

Sands Ocean Club Homeowners' Association
Annual Meeting of the General Membership
October 24, 2009
Minutes

The 2009 Annual Meeting of the General Membership of Sands Ocean Club Homeowners' Association was called to order at 9:23 a.m. by President Howard Anderson. He stated 43.25% of the membership was in attendance in person or by proxy, however, this was not enough to have a quorum so an official meeting could not be conducted. The owner of 408 stated he thought owners who were on the rental program had an automatic proxy. Mr. Anderson replied that the rental contract that expires this year did not include a proxy but in the new contracts effective in 2010, they do.

The floor was then given to Mr. Bruce Schmickley to present the minutes from the 2008 Annual Meeting. Mr. Schmickley begins to read the minutes and a motion is made from the floor to dispense with the reading of the minutes and accept them as presented. There was a second, and the motion passed unanimously.

The floor was then given to Mr. Aaron Harrison, CPA, to present the financial report. Mr. Harrison reviewed the financial statements for the year ended December 31, 2008 for the HOA and Timeshare. He stated \$47,000 had been paid down on the loan for the Plaza and parking deck renovations. He stated the loan payable to Timeshare from the HOA was at \$77,000. Mr. Harrison asked for questions and hearing none, the owner of unit 408 made a motion to accept the financial report. Another owner seconded the motion and it passed unanimously.

Mr. Anderson welcomed those in attendance to the meeting. He stated two major projects the Board is hoping to have completed by the end of the year. The reroofing of the low roof behind the indoor pool inside the horseshoe is slated to begin in November. He stated the HOA has funds in the reserves to pay for that project. He said the other project the Board hopes to have complete by the end of the year is new stairs in the main parking deck. He said the current stairs have lasted more the 24 years and must be replaced. He said the board is waiting on one more proposal before they award the contract. Mr. Anderson stated in the coming year the Board plans to continue the refurbishment of the outside of the building. For 2010 refurbishment will commence on the east face of the building. Mr. Anderson stated the HOA is fortunate to have had the same management company for the past 19 years. He said dues will remain the same in 2010, and insurance will be special assessed.

The floor was then given to Mr. Paul Lohman for the property manager's report. Mr. Lohman stated after the meeting there would be a rental meeting with the rental management company, Island Resort. Mr. Lohman asked homeowners to go to the company website, www.RAMresorts.com, to view the

master deed, budget, financial statements, minutes and meeting dates. He also stated insurance information is available for homeowners' whose mortgage companies request insurance information. Mr. Lohman stated RAM hired a property inspector who makes monthly inspections of the property. He stated this employee was looking for cleanliness and safety hazards. All of the inspector's findings are compiled in a report which is given to the Board of Directors. The report is also given to Mr. Williams, Hotel GM and Mr. Barkstrom, Director of Maintenance. Mr. Lohman stated the Board was looking at quotes to paint the balcony railings. He said they hope to have the work done in 2010 and it is in the budget. He stated Mrs. Pereira and other staff members were able to get CFL bulbs from Santee Cooper for the resort free of charge, and the change should help reduce electric costs. He stated Santee Cooper recently had approved a rate increase for electricity. Mr. Lohman said there are plans to replace entry doors to the units floor by floor. Mr. Lohman stated the Board is adding more handicap parking spaces in the main parking deck. He said he hopes to have the spaces added within the next month or so. He stated there had been a recall on the sprinkler head system throughout Tower III. New sprinkler heads were provided free of charge, but they need to be installed. He stated some Timeshare units were getting new tubs this year. He said Mrs. Pereira deserves a lot of credit for getting the best deal out there and saving a lot of money. Mr. Lohman stated Timeshare's in-house exchange program had been very successful this year. Mr. Lohman said any homeowners who are delinquent receive a notice after 30 day, and a letter after 60 days. He said units on the rental program have their rental income paid to the HOA when they are delinquent. He said the HOA also has the ability to shut off power to units that are delinquent. He stated the HOA has not had to foreclose on any owner for delinquent HOA dues. Mr. Lohman concluded his report.

The floor was then opened for comments from Directors. Mr. Schmickley stated he has been on the board for 17 years and this was the toughest year they've had. He thanked everyone for attending the meeting. Ms. McAlister thanked those in attendance and invited everyone to attend the board meetings or come to a board member to voice their concerns. Mr. Good stated he had gained a lot of respect for the board and property management. Mr. Anderson said it was a pleasure to work with the board members. He said no one placed their name in nomination prior to the meeting, but all positions would be up for reelection next year. He said it is a pleasure serving on the board.

The floor was then opened for new business from the floor. The owner of 1034 asked if when the stairs were being replaced in the main parking deck if the lighting could be upgraded as well. Mr. Anderson stated it would be. He said all lighting will be improved and they will use CFLs or newer electronic ballasts. The owner of 1034 thanked the Board and staff for the upgrades over the past year. Mr. Dan Hein, owner of 1125 stated in the month of July the garage gates were open all month. He stated the public should not be allowed to park there for free. He said employees were parking in the main parking deck. He said the HOA should charge people to park if they're going to leave the gate up. The owner of 804 asked what the Board had decided about the color of the indoor pool tiles. Mr. Anderson stated the cost of replacing the pool tiles is expensive and there are other projects that take precedence over it. The owner of 408 stated there was a piece of floor tiles missing on the 5th floor near 527. Mr. Lohman said he would make sure it was addressed. The owner of 318 stated the music coming from Sandals Lounge was very loud and could be heard in his unit. The owner of units 615 and 616 stated their

balcony was crumbling in unit 616 especially. Mr. Rawcliffe stated balconies over the pool deck area were being repaired in the coming year, and asked all owners that have problems on their balconies to report it and they will be taken care of. The owner of 525 stated his balcony was repaired last year but more rebar is showing again. The owner of 1233 stated his balcony's rebar was exposed and some of the concrete is crumbling. The owner of 1513 stated her balcony was crumbling and has sharp edges.

There being no other business to discuss, the meeting was adjourned at 10:55 a.m.

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