

BOARDWALK TALK

A Newsletter for the Homeowners of Boardwalk One

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President's Message

A few winks of the eye and Boardwalk One's 2006 is already at late middle age. I hope you have had a good and prosperous year. Our timeshare's year has been a little less prosperous due to the ocean front building elevator replacement and the need for a major rebuild of the south stairwell. These expenditures were previously unanticipated and only last year was it obvious it could not be put off. Now it has been found that the north stairwell also needs a major overhaul, and again is an item that cannot be deferred. Taken together, these three items, totaling about \$250,000, have consumed a large portion of the planned annual reserve contribution we make. This has left no money for the regular reserve items such as refurbishment and capital item replacements. Most non-necessary items have long since been deleted from the planning.



This situation has necessitated a special contribution to the reserve fund, which will be assessed for the next two or three years. These contributions are over and above the regular annual contribution of about \$100,000. All reserve expenditures are being carefully analyzed to spread the expense over these years to permit the special contribution to be phased down with time. The 2007 amount will be \$60,000, dropping to \$50,000 in 2008, and \$40,000 in each of 2009 and 2010. If experience permits, it may be possible to scale back the out-year contributions.

At the same time, we are faced with the same problems facing all resorts, and indeed most or all of us individually: higher utility, insurance, and tax expenses. This has increased our operating budget as well, even after scrutinizing it even more than usual. We can all do our share to hold down expenses in the way we use Boardwalk One. A notable example is to remember that owners are entitled to one midweek light cleaning and linen change. Requests for more than this

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2007 City Tax Per Interval Type

**Poolside \$10.27
Ocean Front
\$14.33
State taxes are not
known at this
time.**

NOTICE OF ANNUAL MEETING **BOARDWALK ONE OWNERS' ASSOCIATION**

Dear Homeowner:

September 13, 2006

Please be advised that the Annual Meeting of Boardwalk One Owners' Association will be held on **Thursday, October 26, 2006** at the Comfort Inn Hotel & Conference Center, 4500 Crain Highway, (US Rt. 50 and MD Rt. 3) Bowie, MD, phone (301) 464-0089. The meeting will convene at **7:00 p.m., prevailing local time.**

Enclosed you will find a self-addressed business reply proxy. Please fill this out and return to us as soon as possible. **In order to allow time for processing, all proxies must be received no later than close of business, 5:00 p.m., prevailing local time, October 23, 2006.** Don't let this date sneak up on you. If you attend the meeting, your proxy will be rescinded. We would rather have you attend, but if you can't, then please return the proxy immediately.

The purpose of the meeting will be to elect members to the Board of Directors and transact any other business that comes before the meeting.

YOUR PROXY IS IMPORTANT

PLEASE RETURN YOUR PROXY SO THAT WE HAVE A QUORUM OF HOMEOWNERS REPRESENTED AT THE MEETING.

Sincerely,
Kenneth L. McKelvey, CPA, RRP
President & CEO
Defender Resorts, Inc.

President's Message Continued

add considerably to custodial expenses. (The midweek cleaning can also be declined for more savings.)

On a happier note, we must appreciate the work of our fine staff, who have kept the property in such good shape, despite being so few in number. And they have "kept their cool" in face of unreasonable demands by some owners, and especially exchangers. Please remember, we are not a hotel. Boardwalk One is "our place," and its cost is influenced by how well we care for it, and how frugal we are in its use.

Don't forget the annual meeting on October 26. If you are interested in joining the Board, please contact me or any Board member to discuss what is involved.

Have a good 2007.
Gary Whitworth

COMFORT INN HOTEL & CONFERENCE CENTER 4500 Crain Highway Bowie, Maryland

From the North – Baltimore

Garden State Parkway to the New Jersey Turnpike (take it south until the turnpike Ends in Delaware.) Take US 95 South Towards Baltimore – Exit US 895 Harbor Tunnel. Route 97 & Route 3 – Bowie/Annapolis. Then take Exit 7 – Route 3 South towards Bowie (approx. 8 miles.) After passing under Route 50 overpass, hotel will be on the right. Turn right at first traffic light and make another immediate right. Proceed up the hill to The Comfort Inn & Conference Center.

From the West – Washington, DC

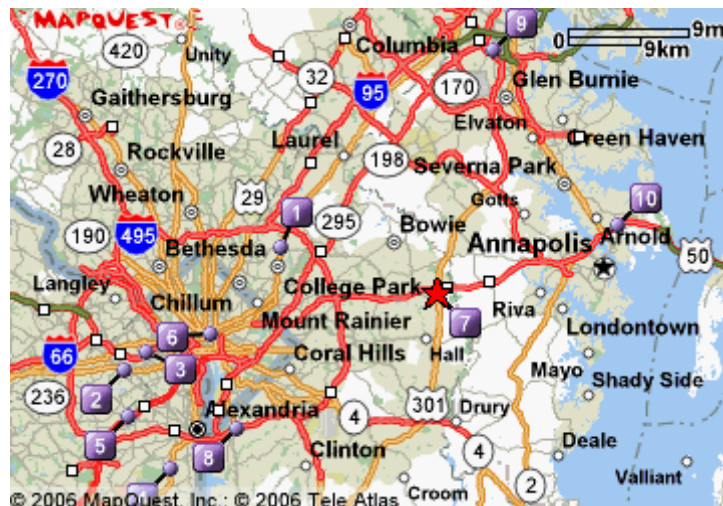
Take Route 50 East to Exit 13A (approx. 8 miles). From the Beltway (US 495/US 95). Exit will say Rt. 301 South-Richmond. Hotel will be on the right hand side of the exit ramp. Turn right at the first traffic light and make another immediate right. Proceed up the hill to The Comfort Inn & Conference Center.

From the East – Annapolis, MD

Take Route 50 West, take Exit 13A – Rt. 301 South-Richmond (approx. 10 miles). When you exit off the ramp, the hotel will be on your right. Turn right at first traffic light and make another immediate right. Proceed up the hill to The Comfort Inn & Conference Center.

From Virginia

Take US 495/US 95 towards Baltimore. Take Exit 19A (Route 50 East) (Approx. 10 miles). Take Exit 13A, Rt. 301 South. When you exit off the ramp, the hotel will be on your right. Turn right at first traffic light and make an immediate right. Proceed up the hill to The Comfort Inn & Conference Center.



2007 INTERVAL CALENDAR

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

Profile of Candidates for Boardwalk One Board of Directors

Mary Dean

Mary has been on the Board of Directors since 1983. She is a local, born and raised area resident who has spent many summers at the beach in Ocean City. In her full-time work, she has been in commercial real estate for a local Rockville company for almost 29 years and is a licensed salesperson in the State of Maryland. Mary has served as Secretary of the Board for the past 23 years.

James S. Roulhac

Jim has been an owner at Boardwalk One since 1980 and a member of the Board for the past 6 years. He is a retired Federal Government employee of the Department of Health and Human Services, where he earned the prestigious Departmental Management Award. Jim also serves on the Board of Directors for the Annapolis Neck Peninsula Federation and on the Council at his local church.

Robert (Bob) Saftner

Bob has been a Plant Scientist with the USDA Agricultural Research Service, Beltsville, MD, since 1979 and earlier served in the U.S. Army. He is happily married to Judy, his wife of 35 years, and together they have a grown son, Charles, and daughter, Kathryn. His favorite activities include socializing with friends and family, rose and vegetable gardening, home improvements and leisure traveling as time permits. Mr. Saftner has been a non-voting Member-in-Training on the Board of Directors for Boardwalk One for the past year and has gained a familiarity with the Bylaws, day-to-day operations and challenges facing the Timeshare. His research and supervisory training and skills acquired in civilian and military service would be an asset to the Board if elected.



**BOARDWALK ONE HOMEOWNERS' ASSOCIATION, INC.
2007 OPERATING BUDGET**

	<u>2007 Budget</u>
<u>OPERATING REVENUE</u>	
MAINTENANCE FEES- CURRENT	\$ 697,300
STORE ASSESSMENT-CURRENT	\$ 36,579
MAINTENANCE FEES-PRIOR YEARS	\$ 13,103
LATE CHARGES ON DELINQUENT FEES	\$ 2,500
INTEREST ON DELINQUENT FEES	\$ 3,500
VENDING	\$ 600
HOUSEKEEPING FEES	\$ 1,400
RENTAL COMMISSION TO HOA	\$ 10,000
RENTAL OF HOA OWNED UNITS	\$ 2,000
SALE OF HOA OWNED UNITS	\$ 3,600
FLEX FEE INCOME	\$ 1,600
BANK INTEREST	\$ 5,000
MISCELLANEOUS INCOME	\$ 1,200
TOTAL OPERATING REVENUE	\$ 778,382
TRANSFER ADDITIONAL TO RESERVES	\$ 60,000
RESERVE FOR REPLACEMENT	\$ 101,200
NET OPERATING REVENUE	\$ 617,182
<u>UTILITY EXPENSE</u>	
ELECTRICITY INTERIOR	\$ 43,666
ELECTRICITY EXTERIOR	\$ 16,005
NATURAL GAS	\$ 1,974
TELEPHONE	\$ 10,100
WATER & SEWER	\$ 12,435
CABLE TV	\$ 15,804
TOTAL UTILITY EXPENSE	\$ 99,984
<u>HOUSEKEEPING EXPENSE</u>	
CLEANING SUPPLIES	\$ 1,790
GUEST SUPPLIES	\$ 4,763
LAUNDRY SUPPLIES	\$ 948
LINEN PURCHASES	\$ 4,252
ROOM PURCHASES	\$ 3,259
HOUSEKEEPING MISCELLANEOUS	\$ 1,100
TOTAL HOUSEKEEPING EXPENSE	\$ 16,112
<u>MAINTENANCE EXPENSE</u>	
POOL SUPPLIES	\$ 2,200
BUILDING MAINTENANCE & SUPPLIES	\$ 8,200
HVAC REPAIRS	\$ 6,700
MAINTENANCE - INTERIOR	\$ 7,500
PURCHASE OF SMALL POWER TOOLS	\$ 200
MAINTENANCE MISCELLANEOUS	\$ 1,000
TOTAL MAINTENANCE EXPENSE	\$ 25,800

	<u>2007 Budget</u>
<u>ADMINISTRATION & GENERAL</u>	
MANAGEMENT FEES	\$ 45,000
ACCOUNTING	\$ 9,538
DATA PROCESSING	\$ 6,231
OFFICE EQUIPMENT	\$ 500
OUTSIDE ACCOUNTING - ANNUAL AUDIT	\$ 3,300
LEGAL FEES	\$ 7,000
DUES, SUBSCRIPTIONS, LICENSES & FEES	\$ 1,700
BOARD OF DIRECTORS EXPENSE	\$ 3,000
PRINTING	\$ 3,000
POSTAGE	\$ 4,200
BANK CHARGES	\$ 2,500
TRAVEL EXPENSE	\$ 850
UNIFORMS (Housekeeping & Maintenance)	\$ 200
OFFICE SUPPLIES	\$ 2,000
DOCSTAR RECORD RETENTION	\$ 750
EMPLOYMENT PROCUREMENT	\$ 500
MISCELLANEOUS	\$ 200
TOTAL ADMINISTRATIVE & GENERAL	\$ 90,469

<u>SALARIES & WAGES</u>	
ADMINISTRATIVE	\$ 66,717
HOUSEKEEPING	\$ 65,470
CONTRACT HOUSEKEEPING LABOR	\$ 10,962
MAINTENANCE	\$ 51,767
RESORT INCENTIVES	\$ 1,225
TOTAL SALARIES & WAGES	\$ 196,141

<u>PAYROLL TAXES & BENEFITS</u>	
PAYROLL TAXES	\$ 16,740
WORKERS COMPENSATION INSURANCE	\$ 5,084
EMPLOYEE INSURANCE	\$ 19,073
401K RETIREMENT MATCHING	\$ 1,500
HUMAN RESOURCES/PAYROLL FEE	\$ 7,500
TOTAL PAYROLL TAXES & BENEFITS	\$ 49,897

<u>LEASES & CONTRACTS</u>	
EXTERMINATING	\$ 1,100
SECURITY CONTRACT	\$ 1,904
FIRE ALARM MONITOR SERVICE	\$ 1,400
EQUIPMENT LEASE	\$ 2,100
HEALTH CLUB ANNUAL MEMBERSHIP	\$ 1,080
ELEVATOR MAINTENANCE CONTRACT	\$ 7,770
INCOME TAX	\$ 1,600
PROPERTY TAX (City/County)	\$ 67,410
GENERAL INSURANCE	\$ 52,150
TOTAL LEASES & CONTRACTS	\$ 136,514

TOTAL OPERATING EXPENSES	\$ 614,917
NET OPERATING INCOME	\$ 2,265

<u>Maintenance Fee Per Unit/Week</u>	
Studio	\$ 420.00
Bonus	\$ 551.00