



OCEAN CLUB NEWSLETTER

March 2010

Repairs, inspections and Improvements: If you were in residence earlier this month you would have no doubt heard the tapping and drilling noises made as Whitlock, Dalrymple Poston & Associates made additional inspections of the concrete portions of both buildings in preparation for developing repair options for us to consider. We are also in the process of completing a contract for Structural Preservations Systems to have newly designed fasteners installed on the standing seams of our roofs in order to strengthen them and increase the "lift" limits in the event of extremely high winds. The contract, once completed, will also provide for them to remove the existing windows in a full stack in each building and install new flashings, end dams, etc. and re-install the same windows. They have designed a fix that should eliminate the leaks in and around the fixed windows. After they have been tested and the fix has proved effective through a storm season, we intend to go back and have the correction performed on all windows. We are also addressing the repair/replacement of the caps on the flue pipes, many of which are badly deteriorated. We are trying to systematically repair the areas that have proven to be problematic. A much more detailed report will be given at our annual meeting.

Insurance renewal: We have been working diligently on our renewal program and some of the effort surrounded having FEMA grandfather the flood zone designation for Building #1 back to the original designation. After many starts and stops and much bureaucratic difficulties I am happy to report that we have been successful for the new policy and we will get a refund for the current period inasmuch as we started the request during the policy year. We have two excellent proposals on the table and regardless of which one we take; our renewal premium will be reduced significantly from the current policy.

Beach survey report: Dr. Kana finally made his formal report to City Council earlier this month. Beth Colley and Jim O'Dare attended the meeting and report that after going through a lengthy presentation Dr. Kana presented the fact that there had been considerable erosion in front of Ocean Club and at the 18th hole of the golf course. Some of the causes can be attributed to the flow out of Dewees Inlet which is being diverted by a portion of the sand bar. Some of it comes from the wave action from the shoal attachment in the vicinity of the Property Owners Beach Club. His recommendation is that the City of Isle of Palms submit for a permit to move sand from attached shoals to the area of erosion. Since the shoal is slowly moving in that direction this would merely "help it along". Another area under consideration would be the build up of sand at the back of the island at Dewees Inlet. The City has adequate funds on hand from last summer's nourishment program to cover the cost associated with doing the work. We are hopeful that an application will be submitted by Isle of Palms very soon and anticipate that the permit will be issued next fall. If this happens we could look at bringing in sand during the winter of 2011.

Ocean Club had submitted earlier this year for a permit to bring in additional sand to raise and extend the dune we created last year, and after weeks of no response, in answer to Beth Colley's query they stated that she needed to submit another form. We have re-submitted the application and will have this work done once we receive our permit, whenever that may be. This permit will allow us to nourish our existing dune with upland sand to hold us over until we can bring sand in from the Tombola off of the Property Owners' Beach House.

Cable Service: Some owners have expressed difficulty getting a clear picture on their TV's and Adams Properties has been working with Comcast on this issue. It may be that we need new cables run throughout the buildings. However, in many instances the installation of a power booster in individual condominiums has improved the quality of their TV reception.

Financials: Our expenses for the month of January were \$13,147.42 under budget; mostly due to not having yet spent the \$3,000.00 budgeted for pool furnishings, and our utility expenses running \$4,542.15 under budget. Supplies were \$2,272.51 under budget as was Security (\$1,983.35). A good start on the year and it helped us in our need to recover last year's deficit. Many of these expenses will even out as the year goes on, but it would certainly be helpful if the costs for water and propane continued to run below budget.

The Capital Reserve I account remains in the range that we believe we need to have on hand. The actual value as of the end of January was \$733,250.75 after paying \$2,945.00 for spa repairs and \$6,000.00 toward our contract for new and upgraded signs. The equity balance of the Capital Reserve II account stands at \$15,584,140.59.

Annual Meeting: You will shortly be receiving your information for the Annual Meeting to be held on Saturday, March 27th. Please make plans to attend. The Wild Dunes Annual Meeting will be at 9:30am that day and our meeting will be at 4:30pm, In addition to the annual reports, we will be electing three members to the Board. The candidates so far are Jim O'Dare, Buddy Derrick and Marc Silverman. If you would like to serve on the Board you can throw your hat into the ring by letting Adams Properties know of your intent and providing a brief bio for distribution to the members.

If you have not already done so, please visit the new website for Adams Properties at www.adamsprops.com.

OCHPR Operating Account
Balance Sheet
As of January 31, 2010

	<u>Jan 31, 10</u>
ASSETS	
Current Assets	
Checking/Savings	
HB Ocean Club Operating	26,184.41
Wachovia Operating Account	<u>790.19</u>
Total Checking/Savings	26,974.60
Accounts Receivable	
Accounts Receivable	<u>4,520.00</u>
Total Accounts Receivable	4,520.00
Total Current Assets	31,494.60
Fixed Assets	
Land	<u>1,000,000.00</u>
Total Fixed Assets	1,000,000.00
Other Assets	
Income Tax Receivable	<u>2,120.00</u>
Total Other Assets	<u>2,120.00</u>
TOTAL ASSETS	<u><u>1,033,614.60</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	<u>9,788.26</u>
Total Accounts Payable	9,788.26
Other Current Liabilities	
Accrued Maintenance- Ins Claim	1,206.52
unapplied assesment payment	<u>35,230.00</u>
Total Other Current Liabilities	<u>36,436.52</u>
Total Current Liabilities	<u>46,224.78</u>
Total Liabilities	46,224.78
Equity	
Retained Earnings	-5,564.85
Unrestricted Net Assets	982,565.58
Net Income	<u>10,389.09</u>
Total Equity	<u>987,389.82</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,033,614.60</u></u>

OCHPR Operating Account
Profit & Loss Budget Performance
 January 2010

10:05 AM
 03/01/10
 Accrual Basis

Ordinary Income/Expense	Jan 10	Budget	\$ Over Budget	Jan 10	YTD Budget	\$ Over Budget	Annual Budget
Income							
Dumpster Deposit Fee	0.00	200.00	-200.00	0.00	200.00	-200.00	200.00
Golf Cart Passes	0.00	300.00	-300.00	0.00	300.00	-300.00	300.00
Late Fees	500.00	350.00	150.00	500.00	350.00	150.00	4,200.00
Parking Pass Income	0.00	100.00	-100.00	0.00	100.00	-100.00	1,200.00
Regime Fee Income	66,300.00	66,300.00	0.00	66,300.00	66,300.00	0.00	795,600.00
Total Income	66,800.00	67,250.00	-450.00	66,800.00	67,250.00	-450.00	801,500.00
Expense							
Annual Meeting	0.00	0.00	0.00	0.00	0.00	0.00	6,000.00
Audit Expense	1,127.50	0.00	1,127.50	1,127.50	0.00	1,127.50	7,000.00
Bank Service Charges	0.00	50.00	-50.00	0.00	50.00	-50.00	50.00
Contingency	0.00	125.00	-125.00	0.00	125.00	-125.00	1,500.00
Elevator Contract	1,250.00	1,350.00	-100.00	1,250.00	1,350.00	-100.00	16,200.00
Fire Pump Maintenance	262.50	200.00	62.50	262.50	200.00	62.50	2,400.00
Janitorial Contract	7,144.58	5,160.00	1,984.58	7,144.58	5,160.00	1,984.58	61,920.00
Landscape Contract	2,610.00	2,635.00	-25.00	2,610.00	2,635.00	-25.00	31,620.00
Legal Expense	360.00	500.00	-140.00	360.00	500.00	-140.00	6,000.00
Licenses and Permits	0.00	500.00	-500.00	0.00	500.00	-500.00	500.00
Maintenance	8,548.16	11,000.00	-2,451.84	8,548.16	11,000.00	-2,451.84	132,000.00
Management Fees	3,366.00	3,534.00	-168.00	3,366.00	3,534.00	-168.00	42,408.00
Miscellaneous	603.60	333.33	270.27	603.60	333.33	270.27	3,840.00
Owners Social	0.00	1,500.00	-1,500.00	0.00	1,500.00	-1,500.00	1,500.00
Pest Control Contract	1,621.00	1,621.00	0.00	1,621.00	1,621.00	0.00	9,726.00
Pool Contract							
Spa Contract	225.00	250.00	-25.00	225.00	250.00	-25.00	3,000.00
Pool Contract - Other	1,100.00	1,100.00	0.00	1,100.00	1,100.00	0.00	13,200.00
Total Pool Contract	1,325.00	1,350.00	-25.00	1,325.00	1,350.00	-25.00	16,200.00
Pool Furnishings	0.00	3,000.00	-3,000.00	0.00	3,000.00	-3,000.00	3,000.00
Pool Monitor	0.00	0.00	0.00	0.00	0.00	0.00	5,000.00
Postage and Delivery	35.27	200.00	-164.73	35.27	200.00	-164.73	1,500.00
Security	5,516.65	7,500.00	-1,983.35	5,516.65	7,500.00	-1,983.35	90,000.00
Supplies							
Landscape Supplies	0.00	2,300.00	-2,300.00	0.00	2,300.00	-2,300.00	27,600.00
Office	593.55	225.00	368.55	593.55	225.00	368.55	2,700.00
Pool Supplies	0.00	125.00	-125.00	0.00	125.00	-125.00	1,500.00
Spa Supplies	0.00	50.00	-50.00	0.00	50.00	-50.00	600.00
Total Supplies	593.55	2,700.00	-2,106.45	593.55	2,700.00	-2,106.45	32,400.00
Taxes							
State	0.00	25.00	-25.00	0.00	25.00	-25.00	25.00
Total Taxes	0.00	25.00	-25.00	0.00	25.00	-25.00	25.00
Telephone	522.25	575.00	-52.75	522.25	575.00	-52.75	6,900.00
Termite Bond	1,416.00	1,500.00	-84.00	1,416.00	1,500.00	-84.00	1,500.00

10:05 AM
03/01/10
Accrual Basis

OCHPR Operating Account
Profit & Loss Budget Performance
January 2010

	Jan 10	Budget	\$ Over Budget	Jan 10	YTD Budget	\$ Over Budget	Annual Budget
Utilities							
Gas and Electric	4,195.63	3,750.00	445.63	4,195.63	3,750.00	445.63	45,000.00
Pool Propane Gas	58.96	900.00	-841.04	58.96	900.00	-841.04	10,800.00
Water	5,853.26	10,000.00	-4,146.74	5,853.26	10,000.00	-4,146.74	130,000.00
Total Utilities	10,107.85	14,650.00	-4,542.15	10,107.85	14,650.00	-4,542.15	185,800.00
Total Expense	46,410.91	60,008.33	-13,597.42	46,410.91	60,008.33	-13,597.42	664,989.00
Net Ordinary Income	20,389.09	7,241.67	13,147.42	20,389.09	7,241.67	13,147.42	136,511.00
Other Income/Expense							
Other Expense							
Capital Reserve	10,000.00	10,000.00	0.00	10,000.00	10,000.00	0.00	120,000.00
Provision to Cover 2009 Deficit	0.00	1,375.92	-1,375.92	0.00	1,375.92	-1,375.92	16,511.00
Total Other Expense	10,000.00	11,375.92	-1,375.92	10,000.00	11,375.92	-1,375.92	136,511.00
Net Other Income	-10,000.00	-11,375.92	1,375.92	-10,000.00	-11,375.92	1,375.92	-136,511.00
Net Income	10,389.09	-4,134.25	14,523.34	10,389.09	-4,134.25	14,523.34	0.00

10:18 AM
03/01/10
Accrual Basis

Ocean Club Capital Reserve I
Balance Sheet
As of January 31, 2010

	Jan 31, 10
ASSETS	
Current Assets	
Checking/Savings	
OC Harbor Bank Capital Reserve	23,793.98
Total Checking/Savings	23,793.98
Total Current Assets	23,793.98
Other Assets	
Accrued Interest Receivable	5,096.08
Morgan Stanley	
Cash and Cash Equivalent	49,208.94
Certificates of Deposit	650,000.00
Unrealized Gain on CD's	5,651.75
Total Morgan Stanley	704,860.69
Total Other Assets	709,956.77
TOTAL ASSETS	733,750.75
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Accrued Income Tax	500.00
Total Other Current Liabilities	500.00
Total Current Liabilities	500.00
Total Liabilities	500.00
Equity	
Opening Balance Equity	860,910.69
Unrestricted Net Assets	-129,864.98
Net Income	2,205.04
Total Equity	733,250.75
TOTAL LIABILITIES & EQUITY	733,750.75

10:20 AM
03/01/10
Accrual Basis

Ocean Club Capital Reserve I
Profit & Loss YTD Comparison
January 2010

	<u>Jan 10</u>	<u>Jan 10</u>
Ordinary Income/Expense		
Income		
Income-Unrealized Gain on CD's	-112.50	-112.50
Interest Income	1,829.96	1,829.96
Other Income		
Capital Reserve	10,000.00	10,000.00
Total Other Income	<u>10,000.00</u>	<u>10,000.00</u>
Total Income	11,717.46	11,717.46
Expense		
Bank Fee	138.14	138.14
Capital Reserve Maintenance		
Lower Spa	2,945.00	2,945.00
Signs	6,000.00	6,000.00
Total Capital Reserve Maintenance	8,945.00	8,945.00
Income Taxes	500.00	500.00
Total Expense	<u>9,583.14</u>	<u>9,583.14</u>
Net Ordinary Income	2,134.32	2,134.32
Other Income/Expense		
Other Income		
Income- Misc.	70.72	70.72
Total Other Income	<u>70.72</u>	<u>70.72</u>
Net Other Income	70.72	70.72
Net Income	<u><u>2,205.04</u></u>	<u><u>2,205.04</u></u>

Ocean Club Capital Reserve II
Balance Sheet
As of January 31, 2010

	Jan 31, 10
ASSETS	
Current Assets	
Other Current Assets	
Accounts Receivable fr Lawsuit	122,994.36
Total Other Current Assets	<u>122,994.36</u>
Total Current Assets	122,994.36
Other Assets	
Accrued Interest Receivable	40,361.77
Morgan Stanley	
Bonds	995,558.18
Cash and Cash Equivalent	1,282,581.96
Certificates of Deposit	12,498,744.09
Corporate Bonds	519,472.19
Unrealized Gain on Bonds	6,605.82
Unrealized Gain on CD's	116,124.41
Unrealized Gain on Corp Bonds	9,197.81
Total Morgan Stanley	<u>15,428,284.46</u>
Total Other Assets	<u>15,468,646.23</u>
TOTAL ASSETS	<u><u>15,591,640.59</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Accrued Income Taxes	7,500.00
Total Other Current Liabilities	<u>7,500.00</u>
Total Current Liabilities	<u>7,500.00</u>
Total Liabilities	7,500.00
Equity	
Opening Balance Equity	5,490,110.36
Unrestricted Net Assets	9,937,288.30
Net Income	156,741.93
Total Equity	<u>15,584,140.59</u>
TOTAL LIABILITIES & EQUITY	<u><u>15,591,640.59</u></u>

10:22 AM
03/01/10
Accrual Basis

Ocean Club Capital Reserve II
Profit & Loss YTD Comparison
January 2010

	<u>Jan 10</u>	<u>Jan 10</u>
Ordinary Income/Expense		
Income		
Inc-Unreal. gain on Corp Bonds	8,931.31	8,931.31
Income-Unrealized Gain on Bonds	12,715.90	12,715.90
Income -Unrealized Gain on CD's	117,279.35	117,279.35
Interest Income	25,315.37	25,315.37
Total Income	<u>164,241.93</u>	<u>164,241.93</u>
Expense		
Income Taxes	7,500.00	7,500.00
Window Replacement	0.00	0.00
Total Expense	<u>7,500.00</u>	<u>7,500.00</u>
Net Ordinary Income	<u>156,741.93</u>	<u>156,741.93</u>
Net Income	<u><u>156,741.93</u></u>	<u><u>156,741.93</u></u>