

Ocean Forest Club Owners' Association Annual Meeting Minutes

The annual meeting of the Ocean Forest Club Owners' Association, Inc. was held on Saturday January 20, 2018 at 10:00 a.m. at Sands Resorts and Conference Center in Myrtle Beach, South Carolina.

Welcome and Introductions

Board President, Elaine Poovey called the meeting to order at 10:02 a.m. introducing herself and welcoming everyone. Each board member also introduced themselves. They included, Gina Howard, Ric Forbes, Elizabeth Foster, and Kelly Lee. General Manager, Buzz Robertson introduced himself.

Certification of Quorum

Secretary Gina Howard stated a quorum was established with 161 votes.

Approval of Minutes

Vice President, Elizabeth Foster made a motion to approve the minutes from the previous annual meeting in January 2017 and Kelly Lee seconded the motion. The January 2017 minutes were approved with no opposition.

Budget

Board Treasurer, Kelly Lee gave an overview of the current bank accounts. The association holds three accounts. BB&T account #1973 is the master checking account and contains \$117,814.27 as of 1/18/18. BB&T account #1981 contains \$7,352.02 collected from owners who have decided to walk-away from their weeks. The BB&T accounts total \$125,167.29. The Wells Fargo account is used by the General Manager for operations. This account contains \$5,688.38. All three accounts hold a total of \$130,855.67. This is \$18,125.91 more than this time last year.

The taxes have been paid for 2018 and the insurance, a total of \$10,540.00, is scheduled to be paid in February. Once the insurance is paid, the association will have \$7,585.00 more than at the beginning of 2017.

Kelly urged all members to check the Wells Fargo account to see how the association's money is being spent.

Kelly reviewed the 2018 budget. A few thousand more has been budgeted for 2018. In General Maintenance #5135, \$20,000 was budgeted for 2017. None was set aside for General Maintenance for 2018 as all major projects have been completed. Interior Pest Control #1550 was increased because professionals were hired to take over pest control. Most of the items in General & Administrative #5200 have been paid and the property insurance is pending for payment in February.

Printing and Mailing #5260 increased from \$720.00 to \$800.00 since the board is sending out more notifications to owners with information about the sale of the property. Property Management Services #5240 increased from \$15,000 to \$18,000 since additional work will be required of the General Manager.

Owner Jim Ranck asked about the budgeted amount of \$20,000 in Legal #5228. Kelly explained that the association has contracted with an attorney in Myrtle Beach. The legal fees are to get the property ready to sell. Elaine stated that the association executed the contract with the original firm for sale of the property and that Buzz will discuss more about the legal information. Kelly explained that the secondary BB&T account was set aside to help with the fees for the sale of the property.

Elaine spoke on how well Kelly keeps an eye on the budget. Kelly gave the login for the Wells Fargo operating account, and Elaine urged the owners to view the account at any time.

Property Manager's Report

General Manager, Buzz Robertson gave an overview of the improvements of the property from 2017. The decks were repaired and stained. New blankets, bedspreads, and towels were purchased for each house. All the carpeting was replaced in the houses, and everything was maintained to keep what we have in serviceable shape. Cracks in the pool were sealed, and a shower, footbath, and water fountain were installed at the pool area.

In 2018, the goal is to focus mainly on small maintenance items. The ceilings in the bathrooms of Houses 6 and 7 will be replaced due to mold and fans not working properly. The caulk in all of the bathrooms will be replaced with waterproof caulk.

The association is shifting to the sale of the property in 2021. Buzz is asking all owners to send a copy of their deed. Currently the association is an interval ownership operation and in order to sell the property, each owner would have to sign the sales slip. The attorney that has been hired is taking all of the deeds and transferring them into a share in a new corporation. The new corporation will be provided with title insurance which will make the sale easier. There will be no distinction between weeks owned during different times of the year. Each share will be divided equally, and the shares that are owned by the association will be divided equally amongst owners in good standing.

Owner Regina Johnson asked if people that turned in their weeks will have any recourse in the sale. Buzz explained that he has been merging the records from RAM with his and Kelly's records. If the owner is not in good standing they will not share in the sale of the property.

Owner Pat Jones asked what happens if a deed is not received from the owner. Buzz replied that the attorney follows a procedure that is a South Carolina law. They will publish the information in the newspaper and if the property is not claimed, a judge will assign ownership to

Ocean Forest Club. He stated that there are forty-four weeks that the owners have walked away from or that we cannot get in contact with.

Buzz stated that when the attorneys do "title research", they charge \$80.00 per hour. Buzz has offered to do the research for \$20.00 per hour. This involves pulling the deed to find the owner. In some cases, corporations bought out the owners and did not file property change paperwork with the county. Buzz has to try to find the original owners to obtain the deeds. Elaine explained that the attorneys will train Buzz on how they want the work done.

Owner Jim Gersbacher asked if having Buzz do the deed research was a conflict of interest. Buzz replied that the attorneys did not indicate that it would be a conflict. Jim commented that we do not know if anyone would have an issue with an owner doing the work.

Owner Rita May Ranck asked when the property could be assessed. Buzz replied that the sales process can begin as soon as the new corporation is established. At that point we can start marketing the property. The bylaws state that the association will operate for 40 years. December 31, 2021 is the last day of the operation. If the property is not sold by then, the association will vote to continue as a timeshare for another 10 years, or vote to become tenants-in-common.

Owner Lowell Jones asked who the property could be sold to. Buzz explained that Ocean Forest Club was grandfathered-in to restrictions that the city of Myrtle Beach set on timeshares in neighborhoods. Whoever buys the property would be allowed to continue its use as a timeshare.

Jim Ranck asked if owners still owe fees, and will they be able to use their weeks through 2021. Buzz verified that the property will be available for owners to use until December 31, 2021.

Owner Angel Gersbacher asked if the property is sold in June of 2021 will October week owners be able to use their weeks in 2021, or will they be lost. Buzz explained that new ownership would not take over until January 1, 2022. Angel also asked when the new corporation would be formed. Buzz said that the association will be formed by the Bellamy Law Firm, but they will need all of the deeds before it can be formed.

Owner Al Bedard asked about the association's relationship with RCI. Buzz replied that we have a good relationship and that there have been returning guests that have been booked through RCI. Elaine added that our rating with RCI has gone up since the board took over. Al also asked about the percentage of deeds received so far. Buzz replied that he has received 20 deeds.

Rita May Ranck asked how many owners are in good standing. Kelly replied that there are 50 that are not in good standing.

Election of Directors

Since there was no old or new business, Elaine moved on to the election of the directors. There were four names running for three positions. Each person running was asked to say a few words about why they wanted to serve on the board. Elaine said a few words about those running who were not able to attend the meeting.

There were no nominations from the floor. The two registrars and one supervisor were assigned to count ballots. The votes were tallied:

Bob Forbes - 176

Elizabeth Foster - 192

Tally Roberts - 190

Mary Stephens - 17

Other Business

Al Bedard asked about hiring a realtor. Elaine replied that we will most likely hire a realtor because we will not handle the sale as an association.

Adjournment

The meeting was adjourned at 11:12 a.m. by the President.

Respectfully submitted,
Gina Howard
OFC Board Secretary