

Boardwalk Talk

A Newsletter for the Owners of Boardwalk One

September 2008

Ocean City, MD

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President's Message

Well this has been a busy year. We have started the scheduled new round of refurbishments of the residential units. Those who have seen the work so far have been enthusiastic about the results. Our staff has worked very hard to keep the place up and looking good, and have largely succeeded. Our current manager and her excellent staff are of the best and we appreciate their efforts.

The heavy spring and early summer rains, forcefully demonstrated that the lower roof in the front building needed to be replaced without delay. This roof, the original I believe, has been patched a number of times over the years but it was obviously beyond its lifetime. We appreciate the understanding and patience of those who own on the first floor who were inconvenienced during the work, and those who were willing to avoid the roof until temporary protective covering could be installed. The new roof, unprotected, is incapable of supporting even foot traffic, and the temporary plywood covering in place is soon to be replaced with a covering that will return the deck area to full use.

The cost of the roof and new decking material had not been previously allowed for in the reserve budget. While there is cash on hand to cover the immediate costs, the expense does affect the existing cash flow expectations for planned and unplanned future reserve expenditures. Your Board will be looking anew at ways to assure that funds remain sufficient to cover planned projects as well as unexpected events such as these in the years ahead

Since early in the fiscal year, the commercial unit owners have disputed their annual fee assessments. A committee of the Board has been in discussion with the owners since early in the year, and there has been some progress in understanding positions. However, agreement has remained elusive on a new store assessment formula that both parties agree is in keeping with the original Declaration and other documents that formed Boardwalk One Condominium Association. Therefore money has been set aside in the 2009 budget for fees for outside legal assistance if needed in the resolution of the dispute.

Speaking of the budget, in spite of the current rapid inflation in many expense areas, it has been possible to again hold the fees to a very modest increase. This is due in good part to favorable experience with labor related costs, reflecting the capability of our staff to do more with less. (Didn't I say we had an excellent staff?)

As usual, let me remind you of the annual meeting October 30 and make a strong appeal to please return your proxy cards promptly whether you plan on attending or not. However, we do hope to see you there.

Gary Whitworth
President, Boardwalk One
Board of Directors



General Manager's Corner

Yes, we survived another hectic summer... Although these weeks flew by, much was accomplished. As you all know, we completed Phase I of our refurbishment. In addition, a new roof was installed on the first floor deck. With the fall season quickly approaching, my staff and I eagerly await a "slow-down." During the next few weeks, we will attempt to redeem ourselves and prepare for the many projects scheduled for the off- season.

Housekeeping and Maintenance staff will soon start the preventive maintenance and deep cleanings to the units. We ask that owners continue to express their concerns and comments with the front desk personnel in regards to our property. We take your matters into much consideration when striving to better your "home away from home."

In closing, please allow me to state that I am very proud of the entire Boardwalk One staff. We are always able to work together to better serve our owners/guests. I am very fortunate to have these fine men and women as part of our team.

Tisha Purnell

General Manager

DEFENDER REALTY'S RESALE CORNER....

We have redesigned and enhanced the Defender Flex® Program. This new redesigned program begins with week 42 of this year and adds value and more flexibility for owners who own during weeks 1 through 19 and 42 through 53. When you enter your week into this program, you can exchange within your home resort during the time period of 1-19 or 42-53, based upon availability.

The redesigned Defender Flex® Program is a Defender-owned and sponsored program offered to owners. It is an in-house exchange during weeks 1-19 and 42-53 with a provision for up to twenty-four (24) bonus nights each year. The bonus nights may be used in January, February, March, April or May, October or November and December. You may sign up for the flex program at any time during the year. However, your week must be in the program in January so that the resort can get usage of the week. In each bonus segment you may use up to four (4) nights during the week or up to three (3) nights for a weekend bonus stay in each month during the flex period, based upon availability.

Call Boardwalk One today and sign up for this great program....It's free to join!!

If you didn't get a chance to visit Ocean City this summer, you really missed a lot of fun and activities. Don't go through another boring summer at home. Contact Don Stickle at (410) 524-8452 for incredible savings on summer weeks.

Have a great fall and we look forward to seeing you at the resort.

Frank Baker

Defender Realty, Inc.

Regional Director of Operations Notes

The first phase of the refurbishment is complete and the new wall beds look great. The new carpet, sofas, dining chairs, and stools really make an improvement to the units. New ceiling tiles and lighting along with new cabinets have been added to the kitchens. The rooms are taking on a more modern look and we have received many compliments.

We look forward to your comments once you have stayed in the new units. We also look forward to seeing you at the annual meeting. Remember to **send in your proxy** in case something comes up and prevents you from attending. There must be a quorum present in person or by proxy in order to conduct the necessary business that comes up annually. We really need you to send in the proxy. It will be given back to you for voting purposes if you attend the meeting. There tends to be more and more business to be conducted each year and **the Association really needs the proxies sent back.**

Johnny Tramel

Defender Resorts, Inc.

Regional Dir. of Operations

Ocean City, Maryland

2 0 0 9 I N T E R V A L C A L E N D A R	Week	2009	
B	1	01/07/09	01/14/09
	Maint. 2	01/14/09	01/21/09
	3	01/21/09	01/28/09
	4	01/28/09	02/04/09
	5	02/04/09	02/11/09
	6	02/11/09	02/18/09
	7	02/18/09	02/25/09
	8	02/25/09	03/04/09
	9	03/04/09	03/11/09
	10	03/11/09	03/18/09
	11	03/18/09	03/25/09
	12	03/25/09	04/01/09
W	13	04/01/09	04/08/09
	14	04/08/09	04/15/09
	15	04/15/09	04/22/09
	16	04/22/09	04/29/09
	Maint. 17	04/29/09	05/02/09
	18	05/02/09	05/09/09
R	19	05/09/09	05/16/09
	20	05/16/09	05/23/09
	21	05/23/09	05/30/09
	22	05/30/09	06/06/09
	23	06/06/09	06/13/09
	24	06/13/09	06/20/09
	25	06/20/09	06/27/09
	26	06/27/09	07/04/09
	27	07/04/09	07/11/09
	28	07/11/09	07/18/09
	29	07/18/09	07/25/09
	30	07/25/09	08/01/09
	31	08/01/09	08/08/09
	32	08/08/09	08/15/09
	33	08/15/09	08/22/09
	34	08/22/09	08/29/09
	35	08/29/09	09/05/09
	36	09/05/09	09/12/09
	37	09/12/09	09/19/09
	38	09/19/09	09/26/09
	39	09/26/09	10/03/09
40	10/03/09	10/10/09	
41	10/10/09	10/17/09	
W	Maint. 42	10/17/09	10/21/09
	43	10/21/09	10/28/09
B	44	10/28/09	11/04/09
	45	11/04/09	11/11/09
	46	11/11/09	11/18/09
	47	11/18/09	11/25/09
	48	11/25/09	12/02/09
	49	12/02/09	12/09/09
	50	12/09/09	12/16/09
W	51	12/16/09	12/23/09
	52	12/23/09	12/30/09
	53	12/30/09	01/06/10

Mark Your Calendar

Annual Meeting

October 30, 2008

Second Notice is included with this newsletter.

****Remember- It is important to return your Proxy.****



Helpful Tips from Owner Services...

Maintenance Fee anxiety? Consider pre-paying your next year's bill

- Pay your Maintenance Fee for 2009.
- * Pay monthly toward 2010 Maintenance Fees.

Send a check each month made payable to Boardwalk One, write your account number or unit and week on your check and mail to:

Defender Resorts, Inc.,

P.O. Box 3849, Myrtle Beach, S.C. 29578.

You can also use Online Bill Pay at your bank and they will send a check to us.

For more information, call Owner Services at 843-449-1354 ext. 231.

If you have sold your unit, please send us a copy of the recorded deed and a \$32.00 transfer fee made payable to Defender Resorts, Inc. at the above address.

Property Taxes 2008

- The Property Tax for the Studio Regular for 2008 is \$ 30.28.
- The Property Tax for the Studio Bonus for 2008 is \$ 38.13.



**BOARDWALK ONE HOMEOWNERS' ASSOCIATION, INC.
2009 APPROVED OPERATING BUDGET**

	<u>2009</u>	
	<u>Budget</u>	
<u>OPERATING REVENUE</u>		
MAINTENANCE FEES- CURRENT	\$	696,911
STORE ASSESSMENT-CURRENT	\$	45,626
MAINTENANCE FEES-PRIOR YEARS	\$	8,500
LATE CHARGES ON DELINQUENT FEES	\$	2,500
INTEREST ON DELINQUENT FEES	\$	2,800
VENDING	\$	600
HOUSEKEEPING FEES	\$	1,200
RENTAL OF HOA OWNED UNITS	\$	3,750
SALE OF HOA OWNED UNITS	\$	1,250
FLEX FEE INCOME	\$	1,250
BANK INTEREST	\$	5,500
MISCELLANEOUS INCOME	\$	500
TOTAL OPERATING REVENUE	\$	770,387

TRANSFER ADDITIONAL CAPITAL TO RESERVES	\$	40,000
RESERVE FOR REPLACEMENT	\$	110,000

NET OPERATING REVENUE **\$ 620,387**

<u>UTILITY EXPENSE</u>		
ELECTRICITY INTERIOR	\$	49,636
ELECTRICITY EXTERIOR	\$	18,748
NATURAL GAS	\$	2,570
TELEPHONE	\$	11,522
WATER & SEWER	\$	15,245
CABLE TV	\$	17,296

TOTAL UTILITY EXPENSE **\$ 115,017**

<u>HOUSEKEEPING EXPENSE</u>		
CLEANING SUPPLIES	\$	2,058
GUEST SUPPLIES	\$	5,477
LAUNDRY SUPPLIES	\$	1,200
LINEN PURCHASES	\$	4,200
ROOM PURCHASES	\$	2,700
HOUSEKEEPING MISCELLANEOUS	\$	1,100

TOTAL HOUSEKEEPING EXPENSE **\$ 16,735**

<u>MAINTENANCE EXPENSE</u>		
POOL SUPPLIES	\$	2,300
BUILDING MAINTENANCE & SUPPLIES	\$	7,700
HVAC REPAIRS	\$	7,000
MAINTENANCE - INTERIOR	\$	8,000
PURCHASE OF SMALL POWER TOOLS	\$	200
MAINTENANCE MISCELLANEOUS	\$	1,000

TOTAL MAINTENANCE EXPENSE **\$ 26,200**

	<u>2009</u>	
	<u>Budget</u>	
<u>ADMINISTRATION & GENERAL</u>		
MANAGEMENT FEES	\$	61,231
OFFICE EQUIPMENT	\$	500
OUTSIDE ACCOUNTING - ANNUAL AUDIT	\$	5,000
LEGAL FEES - FORECLOSURE	\$	7,000
LEGAL FEES - OTHER	\$	10,000
DUES, SUBSCRIPTIONS, LICENSES & FEE	\$	1,589
BOARD OF DIRECTORS EXPENSE	\$	5,750
PRINTING	\$	3,000
POSTAGE	\$	4,200
BANK CHARGES	\$	300
LOCKBOX BANK CHARGES	\$	1,600
TRAVEL EXPENSE	\$	1,200
UNIFORMS (Housekeeping & Maintenance)	\$	200
OFFICE SUPPLIES	\$	2,000
DOCSTAR RECORD RETENTION	\$	750
EMPLOYMENT PROCUREMENT	\$	350
MISCELLANEOUS INCOME	\$	200

TOTAL ADMINISTRATIVE & GENERAL **\$ 104,870**

<u>SALARIES & WAGES</u>		
ADMINISTRATIVE	\$	55,568
HOUSEKEEPING	\$	64,700
CONTRACT HOUSEKEEPING LABOR	\$	14,000
MAINTENANCE	\$	49,184
RESORT INCENTIVES	\$	1,650

TOTAL SALARIES & WAGES **\$ 185,102**

<u>PAYROLL TAXES & BENEFITS</u>		
PAYROLL TAXES	\$	14,788
WORKERS COMPENSATION INSURANCE	\$	4,000
EMPLOYEE INSURANCE	\$	14,840
401K RETIREMENT MATCHING	\$	1,250

TOTAL PAYROLL TAXES & BENEFITS **\$ 34,878**

<u>LEASES & CONTRACTS</u>		
EXTERMINATING	\$	1,386
FIRE ALARM MONITOR SERVICE	\$	1,200
EQUIPMENT LEASE	\$	2,600
HEALTH CLUB ANNUAL MEMBERSHIP	\$	1,200
ELEVATOR MAINTENANCE CONTRACT	\$	7,620
INCOME TAX	\$	5,500
PROPERTY TAX (City/County)	\$	61,825
GENERAL INSURANCE	\$	56,254

TOTAL LEASES & CONTRACTS **\$ 137,585**

TOTAL OPERATING EXPENSES **\$ 620,387**

NET OPERATING INCOME **\$ -**

Maintenance Fee Per Unit/Week

Studio	\$	424.00
Bonus	\$	556.00