

October 2009

Myrtle Beach, SC

Montego News & Views

A Newsletter for the Homeowners of The Beach Club at Montego Inn



Inside
this issue:

<i>Notice of Annual Meeting</i>	1
<i>President's Message</i>	2
<i>New Resort Policy</i>	2
<i>2010 Operating Budget</i>	3
<i>General Manager's Corner</i>	4
<i>Defender Realty's Resale Corner</i>	4
<i>2010 Interval Calendar</i>	5
<i>Regional Director of Operations' Notes</i>	5
<i>Auction Flyer</i>	6

NOTICE OF ANNUAL MEETING THE BEACH CLUB AT MONTEGO INN NOVEMBER 07, 2009 1:00 PM

October 08, 2009

Dear Homeowner:

Please be advised that the Annual Meeting of The Beach Club at Montego Inn will be held on Saturday, November 07, 2009, at the Beach House Golf & Racquet Club, 6800 N. Ocean Boulevard, Myrtle Beach, SC in the 4th floor activity room. The meeting will convene at 1:00 pm, prevailing local time.

Enclosed you will find a self-addressed business reply proxy. Please fill this out and return it 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 pm, prevailing local time, November 05, 2009. Don't let this date slip up on you. If you attend the meeting, your proxy will be rescinded and you may cast your vote in person. We would rather have you attend, but regardless, please return the proxy immediately. The return of your proxy gives you a voice and allows for the transaction of business during the meeting. We cannot express enough how important it is to return your proxy.

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

Please participate.

Sincerely,

Mark Westbrook

President/COO Defender Resorts, Inc.



PRESIDENT'S MESSAGE

Summer came and went too quickly! Before we knew it, school was back in session and we are heading into fall.

Your Board of Directors met on Saturday, September 12, 2009 to review, revise, and approve the 2010 Operating and Reserve budgets. We strive to keep your fees as low as possible while at the same time providing excellent quality and service at the resort. For 2010, the Maintenance Fee *will not* increase and will remain at \$377 for Studio and One Bedroom Units and \$566 for Two Bedroom Units. The Board of Directors and Management certainly understand that we all have faced economic challenges over the past year and worked very hard to maintain a “zero” increase for 2010.

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 decrease in the 2010 Operating Expenses is budgeted to be \$7,286. The major increases are Utilities, Housekeeping, and Maintenance. We have maintained the annual Reserve funding of \$95,000. As always, the complete breakdown of your 2010 budget may be found on page 3. The projects designated for 2010 may be found in the General Manager's report also included in this newsletter.

Our Annual Meeting is scheduled for Saturday, November 7, 2009 at 1:00PM, to be held at The Beach House (please see notice on page one). We hope you can attend but, if not, please send in your proxy card so that your voice will be heard at the meeting.

We also would like to take just a moment to commend Lisa, our General Manager, and her staff for the outstanding job they do for us. We are very fortunate to have such a caring, capable, and conscientious staff.

Your Board of Directors, Management, and Staff look forward to seeing each of you during your next vacation at The Beach Club at Montego.

Sincerely,

Burt NeSmith

President, Board of Directors



No Smoking Policy

Due to increased concerns, the Montego Board of Directors has voted and passed a policy that enforces a **No Smoking Policy** in the condominiums. Many owners and guests have allergies and others simply find the smell offensive. There will be a \$100.00 fine imposed to anyone that does not abide by the policy. Ashtrays are provided on the balconies for your exterior use. Thank you in advance for your compliance.

THE BEACH CLUB AT MONTEGO	Approved 2010 Budget	Approved 2010 Budget	
2010 APPROVED OPERATING BUDGET			
OPERATING REVENUE		OPERATING EXPENSES (Continued)	
Maintenance Fees - Current	\$ 736,359	ADMINISTRATION & GENERAL	
Maintenance Fees - Prior	\$ 5,000	Management Fees	\$ 69,341
Late Charges	\$ 8,000	Accounting Fees	\$ 18,736
Delinquent Fees	\$ 2,500	Data Processing Fees	\$ 9,905
Telephone	\$ 300	Outside Accountant/Audit	\$ 3,700
Vending	\$ 1,500	Night Administration	\$ 3,450
Merchandise Sales	\$ 100	Legal Fees	\$ 2,000
Activities Revenue/Theatre	\$ 7,500	Taxes and Licenses	\$ 1,300
Housekeeping Fees	\$ 1,700	Dues and Subscriptions (ARDA)	\$ 2,600
Rental of HOA-owned Weeks	\$ 10,000	Board of Directors Expense	\$ 3,000
Resale of HOA-owned Weeks	\$ 2,000	Breakfast Meeting	\$ 1,600
Flex Fee Income	\$ 1,800	Newsletter Cost	\$ 1,100
In House Exchange Fees	\$ 3,000	Printing	\$ 3,000
Bank Interest	\$ 1,900	Postage	\$ 2,750
Miscellaneous Income	\$ 800	Bank Charges	\$ 100
Total Operating Revenue	\$ 782,459	Lockbox Bank Charges	\$ 1,100
COST OF SALES		Vehicle Expense	\$ 600
Activities and Theatre Tickets	\$ 6,500	Mileage and Training	\$ 667
		Office Supplies	\$ 2,700
Gross Operating Revenue	\$ 775,959	Security	\$ 1,900
		Administrative Miscellaneous	\$ 500
Reserve for Replacement	\$ 95,000	Courier/DocStar	\$ 3,400
Operating Deficit Reduction	\$ 15,000	Computer Equipment/Software	\$ 150
Total Deductions from Revenue	\$ 110,000	Total Administrative & General	\$ 133,599
		SALARIES & WAGES	
Net Operating Revenue	\$ 665,959	Administrative	\$ 74,471
UTILITY EXPENSE		Housekeeping	\$ 80,278
Electricity - Units	\$ 47,247	Maintenance	\$ 56,601
Natural Gas	\$ 7,000	Employee/Resort Incentives	\$ 1,000
Telephone	\$ 5,786	Total Salaries & Wages	\$ 212,350
Water and Sewer	\$ 11,055	PAYROLL TAXES & BENEFITS	
Cable TV	\$ 6,775	Payroll Taxes	\$ 17,375
Landfill Fees	\$ 1,050	Workers Compensation Insurance	\$ 8,656
Total Utility Expense	\$ 78,913	Employee Group Insurance	\$ 29,358
HOUSEKEEPING EXPENSE		Payroll Processing/Human Resources	\$ 6,784
Cleaning Supplies	\$ 9,600	Total Payroll Taxes & Benefits	\$ 62,173
Room Purchases	\$ 8,700	LEASES & CONTRACTS	
Contract Labor	\$ 500	Exterminating	\$ 2,800
Total Housekeeping	\$ 18,800	Equipment Maintenance Agreement	\$ 1,300
MAINTENANCE EXPENSE		Refuse Collection/Liners	\$ 3,000
Telephone Equipment Repair	\$ 950	Income Taxes	\$ 1,500
Pool Supplies	\$ 2,800	Property Taxes	\$ 54,000
Building Maintenance - Exterior	\$ 16,000	General Insurance	\$ 48,762
Maintenance - Interiors	\$ 14,200	Total Leases & Contracts	\$ 111,362
Carpet Cleaning	\$ 1,000		
Maintenance - Recreation	\$ 500	Total Operating Expenses	\$ 665,959
Maintenance Agreement - Otis Elevator	\$ 10,312		
Contract Maintenance	\$ 2,000	Net Operating Income	\$ -
Grounds and Landscaping	\$ 1,000		
Total Maintenance	\$ 48,762		

2010 MAINTENANCE FEES PER UNIT WEEK

Studio or One Bedroom	\$ 377
Two Bedroom	\$ 566

General Manager's Corner

Occupancy was good at the resort this summer. At this point the staff is busy preparing for the fall and winter season. With much sadness I must report to you that Sarah Tolman, our former Guest Service Representative, is no longer with us. She has moved to the Chicago area to be closer to her family and to pursue a career in design. The position of Guest Service Representative has been filled by Emily Eddins. Emily is originally from North Carolina and has been living in the Myrtle Beach area for six months. All of the long term staff is still in place in the Maintenance and Housekeeping Departments.

Following is a list of projects that are planned for 2010. In response to the economy and in an effort to hold fees down the following projects are being done on an as needed basis.

- The replacement of interior furnishings such as carpet, linoleum, sofas, bedroom furniture, mattresses, draperies and artwork in several units.
- Concrete repairs to the building.
- Replacement of exterior carpet on the side building.
- Refinishing of the pool and sunbathing decks.
- The ongoing replacement of major appliances.

Please Note: In 2009 all TVs were upgraded to 27 inches.

In addition to the above mentioned projects many projects will be done by in house staff. Some of these projects include:

- Rebuilding the parking bay ceilings and dunes walkover.
- Various painting projects throughout the building.
- ~~Repairing and replacing counter tops.~~
- Annual preventive maintenance and deep cleaning of all of the units.

Lastly, our number one goal continues to be providing our owners with the best vacation experience possible. Pride of ownership is what we strive for everyday. We welcome your suggestions and input.

Sincerely,

Lisa Casteel, General Manager

The Beach Club at Montego/Defender Resorts

RCI

We receive many calls from owners regarding RCI banking or points. RCI is a separate organization that you may join as a timeshare owner. You may visit their website at www.rci.com or you may contact a Weeks Assistant at 800-338-7777 or a Points Assistant at 877-968-7476. Please do not call Defender Resorts for information on your membership.

DEFENDER REALTY'S RESALE CORNER...

We hear horror stories each week regarding people paying someone up-front to sell their timeshare week. Owners tell us they paid anywhere from \$599 to \$899 to sell their week and were told they could sell it for \$20,000. Developers didn't even get \$20,000 years ago and they marked the week up 50%. We have said for many years, if you pay someone up-front to sell your timeshare week, you will get taken to the cleaners. **DO NOT EVER PAY ANY UP-FRONT FEES NO MATTER HOW GOOD IT SOUNDS!!!!**

Most of you do not realize the more owners we have paying maintenance fees, the less the fees go up each year. There is a way to help with this and that is through the Defender Realty Referral Program. When you refer family or friends and they visit your resort, you receive CASH! If they purchase a week at a particular price you receive more CASH! We know you like your resort or you would not be an owner. So why not help yourself and your referral by giving us their names. If you call Bart Lambert within 14 days of receiving this newsletter, you will receive a Double Cash Offer for your referrals. Call today at (843) 626-3608 Ext. 610 with those referral names.

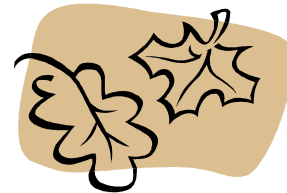
If you have thought about purchasing that additional week for you or your family, there will never be a better time than now. With the economic conditions we are experiencing, now is the time to purchase. We have a number of ~~truly motivated sellers that have to dispose of their timeshare week~~ due to the economic conditions of the country. Call us today at (843) 626-3608 Ext. 610 and ask for a list of available inventory. You will be glad you did and so will your family!

Have a great fall and we look forward to speaking with you.

Frank Baker

fbaker@defenderresorts.com

Defender Realty, Inc. (843) 497-6431



IF YOU HAVE MOVED:

Please make sure that we have your new information for the Homeowners' Association database, so you continue to receive mailings. Remember, it is your responsibility to notify us by the end of the year if you have not received a bill for the next year's maintenance fee. You may contact your resort and they can record your new address or there is a place on the main page at www.defenderresorts.com to "Email Us".

MONTONGO INTERVALS CALENDAR	2010	Week	Sunday to Sunday	
	W	1	01/03/10	01/10/10
	BLUE	2	01/10/10	01/17/10
		3	01/17/10	01/24/10
		4	01/24/10	01/31/10
	WHITE	5	01/31/10	02/07/10
		6	02/07/10	02/14/10
		7	02/14/10	02/21/10
		8	02/21/10	02/28/10
	RED	9	02/28/10	03/07/10
		10	03/07/10	03/14/10
		11	03/14/10	03/21/10
		12	03/21/10	03/28/10
		13	03/28/10	04/04/10
		14	04/04/10	04/11/10
		15	04/11/10	04/18/10
		16	04/18/10	04/25/10
		17	04/25/10	05/02/10
		18	05/02/10	05/09/10
		19	05/09/10	05/16/10
		20	05/16/10	05/23/10
		21	05/23/10	05/30/10
		22	05/30/10	06/06/10
		23	06/06/10	06/13/10
		24	06/13/10	06/20/10
		25	06/20/10	06/27/10
		26	06/27/10	07/04/10
		27	07/04/10	07/11/10
		28	07/11/10	07/18/10
		29	07/18/10	07/25/10
		30	07/25/10	08/01/10
		31	08/01/10	08/08/10
		32	08/08/10	08/15/10
		33	08/15/10	08/22/10
		34	08/22/10	08/29/10
		35	08/29/10	09/05/10
		36	09/05/10	09/12/10
		37	09/12/10	09/19/10
		38	09/19/10	09/26/10
	39	09/26/10	10/03/10	
	40	10/03/10	10/10/10	
	41	10/10/10	10/17/10	
	42	10/17/10	10/24/10	
	43	10/24/10	10/31/10	
	44	10/31/10	11/07/10	
	W	45	11/07/10	11/14/10
	R	46	11/14/10	11/21/10
	W	47	11/21/10	11/28/10
	48	11/28/10	12/05/10	
	49	12/05/10	12/12/10	
	B	50	12/12/10	12/19/10
	RED	51	12/19/10	12/26/10
		52	12/26/10	01/02/11
53				

Owner Services Deed Transfers

If you have sold your timeshare week, please make sure that we receive the new owner information we need to change the Homeowners' Association ownership records. We require two items in order to change the records:

- A copy of the deed recorded (with a book/page and date stamp) at the Horry County Courthouse.
- A check for \$32.00 for a deed transfer fee.

You may have an attorney prepare the deed or record the deed yourself, but we do not provide legal services. We also need the new owner's billing address, telephone number and usage year. You may contact the Register of Deeds for Horry County at 843-915-5000 or 1310 Second Ave., Conway, SC 29526. For more information visit their website at www.horrycounty.org.

Regional Director of Operations' Notes

It seems hard to believe that 2009 is nearing its end already. This is the time of year when we reflect back on the current year and begin making preparations for the next. As we entered 2009, we were unsure what impact the 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. Montego was at or near 100% occupancy throughout July and August! Occupancy levels such as this certainly keep our staff members busy and we are thankful for their hard work and attentiveness to detail.

Important Information:

- Be certain that you supply the Montego office with any address, telephone number or e-mail address changes. This ensures that we are able to communicate to you as an owner and ensures that you receive the important information that you need (newsletters, maintenance fee billings, rental specials, etc). This information can be verified when you register at check-in or any other time throughout the year.
- Please provide us with your e-mail address. We do not give or sell e-mail addresses; we simply use them as a tool to communicate with you. As we move forward into the technological age, it is becoming a more popular method of communication and is certainly more economically friendly.
- While staying at the resort, please be sure to provide any housekeeping or maintenance concerns to the Front Desk so that they may be addressed. "If we don't know about it, we can't fix it!"
- At the recent Board of Directors meeting on September 12, 2009, the Board elected to invoke a "No Smoking" policy, which you will find referenced in this newsletter. Please understand that this policy will be enforced for the enjoyment of all of our guests and owners.

Rentals are available year round both at Montego and our other Defender managed properties throughout Myrtle Beach as well as Ocean City, MD, Massachusetts, and Florida. Remember to keep us in mind when booking your vacations and be sure to tell your friends as well. Be sure to ask about your owner discount!

As always, we welcome your comments and look forward to seeing you at the beach very soon.

Best Regards,

Pamela Cordell Regional Director of Operations



MONTEGO BEACH CLUB ASSOCIATION WEEKS AUCTION!

You are invited to attend an auction of Association weeks at Montego Beach Club following the annual meeting on **November 7, 2009.**

The auction will be held at the Beach House, 6800 N. Ocean Blvd., Myrtle Beach in the 4th Floor Activities Room.

Auction will begin at approximately 12:30 pm and end at approximately 1:00 pm.

You must be present to bid on these weeks and be prepared to give an earnest money deposit to secure your bid. In addition to the winning bid price, the buyer will pay the closing costs and recording fee. All season weeks will be offered at the auction, with limited summer availability.

Join us for this informative and fun event.

AUCTION LOCATION: Beach House Golf and Racquet Club 6800 N. Ocean Blvd., Myrtle Beach, SC – 4th Floor Activities Room

TIME/DATE: November 7, 2009 Beginning approximately 12:30 PM during lunch.

