

**TORTUGA BEACH CLUB  
ANNUAL OWNERS MEETING  
March 17, 2011**

The 2011 Annual Meeting was called to order at 2:00 p.m. by President Bonnie Dehn in the Clubhouse at Tortuga Beach Club, Sanibel Island, Florida. All Board members were in attendance: Bonnie Dehn– President, Jim Burner – Vice President, Bob Buechel – Secretary/Treasurer and Directors John Hanson and Beryl Munson. Attending from Hilton Grand Vacations Company (HGVC) were Betsy Cain – Resort Manager, Cindi Koehler – Assistant to the Resort Manager, Janeen Williams – Front Desk, JoAnn Malloy – Recreation, Joanne Peters – Vacation Counselor, Dick Stuurwold –Maintenance Supervisor, Dana Oxley, Tony Laezza and Mike Jeffery – Maintenance Staff, E. J. Nees – Director of Resort Operations, Sanibel/Captiva, and Cindy Glasenapp – Administrative Assistant and acting Recording Secretary for this meeting.

Mrs. Dehn welcomed the owners to the meeting and introduced the Board members, the Resort Staff and HGVC’s regional staff. A sign-in sheet was circulated for all owners present to sign in lieu of a roll call. There was a call for outstanding proxies. A quorum was established.

**APPROVAL – PREVIOUS MINUTES** – The minutes of the 2010 Annual Meeting were published in the newsletter during 2010 and posted on the website [www.hgvc.com/tortugabeachclub](http://www.hgvc.com/tortugabeachclub). A copy was also included in the agenda packet distributed at the meeting. ***MOTION was made by Bob Buechel and seconded by Gail Oleari to approve the minutes of the 2010 Annual Meeting as presented.*** All voted in favor. **Motion carried.**

**MANAGER’S REPORT – Betsy Cain**

Betsy thanked the board members for their time and energy, indicating that a lot more goes into the job than anticipated. She introduced her staff and thanked them for their efforts throughout the year. She stated that they truly care about what they do and it shows in their performance and how they take care of the Tortuga owners. She also expressed appreciation to the HGVC regional staff for their support.

Betsy reported that this year the kitchen cabinets and countertops will be replaced in buildings A, B and C. Cabinets and countertops will be replaced in buildings D and E in 2012, and in buildings F and G in 2013. After feedback from owners that the finish of the new cabinets might be too dark, we went back to the contractor and chose a lighter finish than we had been shown previously. The Board wanted to see what the color looked like in an actual unit (thanks to Jean and Hugh Welch for letting the Board use their unit for viewing the sample), and all agreed that the lighter color finish was better. The countertops will be quartz. Installation is planned to begin in mid-May. Samples were shown and available for owners’ viewing after the meeting.

Also planned for this year is painting the unit interiors in all 7 buildings: buildings D, E, F and G in the spring maintenance weeks, and buildings A, B and C in the fall maintenance weeks after the kitchen remodeling has been completed. The walls will be painted off-white, and all the wood trim, doors, railings and ceilings will be painted white. This will eliminate the mis-matched wood finishes. The vertical blinds in the living rooms will be replaced with a sheer drape and a blackout lining. Wood plantation shutters will be installed in the dining room window in the outside units in all 7 buildings. They are maintenance-free and will have a long life span.

In addition to replacing all the master bedroom TVs with digital, flat-screen models, the dishwashers in buildings D, E, F and G will be replaced, and the washer/dryer units will be replaced in buildings F and G.

An owner asked what happened to the old TVs. Betsy responded that they were obsolete and no longer had any value. They were donated to a charitable organization, as were the old beds. The people who took the old stuff away helped us put in the new beds.

### **BOARD OF DIRECTORS REPORT – Bonnie Dehn**

Mrs. Dehn advised that the Board worked on a lot of different things this past year, including the kitchen refurbishment project. She advised that about 40% of our owners are voting on line, and encouraged electronic communication to save us money in the long run. She also encouraged owners to get their recipes in so they can be included in the resort's cookbook.

An owner noted that once you vote on the website, you can no longer access the previous year's annual meeting minutes. That is true on the voting website, but the minutes can be accessed any time on the Association's website [www.hgvc.com/tortugabeachclub](http://www.hgvc.com/tortugabeachclub).

Mrs. Dehn expressed appreciation to Betsy and her staff who make the grounds and property look so great. An owner added that the landscaping is absolutely fabulous.

Mrs. Dehn acknowledged Cindi Koehler for being with the resort for 25 years and thanked her for all the time she has dedicated to the Tortuga owners. Owners gave Cindi a round of applause.

Mrs. Dehn asked Secretary/Treasurer, Bob Buechel to give an update on the wireless Internet access situation. She noted that the Board has discussed over many meetings how to deal with the Internet without burdening the budget. Mr. Buechel related that when Internet access was made available here at Tortuga five years ago, we anticipated one computer per unit. The intent was to get emails and surf the net. Now we have at least five devices per unit, and people are working while at the resort. So we don't get bogged down, the Board decided to take some relatively inexpensive steps to improve the system. We'll be expanding our broadband with Comcast at an additional cost of \$250/year, and moving the hub from the resort office to the back of D building. We're finding our system doesn't go through concrete or trees. This will cost approximately \$500. We will also have smart switches installed which will improve response time. The speed will not be like where you work, but it will be an improvement from what we currently have. We're trying to take it one step at a time and to do it economically. If we get good results with this first step, we may not have to spend a lot more money on it. The Board will continue to look at all options at the budget meeting in October. With ever changing technology, we may have to put a line in the budget for this.

An owner asked if the hub could be put the clubhouse because it has a cleaner shot at all the buildings. Mr. Buechel answered that the Board looked at that, but we would have to go underground, and have plumbing and electrical to work around.

### **INSURANCE REPORT – E. J. Nees**

The Hilton Resorts Corporation property insurance program was renewed June 1, 2010 on behalf of the Association and in accordance with the management agreement. Property insurance is provided through a large blanket program made up of multiple insurance policies and layered according to each insurer's risk appetite. The total program limit is \$200,000,000, on a per occurrence basis for any one covered loss or disaster. This limit will more than adequately cover the full replacement value of the property as required by the State of Florida. Evidence of Property Insurance was included in the agenda packet distributed at this meeting.

Generally, the program insures against perils resulting in the direct physical loss or damage to real and personal property at the resort for "All Risks" including perils from flood, earthquake, and named windstorm. Other important program sub-limits include: loss of ingress/egress;

interruption by civil/military authority; service interruption; debris removal; demolition and increased cost of construction (ordinance law). In addition, the program includes extensions of coverage for business interruption (including reimbursement of owner maintenance fees), protection and preservation of property, and other such costs and expenses to the Association may incur as a result of loss or damages.

Program deductible amounts will vary depending on the peril but generally will be \$25,000 for any one occurrence, except for named windstorms, earthquakes, and flooding. Earthquake and flood deductibles are 2% and 5% of the actual value per unit of insurance respectively, subject to a minimum loss each occurrence.

The Named Windstorm deductible is 5% of the actual value per unit of insurance and subject to a minimum loss for each occurrence. Important to note that your association also participates in a deductible buy down feature in the event of named windstorm losses which effectively reduces the deductible to \$100,000 per occurrence.

Finally, in addition to the property coverage above, Hilton maintains for each Association insurance for General Liability, Terrorism, Auto Liability (if applicable), and Directors & Officers coverage (limits for are stated in the Certificate of Insurance included in the agenda packet distributed at this meeting).

Owner Hans DeVaughn noted that the loss of use insurance and Directors & Officers insurance were not listed on the certificates. Ms. Nees indicated that they are covered, but will check on the certificates.

### **FINANCIAL REPORT – E. J. Nees**

An audit of the 2010 financial statements was prepared in accordance with Florida statutes. Mr. Steve Brettholtz of Myers, Brettholtz & Company, P.A. of Fort Myers, independent auditor engaged by the Board of Directors, met with the Board this morning to review the draft of the audit. A clean opinion was issued. An audit is not mailed to each owner but will be available upon request to the Resort Manager.

In 2010, total Operating revenue was \$2,432,140; total Operating expense was \$2,251,302 resulting in an excess of revenues over expenses of \$180,838. The beginning Operating Fund balance on January 1, 2010 was \$89,835, and at December 31, 2010 was \$270,673. Reserve funds totaled \$456,778 at December 31, 2010, and by category: \$106,147 – Interior; \$36,692 – Roof; \$169,762 – Painting; \$36,486 – Paving; and \$107,691 – Capital Improvements.

### **RENTAL REPORT – E. J. Nees**

Of the nights available for rent in 2010 through Hilton Grand Vacations, 69.7% were rented. The average daily rate was \$250.27.

HGVC has set up a new rental website [www.floridagrandvacations.com](http://www.floridagrandvacations.com) to better advertise their program, and had a montage video on all the resorts in its rental program developed to post on the website. Shortly, people will be able to book their own reservations on the site.

### **RESALES REPORT – Joanne Peters**

In 2010, a total of 109 unit weeks were sold at Tortuga for a sales volume of \$1,022,350, including the Association inventory. Year-to-date 2011, sixteen unit weeks have been sold for a sales volume of \$364,900. Joanne thanked Betsy and her staff and the Board of Directors for their efforts in maintaining the resort.

Joanne noted that a lot of credit for the over \$1 million sales last year belonged to Milli Jones, who was with us through July last year. It was a joint effort, and the staff deserves credit for their teamwork also. Joanne stated that in her 24 years in the industry, she has never met with a more cooperative and friendly group of owners than the Tortuga owners. She thanked the owners for sharing information about Tortuga with their friends and family, and guests on the resort.

Mrs. Dehn added that Joanne and Milli have done a wonderful service to us owners, especially in helping to sell the foreclosed units. It's incredible how we have recovered from this; many other resorts are not doing as well in this economy. The Association is stable and pushing forward, and Mrs. Dehn attributed that to Joanne and her expertise in resales.

**2011 BUDGET** – The 2011 budget was sent to each owner with the maintenance fee bill. A copy of the budget was also included in the agenda packet distributed today. Mrs. Dehn advised that the Board worked the budget over with a fine tooth comb to keep the increase minimal. Unfortunately everything is going up including transportation costs. ***MOTION was made by John Hanson and seconded by Gary Lunstad to ratify the 2011 budget as presented by the Board of Directors.*** All voted in favor. **Motion carried.**

**GENERAL DISCUSSION** – An owner asked if the Dunes membership was still intact. Mrs. Dehn answered that it is, and will continue five more years (six years altogether), thanks to Vice President Jim Burner's negotiations. Owners thanked Mr. Burner for his efforts.

#### **TELLER'S REPORT – Cindi Koehler**

There were 1,099 unit weeks represented, both in person and by proxy, out of a possible 2,700 unit weeks, which represented 41% owner response.

**ELECTION:** There were six candidates seeking election to fill the three seats available on the Board of Directors. The candidates receiving the highest number of votes were Jim Burner, Bonnie Dehn and John Hanson, who were elected for a two-year term. The current Board of Directors is: Bob Buechel, Jim Burner, Bonnie Dehn, John Hanson and Beryl Munson.

**WAIVER OF STATUTORY FUNDING OF RESERVES:** There were 1,011 votes to waive statutory funding of reserves and 37 votes not to waive statutory funding of reserves. Statutory funding requirements were waived; therefore the reserve funding will remain at the level approved in the 2011 budget.

**CONDOMINIUM DOCUMENT REVISION REGARDING NON-JUDICIAL FORECLOSURE:** There were 1,035 votes to approve the proposed amendment to the condominium documents to allow non-judicial foreclosures and 16 votes opposed. The proposed amendment was approved.

There being no further business, ***MOTION was made by Patty Sullivan and seconded by Sally Shelton to adjourn.*** All voted in favor. **Motion carried.**

**Meeting adjourned at 2:48 p.m.**