

**SAND DUNES OCEANFRONT TOWER HOMEOWNERS' ASSOCIATION, INC.
C/O RESORT ASSOCIATION MANAGEMENT, INC.
P.O. BOX 1708
NORTH MYRTLE BEACH, S.C. 29598**

The second annual meeting of the Sand Dunes Oceanfront Tower Homeowners' Association ("HOA") was held on February 7, 2009 at 9:30 A.M. in the Sand Dunes Hotel in Myrtle Beach, South Carolina.

Mr. Tom Raub, President of the HOA, called the meeting to order and introduced his fellow Board members: Howard Anderson, Director-At-Large; Jerry Blount, Secretary; Jim Gowen, Vice- President; and Ken Metcalfe, Treasurer. He also introduced Paul Lohman, President of Resort Association Management, Inc., the property management company.

Mr. Raub commented that the HOA meeting was for the purpose of conducting HOA and common area business matters. Rental matters will not be discussed during the HOA meeting. However, representatives from the Rawcliffe Resorts Rental Operations will be available after the HOA meeting for your convenience regarding rental matters he stated.

Mr. Raub recognized Mr. Lee Rawcliffe, owner of Rawcliffe Resorts and a member of the HOA as a result of Rawcliffe Resorts' ownership of the commercial spaces that comprise a unit within the HOA. The commercial space contributes approximately 27% of the total HOA revenue budget.

Mr. Rawcliffe cited numerous maintenance items that he had to address in the commercial areas including hallways, rest rooms, plumbing, painting and roof leaks etc. He also mentioned numerous areas that need upgrading and improvements in the building including the commercial spaces and the common areas in the building. He cited that he was committed to improving the entire condition in the building and the grounds with the cooperation of the HOA. He indicated he wanted to add a spa as an amenity and was proposing that this might be a joint venture between Rawcliffe Resorts and the HOA. He mentioned that the 2nd floor indoor pool needed major renovations. He mentioned the addition of the Hall Of Heroes and its inclusion of the Traveling Wall. He commented that his company and the owners were "partners" in the property. He noted that Myrtle Beach business was down approximately 39% per the state report-- mainly due to the economy. He added that his company is promoting the "Spirit of Christmas" this year with the JayCees. Mr. Rawcliffe mentioned that he has instituted an extensive training program for all of his staff to improve customer satisfaction.

Mr. Raub returned to the agenda.

Mr. Lohman indicated that there was a quorum for the meeting based on the total of proxies and owners present. He also presented a Proof of Mailing notifying all owners of the meeting in accordance with the notification requirements in the By-Laws of the HOA.

There were no minutes of the first annual meeting available for approval.

Mr. Lohman reviewed the Audit Report and financial statements of the HOA as of December 31, 2009 with the membership. He cited that the HOA was very healthy with over \$557,000 in cash and investments of which \$383,000 was allocated to fund reserve requirements 100%. He stated that the auditors were concerned with the collection of outstanding receivables and thus an allowance for bad debts was established for \$83,250. Mr. Lohman further explained that a Shared Amenity Program has been agreed to by all other Sand Dunes HOA's to distribute the cost of the amenities shared by all HOA's in the Sand Dunes Complex. This should result in a decrease in operating costs to the Sand Dunes Oceanfront Tower HOA. The audit report and financials were accepted as presented.

Because Mr. Rawcliffe had summarized the property in his presentation, there were no other items mentioned concerning the property.

Old and new business was discussed.

Mr. Raub briefly described his background and experience. Mr. Gowen did the same. Mr. Raub emphasized that the Myrtle Beach area needed the I-73 interstate and an enlarged airport facility.

Mr. Raub commented that improvements are scheduled to refinish the outdoor pool deck area.

He also mentioned that he will look into improving communications in the form of periodic newsletters.

Mr. Raub then discussed further the spa joint venture proposal between Rawcliffe Resorts and the HOA that Mr. Rawcliffe mentioned earlier in his presentation. Mr. Raub asked for a "straw vote" on the matter. All owners present were in favor of the Board pursuing this matter.

There being no other HOA business to discuss, a motion was made, properly seconded and unanimously approved to adjourn the meeting. The meeting was adjourned at 11:30 AM.

Respectfully submitted:

Acknowledged:

Secretary

President