

November 2010

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 24, 2010 to review and approve your 2011 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 2011, 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 several years and have worked very hard to maintain a "zero" increase, yet again, for 2011.

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 \$323,000.
- Utility Expenses have increased 5.1% as a result of rate increases imposed by Santee Cooper, the electricity provider.
- Maintenance Expenses have increased 6.9% due to new Health Department regulations which require compliance.
- Salaries, Wages, and Associated Costs were decreased 6.0%.
- Leases, Contracts and Fixed Expenses are budgeted to increase 3.9% due to expected Property Tax and General Insurance increases.
- Overall, this reflects a 1.6% decrease for 2011 from the 2010 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 2011 will be Saturday, March 19, 2011 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, Board of Directors



BEACH HOUSE GOLF & RACQUET CLUB
2011 OPERATING BUDGET

	<u>2011</u> <u>Budget</u>
OPERATING REVENUE	
MAINTENANCE FEES- CURRENT	\$ 1,422,807
MAINTENANCE FEES-PRIOR YEARS	\$ 11,500
LATE CHARGES ON DELINQUENT FEES	\$ 9,800
INTEREST ON DELINQUENT FEES	\$ 3,500
TELEPHONE INCOME	\$ 300
MERCHANDISE SALES	\$ 2,500
THEATRE TICKETS AND ACTIVITIES	\$ 14,000
VENDING COMMISSION	\$ 2,400
HOUSEKEEPING FEES	\$ 6,500
RENTAL COMMISSION TO HOA	\$ 7,000
RENTAL OF HOA OWNED UNITS	\$ 11,500
SALE OF HOA OWNED UNITS	\$ 5,500
FLEX FEE INCOME	\$ 2,700
BANK INTEREST	\$ 5,500
NIGHT AUDIT INCOME	\$ 3,550
OCEAN FOREST - HOUSEKEEPING	\$ 48,000
OCEAN FOREST - ADMINISTRATION	\$ 4,733
OCEAN FOREST - MAINTENANCE/BELLMAN	\$ 24,000
MISCELLANEOUS INCOME	\$ 1,600

TOTAL OPERATING REVENUE \$ 1,587,390

LESS:

MERCHANDISE COST OF SALES	\$ 1,200
ACTIVITIES COST OF SALES	\$ 11,000
TRANSFER TO RESERVE FOR REPLACEMENT	\$ 323,000

NET OPERATING REVENUE \$ 1,252,190

UTILITY EXPENSE

ELECTRICITY	\$ 79,231
NATURAL GAS	\$ 23,000
TELEPHONE	\$ 6,188
WATER & SEWER	\$ 22,897
LANDFILL FEES	\$ 3,686
CABLE TV AND ROADRUNNER	\$ 11,248

TOTAL UTILITY EXPENSE \$ 146,250

HOUSEKEEPING EXPENSE

CLEANING SUPPLIES	\$ 17,400
ROOM PURCHASES	\$ 17,161

TOTAL HOUSEKEEPING EXPENSE \$ 34,561

MAINTENANCE EXPENSE

TELEPHONE EQUIPMENT REPAIR	\$ 700
APPLIANCE REPAIRS	\$ 1,600
POOL MAINTENANCE AND REPAIR	\$ 3,750
POOL SUPPLIES	\$ 5,500
BUILDING MAINTENANCE & SUPPLIES	\$ 21,000
MAINTENANCE - INTERIOR	\$ 13,600
MAINTENANCE - RECREATION	\$ 1,400
MAINTENANCE AGREEMENTS	\$ 20,423
GROUNDS AND LANDSCAPING	\$ 3,000
UNIFORMS	\$ 2,000

TOTAL MAINTENANCE EXPENSE \$ 72,973

ADMINISTRATION & GENERAL

MANAGEMENT FEES	\$ 141,200
ACCOUNTING	\$ 31,333
DATA PROCESSING	\$ 10,525
ANNUAL AUDIT	\$ 5,800
LEGAL FEES	\$ 7,425
TAXES AND LICENSES	\$ 2,150
DUES AND SUBSCRIPTIONS	\$ 2,936
REGIME ACTIVITIES	\$ 2,600
BOARD OF DIRECTORS EXPENSE	\$ 4,900
PRINTING	\$ 4,200
POSTAGE	\$ 7,200
BANK CHARGES	\$ 500
OFFICE SUPPLIES	\$ 2,470
SECURITY/FRONT DESK COVERAGE	\$ 1,000
NEWSLETTER	\$ 1,550
DOCSTAR	\$ 500
COMPUTER EQUIPMENT	\$ 500
MILEAGE	\$ 850
LOCKBOX CHARGES	\$ 2,400
MISCELLANEOUS	\$ 500

TOTAL ADMINISTRATIVE & GENERAL \$ 230,539

SALARIES, WAGES, TAXES AND BENEFITS

SALARIES - ADMINISTRATIVE	\$ 197,015
SALARIES - HOUSEKEEPING	\$ 144,992
SALARIES - MAINTENANCE	\$ 108,904
SALARIES - ACTIVITIES	\$ 17,855
401K MATCHING CONTRIBUTION	\$ -
RESORT INCENTIVES	\$ 1,800
PAYROLL TAXES	\$ 38,260
WORKERS COMPENSATION INSURANCE	\$ 19,219
EMPLOYEE INSURANCE	\$ 61,211
HUMAN RESOURCES/PAYROLL FEE	\$ 13,174

TOTAL PAYROLL EXPENSES \$ 602,430

LEASES & CONTRACTS

EXTERMINATING	\$ 3,060
EQUIPMENT LEASE	\$ 4,105
REFUSE COLLECTION	\$ 3,187
INCOME TAX	\$ 3,500
PROPERTY TAX (City/County)	\$ 90,225
GENERAL INSURANCE	\$ 61,360

TOTAL LEASES & CONTRACTS \$ 165,437

TOTAL OPERATING EXPENSES \$ 1,252,190

NET OPERATING INCOME \$ -

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



Regional Director of Operations Notes

It seems hard to believe that 2010 is nearing its end already. This is the time of year when we're reflecting back on the current year and have already begun making preparations for 2011. As we entered 2010, we were unsure what impact the continued 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 and heavy occupancy continued through September and October! Occupancy levels such as this certainly keep our staff members busy, and we are thankful for their hard work and attentiveness to detail. We have some great off-season rental specials available at The Beach House and our other Defender managed properties, so be sure to call or check out our website www.defenderresorts.com. Remember, owners are always entitled to a discount.

Wishing you and your families a very warm Holiday season and prosperous New Year,

Pamela Cordell

Regional Director of Operations

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.

In an effort to help with the rising costs and to help keep Maintenance Fees as low as possible, we have several HOA units available for monthly rentals (Snowbird Rentals).

The months we have available are January, February and March. If you are interested or if you know someone that is, call the Beach House as we only have a limited number available.

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.

The best time to check on your Maintenance Fee balance is before they become due. They are due by February 1st and they are late on February 15th.

If you have any questions or concerns about your resort, questions regarding the Flex program or rentals, etc., we are just a phone call away.

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

At The Beach House



We continue to look for exciting and fun activities to provide at the property during your stay.

Always be sure to check on the bulletin board to see what's new and what's happening while you are here.

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 Thursday, December 30, 2010.

2011 DEFENDER RESORTS CALENDAR	2011	Week	Saturday to Saturday		
	W	1	01/01/11	01/08/11	
	BLUE	2	01/08/11	01/15/11	
		3	01/15/11	01/22/11	
	WHITE	4	01/22/11	01/29/11	
		5	01/29/11	02/05/11	
	RED	6	02/05/11	02/12/11	
		7	02/12/11	02/19/11	
	RED	8	02/19/11	02/26/11	
		9	02/26/11	03/05/11	
	RED	10	03/05/11	03/12/11	
		11	03/12/11	03/19/11	
	RED	12	03/19/11	03/26/11	
		13	03/26/11	04/02/11	
	RED	14	04/02/11	04/09/11	
		15	04/09/11	04/16/11	
	RED	16	04/16/11	04/23/11	
		17	04/23/11	04/30/11	
	RED	18	04/30/11	05/07/11	
		19	05/07/11	05/14/11	
	RED	20	05/14/11	05/21/11	
		21	05/21/11	05/28/11	
	RED	22	05/28/11	06/04/11	
		23	06/04/11	06/11/11	
	RED	24	06/11/11	06/18/11	
		25	06/18/11	06/25/11	
	RED	26	06/25/11	07/02/11	
		27	07/02/11	07/09/11	
	RED	28	07/09/11	07/16/11	
		29	07/16/11	07/23/11	
	RED	30	07/23/11	07/30/11	
		31	07/30/11	08/06/11	
	RED	32	08/06/11	08/13/11	
		33	08/13/11	08/20/11	
	RED	34	08/20/11	08/27/11	
		35	08/27/11	09/03/11	
	RED	36	09/03/11	09/10/11	
		37	09/10/11	09/17/11	
	RED	38	09/17/11	09/24/11	
		39	09/24/11	10/01/11	
	RED	40	10/01/11	10/08/11	
		41	10/08/11	10/15/11	
	RED	42	10/15/11	10/22/11	
		43	10/22/11	10/29/11	
	RED	44	10/29/11	11/05/11	
		W	45	11/05/11	11/12/11
	RED	46	11/12/11	11/19/11	
		R	47	11/19/11	11/26/11
	RED	48	11/26/11	12/03/11	
		W	49	12/03/11	12/10/11
	RED	B	50	12/10/11	12/17/11
		RED	51	12/17/11	12/24/11
	RED	52	12/24/11	12/31/11	
53		12/31/11	01/07/12		

DEFENDER REALTY'S RESALE CORNER...

If you have not investigated the RCI Points Program, now is a perfect time to do that. If you have tried to exchange through RCI in the weeks program, you probably have experienced times when you could not get what or where you wanted. So much emphasis is being placed on the points program, it is making it very difficult trading in the weeks program. The points program offers an exciting vacation program. It gives you the freedom to vacation virtually where, when, the size unit you desire and offers additional vacation time each year. The good news is you only pay one maintenance fee for your week and the additional vacation time. It truly offers much more flexibility than the weeks program. We are offering a special opportunity to convert your week to points at a rock bottom special discounted price. The regular price to convert your week to points is \$2,195, and that increases January 1 due to increased costs, but for a limited time, we are offering this special at only **\$ 1,695**. Don't miss this opportunity, contact George Osborne or Diane Carter-Wood at **(843) 497-6431**.

Did You Know?

We have added two additional bonus stays to the Defender Flex® Program starting January 2011. There are up to an additional 8 bonus nights in January and up to 8 additional nights in February. It offers the owners up to 28 bonus nights each year.

Did You Know?

Defender Realty has introduced a brand new Owner Referral Program. It is called "Let The Pyramid Pay Your Maintenance Fee." You can become a Platinum, Gold, Silver or Bronze partner and earn large sums of CASH for those referrals. Call us for your Pyramid brochure.

Note...Due to the economy, it is still very much a buyer's market. As the economy increases the prices will rise, so don't wait to purchase that second or third week. Contact Bart Lambert at **(843) 449-7484 Ext. 3393** for some outstanding bargains or receive information on the New Referral Program or the revised Defender Flex® Program.

Frank Baker

Defender Realty, Inc.

(843) 497-6431

fbaker@defenderresorts.com



MARK YOUR CALENDAR

Annual Meeting

Saturday, March 19, 2011

1:00pm

At

The Beach House



Some Things You Should Know



We Have Heard You!

And we are offering a new program
which gives you the ability to make
monthly payments through an automatic bank draft.

An ACH Pre-Authorized Payment form has been included with this newsletter and invoice. Please read it carefully to find the details on how to take advantage of this new program.

The enclosed form must be completed and returned to the Accounting Department at Defender by December 15, 2010 along with a voided check. Your first draft will then begin in January of 2011.

If you have any questions, please call your resort for clarification. Otherwise you may return your draft form to the address listed on the form.

Of course, you may still pay in full by the due date of February 1, 2011.

ARDA-ROC (American Resort Development Association/ Resort Owners Coalition)

is a coalition comprised of hundreds of thousands of timeshare owners across the country who voluntarily contribute \$3 per year to promote a legislative agenda at the local, state and federal levels beneficial to timeshare owners.

Here's what ROC is supporting presently:

South Carolina – South Carolina legislature has formed a T.R.A.C. committee to review all exemptions. One of the most important exemptions to timeshare owners is the exemption from accommodations tax for a timeshare owner's stay. Many times, legislatures, both in Columbia and Horry County, have tried to take these exemptions away. Funds from ROC have supported our efforts in each of those cases to maintain this most important exemption. ROC continues to monitor the T.R.A.C. committee of South Carolina to see if we will have to press forward in an additional fight in South Carolina for this prevailing exemption.

The Beach House Golf and Racquet Club
BOARD OF DIRECTORS
NOMINATION APPLICATION FORM

The Beach House Golf and Racquet Club Board of Directors request owners who are interested in providing service to the Association on the Board of Directors or Committees advise the Board of their interest by providing the following information:

Please limit each category to no more than 25 words

Name: _____ Telephone: _____

Unit/Week(s) Owned: _____

Address:

Education: _____

1. What do you consider to be the short term needs of The Beach House Golf & Racquet Club?

2. What do you consider to be the long term concerns of The Beach House Golf & Racquet Club?

3. What do you feel you will contribute to The Beach House Golf & Racquet Club as a member of the Board of Directors?

Signature: _____ *Date:* _____

This form must be received by no later than Dec. 30, 2010.

Mail to: The Beach House

C/O Defender Resorts

PO Box 3849, Myrtle Beach, SC 29578

Or fax to: 843-449-9469

THE BEACH HOUSE

BIDDING FRENZY

HEAR YE, HEAR YE, HEAR YE!!!

This was such a success the last time we offered this, we are doing it again. Gather around for a great opportunity. The inventory of available units from foreclosures and collection actions have increased and we've got to move them out.

Now pay attention for just a minute. We have a list with inventory of weeks/units for sale. We have included minimum bid prices, well below resale market price for the weeks. All bids above the minimum bid price will be considered, and the highest bid will win the week/unit. Now, why make a bid? How about:

One week for trading through RCI and II!

One to give as a Christmas gift!

Gift for family or friends at graduation!

One to use in the spring or fall for golfing or coming to the Christmas shows!

Twenty bonus nights each year with some weeks!

One to increase vacation time through the RCI Points Program!

Now for the details. This sale at The Beach House is open to anyone - tell your family, friends and co-workers that the resort has never looked better.

Next, as I said earlier, **ALL OFFERS** will be considered, but the highest one will get the unit/week. For each bid you submit to us, fill out a separate form. Send them in by **December 31st, 2010**, and you will have ten days after receipt of the buyer contract paperwork to send in a certified check. The Association attorney will charge a one time closing cost of \$395 for each week/unit, and you will be responsible for the maintenance fee each year. If the week has already passed for this year, you will not be responsible for the maintenance fee until 2011.

Now, isn't that easy? What are you waiting for? Start talking about which ones and how many you want to bid on, and keep those forms coming in. We'll be waiting at the mailbox for your forms.

(See reverse side for inventory of available units.)

SEND ALL BIDS TO:

DEFENDER REALTY, INC., P. O. BOX 1429, N. MYRTLE BEACH, SC 29598

ATTN: BEACH HOUSE BIDDING FRENZY

<u>WEEK</u>	<u>UNIT</u>	<u>SEASON</u>	<u>SIZE</u>	<u>MINIMUM BID</u>
14	205	red	1 bed	\$ 50.00
15	604	red	1 bed	50.00
18	107	red	1 bed	75.00
19	708	red	2 bed	150.00
20	802	red	1 bed	75.00
21	406	red	1 bed	150.00
22	309	red	1 bed	250.00
24	306	red	1 bed	350.00
35	202	red	1 bed	150.00
37	501	red	1 bed	150.00
38	708	red	2 bed	300.00
39	805	red	1 bed	150.00
42	303	red	1 bed	125.00
46	310	white	2 bed	100.00
47	505	red	1 bed	75.00
48	602	white	1 bed	50.00
48	608	white	2 bed	100.00
49	405	white	1 bed	50.00
50	302	blue	1 bed	50.00
51	602	red	1 bed	75.00

Note: Weeks 1-12 and 42-52 are eligible to be in The Defender Flex® Program. Starting January 2011 it enables you to receive up to 28 Bonus Nights each year in addition to your week. Only one bid per form.

Name _____

Address _____

City, State, Zip _____

Telephone (HOME) _____ (CELL) _____

Resort _____ Week Bidding On _____ Unit Bidding On _____

Amount of bid for the above week/unit \$ _____