

2010 Budget Information



CORAL SANDS RESORT

Coral Sands Bulletin

In this newsletter you will find your Maintenance Fee budget for the 2010 year. We are happy to report that last year's regular maintenance fee of \$809 has actually come down to \$799.

We are, as we do each year, making an assessment for capital items that need to be replaced this coming year. We plan to replace all the mattress sets, bedspreads and drapes in the master bedrooms and the drapes on the sliding glass doors downstairs. In addition, it is past time to replace the stoves. Many have to be repaired often, and yet they continue not to cook well, so we will replace at least 8 this next year. Also, we expect to replace one air conditioner this year with the upgraded, more efficient seer rating of 13 or 14, depending on the unit size needed. We estimate that these items, including shipping and duty, will be approximately \$29,586. This will be assessed at \$52 per member to include contingencies and duty, which has drastically increased just recently.

Therefore, the total fees for the year 2010 will be \$851 (regular assessment of \$799 plus capital items of \$52). **This amount is the same as last year.** Your 2010 invoice is enclosed.

During 2009, most of the capital items we had planned to do have been completed with the exception of the seal of the upstairs decking. During our maintenance weeks of 37 and 38, we were able to complete the sandblasting of the railings and the primary treatment of the concrete on the upstairs deck. Unfortunately, the rain set in and we were not able to complete this phase of the project. It is now scheduled to be completed the first week in January, which is the only available time we can fully block off the 4 units on the second floor. This year we also replaced two air conditioners and all the units now have safes, substantially completing the 2009 capital items. Most appliances, such as AC units, stoves, etc., were not replaced after Hurricane Ivan. We must routinely replace these appliances, but also try our best to install energy efficient devices where possible.

Sales Corner

Coral Sands Sales Department will be opening up for sales on November 16th. We would like to thank each and every one of you that have been so helpful to Sales in the past. It is so obvious to our prospective buyers when they see our owners and guests having a great time at Coral Sands, so much so that they want to be a part of it as well. Thank you again as it makes our jobs so much easier when we have happy owners.

Keep in mind that if you want to add to your vacation portfolio, this is the time to do so. As always, we will be extending discounts for existing owners and immediate family members. Aside from family members, if you would like to refer your friends, you will receive \$400 toward your maintenance fees for the first referral that purchases in a year, then \$851 for the second referral that purchases in the same year and that amount for every referral within the one year time frame. This offer is good beginning this month through 2010 only and may be renewed at the sole discretion of the Developer. All referrals MUST be registered, in writing with the Sales Department prior to any referral presentation. So, let's get the Developer to pay your maintenance fee for many years. Get us those names of your friends! After all, you probably want to vacation with friends and people you know and enjoy spending time with!

We are looking forward to seeing you and yours in Grand Cayman.
Vickie Griffith, vgriffith@defenderresorts.com

Coral Sands Resort Operating Budget 2010

Operating Revenues

Member Maintenance Fees	\$368,941.00
Bonus Week Fees	\$16,000.00
Phone Charge	\$1,500.00
Daily Rental	\$35,000.00
Developer Subsidy	\$54,481.00
Other Income	\$4,050.00
Total Operating Revenue	\$479,972.00

Salaries & Wages

Administrative	\$51,000.00
Housekeeping	\$20,500.00
Maintenance	\$18,500.00
Employee Bonus	\$1,500.00
Pension Expense	\$5,000.00
Medical Insurance Premiums	\$3,500.00
Total Salaries & Wages	\$100,000.00

Utility Expense

Electricity (net of use charges)	\$45,000.00
Telephone and Internet	\$15,500.00
Water	\$25,000.00
Television	\$8,500.00
Garbage Fees	\$2,950.00
Total Utilities	\$96,950.00

Administration Expenses

Management Fee	\$47,997.00
Accounting Fees	\$12,000.00
Building Insurance	\$64,000.00
Advertising	\$2,500.00
Computer Expenses	\$2,500.00
Printing & Reproduction	\$1,500.00
Promotional Material	\$500.00
Postage	\$1,875.00
Office Supplies	\$1,200.00
Work Permit Fees	\$350.00
Storage	\$2,600.00
Hotel License Renewal	\$2,750.00
Hotel & Condo Dues	\$1,000.00
Government Fees	\$5,500.00
Annual Hotel Inspection Costs	\$2,500.00
Legal Fees	\$4,000.00
Credit Card Service Charge	\$3,200.00
Bank Service Charge	\$1,200.00
Miscellaneous	\$500.00
Total Administration	\$157,672.00

Contracts, Travel and Activities

Exterminating	\$2,800.00
Resort Activities	\$4,500.00
Travel for Management Reviews	\$4,800.00
Locks & Security	\$15,500.00
Total Leases & Contracts	\$27,600.00

Housekeeping Expenses

Cleaning Supplies	\$1,000.00
Soaps/Other Room Supplies	\$5,500.00
Laundry Service	\$28,000.00
Kitchen Supplies	\$1,500.00
Total Housekeeping	\$36,000.00

Maintenance Expense

Equipment Repair	\$1,500.00
Building Maintenance	\$21,914.00
Capital Items	\$29,586.00
Yard and Pool Maintenance	\$8,750.00
Total Maintenance	\$61,750.00

Total Operating Expenses **\$479,972.00**

Net Operating Income **\$0.00**

2010 Maintenance Fee and Capital Items Per Interval = \$851

MAINTENANCE FEE PAYMENT OPTIONS

There are many convenient ways to pay your Maintenance Fees. The options are listed below.

Check or Money Order (made out to Coral Sands Resort)

- Use the enclosed return envelope and the invoice stub to mail your payment to our lockbox. We recommend you do this immediately so you do not have to pay any fees in order to transmit your payment, except the postage, and your reservation, once you request it, will not be delayed awaiting verification of 2010 or 2011 fees. Remember, in January, all members can begin to reserve 2011 time and per Club Rules, you must have paid the 2011 estimated maintenance fees; we always use the prior year, i.e. \$851.

On-line (www.smartstreet.com and click on "Online Payments")

- MasterCard, Discover, American Express (\$9.95 Fee)
- E-check (no fee)

VISA payments can be processed by calling Guest Services at 1-877-404-3030.

There is an additional fee of 4% for VISA.



RESERVATION CORNER

We can't wait to see all of our members during the next year! We look forward to making your vacation experience at Coral Sands as relaxing and enjoyable as possible. With that in mind, please remember the following information when making reservations.

Reservations shall only be made with respect to Vacation Weeks 1 through 50. Please remember, Weeks 51 and 52 are fixed time and you must own during those weeks to stay on property.

All reservations requests must be made **in writing**: Mail, Fax, or Email only. For your convenience, there is a form in this newsletter that you can use to send your request.

Mail requests to:
Defender Resorts
PO BOX 3849
Myrtle Beach, SC 29578
Attn: Rachel

Email requests to:
reservations@coralsands.ky

Fax requests to:
843-449-9469
Attn: Rachel

Occasionally, we will send out email blasts for bargain stays at Coral Sands so please make certain we have a current email address for you.

For those members that have Bonus Week privileges, you may utilize Bonus time during the months of May, June, July, August and September. The request for bonus time can be made no more than 90 days out from your requested check-in date during these months. If you own an EVEN year, your Bonus Week is good for EVEN years only, likewise for ODD Year owners. If you own SUMMER WHOLE; your weeks of usage are 16 - 41 inclusive. Also, Bonus Time privileges are for members only.

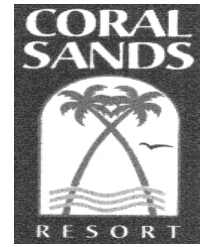
Please keep in mind that the majority of our owners request units, 1, 12, 6, and 7. Unfortunately, it is impossible to accommodate every request for these units. If you desire one of these units, you must make your request 365 days from the requested Saturday you wish to arrive at Coral Sands, **in writing**. If you have stayed in one of these units in the past two years, you will need to wait 45 days for a confirmation in one of these units. If you desire a confirmation right away, it will be in one of the other eight units.

Remember: If you wish to deposit your week with RCI, you will need to do this as soon as possible. You can bank your week with RCI up to 2 years in advance, thus adding value to your future request to vacation elsewhere in the RCI system. Length of time deposited is important in getting what you want later. Weeks do not roll over at the resort. The later in the year that you wait to deposit your week with RCI, the less chance of there being a week we can assign you for RCI's purpose. Please do not delay if this is your intent with your week.

RCI has just announced new exchange fees for their members. Please see the chart below for prices. Please note that it is a far greater value to pay online than to use the call center.

Channel	Fee Type	Current Fees	New Fees
RCI.com	Weeks		
	Exchange	\$164	\$179
Call Center	Weeks		
	Exchange	\$189	\$194

Reservation Request Form



Name: _____

Email: _____

My assigned unit/week is: _____

First Choice – Arrival Date _____

Second Choice – Arrival Date _____

Third Choice – Arrival Date _____

Please check the appropriate statement:

I will use my reservation.

I will exchange my reservation with RCI.

MAIL: Defender Resorts, Inc.
P.O. Box 3849
Myrtle Beach, SC 29578
Attn: Rachel

FAX: 843-449-9469
Attn: Rachel

EMAIL: reservations@coralsands.ky

This does not confirm your reservation. You will receive written confirmation via email after one of your choices has been booked. If you do not provide an email address, it will be mailed to your address on record.

Please remember: Management cannot assign you a reservation for a use period if you are in arrears with the Association. You must pay your Maintenance Fees in order to receive a reservation.

