

THE OCEAN CLUB

on Smugglers Beach



SHORE LINES

NEWSLETTER FOR THE HOMEOWNERS OF THE OCEAN CLUB

June 2004

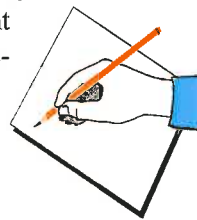
CHAIRMAN'S CORNER

This past year, 2003, was a difficult one for the Board of Trustees of the HOA. We came into conflict with OSI, Ocean Smugglers Inc., on a number of legal issues. In an effort to resolve these issues, I had a meeting in January 2003 with OSI's attorney hoping to have all parties sit down and come to an amicable solution to our differences. While the Board of Trustees was willing to negotiate, OSI was not.

At the Annual Owners Meeting this past January, our attorney gave a synopsis of the legal issues. He explained that OSI had filed a claim against The Ocean Club Board of Trustees because the Association had refused to allow OSI to set up an on-site sales office. He advised the owners that the court had found in favor of The Ocean Club at a preliminary hearing and that OSI had subsequently withdrawn its claim. He further informed the owners that the Board of Trustees had directed Joe Dappal some time ago, to make inquiries on the Board's behalf into the possible acquisition of the "vacant lot" by the Ocean Club, but Mr. Dappal had arranged the transfer of the lot to Ocean Smugglers Inc. He advised that as a result, the Ocean Club Board had recently filed a claim against Ocean Smugglers Inc.

by Dr. David Chvatal, Chairman

and Joe Dappal seeking transfer of the "vacant lot" and of the Maintenance Weeks held by OSI to the Association, and also seeking Mr. Dappal's resignation from the Board of Trustees.



Since the Annual Meeting, OSI has again filed their original claim. The end result is that legal fees keep mounting and it looks like the courts may have to settle the issues. The money spent on legal fees could certainly be put to better use at The Ocean Club. The Board of Trustees has tried to settle these conflicts many times with OSI, and continues its effort to settle. At this time, we are working on finalizing a settlement with OSI and feel confident that these issues should be resolved soon. In the event settlement proves fruitless, we will have no choice but to pursue the matter through the courts. We will keep you informed as the process evolves.

Ocean Smugglers Inc. – OSI – is the buyout group of Joe Dappal, Ron Costa and unknown investors.

Ocean Club on Smugglers Beach HOA—Owners Association, includes all individual owners of interval weeks which are represented by the Board of Trustees.

BIRDING ON CAPE COD



One of the best spots along the Northeastern seaboard to view birds is Cape Cod. During the migration seasons, more than 260 different species of birds may make a stop on Cape Cod to feed on marine worms, insects, crustaceans, and mollusks before continuing their long journey, which may have started in the Arctic Circle to end in South America, 12,000 miles away. Cape Cod lies about half way along this busy flyway, and places like Monomoy Island and Nauset Marsh are regular stop-overs for these birds, perfect areas to feed and rest before flying either north or south in spring and fall.

The marsh area is a birder's paradise with acres of sedge islands, known locally as hummocks, separated by a maze of channels easily accessed by canoe or kayak.

It's no surprise that shorebirds top the list of birds on Cape Cod. Among the many varieties of shorebirds found around these shores are dunlins, sand-erlings, gulls, ducks, mergansers, sand-pipers, and Canada geese.

Birding is terrific on Cape Cod no matter what the season, though spring is the best time to view migrating birds, and August is best for observing shorebirds. Many gulls and terns, having bred in June, and fledged their young in July, become roving flocks in August. From mid-July to Labor Day, great concentrations of shore-birds can build up around feeding

(See **BIRDS** - page 2)

2003 BALANCE SHEET SUMMARY

	(Audited) <u>12/31/2002</u>	(Reviewed) <u>12/31/2003</u>
<u>ASSETS</u>		
Total Operating Cash	\$838,357	\$898,986
Total Reserve Cash	<u>\$ 0</u>	<u>\$ 30,161</u>
Total Cash	\$838,357	\$929,147
<u>LIABILITIES</u>		
Less: Operating Liabilities	\$923,181	\$955,313
Less: Reserve Liabilities	<u>\$ 0</u>	<u>\$ 0</u>
Total Liabilities	\$923,181	\$955,313
<u>OWNER'S EQUITY</u>		
Operating Equity	(\$84,824)	(\$56,327)
Reserve Equity	<u>\$ 0</u>	<u>\$ 30,161</u>
Total Owner's Equity	(\$84,824)	(\$26,166)
Reduction in Owners		
Operating Equity Deficit: (2003 SURPLUS)		\$ 28,497
Reduction in Association's Total Equity Deficit:		\$ 58,658

MANAGER'S CORNER

by Fred Eberman, General Manager

We are pleased to report that 2003 was another successful year for The Ocean Club. In the Balance Sheet Summary above, you will note that we achieved a surplus of \$28,497 in our Operating Fund in 2003. As a result, our Operating Fund deficit was reduced to (\$56,327) at year-end. Now that our Operating deficit is at a more manageable level, we can focus greater attention on building our Reserve Fund. In 2003, we took a step in the right direction, achieving a Reserve Fund surplus of \$30,161. In the coming years, we need to increase our efforts to build our Reserve Fund balance.

(See **MANAGER'S CORNER** - page 3)



FROM MARILYN AT OCEAN CLUB SALES OFFICE

by Marilyn Eldredge, Sales

I would like to thank all of the Ocean Club owners who graciously helped me in the sale of many Ocean Club weeks by recommending me to their friends and relatives. It gives me much gratification to end my first year having sold a total of 56 Weeks. It is unfortunate that I have to sell owner weeks at such a low price, but many of your fellow owners have found themselves in predicaments which leave them no other alternative but to request that their week be sold as soon as possible, which means we must take the first offer. I hope that you all will continue to spread the word about our beautiful resort and how very reasonable the resale prices are.

BIRDS

grounds. September is good month for birding because of the possibility of a rare sighting. If a Nor'easter hits the Cape, sometimes migrating birds such as shearwaters, northern gannets, loons, and petrels become trapped near land and instinctively turn eastward to the Cape. If you set up watch the morning after a storm at a beach, you'll have an excellent chance of observing some rare birds. September is also a wonderful month when many migrating birds linger on these shores, delaying their flights south for as long as possible. These birds tend to concentrate near their favorite food source before continuing on their journey.

Winter birds are plentiful, too. Herons, egrets, and sandpipers, all birds associated with wetland habitats, are abundant during the winter, as well as a variety of waterfowl, including buffleheads, common eiders, canvasbacks, and goldeneyes make the Cape their home during different months in the winter. A winter walk along a salt marsh, beach, or tidal flat will give good opportunities to observe these birds feeding and resting.

OCEAN CLUB ON SMUGGLERS BEACH
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web site: oceanclubonsmugglers.com

BOARD OF TRUSTEES

Dr. David Chvatal, Chairman

Mr. Mark Fishbon, Vice Chairman

Mr. Doug Manning, Trustee

Mr. Paul Bogosian, Trustee

Mr. Joe Dappal, Trustee

**THE OCEAN CLUB ON SMUGGLER'S BEACH OWNER'S ASSOCIATION
ASSESSMENT BILLING and COLLECTION POLICY**

Revised and Approved March 26, 2004

October 15

First maintenance fee billing is sent out. Statement will include any previous balance or credits, plus the following year's maintenance fees due. Payment in full is due by December 31st.

January 15

Delinquency date. A \$50.00 late charge plus interest at a rate of 18% per annum (1.5% monthly) will be added to all accounts on which payment was not received by January 15th. A past due notice will be sent to all delinquent owners. Owners will be informed of the late charge, future charges and ensuing steps that will be taken in the event the delinquent status continues. This statement will reflect a due date of February 15th.

February 15

Interest continues to accrue on all delinquent accounts and will continue to be assessed monthly on the 15th at 18% per annum (1.5% monthly). A "Right To Cure Notice" with an additional \$50.00 Right to Cure fee will be sent to all owners with accounts not paid by February 15th. This will begin a soft collection.

March 15

Interest continues to accrue on all delinquent accounts and will continue to be assessed monthly on the 15th at 18% per annum (1.5% monthly).

April 1

All accounts not currently active will be turned over to a collection agency no earlier than April 1st and no later than April 15th, and all collection agency costs will be assessed against the delinquent owners' accounts. Once an account has been turned over to a collection agency, the resort will no longer be involved and the delinquent owner must deal with the collection agency. The account will remain in collections through October 31st.

November 1

All "unsettled or inactive" accounts will be returned from the collection agency and sent to an attorney. Legal costs will be added to delinquent owners' accounts. Each delinquent account will be reviewed and action will be recommended based on the status of each account. Such action may include, but may not be limited to:

- Filing a Claim of Assessment
- Lien Filing of Small Claims Suit
- Attempt to secure deed in lieu of debt
- Continue Collection Agency efforts
- Begin Foreclosures

MANAGER'S CORNER

(continued from page 2)

Some good news finally on microwave ovens! Yarmouth residents have approved an amendment to zoning by-laws, which will allow us to re-install microwaves in all of our Ocean Club units. The bylaw change has now been submitted to the state for endorsement (usually a formality). Once the state approves the amendment, we will be moving quickly to place microwave ovens in all our units.

Two years ago we replaced one of our four septic systems and this past winter, we had intended to replace a second septic system. Problems arose, however, when the contractor bids came back substantially over budget. As a result,

the septic replacement project has been postponed to 2005. Our septic systems are failing and undoubtedly need to be replaced. At the same time, we are very concerned about the very high cost of replacing these systems while not having assurance that the new systems will have any longer life than the existing septic systems. Therefore, we will be carrying out a preliminary investigation into the possibility of installing an on-site wastewater treatment system.

We hope that owners will enjoy the new Front Lobby furnishings, Activities Center chairs and sofa, and pool and patio furnishings purchased this

year as part of our 2004 Reserve Plan. Other Reserve projects completed in 2004 include the installation of a new resort telephone system, which features an in-room voice message system, the retiling of five more bathrooms (including the installation of new bathroom sinks and mirrors), and the purchase of ten more mattresses.

Did you know you can exchange your Ocean Club week to stay at other fine resorts managed by SPM Resorts Inc.? For a brochure and/or more information, contact The Ocean Club at (508)398-6955.



16-20 **Provincetown Film Festival**

This fast growing and increasing renowned festival remains dedicated to showcasing independent American and International films. With more than 50 festival films and programs, there's so much to see and discover.



16-20 **Nantucket Film Festival**

The Nantucket Film Festival is renowned for its eschewing of Hollywood glamour, and its focus on the substantive art of screen writing.

19-20 **Eastham Hands on the Arts Festival**, Eastham

Arts festival with juried artists, crafters, weavers and spinners. Hands on the art activities for the whole family.



3 **Orleans 4th of July Parade**, Orleans Hometown parade to celebrate the 4th of July featuring homemade floats and fun with 6 bands include the Spirit of American Band.

7 **Falmouth Village Street Festival**

200 professional artists & craftsmen, sidewalk sales, sidewalk cafes.

29 **Circus Smirkus**, Heritage Museum, Sandwich
The international award-winning youth circus performs high wire, juggling, trapeze, acrobatics, aerials, clowning and more. This year the troupers put their talent and wacky sense of humor into Wonderland "Smirkus through the Looking Glass".



1 **Fleet Pops by the Sea**, Hyannis
Keith Lockhart and the Boston Pops Esplanade Orchestra in their only Cape Cod appearance. A wonderful family event.



10-12 **Society of Cape Cod Craftsmen**
52nd Annual Craft Show, held under a big, white tent on the grounds of the Drummer Boy Park, Brewster.

21 **Annual Sandcastle and Sculpture**
Islanders and visitors create masterpiece sandcastles and sand sculptures on Jetties Beach, Nantucket.



28 **Pops in the Park Concert**, Eldridge Park, Orleans
Enjoy a magical night of music under the stars. Featuring Maestro Roustan Nash and the Cape Symphony Orchestra.



Professionally managed by:

NEWSLETTER

Address Correction Requested

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South Yarmouth, MA 02664

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