

Procedure for Sharing the Revenue from the Sale of the Ocean Forest Club, Inc. Property in 2021

The following is designed to share with you how the monies from the sale of our property in 2021 will be shared among the owners. The first important information is your status with the Association at the time of the sale of the property. Only owners whose status is defined as "An Owner in Good Standing" will be able to share in the proceeds of the sale. The definition of "An Owner in Good Standing" is an owner whose assessment balance with the Association is "Paid in Full" where no outstanding balance is on the owner's account with the Association.

The share of the sale will be based on the number of weeks each owner has with the Association. We have owners who single weeks and those who own up to 8 weeks. The total number of shares is 364 or 7 houses (times) 52 unit/weeks per house equals 364 unit/weeks.

The Association also owns unit/weeks from a variety of activities that have occurred since the Club began operations in the 1980s. These unit/weeks will gather their share of the revenue also and then be shared again with the owners on a unit/week of ownership.

Owners will therefore get 2 types of payments. The first from the initial share of the net total revenue and then from their share of the Association owned unit/weeks that collected monies from the first sharing.

In order to make this example simple to create and share with you, I am going to pick an arbitrary total net amount that the sale of the property will bring. Since we have 364 unit/weeks, I am going to use a net amount of \$3,640,000.00.

\$3,640.00.00 (Net Sale Amount) divided by 364 unit/weeks equals \$10,000.00 per unit/week

If the Association at the time of sale owns 50 unit/weeks the Association's share of the first share would be 50 unit/weeks times \$10,000.00 per unit/week or \$500,000.00. There are 364 total unit weeks minus 50 Association owned weeks equals 314 owner owned unit/weeks. We take the \$500,000.00 Association owned unit/weeks value of the first share and divide it by 314 owner owned unit/weeks which equals \$1,592.35 per owner owned unit/week.

An owner who has one week would get \$10,000.00 of the first share of the net sale amount plus \$1,592.35 from the share of the Association's first share of the net sale amount or a total of \$11,592.35 for their ownership in the Association.

If you own more than one week you would multiply the number of weeks times the \$11,592.35 to arrive at the total amount you would receive from the sale of the property

An owner who has a four week ownership would get \$40,000.00 of the first share of the net sale amount plus \$6,369.43 from the share of the Association's first share of the net sale amount or a total of \$46,369.43 for their ownership in the Association.

Please review this example and if you have any questions or concerns about how the sale of the property will be processed for each owner type, please present those in writing to the Association's Secretary before January 1, 2016 so that they can be brought up at the 2016 Annual Meeting and discussed. If there are changes to the above procedure, the board will take those changes under advisement and vote to either make the changes or keep the procedure as outlined above.