

**Sands Ocean Club Homeowners' Association**  
**Annual Meeting of the General Membership**  
**October 25, 2008**  
**Minutes**

The 2008 Annual Meeting of the General Membership of Sands Ocean Club Homeowners' Association was called to order at 9:00 AM by President Howard Anderson. Mr. Paul Lohman announced that a quorum of 51.2394% was represented in person or by proxy. He stated many owners did not return their proxies via mail, but staff at RAM did make a phone call effort to homeowners as well as a mass email. He thanked his staff for making the effort to get a quorum for today's meeting.

The floor was then given to Mr. Bruce Schmickley, Secretary, to present the minutes from the 2007 Annual Meeting. An owner made a motion to dispense with the reading of the minutes and accept them as presented. Another owner seconded and the motion passed unanimously.

The floor was then given to Mr. Aaron Harrison, CPA, to present the financial report. Mr. Harrison stated there was one transaction on the 2007 audit report he wanted to explain. He stated it was unusual in the perspective that he had to write off the Association's biggest asset, and it makes the financial statements look upside down. He stated the financial statements are available for review on the website, and on page 18 it talks about writing off the meeting room and parking deck which are real pieces of property that cannot be sold to a third party. Mr. Harrison then reviewed the financial statements for the HOA and Timeshare. The owner of 1137/38 inquired as to Mr. Harrison's role in regards to the budget and auditing the financial statements. Mr. Harrison stated the management company (RAM) prepares the budget with the Board of Directors, and as the CPA, Mr. Harrison stated, he has no responsibility in preparing the budget. Mr. Lohman explained that he and his staff prepare the financial statements every month and Mr. Harrison audits the reports and attends the Board Meetings. Mr. Harrison concluded his financial report.

President Anderson welcomed all in attendance to the meeting. He stated Sands Ocean Club is a very desirable property and this year while the average occupancy level in Myrtle Beach was down 22%, the Sands Ocean Club was only down 9%. He mentioned the HOA hired a company, Shield, who performed work on the 18-stack and repaired balcony spalling through the north face of the north tower. He said the HOA had set up a program to renovate a portion of the building each year. He stated in 2009 the repairs would probably be made to the 27-

stack. President Anderson said the special assessment for 2008 covered insurance as well as repairs to the building. A homeowner asked why insurance was not included in the budget. President Anderson replied that insurance rates remain unpredictable in this volatile market. He stated the insurance assessment was for a 14-month period, and anticipated 2009's insurance costs to decrease significantly. He stated there was a crack that showed up in the new parking deck, and it was analyzed by two separate companies. He stated the company that built the deck met with the board and assured there would be no cost to fix the cracks. He stated meetings dates for 2009 had been established and could be viewed at [www.RAMResorts.com](http://www.RAMResorts.com).

The floor was then given to Mr. Lohman, President of RAM, for the Property Manager's report. He stated winter maintenance would be commencing soon, and the Board was still looking into replacing the stairs in the main parking deck. He urged all owners to visit the website [www.RAMResorts.com](http://www.RAMResorts.com) for information on the HOA such as the Master Deed. He stated contact information for the Board as well as RAM are available online. Several owners stated they emailed the board and received only one response or no response at all. Mr. Lohman stated that one member of the Board replies to the email and contacts the rest of the board. The owner of 1231 expressed concern that a storm in July had caused pieces of the balcony ceiling to fall. Mr. Lohman stated the HOA would address that issue. The owner of unit 1005 stated that in the minutes from the 2007 annual meeting it stated President Anderson had approved replacing the stairs in the parking deck and inquired as to why it had not yet been done. President Anderson explained the Board had looked at several proposals they thought were out of line, and they had not yet approved a specific bid. The owner of 1137/38 asked why the salaries were not included in the budget. Mr. Lohman stated the salaries are included in the line item for property management services, and in the 2009 budget those fees had not increased at all. He stated many employees would not receive a raise in their pay. The owner of 1005 asked if the Board meetings could be opened up for conference calls for homeowners unable to attend. Mr. Rawcliffe stated the conference call could be costly to the HOA, but if there was a solution via the internet it may be possible. The owner of 1005 stated he was concerned that employees were parking in the main parking deck. Mr. Lohman stated he had been working with Mr. Eddie Williams to control that. The owner of 1212 thanked the Board for their hard work and stated she had seen many improvements over the years.

The floor was then given to the directors for comments. Mr. Schmickley thanked everyone in attendance and urged them to come to the Board meetings. He stated a few homeowners had expressed concerns about the minutes being published online in a timely manner. He said the board would vote on putting a draft copy online. Ms. Ann McAlister stated her main job was to look for accidents waiting to happen. She said once she discovers and reports them, they are immediately taken care of. Mrs. Marsden thanked everyone in attendance and stated this

Board has the homeowners' best interest in mind at all times. Mr. Good stated since being elected to the board he has the utmost respect for the property manager, and he is proud to be a part of the board.

The floor was then opened for new business from the floor. Several owners voiced their concerns with the cleanliness of the hallways. The owner of unit 1125 suggested the use of CFLs in the units to save on electricity. President Anderson stated that was a good idea, and Mr. Rawcliffe stated he would like to implement that change. Mr. Rawcliffe noted that they were extremely conscious of energy management. The owner of 1408 noted that one of the building side lights was on all day long. President Anderson said he would look into it.

Elections were held for two positions on the board. The incumbents were Ms. Ann McAlister and Mr. Lee Good, Jr. The floor was then opened for nominations. A motion was made to close nominations and re-elect the directors by acclamation. The motion was seconded and approved unanimously.

There being no other business to discuss, the meeting was adjourned at 11:15 AM

*An organizational meeting was held following the Annual Meeting and the directors were elected to the following positions: Howard Anderson, President; Mureline Marsden, Vice President/Assistant Treasurer; Bruce Schmickley, Secretary; Lee Good, Treasurer; Ann McAlister, Assistant Secretary.*

Respectfully submitted on this 15<sup>th</sup> day of October, 2008.

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Bruce Schmickley - Secretary

Sands Ocean Club HOA