

MONTEMAR RESORT & DEVELOPMENT CORP.

12F Telecoms Plaza Bldg., Sen. Gil Puyat Ave. • 1200 City of Makati, Manila, Philippines • Tel: 815-8406, Fax: 817-9430

TO : Members of Montemar Beach Club, Inc. (MBCI)
FROM : The Montemar Resort & Development Corp. (MRDC) Board of Directors
DATE : January 02, 2009
RE : **Recent Changes in MBCI**

As you may know, MRDC is both a subsidiary of Philcomsat and the majority owner of MBCI. Recently, Zenaida B. Ragel, Accounting Manager of MBCI, admitted that she has been forging the signature of the Club's auditors since 1999; it appears that other serious financial misconduct has occurred as well. Fortunately, Club services and bookings do not seem to have been adversely affected.

To protect the MRDC investors and all MBCI members, MRDC and the MBCI Board of Trustees have agreed to the following, immediate actions to protect the Club's operations and secure its future wellbeing.

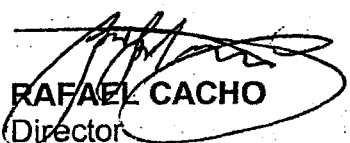
- **Install a Transition Team:** Mr. Alex S. Villamar has assumed the position of Acting OIC and Ms. Manolita Morales, Philcomsat's Finance Officer, is now MBCI Comptroller. They will oversee all the activities that were previously managed by: Ms. Victoria R. Gonzales, MBCI President and General Manager; Mr. Carlos Munoz, Treasurer; and Zenaida B. Ragel, Accounting Manager. Ms. Gonzales and Mr. Munoz both resigned in December 2008; Ms. Ragel is currently on preventative suspension, pending investigation.
- **Conduct an Audit:** We have commenced a thorough investigation and audit, starting with fiscal year 1999. This must be completed prior to February 20, 2009 in order for the General Membership meeting to be held as scheduled.

The MBCI Board of Trustees, during the eight years in question, appears to have no knowledge of the any wrongdoing or acts of negligence. These same trustees have agreed to give MDRC the proper majority representation in the forthcoming February 20 meeting. We will present a new slate for election at that time.


We will keep you informed of the results of the audit and future plans. In the meantime, rest assured that MRDC and MBCI are united in our desire to strengthen your club and enhance the value of your ownership. Thank you for your ongoing support!




RAMON JACINTO
Chair



RAFAEL CACHO
Director



KATRINA PONCE ENRILE
President



LIN I. BILDNER
CFO/Treasurer