

Montego News & Views

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

October 2008

Myrtle Beach, SC

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PRESIDENT'S MESSAGE By Burt NeSmith

Summer came and went too quickly! Before we knew it, school was back in session and we are heading into fall. As a reminder, Montego Beach Club is a wonderful place to visit any time of the year. Check with your resort for rentals if you would like to visit at some time other than your designated week(s).

Your Board of Directors met on Saturday, September 13, 2008 to review, revise, and approve the 2009 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. An increase of approximately 6.3% has been approved for 2009.

The increase in the 2009 Operating Expenses is budgeted to be \$28,541. The major increases are Maintenance Expense, Administrative & General, Payroll, and Leases & Contracts. We have increased the annual Reserve funding to \$95,000. As always, the complete breakdown of your 2009 budget may be found on page 4. The projects designated for 2009 may be found in the General Manager's report also included in this newsletter.

Our Annual Meeting is scheduled for Saturday, November 1, 2008 at 3:00 pm, to be held at The Beach House (please see notice below). 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, your 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.

NOTICE OF ANNUAL MEETING THE BEACH CLUB AT MONTEGO INN NOVEMBER 01, 2008 3:00 P.M.

October 01, 2008

Dear Homeowner:

Please be advised that the Annual Meeting of The Beach Club at Montego Inn will be held on **Saturday, November 01, 2008**, 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 3:00 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, October 30, 2008. 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.

General Manager's Corner

Greetings from The Beach Club at Montego! The summer season is winding down; the staff is busy preparing for fall and winter. I would like to begin by introducing our new Guest Service Representative, Sarah Tolman. Sarah started in March and is proving to be a valuable asset to the resort. Any of you who have talked with or met her know that she is very friendly and outgoing and will go out of her way to assist you. All other long term staff (Tom, Julie, Betty and David) is still in place. We encourage our owners to take advantage of the discount programs offered through the resort. These programs include discounts on rentals, golf, attractions, restaurants and theatres. Several businesses located near the resort have been added to the Defender V.I.P. Program. These businesses are Shoney's, Déjà Vu Salon, Sticky Fingers and Mt. Atlantic Miniature Golf. Plans are being made to add even more businesses to the program by the first of the year.

Your Board and Management are working extra hard to keep costs low and quality high at the resort. As a result most of the furniture and appliance replacements will be done on an as needed basis this year. By doing this each unit is assessed on an individual basis to determine items that are in need of replacement. We feel that this is an effective method of keeping the property looking good while conserving funds. Following is a listing of items that will be replaced.

Dinette Sets

Draperies

Bedspreads

Lamps

Carpet

Linoleum

Mattresses & Sleeper Sofa Mattresses

TV Stands

Miscellaneous Refurbishment Items

Pool & Patio Furniture

Major Appliances (Refrigerators, Microwaves, TV's & Air Conditioners)

In addition to the replacement of furniture and appliances, the cabana deck will be replaced this winter. The sunbathing deck, grill enclosure and flooring of the dunes walkover were replaced last season. Surveillance cameras were also installed at the property. Due to age and necessity the water line for the fire alarm system had to be replaced. This was an unforeseen repair that had to be done to be in compliance with the fire department. Housekeeping & Maintenance will begin the annual deep cleaning and preventive maintenance of the units this fall.

The staff and I know how important your vacation week is to you. Please let us know if there is anything that you need during your stay. I promise that we will do our best to accommodate you. Our number one goal is to provide you with the best vacation ownership experience possible!

Thanks,

Lisa & 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

Rental Specials

The Following Rental Specials Are Being
Offered At The Resort!

Rent 4 Nights Get 1 Free

Rent 5 Nights Get 2 Free

In Addition To This Great Deal, Owners Are
Guaranteed The Maximum Discount. Own-
ers Get An Additional \$5.00 Off Per Night!

2009 INTERVAL CALENDAR		Week	Sunday to Sunday	
	W	1	4-Jan	11-Jan
	B	2	11-Jan	18-Jan
		3	18-Jan	25-Jan
		4	25-Jan	1-Feb
	W	5	1-Feb	8-Feb
		6	8-Feb	15-Feb
		7	15-Feb	22-Feb
		8	22-Feb	29-Feb
	RED	9	29-Feb	7-Mar
		10	7-Mar	14-Mar
		11	14-Mar	21-Mar
		12	21-Mar	28-Mar
		13	28-Mar	4-Apr
		14	4-Apr	11-Apr
		15	11-Apr	18-Apr
		16	18-Apr	25-Apr
		17	25-Apr	2-May
		18	2-May	9-May
		19	9-May	16-May
		20	16-May	23-May
		21	23-May	30-May
		22	30-May	6-Jun
		23	6-Jun	13-Jun
		24	13-Jun	20-Jun
		25	20-Jun	27-Jun
		26	27-Jun	4-Jul
		27	4-Jul	11-Jul
		28	11-Jul	18-Jul
		29	18-Jul	25-Jul
		30	25-Jul	1-Aug
		31	1-Aug	8-Aug
		32	8-Aug	15-Aug
		33	15-Aug	22-Aug
		34	22-Aug	29-Aug
		35	29-Aug	5-Sep
		36	5-Sep	12-Sep
		37	12-Sep	19-Sep
		38	19-Sep	26-Sep
		39	26-Sep	3-Oct
		40	3-Oct	10-Oct
		41	10-Oct	17-Oct
		42	17-Oct	24-Oct
		43	24-Oct	31-Oct
		44	31-Oct	7-Nov
	W	45	7-Nov	14-Nov
		46	14-Nov	21-Nov
	R	47	21-Nov	28-Nov
	W	48	28-Nov	5-Dec
		49	5-Dec	12-Dec
	B	50	12-Dec	19-Dec
	R	51	19-Dec	26-Dec
52		26-Dec	2-Jan	

Regional Director of Operations

Notes by Vernon Williamson

Another season has passed and we are all a little worn at this point. However, it was a good summer and all owners and guests enjoyed their visits to Montego. I would like to commend Lisa, Sara, Julie, Tom and all of the staff for their hard work and dedication throughout this year. You as owners are truly fortunate to have a staff that cares and goes beyond the call of duty when need be. I hope the remainder of 2008 is good to you and yours and we hope to see you all again next year.

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 12 and 42 through 52. When you enter your week into this program, you can exchange within your home resort during the time period of 1-12 or 42-52, 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 1-12 and 42-52 with a provision for up to twenty (20) bonus nights each year. The bonus nights may be used in January, February, March, 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 Montego today and sign up for this great program....It's free to join!!

If you didn't get a chance to visit Myrtle Beach this summer, you really missed a lot of fun and activities. Don't go through another boring summer at home. Contact Bill Quinn at (843) 626-3608 Ext. 610 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.

fbaker@defenderresorts.com

**THE BEACH CLUB AT MONTEGO
2009 APPROVED OPERATING BUDGET**

	Approved 2009 Budget
OPERATING REVENUE	81.1%
Maintenance Fees - Current	\$ 742,395
Maintenance Fees - Prior	\$ 7,000
Late Charges	\$ 7,200
Delinquent Fees	\$ 2,500
Telephone	\$ 300
Vending	\$ 1,200
Merchandise Sales	\$ 50
Activities Revenue/Theatre	\$ 4,500
Housekeeping Fees	\$ 1,100
Maintenance Fees from HOA Rentals	\$ 11,000
Maintenance Fees from Sales of HOA Weeks	\$ 2,000
Flex Fee Income	\$ 1,600
In House Exchange Fees	\$ 2,700
Bank Interest	\$ 3,000
Miscellaneous Income	\$ 400
Total Operating Revenue	\$ 786,945
COST OF SALES	
Activities and Theatre Tickets	\$ 3,700
Gross Operating Revenue	\$ 783,245
Reserve for Replacement	\$ 95,000
Operating Deficit Reduction	\$ 15,000
Total Deductions from Revenue	\$ 110,000
Net Operating Revenue	\$ 673,245
UTILITY EXPENSE	
Electricity - Units	\$ 41,750
Natural Gas	\$ 7,670
Telephone	\$ 5,833
Water and Sewer	\$ 10,256
Cable TV	\$ 6,100
Landfill Fees	\$ 1,076
Total Utility Expense	\$ 72,685
HOUSEKEEPING EXPENSE	
Cleaning Supplies	\$ 9,300
Room Purchases	\$ 8,400
Contract Labor	\$ 500
Total Housekeeping	\$ 18,200
MAINTENANCE EXPENSE	
Telephone Equipment Repair	\$ 950
Appliance/Equipment Repair	\$ 500
Pool Supplies	\$ 1,950
Building Maintenance - Exterior	\$ 14,000
Maintenance - Interiors	\$ 12,400
Carpet Cleaning	\$ 1,000
Maintenance - Recreation	\$ 500
Maintenance Agreement - Otis Elevator	\$ 9,700
Contract Maintenance	\$ 300
Grounds and Landscaping	\$ 1,000
Total Maintenance	\$ 42,300

	Approved 2009 Budget
OPERATING EXPENSES (Continued)	
ADMINISTRATION & GENERAL	
Management Fees	\$ 70,825
Accounting Fees	\$ 18,736
Data Processing Fees	\$ 9,905
Outside Accountant/Audit	\$ 3,500
Night Administration	\$ 3,314
Legal Fees	\$ 5,700
Taxes and Licenses	\$ 1,300
Dues and Subscriptions (ARDA)	\$ 2,600
Board of Directors Expense	\$ 3,000
Newsletter Cost	\$ 850
Printing	\$ 3,000
Postage	\$ 2,750
Bank Charges	\$ 1,100
Lockbox Bank Charges	\$ 250
Vehicle Expense	\$ 600
Office Supplies	\$ 3,000
Security	\$ 2,450
Administrative Miscellaneous	\$ 900
Courier/DocStar	\$ 3,500
Computer Equipment/Software	\$ 150
Total Administrative & General	\$ 137,430
SALARIES & WAGES	
Administrative	\$ 76,774
Housekeeping	\$ 80,483
Maintenance	\$ 62,466
Employee/Resort Incentives	\$ 1,000
Total Salaries & Wages	\$ 220,723
PAYROLL TAXES & BENEFITS	
Payroll Taxes	\$ 18,051
Workers Compensation Insurance	\$ 8,437
Employee Group Insurance	\$ 32,171
Employer 401K Matching	\$ 1,250
Payroll Processing/Human Resources	\$ 3,498
Total Payroll Taxes & Benefits	\$ 63,407
LEASES & CONTRACTS	
Exterminating	\$ 3,500
Equipment Maintenance Agreement	\$ 1,700
Refuse Collection/Liners	\$ 3,200
Income Taxes	\$ 3,100
Property Taxes	\$ 51,000
General Insurance	\$ 56,000
Total Leases & Contracts	\$ 118,500
Total Operating Expenses	\$ 673,245
Net Operating Income	\$ -

2009 MAINTENANCE FEES PER UNIT WEEK	
Studio or One Bedroom	\$ 377
Two Bedroom	\$ 566

Friendly Reminders

Each year you should receive a confirmation for your stay at the resort. This allows us to know whether you plan to use your unit, send a guest, have traded with an exchange company or wish to place your unit into the rental program. If you plan to send a guest to use your unit written authorization is required. If you do not receive a confirmation for your week please let us know and we will be happy to mail you another one.

If you sell or buy a timeshare at the resort, please provide a copy of the recorded deed prior to the start of the timeshare week in addition to a check in the amount of \$32.00 payable to Defender Resorts for the transfer fee. This allows records to be updated in a timely manner.

Early arriving guests: Check in is at 3:00PM. If your unit is ready before this time we will be more than happy to check you in, but we can only guarantee your unit to be ready at 3:00PM. If you arrive early and your unit is not ready please leave your name and number with us and we will contact you as soon as your unit is ready.

Housekeeping/Maintenance-Housekeeping & Maintenance services may be scheduled at the front desk. Please report all non emergency requests before 3:00PM. We can only make corrections if we know there is a problem. Maintenance Services are available after hours for emergencies.

Pets-No Pets Allowed. Should you bring a pet, there will be a \$75.00 fine to cover the cost of pest control and cleaning of the unit.

Parking-Parking during the summer is limited to ONE parking space per unit. Please remember this rule is enforced due to limited space available.

Lockouts-Anyone locked out of his unit after hours will pay \$25.00 to have a member of staff return from home to unlock units.

Lost & Found-Found property will be kept for 30 days. After 30 days, unclaimed property will be donated to charity or will be disposed of. Claimed property will be returned to the owner at his expense.

Have a great stay at Montego!



Important Dates for 2009

1/1 Maintenance Fees Due

2/1 Delinquency date. A late fee of \$50.00 plus interest will be added at 18% per annum. (1.5% Monthly) to all accounts on which payment was not received by 2/1.

2/15 Past Due Notices mailed including all charges.

3/15 "Right To Cure Letter" with an additional assessment accrual added to the account.

4/15 Account will be turned over to Collection Agency

Please remember that the above mentioned policy is in accordance with the billing and collection policy of the association. If you do not receive your maintenance fee billing please contact our office prior to the due date.