

Montego News and Views

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



PRESIDENT'S MESSAGE

Our Annual Meeting is scheduled for November 3, 2007 at 1:00PM at The Beach House (see below). Hope that you can attend but, if not, please send in your proxy card so that your voice will be heard at the meeting. If you plan to attend the meeting, please call the resort for special room rates that are being offered for the Annual Meeting. These special rates are being offered in anticipation that as many owners as possible will attend. Door prizes and a light lunch are also planned after the meeting. So be sure to attend!

Your Board of Directors met on September 15, 2007 to review, revise, and approve the 2007 Operating and Reserve budgets. The Board and Management are always mindful of keeping fees down while continuing to provide excellent quality and service at the resort. We approved an increase of 3.6% in Maintenance Fees, which brings a Studio/One Bedroom fee to \$355.00 and a Two Bedroom fee to \$532.00. The primary increases in the 2007 Operating Expenses are; Salaries & Benefits, Taxes, General Insurance, and Management Fees based on 9% of Revenue, which is outlined on page 4. We also elected to continue the annual funding to the Reserves at \$90,000. Please see our General Manager's report for an update on resort operations and projects that are planned for the coming year.

In an effort to give our owners the most up to date information about the property, your Board voted to increase the number of newsletters published each year to three. As before you will receive a printed copy of the newsletter in the fall with your billing, notice of meeting, and proxy. Starting in 2008, you can view the other two newsletters on the website at www.montegoinn.com. Management will also be sending these newsletters to the owners that have provided email addresses to us. If you haven't, send us your email address and we will add you to our list. Anyone without access to the Internet can pick up a copy of these newsletters at the resort during your stay. The resort website can also viewed for owner information, rental specials, etc.

Your Board of Directors and Management look forward to your next vacation at The Beach Club at Montego. We are committed to providing you with the best vacation ownership experience possible! We hope each of you has a Happy Holiday Season and a Wonderful New Year.

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NOTICE OF ANNUAL MEETING

THE BEACH CLUB AT MONTEGO INN

NOVEMBER 03, 2007

1:00 P.M.

Dear Homeowner:

Please be advised that the Annual Meeting of The Beach Club at Montego Inn will be held on **Saturday, November 03, 2007**, 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 01, 2007. 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,
Kenneth L. McKelvey, RRP, CPA
President/CEO

www.montegoinn.com

Email: mbc@defenderresorts.com

Manager's Corner



We had a fun and busy summer at the resort. The staff is in the process of preparing for the fall and winter season. We have a new addition to the front office staff, Elizabeth Garcia. Elizabeth has taken over as Guest Service Representative. Amanda Butler, our former Guest Service Representative, now works at the corporate office of Defender Resort Management. In an effort to accommodate our owners/guests better, we are now selling discount show tickets everyday instead of just on Mondays and Tuesdays. Many of the theatres continue to be very gracious in providing us with complimentary tickets to give away at the breakfast. Be sure to give us a call if any of you would like to come down for the holiday season to see a show or do some shopping! Remember owners receive a discount on rental units!

I continue to receive positive feedback from owners, renters, and exchangers about all of the work that has been done at the resort over the past several years. At this point, the staff is working hard to maintain all of the work that has been done. Following is a list of projects that will be done in 2008; due to age and necessity, the hot water heater will be replaced and drain lines will be jetted; the final phase of the sliding glass door replacement project will be done; the continuation of the replacement of air conditioners, refrigerators, microwaves and televisions will be done on an as needed basis. As we replace the televisions, they are being upgraded to 27 inch. We have also budgeted to replace carpet and linoleum on an as needed basis in 2008. The stairwell railing on the side of the building will be replaced. The sunbathing deck will be converted from wood to concrete.

I am amazed and proud of the staff at The Beach Club at Montego. I get so many compliments on how friendly and quick the staff is to respond to owner/guest needs. All long-term staff is still in place in the Maintenance and Housekeeping Departments with the exception of David Lanham who is Tom's new maintenance assistant. He has blended in well with the staff and owners. Please remember to let us know if there is something that you need during your stay. I promise that we will do everything that we can to accommodate you.

Thank you,

Lisa & The Montego Staff



Would you like to serve on the Board of Directors at The Beach Club at Montego?

If you would like to serve on the board in the future, visit
the website and fill out the form provided.

www.montegoinn.com

Planning a Fall/Winter Getaway?

You can save a lot of money with our "Owner Discount Program."

During the weeks 42-53 and 1-12, owners in good standing looking to rent an additional week or just a few nights, will receive 25% off the Daily Rack Rate.

Availability is very limited and is sure to "Sell Out" quickly, so call Today! 843-626-3608

(15% off all other weeks) (Valid for family and friends)

(Some restrictions may apply, not valid with other specials/discounts)



DEFENDER REALTY'S MESSAGE BOARD

With the popularity of Myrtle Beach, summer weeks are increasing in price at all resorts in Myrtle Beach. Developers are selling two bedroom summer weeks between \$24,000 and \$32,000. Real estate has been booming here for a number of years now and with the \$600 million Hard Rock Theme Park set to open in the Spring of 2008, summer weeks will become even more popular. We have a couple of summer weeks well below any developer pricing. Call us today for complete details.

We have been discussing RCI Points for some time now. It is a great way to increase your vacation time and give you a tremendous amount of flexibility. An example would be if you owned a summer week in a one bedroom, you would have a value of 27,500 points in RCI. You have a number of ways you could use those points. You could use over three weeks of vacation time each year, exchange into a resort that has a higher rating than Montego, or use the week you own at Montego. This can be done year after year. Contact Wayne Gasque with Defender Realty at (843) 249-3414 Ext. 7123 for complete information and discounted packages.

Contact us regarding a Fall Special Sale. We have a few weeks in a studio or one bedroom that are being offered at a tremendous savings. They will be sold on a first come first serve basis. The regular resale pricing on one of these weeks is over \$3,900, but at this special sale they will be offered at only \$1,695. Call today at (843) 249-3414 Ext. 7123 and speak with Wayne for complete details.

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

Frank Baker
Defender Realty, Inc.
fbaker@defenderresorts.com

For 2007/2008

Monthly Rentals are now available!

Starting December 2007, you can rent an entire month at the Montego Beach Club for as low as \$500 per month! (Dec-Mar available, rates vary per month, very limited availability, some restrictions and tax may apply)

Call Today!

2008 INTERVAL CALENDAR

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

**THE BEACH CLUB AT MONTEGO
2008 APPROVED OPERATING BUDGET**

	Approved 2008 Budget
OPERATING REVENUE	82.3%
Maintenance Fees - Current	\$ 708,104
Maintenance Fees - Prior	\$ 7,000
Late Charges	\$ 7,000
Delinquent Fees	\$ 2,500
Telephone	\$ 250
Vending	\$ 1,150
Merchandise Sales	\$ 50
Activities Revenue/Theatre	\$ 2,000
Housekeeping Fees	\$ 1,000
Maintenance Fees from HOA Rentals	\$ 10,000
Maintenance Fees from Sales of HOA Weeks	\$ 2,400
Flex Fee Income	\$ 1,600
In House Exchange Fees	\$ 2,100
Bank Interest	\$ 5,500
Miscellaneous Income	\$ 500
Total Operating Revenue	\$ 751,154
COST OF SALES	
Activities and Theatre Tickets	\$ 1,450
Gross Operating Revenue	\$ 749,704
Reserve for Replacement	\$ 90,000
Operating Deficit Reduction	\$ 15,000
Total Deductions from Revenue	\$ 105,000
Net Operating Revenue	\$ 644,704
UTILITY EXPENSE	
Electricity - Units	\$ 40,360
Natural Gas	\$ 7,641
Telephone	\$ 5,986
Water and Sewer	\$ 10,642
Cable TV	\$ 5,933
Landfill Fees	\$ 1,310
Total Utility Expense	\$ 71,872
HOUSEKEEPING EXPENSE	
Cleaning Supplies	\$ 8,800
Room Purchases	\$ 7,900
Contract Labor	\$ 200
Total Housekeeping	\$ 16,900
MAINTENANCE EXPENSE	
Telephone Equipment Repair	\$ 500
Appliance/Equipment Repair	\$ 500
Pool Supplies	\$ 2,106
Building Maintenance - Exterior	\$ 12,500
Maintenance - Interiors	\$ 9,400
Carpet Cleaning	\$ 1,800
Maintenance - Recreation	\$ 500
Maintenance Agreement - Otis Elevator	\$ 9,200
Contract Maintenance	\$ 500
Grounds and Landscaping	\$ 1,200
Total Maintenance	\$ 38,206

	Approved 2008 Budget
OPERATING EXPENSES (Continued)	
ADMINISTRATION & GENERAL	
Management Fees	\$ 66,488
Accounting Fees	\$ 18,736
Data Processing Fees	\$ 9,905
Outside Accountant/Audit	\$ 3,500
Night Administration	\$ 3,313
Legal Fees	\$ 3,150
Taxes and Licenses	\$ 1,250
Dues and Subscriptions (ARDA)	\$ 2,500
Board of Directors Expense	\$ 2,700
Newsletter Cost	\$ 700
Printing	\$ 2,600
Postage	\$ 2,550
Bank Charges/Lockbox	\$ 1,200
Vehicle Expense	\$ 500
Office Supplies	\$ 2,800
Security	\$ 1,700
Administrative Miscellaneous	\$ 800
Courier/DocStar	\$ 3,200
Computer Equipment/Software	\$ 500
Total Administrative & General	\$ 128,092
SALARIES & WAGES	
Administrative	\$ 71,784
Housekeeping	\$ 76,763
Maintenance	\$ 57,518
Employee/Resort Incentives	\$ 1,625
Total Salaries & Wages	\$ 207,690
PAYROLL TAXES & BENEFITS	
Payroll Taxes	\$ 20,774
Workers Compensation Insurance	\$ 8,759
Employee Group Insurance	\$ 29,418
Employer 401K Matching	\$ 746
Payroll Processing/Human Resources	\$ 6,777
Total Payroll Taxes & Benefits	\$ 66,474
LEASES & CONTRACTS	
Exterminating	\$ 2,500
Equipment Maintenance Agreement	\$ 1,400
Refuse Collection/Liners	\$ 3,000
Income Taxes	\$ 2,211
Property Taxes	\$ 48,037
General Insurance	\$ 58,322
Total Leases & Contracts	\$ 115,470
Total Operating Expenses	\$ 644,704
Net Operating Income	\$ -

2008 MAINTENANCE FEES PER UNIT WEEK	
Studio or One Bedroom	\$ 355
Two Bedroom	\$ 532