but it would be at a substantial increase in cost. However, he stated, the Board will look into the matter.

Use of the water park was again mentioned this year. Mr. Metcalfe very clearly stated that the water park was not owned by the HOA, but is owned by Rawcliffe Resorts. Further he stated that it was Mr. Rawcliffe's decision to allow only owners that were on his rent/lease contracts and their guests to use the water park.

The meeting continued with various rental matter questions that were deferred to a rental meeting scheduled for after the HOA meeting.

Mr. Lohman conducted the election of directors. He mentioned that the terms of Mr. Rink and Mr. Whitmore have expired and thus two positions on the Board needed to be filled. He stated that he received no notices from other owners to run for these positions. He also stated that Mr. Rink and Mr. Whitmore have both volunteered to place their names on the ballot for reelection to the Board. Mr. Lohman asked if there were any nominations from the floor. Mr. Mike Donabauer was nominated and was added to the ballot. A motion was made, seconded and unanimously approved to close nominations. The ballots were distributed and later collected and tabulated. The results of the election were that Mr. Rink and Mr. Whitmore were elected to serve 2 year terms.

There being no other business to discuss, a motion was made that the meeting be adjourned. The motion was seconded and it passed unanimously.

The meeting was adjourned at 11:10 A.M.

Respectfully Submitted:

_____ Secretary

Acknowledged:

_____, President
Michael Rink