

November 2009

Myrtle Beach, SC

The Beach House Messenger



A Newsletter for the Homeowners of Beach House Golf and Racquet Club



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President's Message

Dear Owners,

Your Board of Directors and Management met on September 4, 2009 to review and approve your 2010 Operating and Reserve Budgets. Historical information and future projects were reviewed and thoroughly discussed prior to the adoption of the Budgets. We strive to keep your fees as low as possible while at the same time providing excellent quality and service at the resort.

I am pleased to announce that for 2010, the Maintenance Fee *will not* increase and will remain at \$465 for One Bedroom Units, \$575 for Two Bedroom Units, \$586 for Three Bedroom Units, and \$930 for The Penthouse. The Board of Directors and Management certainly understand that we all have faced economic challenges over the past year and worked very hard to maintain a "zero" increase for 2010.

While we are facing uncontrollable increases in several areas, such as Utilities and Flood Insurance, we have offset this by decreasing our controllable expenditures in other areas.

- The annual contribution to the Reserves will be \$314,055.
- Utility Expenses have increased 2.8% as a result of rate increases imposed by Santee Cooper, the electricity provider.
- Housekeeping Expenses have increased 2.2% due to product cost increases.
- Administrative & General Expenses have decreased 2.5%.
- Salaries, Wages, and Associated Costs were decreased 2.0%.
- Leases, Contracts and Fixed Expenses are budgeted to decrease 21.9% due to a \$42,000 cost savings in our General Insurance policies.
- Overall, this reflects a 4.4% decrease for 2010 from the 2009 Expenses.

As always, we welcome any comments, suggestions or questions that you may have. Your Board of Directors, Management and Staff look forward to seeing you at the Annual Meeting and during your next vacation at the beach.

The Annual Meeting for 2010 will be Saturday, March 20, 2010 at 1:00 p.m. at The Beach House. *(formal notices will be mailed prior to the meeting)*

We wish you and yours a Wonderful Holiday Season!

Sincerely,

Joe White, President

DEFENDER REALTY'S RESALE CORNER...

We hear horror stories each week regarding people paying someone up-front to sell their timeshare weeks. Owners tell us they paid anywhere from \$599 to \$899 to sell their week and were told they could sell it for \$20,000. Developers didn't even get \$20,000 years ago and they marked the week up 50%. We have said for many years, if you pay someone up-front to sell your timeshare week, you will get taken to the cleaners. **DO NOT EVER PAY ANY UP-FRONT FEES NO MATTER HOW GOOD IT SOUNDS!!!!**

Most of you do not realize the more owners we have paying the maintenance fees, the less the fees go up each year. There is a way to help with this and that is through the Defender Realty Referral Program. When you refer family or friends and they visit your resort, you receive CASH! If they purchase a week at a particular price, you receive more CASH! We know you like your resort or you would not be an owner, so why not help yourself and your referral by giving us their names. ~~If you call Defender Realty within 14 days of receiving this newsletter, you will receive a Double Cash Offer for your referrals.~~ Call Bart Lambert today at (843) 449-7484 Ext. 3393 with those referral names.

If you have thought about purchasing that additional week for you or your family, there will never be a better time than now. With the economic conditions we are experiencing, now is the time to purchase. We have a number of truly motivated sellers that have to dispose of their timeshare week. Call Bart Lambert today at (843) 449-7484 Ext. 3393 and ask for a list of available inventory. You will be glad you did and so will your family!

Have a great fall and we look forward to speaking with you.

Frank Baker
Defender Realty, Inc.
(843) 497-6431
fbaker@defenderresorts.com



General Manager's Corner

We are nearing the end of a very busy summer season and are looking forward to seeing our fall and winter owners and guests.

The owners and guests who have visited the Beach House this year have stated that the Beach House looks better than ever.

If you're interested in pre-paying your Maintenance Fees or making payments on future years fees, just give the front desk a call and we will be glad to assist you.

Don't forget about your GREAT Exercise Room. Just stop by the front desk and sign out the key and enjoy a workout during your stay.

Please remember, we only have enough space for one car per unit! There are only a few spaces for over-flow parking on the street, which is shared with all other hotels in this area. We understand this is a problem; however, we do not have a remedy at this time.

We look forward to seeing you on your next visit. Have A Safe Trip!

Betty and the Gang



Regional Director of Operations' Notes

It seems hard to believe that 2009 is nearing its end already. This is the time of year when we reflect back on the current year and begin making preparations for the next. As we entered 2009, we were unsure what impact the unstable economy would have on the Resort. Although the summer season got off to a slow start, by mid-July traffic and visitors increased and our rental market remained strong through the end of August. The Beach House was at or near 100% occupancy throughout July and August! Occupancy levels such as this certainly keep our staff members busy and we are thankful for their hard work and attentiveness to detail.

Important Information:

- Be certain that you supply The Beach House office with any address, telephone number, or e-mail address changes. This ensures that we are able to communicate with you as an owner and ensures that you receive the important information that you need (newsletters, maintenance fee billings, rental specials, etc.) This information can be verified when you register at check-in or any other time throughout the year.
- Please provide us with your e-mail address. We do not give out or sell e-mail addresses; we simply use them as a tool to communicate with you. As we move forward into the technological age, it is becoming a more popular method of communication and is certainly more economically friendly.
- While staying at the resort, please be sure to provide any housekeeping or maintenance concerns to the Front Desk so that they may be addressed. "If we don't know about it, we can't fix it!"

Rentals are available year round both at The Beach House and our other Defender managed properties throughout Myrtle Beach as well as Ocean City, MD; Massachusetts, and Florida. Remember to keep us in mind when booking your vacations and be sure to tell your friends as well. Be sure to ask about your owner discount!

As always, we welcome your comments and look forward to seeing you at the beach very soon.

Best Regards,
Pamela Cordell
Regional Director of Operations

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2010	Week	Saturday to Saturday	
W	1	01/02/10	01/09/10
BLUE	2	01/09/10	01/16/10
	3	01/16/10	01/23/10
WHITE	4	01/23/10	01/30/10
	5	01/30/10	02/06/10
	6	02/06/10	02/13/10
	7	02/13/10	02/20/10
RED	8	02/20/10	02/27/10
	9	02/27/10	03/06/10
	10	03/06/10	03/13/10
	11	03/13/10	03/20/10
	12	03/20/10	03/27/10
	13	03/27/10	04/03/10
	14	04/03/10	04/10/10
	15	04/10/10	04/17/10
	16	04/17/10	04/24/10
	17	04/24/10	05/01/10
	18	05/01/10	05/08/10
	19	05/08/10	05/15/10
	20	05/15/10	05/22/10
	21	05/22/10	05/29/10
	22	05/29/10	06/05/10
	23	06/05/10	06/12/10
	24	06/12/10	06/19/10
	25	06/19/10	06/26/10
	26	06/26/10	07/03/10
	27	07/03/10	07/10/10
	28	07/10/10	07/17/10
	29	07/17/10	07/24/10
	30	07/24/10	07/31/10
	31	07/31/10	08/07/10
	32	08/07/10	08/14/10
	33	08/14/10	08/21/10
	34	08/21/10	08/28/10
	35	08/28/10	09/04/10
	36	09/04/10	09/11/10
	37	09/11/10	09/18/10
	38	09/18/10	09/25/10
	39	09/25/10	10/02/10
	40	10/02/10	10/09/10
	41	10/09/10	10/16/10
42	10/16/10	10/23/10	
43	10/23/10	10/30/10	
44	10/30/10	11/06/10	
45	11/06/10	11/13/10	
W	46	11/13/10	11/20/10
R	47	11/20/10	11/27/10
W	48	11/27/10	12/04/10
49	12/04/10	12/11/10	
B	50	12/11/10	12/18/10
RED	51	12/18/10	12/25/10
	52	12/25/10	01/01/11
	53		

**BEACH HOUSE GOLF & RACQUET CLUB
2010 OPERATING BUDGET**

	<u>2010</u> <u>Budget</u>
<u>OPERATING REVENUE</u>	
MAINTENANCE FEES- CURRENT	\$ 1,430,400
MAINTENANCE FEES-PRIOR YEARS	\$ 12,800
LATE CHARGES ON DELINQUENT FEES	\$ 9,800
INTEREST ON DELINQUENT FEES	\$ 3,500
TELEPHONE INCOME	\$ 400
MERCHANDISE SALES	\$ 2,500
THEATRE TICKETS AND ACTIVITIES	\$ 16,300
VENDING COMMISSION	\$ 2,400
HOUSEKEEPING FEES	\$ 6,500
RENTAL COMMISSION TO HOA	\$ 9,000
RENTAL OF HOA OWNED UNITS	\$ 11,700
SALE OF HOA OWNED UNITS	\$ 4,000
FLEX FEE INCOME	\$ 2,700
BANK INTEREST	\$ 4,000
NIGHT AUDIT INCOME	\$ 3,447
OCEAN FOREST - HOUSEKEEPING	\$ 47,948
OCEAN FOREST - ADMINISTRATION	\$ 4,595
OCEAN FOREST - MAINTENANCE/BELLMAN	\$ 25,000
MISCELLANEOUS INCOME	\$ 1,500
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TOTAL OPERATING REVENUE	\$ 1,598,490

LESS:	
MERCHANDISE COST OF SALES	\$ 1,200
ACTIVITIES COST OF SALES	\$ 11,000
TRANSFER TO RESERVE FOR REPLACEMENT	\$ 314,055
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NET OPERATING REVENUE	\$ 1,272,235

<u>UTILITY EXPENSE</u>	
ELECTRICITY	\$ 70,224
NATURAL GAS	\$ 25,000
TELEPHONE	\$ 6,388
WATER & SEWER	\$ 22,897
LANDFILL FEES	\$ 3,576
CABLE TV AND ROADRUNNER	\$ 11,062
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TOTAL UTILITY EXPENSE	\$ 139,147

<u>HOUSEKEEPING EXPENSE</u>	
CLEANING SUPPLIES	\$ 17,400
ROOM PURCHASES	\$ 17,161
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TOTAL HOUSEKEEPING EXPENSE	\$ 34,561

<u>MAINTENANCE EXPENSE</u>	
TELEPHONE EQUIPMENT REPAIR	\$ 700
APPLIANCE REPAIRS	\$ 1,600
POOL MAINTENANCE AND REPAIR	\$ 1,400
POOL SUPPLIES	\$ 5,300
BUILDING MAINTENANCE & SUPPLIES	\$ 21,000
MAINTENANCE - INTERIOR	\$ 13,600
MAINTENANCE - RECREATION	\$ 2,500
MAINTENANCE AGREEMENTS	\$ 18,158
GROUNDS AND LANDSCAPING	\$ 3,000
UNIFORMS	\$ 1,000
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TOTAL MAINTENANCE EXPENSE	\$ 68,258

<u>ADMINISTRATION & GENERAL</u>	
MANAGEMENT FEES	\$ 142,001
ACCOUNTING	\$ 31,333
DATA PROCESSING	\$ 10,525
ANNUAL AUDIT	\$ 5,250
LEGAL FEES	\$ 7,425
TAXES AND LICENSES	\$ 2,150
DUES AND SUBSCRIPTIONS	\$ 2,850
REGIME ACTIVITIES	\$ 4,000
BOARD OF DIRECTORS EXPENSE	\$ 4,900
PRINTING	\$ 3,900
POSTAGE	\$ 6,800
BANK CHARGES	\$ 150
OFFICE SUPPLIES	\$ 2,000
SECURITY/FRONT DESK COVERAGE	\$ 1,000
NEWSLETTER	\$ 1,550
DOCSTAR	\$ 500
COMPUTER EQUIPMENT	\$ 500
MILEAGE	\$ 850
LOCKBOX CHARGES	\$ 2,000
MISCELLANEOUS	\$ 500
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TOTAL ADMINISTRATIVE & GENERAL	\$ 230,184

<u>SALARIES, WAGES, TAXES AND BENEFITS</u>	
SALARIES - ADMINISTRATIVE	\$ 206,655
SALARIES - HOUSEKEEPING	\$ 158,535
SALARIES - MAINTENANCE	\$ 114,964
SALARIES - ACTIVITIES	\$ 22,238
401K MATCHING CONTRIBUTION	\$ 4,375
RESORT INCENTIVES	\$ 1,800
PAYROLL TAXES	\$ 41,248
WORKERS COMPENSATION INSURANCE	\$ 18,315
EMPLOYEE INSURANCE	\$ 58,715
HUMAN RESOURCES/PAYROLL FEE	\$ 14,060
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TOTAL PAYROLL EXPENSES	\$ 640,905

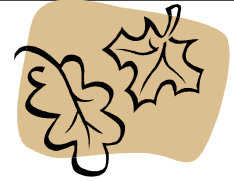
<u>LEASES & CONTRACTS</u>	
EXTERMINATING	\$ 3,060
EQUIPMENT LEASE	\$ 1,722
REFUSE COLLECTION	\$ 3,187
INCOME TAX	\$ 4,250
PROPERTY TAX (City/County)	\$ 87,597
GENERAL INSURANCE	\$ 59,364
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TOTAL LEASES & CONTRACTS	\$ 159,180

TOTAL OPERATING EXPENSES	\$ 1,272,235
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NET OPERATING INCOME	\$ -

<u>Maintenance Fee Per Unit/Week</u>	
One Bedroom	\$ 465
Two Bedroom	\$ 575
Three Bedroom	\$ 586
Penthouse	\$ 930



Something You Should Know



IF YOU HAVE MOVED

Please make sure that we have your new information for the homeowners' association database, so you will continue to receive mailings. Remember, it is your responsibility to notify us by the end of the year if you have not received a bill for the next year's maintenance fee. You may contact your resort and they can record your new address or there is a place on the main page at www.defenderresorts.com



MARK YOUR CALENDAR

**ANNUAL MEETING
SATURDAY,
MARCH 20, 2010**

**At 1:00pm
At The Beach House**

Owner Services Deed Transfers

If you have sold your timeshare week, please make sure that we receive the new owner information we need to change the Homeowners' Association ownership records. We require two items in order to change the records:

- A copy of the deed recorded (with a book/page and date stamp) at the Horry County Courthouse.
- A check for \$32.00 for a deed transfer fee.

You may have an attorney prepare the deed or record the deed yourself; we do not provide legal services. We also need the new owner's billing address, telephone number and usage year. You may contact the Register of Deeds at Horry County at 843-915-5000 or 1310 Second Ave., Conway, SC 29526. For more information visit their website at:

www.horrycounty.org.



RCI

We receive many calls from owners regarding RCI banking or Points. RCI is a separate organization that you may join as a timeshare owner. You may visit their website at www.rci.com or you may contact a Weeks Assistant at 800-338-7777 or a Points Assistant at 877-968-7476. Please do not call Defender Resorts for information on your RCI membership.

SERVING ON THE BOARD

If you are interested in serving on the Board of Directors for the Beach House, please complete the Nomination Application Form included with this newsletter (page 6) and return to The Beach House C/O Defender Resorts, Inc. by Wednesday, December 30, 2009.