



TORTUGA BEACH CLUB CONDOMINIUM ASSOCIATION, INC.

October 2010

Dear Tortuga Beach Club Owner,

As we bid farewell to another beautiful South Florida summer, with anticipation of even more gorgeous seasons ahead, we are grateful for the privilege of serving you and the role we play in making your vacations fun, relaxing and unforgettable.

In recent months, several property enhancements have been made, including bathroom remodeling in Buildings D, E, F and G. In addition, we've added new tile in the front entrance, dining room and kitchen areas of Buildings D and E, plus new living room sliding glass doors. The stair treads on Buildings A, B and C were replaced, and all units will be receiving new carpeting.

**2011 Billing / Budget Impacts**

Enclosed are the 2011 budget and statement for your association's 2011 assessment, and 2010 real estate taxes which are billed in arrears. The operating assessment portion of the budget funds the day-to-day operations of your resort, with the reserves portion funding future improvements to your property, including replacement of furniture, roofing, painting and capital investments.

Together with your management company, your association's Board of Directors works diligently to establish your association's budget. Before approving your budget, your Board evaluates and directs the important maintenance of and enhancements to your property through the management of your annual maintenance fees. Please keep in mind that many of the key factors affecting changes in budget and maintenance fees are largely beyond the control of the association, such as the cost of health insurance for resort staff members. Due in part to the new federal health care legislation, association-paid premiums will increase 19% for 2011, and staff members themselves will also receive a double-digit increase in their premiums. Overall, however, we were very pleased that the 2011 maintenance fee is increasing less than one percent.

For more information about your billing statement - including Frequently Asked Questions - please review "Understanding Your Vacation Ownership Statement" under the NEWS tab on the association's website: [www.hgvc.com/tortugabeachclub](http://www.hgvc.com/tortugabeachclub)

**Prompt payment of the enclosed bill – DUE ON JANUARY 1, 2011 – is appreciated**

Payment posted on or before that Due Date will ensure sufficient flow of funds to support ongoing operations at your property. Remember that the date your payment gets posted to your account can take up to ten business days from the date of postmark on the envelope.

Please be aware that your account will be considered past due after January 1, 2011. Failure to pay the total amount due within 45 days of the Due Date will result in a late charge (**payment must be posted to your account prior to February 15<sup>th</sup> to avoid the late charge**); if full payment is not received within 75 days of the Due Date, additional finance charges will be incurred (**payment must be posted to your account prior to March 15<sup>th</sup> to avoid additional finance charges**). Delayed payments may result in denied use of your ownership interest and the account may be turned over to an attorney for collections as early as April, resulting in additional fees. Any late fees and related charges will not be waived, in accordance with your association's governing documents, applicable law and/or the policies set by your Board of Directors as applicable.

**Payment Options**

**By Check** – Paying by check is the most cost-effective payment method for your association. Please make your check payable to **Tortuga Beach Club Condominium Association, Inc.**, include your ownership account number on the check and remit it with your payment stub. If you own at more than one property, please prepare a separate check for each Owners' association to prevent co-mingling of funds

among associations. Multiple weeks owned at Tortuga Beach Club Condominium Association may be paid for with a single check.

**By Credit / Debit Card Online** – If you are a Hilton Grand Vacations Club Member, log in at [hgvclub.com](http://hgvclub.com) using your Club Member number and password, and click “Pay Fees & Taxes” under the “My Ownership” tab. If you’ve never logged in before, visit the “Create an Account” section on the website’s sign-in page to create your password and access your account. **If you are not a Club Member**, simply go to [hgvclub.com](http://hgvclub.com) and click the online payment button for non-members.

All payments must be payable in U.S. funds. Please do not mail cash or send payments by express mail.

### Board of Directors Updates

At the last Annual Owners Meeting, the ownership re-elected Beryl Munson and Bob Buechel to seats on the Board of Directors. We look forward to their continued contributions to the long-term success of your association. We also extend our sincere thanks to your other Board Members-- Jim Burner, John Hanson and Beryl Dehn.

At the 2011 Annual Owners Meeting, three (3) candidate(s) will be elected to the Board of Directors. If you are interested in pursuing candidacy, please complete the enclosed Board of Directors Candidate Form and return it to the address indicated on the form by January 31, 2011.

### ARDA – Working to Protect Timeshare Owners

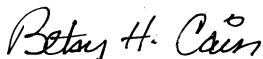
As the vacation ownership industry’s trade association, the American Resort Development Association (ARDA) promotes a “timeshare-friendly” legislative agenda and has been successful at protecting timeshare Owners from excess federal, state and local taxes. **The ARDA-Resort Owners Coalition (ARDA-ROC) is the first line of defense against legislation that may negatively impact timeshare owners and their well-being.** On behalf of ARDA-ROC, we would like to thank those who have supported these efforts by making a voluntary \$3 annual contribution to the coalition. Your Board of Directors has again included an option for this contribution on your billing statement and encourages you to consider this voluntary \$3 donation when paying your 2011 assessment.

To learn more about ARDA-ROC, including recent accomplishments outlined state-by-state in the new publication “What has ARDA-ROC done for you lately”, visit [arda.org](http://arda.org) and click on the submenu ARDA-ROC.

If you have any questions about your 2011 maintenance fees and taxes, please feel free to contact me by phone at (239) 472-0400 or by email at [bcain@hgvc.com](mailto:bcain@hgvc.com).

On behalf of the team here at Tortuga Beach Club, we look forward to welcoming you back to the familiar comfort of your home away from home.

Warmest regards,



Betsy Cain  
Resort Manager

### VACATION REMINDER

Just a reminder that week (1) begins on Friday, January 7, 2011. Please check your HGVC 2011 Vacation Calendar on the Association website to verify dates for your week(s) of ownership to ensure travel reservations are made for the correct dates.

**TORTUGA BEACH CLUB CONDOMINIUM ASSOCIATION, INC**  
**ANNUAL BUDGET FOR THE PERIOD**  
**JANUARY 1, 2011 THROUGH DECEMBER 31, 2011**

Description	2700	2011	2011	2010	2010	2010
	unit/weeks	Annual Budget	Per Unit/ Week	Per Unit/ Week	Annual Budget	Proj. Actuals For Year
<b>REVENUE</b>						
Association Fees		2,129,435	788.68	811.67	2,191,520	2,191,520
Late Fee Income		3,392	1.25	2.59	7,000	19,133
Interest Income		0	0.00	0.00	0	991
Week 53 Income		0	0.00	2.00	5,400	5,400
Prior Year Surplus (Deficit)		0	0.00	(14.81)	(40,000)	(40,000)
Movie Income		1,691	0.63	0.63	1,691	1,933
Other Revenue		0	0.00	0.00	0	6,832
<b>TOTAL OPERATING REVENUE</b>		<b>2,134,518</b>	<b>790.56</b>	<b>802.08</b>	<b>2,165,611</b>	<b>2,185,810</b>
<b>ADMINISTRATIVE</b>						
Annual Audit		6,400	2.37	2.37	6,400	6,398
Bad Debt Expense		0	0.00	7.40	20,000	20,000
Other Administrative Expenses		56,478	20.92	21.05	56,831	53,832
Postage, Printing, Newsletter		24,200	8.96	8.24	22,250	23,637
Management Fees		111,348	41.24	40.08	108,216	108,216
Division Fees		5,400	2.00	2.00	5,400	5,400
Financial Services Fees		31,098	11.52	11.18	30,189	30,190
Board Reimbursement		14,000	5.19	5.19	14,000	13,049
<b>Total</b>		<b>248,924</b>	<b>92.20</b>	<b>97.51</b>	<b>263,286</b>	<b>260,722</b>
<b>OPERATING EXPENSE</b>						
Office, Desk		244,549	90.57	87.20	235,451	230,474
Housekeeping, Laundry, Supplies		328,562	121.69	120.80	326,166	314,128
Security Provisions		54,015	20.01	20.01	54,015	50,534
Grounds & Landscaping		106,200	39.33	38.85	104,892	111,750
Pool & Spa		29,052	10.76	5.95	16,052	16,004
Recreation		43,283	16.03	14.77	39,890	34,651
Amenity Membership Fee		240,756	89.17	93.63	252,792	240,755
<b>Total</b>		<b>1,046,417</b>	<b>387.56</b>	<b>381.21</b>	<b>1,029,258</b>	<b>998,296</b>
<b>UTILITIES</b>						
Electric		88,550	32.80	32.74	88,400	93,724
Water, Sewer, Gas		98,060	36.32	36.36	98,160	100,793
Waste Disposal		19,812	7.34	8.87	23,952	22,259
Telephone		18,235	6.75	7.33	19,800	17,395
Cable Television		39,275	14.55	13.49	36,409	36,702
<b>Total</b>		<b>263,932</b>	<b>97.76</b>	<b>98.79</b>	<b>266,721</b>	<b>270,873</b>
<b>BUILDING</b>						
Maintenance - Service, Equipment, Supplies		224,705	83.22	83.68	225,946	217,362
Building & Equipment Contracts		18,204	6.74	6.74	18,204	18,203
Elevator Contracts		1,736	0.64	0.68	1,824	1,723
<b>Total</b>		<b>244,645</b>	<b>90.60</b>	<b>91.10</b>	<b>245,974</b>	<b>237,288</b>
<b>INSURANCE &amp; TAXES</b>						
General Insurance		325,540	120.57	134.49	363,126	328,294
Income Tax		8,000	2.96	1.94	5,246	12,004
Taxes Upon Timeshare Property (Ad Valorem Taxes)		n/a	n/a	n/a	n/a	n/a
Taxes Upon Leased Areas		n/a	n/a	n/a	n/a	n/a
<b>Total</b>		<b>333,540</b>	<b>123.53</b>	<b>136.43</b>	<b>368,372</b>	<b>340,298</b>
<b>SALE OF ASSOCIATION WEEKS</b>						
Sale of Association Weeks		(67,400)	(24.96)	(9.26)	(25,000)	(117,800)
Cost of Sales		64,460	23.87	6.30	17,000	96,701
<b>Total</b>		<b>(2,940)</b>	<b>(1.09)</b>	<b>(2.96)</b>	<b>(8,000)</b>	<b>(21,099)</b>
<b>OPERATING EXPENSE TOTAL</b>		<b>2,134,518</b>	<b>790.56</b>	<b>802.08</b>	<b>2,165,611</b>	<b>2,086,378</b>
<b>OPER. PROFIT/(LOSS)</b>		<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>99,432</b>

Ad Valorem Taxes on individual weeks are billed by the Lee County Property Appraiser's office based on the relative value of the unit week and therefore, are not reflected in the above operating budget.

	Statutory Reserve Funding				With Owner Waiver of Statutory Reserve Funding		
	2011 Annual Budget	2011 Per Unit/ Week	2010 Per Unit/ Week	2010 Annual Budget	2010 Proj. Actuals For Year	2011 Annual Budget	2011 Per Unit/ Week
<b>RESERVE REVENUE</b>	1,121,966	415.54	277.70	749,769	749,790	837,856	310.32
<b>RESERVE EXPENSES</b>							
<b>Capital Reserves:</b>							
Interior	866,004	320.75	224.58	606,376	606,393	676,005	250.37
Roof	76,223	28.23	16.45	44,395	44,396	33,281	12.33
Paving	9,676	3.58	3.11	8,410	8,410	8,410	3.11
Recreation	0	0.00	0.00	0	0	0	0.00
Common Area	0	0.00	0.00	0	0	0	0.00
Capital Improvements	61,759	22.87	20.22	54,561	54,563	37,738	13.98
<b>Total</b>	<b>1,013,662</b>	<b>375.43</b>	<b>264.36</b>	<b>713,742</b>	<b>713,762</b>	<b>755,434</b>	<b>279.79</b>
<b>Painting Reserve</b>	108,304	40.11	13.34	36,027	36,028	82,422	30.53
<b>Total</b>	<b>108,304</b>	<b>40.11</b>	<b>13.34</b>	<b>36,027</b>	<b>36,028</b>	<b>82,422</b>	<b>30.53</b>
<b>RESERVE EXPENSE TOTAL</b>	<b>1,121,966</b>	<b>415.54</b>	<b>277.70</b>	<b>749,769</b>	<b>749,790</b>	<b>837,856</b>	<b>310.32</b>
<b>RESERVE PROFIT/(LOSS)</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>

**TORTUGA BEACH CLUB CONDOMINIUM ASSOCIATION, INC**  
**ANNUAL BUDGET FOR THE PERIOD**  
**JANUARY 1, 2011 THROUGH DECEMBER 31, 2011**

Summary	Statutory Reserve Funding			With Owner Waiver of Statutory Reserve Funding			
	2011 Annual Budget	2011 Per Unit/ Week	2010 Per Unit/ Week	2010 Annual Budget	2010 Proj. Actuals For Year	2011 Annual Budget	2011 Per Unit/ Week
OPERATING FEE	2,129,435	788.68	811.67	2,191,520	2,191,520	2,129,435	788.68
CAPITAL RESERVE	1,013,662	375.43	264.36	713,742	713,762	755,434	279.79
PAINTING RESERVE	108,304	40.11	13.34	36,027	36,028	82,422	30.53
SPECIAL ASSESSMENT	0	0.00	0.00	0	0	0	0.00
<b>NET BEFORE CREDITS</b>	<b>3,251,401</b>	<b>1,204.22</b>	<b>1,089.37</b>	<b>2,941,289</b>	<b>2,941,310</b>	<b>2,967,291</b>	<b>1,099.00</b>
<b>CREDITS</b>							
PAINTING RESERVE REFUND	0	0.00	0.00	0	0	0	0.00
OPER. SURPLUS REFUND	0	0.00	0.00	0	0	0	0.00
<b>TOTAL CREDITS</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>TOTAL AMOUNT BILLED</b>	<b>3,251,401</b>	<b>1,204.22</b>	<b>1,089.37</b>	<b>2,941,289</b>	<b>2,941,310</b>	<b>2,967,291</b>	<b>1,099.00</b>

**TORTUGA BEACH CLUB CONDOMINIUM ASSOCIATION, INC**  
**RESERVE ANALYSIS FOR THE PERIOD**  
**JANUARY 1, 2011 THROUGH DECEMBER 31, 2011**

2700 unit/weeks Replacement Fund	Average Estimated Life (in years)	Average Estimated Remaining Life (in years)	Estimated Replacement Cost (2700 units)	2011 Statutory Reserve Funding	Estimated Fund Balance As of 1/1/2011	2011 Proposed Reserve/Assmt. Funding	2011 Projected Expenses	Estimated Fund Balance As of 12/31/2011
Interior	12.16	6.65	5,923,378	866,004	166,300	676,005	596,602	245,703
Roof	16.24	6.69	540,420	76,223	30,600	33,281	12,000	51,881
Painting	6.82	1.41	322,938	108,304	170,000	82,422	166,918	85,504
Paving	23.25	16.43	195,500	9,676	36,500	8,410	0	44,910
Recreation	0.00	0.00	0	0	0	0	0	0
Common Area	0.00	0.00	0	0	0	0	0	0
Capital Improvements	10.30	4.87	388,823	61,759	88,000	37,738	13,900	111,838
<b>TOTAL</b>			<b>7,371,059</b>	<b>1,121,966</b>	<b>491,400</b>	<b>837,856</b>	<b>789,420</b>	<b>539,836</b>

	2011 Statutory Reserve Funding	2011 Proposed Reserve Funding	** The State of Florida mandates that condominium associations prepare calculations to fully fund reserves. The Law also provides the reserve requirement may be waived or reduced, allowing the unit owners to put less money into the reserve accounts. To meet fully funded requirements for Statutory Reserves, the resulting annual maintenance fee would be \$1,204.22. The Board of Directors recommends a vote in favor of waiving the full funding requirements for Statutory Reserves at the 2011 annual meeting, thereby establishing the maintenance fee at \$1,099.00 for the 2011 budget year.
Operating Fee	\$788.68	\$788.68	
Capital Reserve	\$375.43	\$279.79	
Painting Reserve	\$40.11	\$30.53	
Special Assessment	\$0.00	\$0.00	
Total Amount Billed	<u>\$1,204.22</u>	<u>\$1,099.00</u>	
Painting Reserve Refund	\$0.00	\$0.00	
Operating Surplus Refund	\$0.00	\$0.00	
<b>TOTAL AMOUNT BILLED</b>	<b><u>\$1,204.22</u></b>	<b><u>\$1,099.00</u></b>	

**NOTE:**  
There may be some items that require future replacement and are not reserved for, i.e.: replacement of plumbing, railings, electrical wiring, etcetera. These types of items will need to be paid from operating funds or will require a special assessment.

The components' actual replacement costs and useful lives may vary from the estimated amounts. If additional funds are needed, the Association has the right, subject to Board approval, to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

There are 2700 periods of 7-day annual use availability that exist within the timeshare plan for which annual fees are required to be paid to the Division of Florida Land Sales, Condominiums and Mobile Homes, Bureau of Timeshare, in accordance with Section 721.27, Florida Statutes.