



October 2011

Dear Tortuga Beach Club Owner,

It continues to be our sincere pleasure to serve you and ensure your Home Resort remains a welcoming home away from home. This past year saw several enhancements at our property, including the replacement of the kitchen cabinets and countertops in Buildings A, B and C, and new interior paint in all seven buildings resulting in a light and airy color scheme. Plantation shutters were installed in the outside dining room windows and all televisions were replaced in the master bedrooms. We are also replacing all of the living room vertical blinds with black out drapes with a sheer in front. We're hopeful that Owners and guests will continue to enjoy these property upgrades.

2012 Billing / Budget Impacts

Enclosed are the 2012 budget and statement for your association's 2012 assessment, and 2011 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 the property, including replacement of furniture, roofing, painting and other enhancements as needed.

Together with your management company, your association's Board of Directors works diligently to establish your association's budget. 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, however we are pleased to report that through efficient management, we were able to maintain less than a 1.9% increase in the fees for 2012.

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 website.

Prompt payment of the enclosed bill – DUE ON JANUARY 1, 2012 – is appreciated

Payment posted on or before January 1, 2012, 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, 2012. 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 15th 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 15th 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, 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. The Board Members pay their maintenance fees by check to avoid the credit card fees that are passed onto the association. We would like all owners to consider this cost saving practice. 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. Multiple weeks owned at Tortuga Beach Club may be paid for with a single check. 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.

By Credit / Debit Card Online – If you are a Hilton Grand Vacations Club Member, log in at hgclub.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 hgclub.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 elected Jim Burner, Bonnie Dehn and John Hanson to the Board of Directors. We look forward to their contributions to the long-term prosperity of your association. We also extend our thanks to the rest of your Board Members – Bob Buechel and Beryl Munson – for their continued support and leadership. At the 2012 Annual Owners Meeting, two, (2) 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, 2012.

ARDA – Working to Protect Timeshare Owners



The American Resort Development Association (ARDA) serves as the vacation ownership industry’s trade association, and works to promote a “timeshare-friendly” legislative agenda. ARDA is dedicated to communicating with and activating the one million members that make up its Resort Owners Coalition (ARDA-ROC) about legislative and regulatory policies impacting the industry. To that end, the organization recently launched a new website (ARDA-ROC.org) to help inform and motivate owners to become more vocal with policy makers to preserve, protect and enhance vacation ownership.

At its core, the site provides information regarding current and resolved legislative activity around the country, as well as from select jurisdictions. You can stay informed on important news, events, specific bills of interest and pertinent legislation relative to South Florida. Additionally, the site offers information and resources, including consumer advisories and links to governors’ offices, attorneys general, regulatory agencies and consumer groups.

We would like to thank those who have supported these efforts by making a voluntary \$3 annual contribution to the ARDA-ROC. 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 2012 assessment.

If you have any questions about your 2012 maintenance fees and taxes, please feel free to contact me at (239) 472-0400 phone or via email at 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,

A handwritten signature in black ink that reads "Betsy H. Cain".

Betsy Cain
Resort Manager

REMINDER – Week 1 starts on Friday, January 6, 2012 or Saturday, January 7, 2012. Please check your HGVC 2012 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, 2012 THROUGH DECEMBER 31, 2012

Description	2,700 unit/weeks	2012	2012	2011	2011
		Annual Budget	Per Unit/ Week	Per Unit/ Week	Annual Budget
REVENUE					
Association Fees		2,213,585	819.85	788.68	2,129,435
Late Fee Income		4,000	1.48	1.26	3,392
Other Revenue		1,700	0.63	0.00	0
TOTAL OPERATING REVENUE		2,219,285	821.96	789.94	2,132,827
ADMINISTRATIVE					
Annual Audit		6,400	2.37	2.37	6,400
Other Administrative Expenses		310,364	114.95	110.09	297,234
Postage, Printing, Newsletter		21,200	7.85	8.96	24,200
Management Fees		112,908	41.82	41.24	111,348
Division Fees		5,400	2.00	2.00	5,400
Financial Services Fees		31,876	11.81	11.52	31,098
Board Reimbursement		14,000	5.19	5.19	14,000
Total		502,148	185.99	181.36	489,680
OPERATING EXPENSE					
Office, Desk		223,778	82.88	82.03	221,479
Housekeeping, Laundry, Supplies		327,482	121.30	121.69	328,562
Security Provisions		54,000	20.00	20.01	54,015
Grounds & Landscaping		118,054	43.72	39.33	106,200
Pool & Spa		14,292	5.29	10.76	29,052
Recreation		49,767	18.43	17.96	48,489
Total		787,373	291.62	291.78	787,797
UTILITIES					
Electric		88,400	32.74	32.80	88,550
Water, Sewer, Gas		97,668	36.17	36.32	98,060
Waste Removal		19,812	7.34	7.34	19,812
Telephone		17,605	6.52	6.75	18,235
Cable Television		44,955	16.65	14.55	39,275
WiFi Expense		3,000	1.11	0.00	0
Total		271,440	100.53	97.75	263,932
BUILDING					
Maintenance - Service, Equipment, Supplies		259,410	96.08	87.77	236,986
Building & Equipment Contracts		22,460	8.32	8.18	22,096
Elevator Contracts		1,740	0.64	0.64	1,736
Total		283,610	105.04	96.60	260,818
INSURANCE & TAXES					
General Insurance		366,833	135.86	120.57	325,540
Income Tax		5,300	1.97	2.96	8,000
¹ Tax on Timeshare Property (Ad Valorem Taxes)		n/a	n/a	n/a	n/a
Taxes Upon Leased Areas		n/a	n/a	n/a	n/a
Total		372,133	137.83	123.53	333,540
SALE OF ASSOCIATION WEEKS					
Sale of Association Weeks		(13,060)	(4.84)	(24.96)	(67,400)
Cost of Sales		15,641	5.79	23.87	64,460
Total		2,581	0.95	(1.09)	(2,940)
OPERATING EXPENSE TOTAL		2,219,285	821.96	789.94	2,132,827
OPER. PROFIT/(LOSS)		0	0.00	0.00	0

¹ 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	
	2012 Annual Budget	2012 Per Unit/ Week	2011 Per Unit/ Week	2011 Annual Budget	2012 Annual Budget	2012 Per Unit/ Week
RESERVE REVENUE	1,040,594	385.40	310.32	837,856	832,199	308.22
RESERVE EXPENSES						
Capital Reserves:						
Interior	848,322	314.19	250.37	676,005	683,233	253.05
Roof	78,944	29.24	12.33	33,281	59,798	22.15
Paving	9,753	3.61	3.11	8,410	8,410	3.11
Recreation	0	0.00	0.00	0	0	0.00
Common Area	0	0.00	0.00	0	0	0.00
Capital Improvements	62,216	23.04	13.98	37,738	37,786	13.99
Total	999,235	370.08	279.79	755,434	789,227	292.30
Painting Reserve	41,359	15.32	30.53	82,422	42,972	15.92
Total	41,359	15.32	30.53	82,422	42,972	15.92
RESERVE EXPENSE TOTAL	1,040,594	385.40	310.32	837,856	832,199	308.22
RESERVE PROFIT/(LOSS)	0	0.00	0.00	0	0	0.00

TORTUGA BEACH CLUB CONDOMINIUM ASSOCIATION, INC
ANNUAL BUDGET FOR THE PERIOD
JANUARY 1, 2012 THROUGH DECEMBER 31, 2012

	Statutory Reserve Funding				With Owner Waiver of Statutory Reserve Funding	
	2012 Annual Budget	2012 Per Unit/ Week	2011 Per Unit/ Week	2011 Annual Budget	2012 Annual Budget	2012 Per Unit/ Week
Summary						
OPERATING FEE	2,213,585	819.85	788.68	2,129,435	2,213,585	819.85
CAPITAL RESERVE	999,235	370.08	279.79	755,434	789,227	292.30
PAINTING RESERVE	41,359	15.32	30.53	82,422	42,972	15.92
NET BEFORE CREDITS	3,254,179	1,205.25	1,099.00	2,967,291	3,045,784	1,128.07
CREDITS						
PAINTING RESERVE REFUND	0	0.00	0.00	0	0	0.00
OPER. SURPLUS REFUND	0	0.00	0.00	0	(21,789)	(8.07)
TOTAL CREDITS	0	0.00	0.00	0	(21,789)	(8.07)
TOTAL AMOUNT BILLED	3,254,179	1,205.25	1,099.00	2,967,291	3,023,995	1,120.00

TORTUGA BEACH CLUB CONDOMINIUM ASSOCIATION, INC
RESERVE ANALYSIS FOR THE PERIOD
JANUARY 1, 2012 THROUGH DECEMBER 31, 2012

2,700 unit/weeks Replacement Fund	Average Estimated Life (in years)	Average Estimated Remaining Life (in years)	Estimated Replacement Cost (2700 units)	2012 Statutory Reserve Funding	Estimated Fund Balance As of 1/1/2012	2012 Proposed Reserve/Assmt. Funding	2012 Projected Expenses	Estimated Fund Balance As of 12/31/2012
Interior	12.17	6.87	6,014,202	848,322	185,000	683,233	770,040	98,193
Roof	16.48	5.96	540,420	78,944	70,200	59,798	13,000	116,998
Painting	7.35	4.24	315,938	41,359	140,700	42,972	149,020	34,652
Paving	23.25	15.43	195,500	9,753	45,000	8,410	-	53,410
Recreation	0.00	0.00	-	-	-	-	-	-
Common Area	0.00	0.00	-	-	-	-	-	-
Capital Improvements	10.29	3.97	388,823	62,216	141,700	37,786	106,598	72,888
TOTAL			7,454,883	1,040,594	582,600	832,199	1,038,658	376,141

	2012 Statutory Reserve Funding	2012 Proposed Reserve Funding
Operating Fee	\$819.85	\$819.85
Capital Reserve	\$370.08	\$292.30
Painting Reserve	\$15.32	\$15.92
Special Assessment	\$0.00	\$0.00
Total Amount Billed	<u>\$1,205.25</u>	<u>\$1,128.07</u>
Painting Reserve Refund	\$0.00	\$0.00
Operating Surplus Refund	\$0.00	(\$8.07)
TOTAL AMOUNT BILLED	<u>\$1,205.25</u>	<u>\$1,120.00</u>

** 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 \$1,205.25. The Board of Directors recommends a vote in favor of waiving the full funding requirements for Statutory Reserves at the 2012 annual meeting, thereby establishing the maintenance fee at \$1,120.00 for the 2012 budget year.

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 Condominium, Timeshares and Mobile Homes, Bureau of Standards and Registration, in accordance with Section 721.27, Florida Statutes.