

Minutes of the Annual Meeting

Dunes South Home Owners Association

May 15, 2010

The meeting was called to order by VP Mr. William Dellinger upon the return of Angie Jernigan to the meeting and at the end of the question & answer session. Mr. Dellinger presented a welcome to those in attendance and called for the quorum count. In order to meet a quorum 372 members by proxy or in person must be present. The total present came to 582 consisting of 332 timeshare and 250 private owners.

A Motion was made and seconded to accept the minutes of the Annual Meeting from 2009 as written. The Motion passed and the minutes were accepted as written. The Financial report was called for and Angie Jernigan reported the following:

Common Area Operating Account Balance	\$8,223.75
Common Area Reserve Balance	\$3,321.29
Timeshare Operating Account	\$50,692.80
Timeshare Reserve	\$ 6,579.40
Timeshare Revitalization	\$39,102.34
Beach Preservation Fund	\$42,542.74

Old Business

Septic Update was given by Angie Jernigan:

Two septic pumps have been re-wired and are now on separate meters as required by the Town of Nags Head. Recent dune pushes and sand bags are presently protecting the system. October 2009 the tanks were pumped out. May 2009 the check valves were replaced on pump #2. The Septic Systems are now in compliance with the Town of Nags Head, protected by the recent sand bags and dune pushes and in good working order.

Credit Card and E-check payments update was given by Angie Jernigan:

Since its inception there have been 150 on-line payments to Dunes South. Of those payments only 27 used credit cards while 123 utilized the e-Check option. Total funds collected from the on-line feature have been \$80,482.05. It was explained that this program was a service of Lighthouse Management Group and did not cost the association anything.

New Business

Many owners had concerns about the non payment of past due bills. The general attitude is that for both T/S and whole owners, more needs to be done including lock outs and liens.

Unpaid Dues, the total of unpaid dues was given by Angie Jernigan as follows:

Private Owners Unpaid dues and fees

2010 Maintenance Fees	\$2,632.00
Storm Ida Clean Up	\$3,194.22
Beach Preservation Fund	\$10,740.00
NSF Fees	\$35.00
Late Fees	\$75.00
Total	\$19,331.22

Timeshare Unpaid dues and fees

2010 Maintenance Fees	\$39,079
2009 Maintenance Fees	\$13,950
Revitalization Fees	\$16,273
Beach Preservation Fund	\$11,439
Late Fees	<u>\$14,688</u>
Total	\$95,429

Preservation of Dunes South Angie presented a slide show of pictures before and after the November 2009 Storm Ida. To stress the importance of the Beach Preservation Fund, the slides presented:

1. explained the three day debris wash up and sand loss,
2. detailed the damages to ocean front units and others,
3. showed the septic system field

Revitalization Update

Units 301, 302, 315, 316 and 326 are remaining.

Units 315 and 316 have received new carpet, vinyl, new roof and new chimney.

Units 301 and 302 received new carpet, chimney and hearth.

Unit 326 has received new entrance steps.

Angie Jernigan explained that the account currently holds \$39,102.34 with \$16,273 in unpaid revenues. She stated that this is not enough to complete the project and that projections had been based on owners that did not pay and were ultimately foreclosed on. She continued by saying that everyone would have to work together to determine where to obtain additional funding to finish the project.

Questions from the floor were answered as to how management went about collecting past due funds. Angie explained that numerous attempts to collect had been tried prior to foreclosure as that is costly to the association. Angie stated that she has provided information to the BOD on a collection agency that specializes in Timeshare and HOA's in collection matters. She further stated that the BOD had not had adequate time to review the collection agency. Owners asked if they could possibly purchase any of the weeks that were about to go into foreclosure. Angie explained that is she had someone who wanted a particular week she always checked the owner's balances to see if there may be an owner who was interested in selling.

Storm Ida Damages and Cost of Repair

Angie Jernigan had prepared a list of all the vendors and cost of the clean up of the storm as well as the amounts collected to date from the Flood Insurance Policy. Angie explained that a large portion of the damages were not covered by flood insurance. Some questions were presented from the floor and were answered to the members' satisfaction.

Sand Bag Project

Angie Jernigan explained that the sand bags were in place and that they were presently covered by sand brought in by the truck load. The walk-way was complete and sand fencing has begun. The sand fence and vegetation will be completed as weather permits. Angie explained that by the governing documents the BOD is obligated to do what is necessary to protect the structures within Dunes South unless the owners say otherwise. She told the owners about the town manager for Nags Head, Mr. Ogden's visit to Dunes South during the installation of the bags. He was impressed with the contractors work and he also stated that the Town of Nags Head will begin beach nourishment in 2011. If this

should happen as the town suggests, Dunes South should be protected very well against future erosion.

Security Deposits

The Board of Directors expresses its interest in beginning a security deposit program at Dunes South. The members expressed general acceptance to the idea.

Pet Fees

The Board of Directors stated that they had received a number of complaints about the pet fee increase. They will be looking over the issue in the coming months to determine if it should be adjusted.

Internet Access

Angie Jernigan explained that Lighthouse Management Group would be providing wireless internet service to Dunes South. It would be a pay as you go system. Those using the wireless signal would pay a fee for the service.

Pool Matter

The Board of Directors express its' concern with the costs associated with building a pool. The board feels that more information is needed on the total cost projected prior to reaching a decision. Many owners present voiced their opinions on the matter with the largest concern being an assessment to off season owners to pay for something they don't get to use. Many owners had concerns and the general feeling was they wanted to know more before anything was done. The Board of Directors told those present that perhaps a vote by mail to all the owners showing the cost each owner would incur for a new pool to be constructed would be in accordance. Mr. Allan Caudill stated that information he obtained shows the project to be affordable. The Board of Directors told Mr. Caudill that he was welcome to join in on the project and provide his information to the Board.

Election of New Officers

Since a quorum was present an election for officers was held. There were no additional nominations from the floor so the members were instructed to vote for 5 of the 6 six candidates. The following candidates were presented. Mr. William Dellinger, Mr. William Lloyd, Mr. Charles Ivins, Mr. Daniel Keefe, Mrs. Ronda Williams, Dr. Allan Caudill. The following votes were received:

Mr. William Dellinger	374
Mr. William Lloyd	489
Mr. Charles Ivins	488
Mr. Daniel Keefe	480
Dr. Allan Caudill	186
Mrs. Ronda William	435

The 5 members voted in to serve on the Board of Directors were Mr. William Dellinger, Mr. William Lloyd, Mr. Charles Ivins, Mr. Daniel Keefe and Mrs. Ronda Williams.

During the executive session a vote was held with the following results.

Mr. William Dellinger, President, 1 year
Mr. Charles Ivins, Vice President, 1 year
Mr. William Lloyd, Secretary, 2 year
Mr. Daniel Keefe, Treasurer, 2 year
Mrs. Ronda Williams, Member at Large, 1 year