

WINDY NEWS

A Newsletter for the Homeowners of Windy Shores II MOA



President's Message

The first 16 balconies are essentially complete. There are a number of punch list items that still remain to be completed. The structural quality of work was good. The finish work was a little sloppy. The construction work dragged out over a much longer time than desired. There were times when no work was being accomplished. The costs were much more than anticipated. The construction cost for the first 16 balconies totaled \$162,534. Windy Shores II has paid \$28,780 and has received a credit from the contractor for \$34,048. This leaves a balance of \$99,706. The work on the other 16 balconies will probably be more involved but we expect the costs to be about the same because material prices have decreased from last year.

The dryer vent project has been completed. All vents were brought into code by installing metal vents. Access ports were installed so that clean outs would be easier in the future.

New light fixtures at the entrance doors and new hallway carpets are planned for next year.

Another item of concern is Property Insurance. There have been some dramatic increases in insurance in Myrtle Beach this year. We have not been able to get any guidelines as what to expect for our property. Windy Shores I has not been
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Manager's Corner

We have had a tremendous amount of activity at Windy Shores II since the last issue of the Newsletter. We have completed several projects and many more are just around the corner.

We have completed the upgrading of many of our bedrooms by installing new beds, mattresses, and headboards. We are pleased to announce that all of the dryer vents have been replaced with a new, rigid metal vent and fire resistant hoses. At the request of the Board of Directors, the management team is looking into the various options of having a Wireless Internet System installed at Windy Shores II. We will be reviewing those options and will try to offer the service, if it can be done economically. We will also, on an as needed basis, be replacing the older ranges with a new, black, smooth top range and matching black microwaves. This will enhance both the efficiency and appearance of our kitchen areas. We also hope to add new balcony furniture in 2007 and replace or repair the worn medicine cabinets.

If, perchance, there are those of you who have not visited the property lately, please do so whenever you have the opportunity. I think you will be amazed by the improvements that have been made by Jonathan Rice, our maintenance man. He has added new trees and plants, added gravel and mulch to various areas and is keeping the lawn nicely manicured. He has really made a difference in the overall appearance. I'm sure that those of you who have met Jonathan would agree that he is a tremendous asset to the operation of Windy Shores II. I certainly applaud his efforts.

I must also mention what a great job our housekeeper, Gerri Taylor, is doing. She sees to it that all the needs of our guests are met and goes out of her way to ensure that they feel welcome and comfortable during their stay. We feel very fortunate to have both Gerri and Jonathan on our team.

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FROM THE DEFENDER REALTY CORNER...

Defender Realty has introduced a brand new owner referral program. This program is called "The Owner Connection." It is by far the best and easiest program to understand than any that we have had. In the past we offered gifts for your referrals. The new program offers cold hard cash for your referrals and cash when they purchase. Please take a minute to pick up a copy of the new program at The Links or call Defender Realty at 843-497-6431 and we will be happy to send you a copy. Don't wait, get those referral names to us and start making money!!!!

Fall is here, but the weather in Myrtle Beach is still very warm. You probably thought you couldn't afford a fall week along with the week that you already own. Well guess again; it is very affordable! Developer pricing on early fall timeshare red weeks continues to rise in Myrtle Beach with an average price on a two bedroom in the fall at approximately \$18,000. We have early fall red weeks in two bedrooms at Windy Shores II at a great price. Also, a developer's resort won't trade in the exchange system any better than Windy Shores II. The reason for this is both resorts are in Myrtle Beach, which has a high trading value. An added bonus on purchasing at Windy Shores II is when you purchase a fall red week now through the end of the year, we will give you an off-season week for a small closing cost. That week can be used in the Flex program, which offers bonus time or you can trade the week through the exchange companies. Call Defender Realty at 843-497-6431 for complete details.

We have been discussing the RCI Points Program for some time now. It is a great way to increase your vacation time and give you a tremendous amount of flexibility. If you owned a fall red week, that week has a point value of 35,500 points. You can trade those points and end up with over four weeks of vacation time each year versus just vacationing one week each year. I don't know about you, but I would like more vacation time. There is a one time small conversion fee to get into the Points program and we are running a special on that from now through the end of January. Call Defender Realty at 843-497-6431 for complete details.

Finally, we receive calls each week from owners asking if they should pay someone money up front to list their timeshare weeks. They tell us over and over that the people calling are with a well known real estate company with numbers in their name. We tell everyone the same thing, "Don't ever pay anyone up front to list your week!" If you give them your money, you may never hear from them again. Be alert and be aware!!!

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

Frank Baker
Defender Realty, Inc.
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President's Message continued

able to find anyone to insure their property because of the deteriorated condition. Presently there is a 15% increase in the budget for property taxes. If the increase is significantly more than this, then there may be a special billing for insurance.

The 2007 budget is \$599 a unit; this is a 14.5% increase. The major contributors to the increase are property insurance, housekeeping, and master association dues.

A number of improvements for inside the units are planned for next year. We will be installing new stoves, microwaves, DVD players, medicine cabinets, and balcony furniture.

There will be a joint meeting of Windy Shores II Whole Owners and Time Share Owners at 9:00 AM on Saturday November 4, 2006 at the Maritime Beach Club.

Ken Nichols, President

Manager's Corner continued

While we have been involved in numerous projects, the Balcony Reconstruction project remains at the top of the list. For the most part, the first phase of reconstruction on the sixteen southernmost balconies has been completed. To say that this project has been a difficult one would be an understatement. However, thanks to the combined efforts of the Board of Directors, concerned owners, Susan Crow, General Manager of the Links Golf and Racquet Club and Ken McKelvey, President of Defender Resorts, I feel confident that an end is in sight and that, soon, we will be in a position to concentrate on the remaining sixteen balconies.

This has been a very busy year at Windy Shores II and I have enjoyed it immensely. Thanks to all of you for your support and understanding. I look forward to working with you in the future.

Carson Ray



DEFENDER FLEX® PROGRAM



Starting January 2007



Due to increased demand, we added an option to our Flex Bonus Program. Beginning January 2007 the following rates will apply:

Sunday through Thursday Studio/1 BR 2 Bedroom 3 Bedroom
 3 nights for only: \$55.00+Tax \$75.00+Tax \$95.00+Tax

Added Benefits

Utilize your Flex Bonus Nights valid Sunday through Thursday for 5 nights.

Sunday through Thursday Studio/1 BR 2 Bedroom 3 Bedroom
 5 nights for only: \$75.00+Tax \$100.00+Tax \$125.00+Tax

Flex Bonus Nights over the weekends (including a Friday or Saturday)

All 3 nights for only: Studio/1 BR 2 Bedroom 3 Bedroom
 \$95.00+Tax \$120.00+Tax \$140.00+Tax

Based upon availability. Some restrictions may apply. All terms subject to change without notice.

For Reservations and more Information contact your resort.

Helpful Tips from Owner Services...



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

- 1) Pay your \$599.00 Fee for 2007.
- 2) Pay us \$50.00 a month toward 2008 Maintenance Fees.

Send a check each month or use Online Bill Pay at your bank to do the job for you. For more information, call Katrina at (843)-1354 x 231.

Sell your unit? We need the following information to make the change:

- 1) A copy of the new deed stamped by the Horry County courthouse.
- 2) A \$32.00 transfer fee made out to Defender Resorts.

For more information, contact Emily Baxter at (843)-1354 x 230.

2007	Week	Saturday to Saturday	
W	1	01/06/07	01/13/07
B	2	01/13/07	01/20/07
	3	01/20/07	01/27/07
	4	01/27/07	02/03/07
W	5	02/03/07	02/10/07
	6	02/10/07	02/17/07
	7	02/17/07	02/24/07
	8	02/24/07	03/03/07
RED	9	03/03/07	03/10/07
	10	03/10/07	03/17/07
	11	03/17/07	03/24/07
	12	03/24/07	03/31/07
	13	03/31/07	04/07/07
	14	04/07/07	04/14/07
	15	04/14/07	04/21/07
	16	04/21/07	04/28/07
	17	04/28/07	05/05/07
	18	05/05/07	05/12/07
	19	05/12/07	05/19/07
	20	05/19/07	05/26/07
	21	05/26/07	06/02/07
	22	06/02/07	06/09/07
	23	06/09/07	06/16/07
	24	06/16/07	06/23/07
	25	06/23/07	06/30/07
	26	06/30/07	07/07/07
	27	07/07/07	07/14/07
	28	07/14/07	07/21/07
	29	07/21/07	07/28/07
	30	07/28/07	08/04/07
	31	08/04/07	08/11/07
	32	08/11/07	08/18/07
	33	08/18/07	08/25/07
	34	08/25/07	09/01/07
	35	09/01/07	09/08/07
	36	09/08/07	09/15/07
	37	09/15/07	09/22/07
	38	09/22/07	09/29/07
	39	09/29/07	10/06/07
40	10/06/07	10/13/07	
41	10/13/07	10/20/07	
42	10/20/07	10/27/07	
43	10/27/07	11/03/07	
44	11/03/07	11/10/07	
W	45	11/10/07	11/17/07
	46	11/17/07	11/24/07
R	47	11/24/07	12/01/07
	48	12/01/07	12/08/07
W	49	12/08/07	12/15/07
	50	12/15/07	12/22/07
B	51	12/22/07	12/29/07
	52	12/29/07	01/05/08

**WINDY SHORES II MOA
2007 APPROVED BUDGET**

	<i>Total 2007 Budget</i>	<i>By Unit 2007 Budget</i>
Operating Revenue		
Maintenance Fee Billing	\$493,075	\$ 537
Allowance for Uncollectable Fees	\$ (65,983)	\$ (72)
Maintenance Fees - Prior	\$ 2,000	\$ 2
Insurance Assessment	\$ 56,460	\$ 62
Interest and Late Charges	\$ 4,500	\$ 5
Rental Commission/HOA Rentals	\$ 500	\$ 1
Sale of Weeks	\$ 1,000	\$ 1
Flex Fees	\$ 1,500	\$ 2
Bank Interest	\$ 900	\$ 1
Miscellaneous	\$ 50	\$ 0
Gross Operating Revenue	\$494,002	\$ 538
Transfer Funding to Reserve	\$ 69,000	\$ 75
Deficit Reduction (Operating)	\$ 15,000	\$ 16
Total Deductions from Gross	\$ 84,000	\$ 92
Net Operating Revenue	\$410,002	\$ 447
Utility Expense		
Electricity - Units	\$ 22,077	\$ 24
Telephone	\$ 8,858	\$ 10
Total Utility Expense	\$ 30,935	\$ 34
Housekeeping Expense		
Cleaning Supplies	\$ 3,708	\$ 4
Contract Laundry	\$ 7,981	\$ 9
Deep Cleaning	\$ 1,633	\$ 2
Contract Housekeeping	\$ 31,022	\$ 34
Room Purchases	\$ 5,253	\$ 6
Total Housekeeping Expense	\$ 49,597	\$ 54
Maintenance Expenses		
Maintenance Interiors	\$ 6,400	\$ 7
Uniforms	\$ 600	\$ 1
Tools and Equipment	\$ 75	\$ 0
Repairs to Equipment	\$ 50	\$ 0
Total Maintenance Expenses	\$ 7,125	\$ 8
Administration and General Expenses		
Management Fees	\$ 35,000	\$ 38
Accounting	\$ 4,456	\$ 5
Data Processing	\$ 1,782	\$ 2
Audit	\$ 2,100	\$ 2
Board of Directors Expense	\$ 950	\$ 1
Newsletter	\$ 500	\$ 1
Postage	\$ 1,020	\$ 1
Bank Charges	\$ 785	\$ 1

	<i>Total 2007 Budget</i>	<i>By Unit 2007 Budget</i>
Administrative & General (continued)		
Office Supplies	\$ 625	\$ 1
Administration Services - Links	\$ 36,202	\$ 39
Taxes & Licenses	\$ 50	\$ 0
Space Rental to HOA	\$ 480	\$ 1
Mileage *NEW*	\$ 360	\$ 0
Employee Recruitment *NEW*	\$ 100	\$ 0
Miscellaneous	\$ 1,072	\$ 1
Homeowners Meeting	\$ 150	\$ 0
Legal Fees	\$ 15,750	\$ 17
Printing	\$ 1,700	\$ 2
Total Administrative and General	\$103,082	\$ 112
Salaries and Wages		
Salaries - Administrative	\$ 7,465	\$ 8
Salaries - Maintenance	\$ 15,633	\$ 17
Salaries - Housekeeping	\$ 11,298	\$ 12
401K Matching	\$ 486	\$ 1
Employee and Resort Incentives	\$ 795	\$ 1
Total Salaries and Wages	\$ 35,677	\$ 39
Payroll Taxes and Benefits		
Payroll Taxes	\$ 3,267	\$ 4
Workman's Compensation Insurance	\$ 1,376	\$ 1
Employee Group Insurance	\$ 5,760	\$ 6
Human Resources and Processing	\$ 1,720	\$ 2
Total Payroll Taxes and Benefits	\$ 12,123	\$ 13
Leases and Contracts		
Master Association Dues	\$ 83,095	\$ 91
Master Association Insurance	\$ 49,646	\$ 54
Income Taxes	\$ 200	\$ 0
Property Taxes	\$ 30,755	\$ 34
Insurance (Interior)	\$ 7,167	\$ 8
Pagers	\$ 600	\$ 1
Total Leases and Contracts	\$171,463	\$ 187
Total Operating Expense	\$410,002	\$ 447
Net Operating Income	\$ -	\$ -

Maintenance Fee Assessment	\$ 537.00
Insurance Fee Assessment	\$ 62.00
Total 2006 Fees	\$ 599.00