

LETTER FROM THE PRESIDENT



The Turtle Tracks A Newsletter for the Owners of Turtle Reef Club

Dear Owners,

The members of the Board of Directors of your non-profit Association are all either owners or represent a multi-unit owner. None of us like or look forward to an increase in our maintenance fees. And yet, at the Board Meeting on August 22, 2008, the Board unanimously approved a budget for 2009, a summary of which is included in this Turtle Tracks. While the Board has made every effort to keep increases in the operating costs to a minimum, this budget represents a realistic estimate of the cost of maintaining your resort at the standard you have come to expect in 2009. This budget will increase the annual maintenance fee for the C & D buildings from \$533 to \$579 per unit week. So why did we make this difficult decision?

All of us are aware of the recent unusual increases in our own cost of living stemming from the price of oil which affects everything we purchase. Turtle Reef's costs have been affected as well as those of your family and the institutions in our lives. There are also other factors which have a major impact on our costs:

- The remediation project which corrected the mold in our 30-year old ductwork revealed by air quality testing. Our reserves did not include any provision for this expenditure, the final cost of which will be approximately \$275,000. Air quality readings after completion of the work show results comparable to the outside air quality. This project was critical to your health and the health of our guests, and for improving the market value of your units.
- Losses in rental income resulting from units taken out of service for remediation
- Recent discovery of additional areas of damage in the concrete structure increasing the costs of sealing the building approximately \$75,000 beyond reserve amounts budgeted for this purpose.
- A Reserve Analysis Report by Advanced Reserve Solutions commissioned by the Board updated our replacement costs estimates and resulted in showing that we were in fact not 100% funded in the reserves, a situation which we must work to remedy.

After all of this, THE GOOD NEWS is that, despite the increase in maintenance fees, Turtle Reef continues to charge less than all the other ocean-front property we have surveyed and with which we are familiar.

Please check out all the other articles in this Turtle Tracks for information which affects you as an owner of Turtle Reef. And do not hesitate to contact me with your interests and concerns.

Sincerely,

Lynne M. Kweder

Turtle Reef Condominiums 1, Inc.
10800 S. Ocean Drive
Jensen Beach, FL 34957

Phone: 772-229-1772
Fax: 772-229-2486
E-mail: mgr@trc.fdn.com

Website: www.turtlereefcondo1.com

Inside this issue:

From the Board of Directors	2
TRC Billing/Collection Policy	2
From the Management	3
Exterior Repair Project	4
2009 Approved Budget	Insert
Defender Realty	Insert
Rental Promotion	Insert

FROM THE BOARD OF DIRECTORS

THE BOARD NEEDS YOU!

In order to provide effective governance of Turtle Reef Condominiums I., Inc. and oversight of our management company, the Board needs owners with relevant experience and skill sets. We are looking for owners who can be our consultants, perhaps work on a specific project, and/or join us for Board meetings. The types of skills and experience needed are: Accounting and financial oversight skills; experience in human resources, engineering, contract development, property management, business or non-profit management, insurance, and strategic thinking and planning. We urge you to contact us through the Board President if you have interest in becoming involved in the governance process at Turtle Reef.



Your Proxy is CRITICALLY IMPORTANT!

More than 50% of the owners **MUST** submit proxy's in order to conduct business at the upcoming Annual Meeting on November 15th. Failure to achieve this quorum could result in cancellation of the meeting, postponement of the election, and bring the business of our Condominium to a screeching halt. So please open your proxy envelope when you receive it, vote for two candidates for the Board, and/or assign your proxy for other business to a Board member or someone you are certain will be present in person at the Annual Meeting.

Turtle Reef Condominiums I Billing and Collection Policy

- November 15 First Maintenance Fee billing is mailed out.
- January 1 Maintenance Fees are due.
- January 11 Delinquent date for current year fees. A \$25.00 Late Fee will be assessed on all delinquent accounts, plus interest at the rate of 9% per annum until paid.
- January 31 Second Maintenance Fee billing is mailed out to delinquent owners.
- February 15 A "Lock Out" fee of \$15.00 is assessed to all delinquent owner accounts.
- March 1 Third Maintenance Fee billing is mailed out to delinquent owners, also known as the "Right to Cure Letter," with an additional \$50.00 assessment accrual.
- April 1 All unpaid accounts are sent to a collection agency and additional fees are added to each past due account.
- July 1 All unpaid accounts will be returned by the collection agency to TRCI. A 30-day demand letter is mailed and Notice to File Claim of Lien.
- August 1 TRCI files the Claim of Lien and charges an additional \$60.00 to unpaid accounts.
- August 15 TRCI receives the recorded Claims of Liens and accounts are turned over to the Association's Attorney for Foreclosure.

FROM THE MANAGEMENT

It has been a busy couple of months here at Turtle Reef. Many exciting changes are happening and we are excited for you to experience them on your next visit.

- The new living room furniture has been installed in all 50 units and looks great! The bright colors really enhance the appearance of the room and promote more of a beach/resort feel.
- New 40" flat screen televisions have been installed in all of the living rooms.
- The lobby computer has been replaced as a result of the theft of the previous one. Unfortunately, we must now have the lobby computer available only during business hours.
- The resort has almost completely escaped another Hurricane Season. We were slightly affected by Tropical Storm Fay and only experienced the loss of two trees and minor water intrusion.

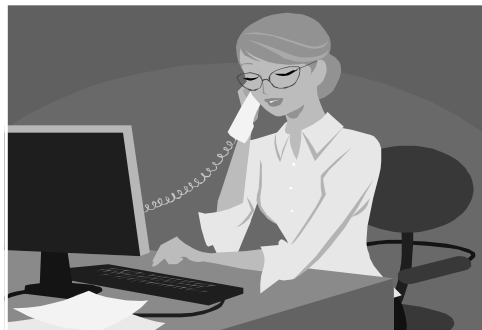
Also, remember that our website www.turtlereefcondo1.com is a great source of information. Information can be found regarding property improvements, rental information, property tax amounts, meeting dates, newsletters, and much more. It is updated frequently, so be sure to check it often to stay abreast of what's going on at Turtle Reef!

As always, we encourage your comments and suggestions; please don't hesitate to drop me a line anytime.

~ Pamela Cordell, General Manager

The Design on a Dime Team Strikes Again!

Once again, our in-house staff Design on a Dime team has redecorated a common area – The Game Room – for the cost of paint to the owners – less than \$60.00! The game room is now gaily painted in bright kid-friendly colors and has been updated with new electronic games for those rainy days of endless summer at Turtle Reef. Watch out Turtles' Nest! You are next! Thanks to our great staff!



EXTERIOR REPAIR PROJECT

The exterior repair project began in mid-August and is now fully underway. The A & B Buildings are completely finished and work has begun on the C & D buildings. The project includes power washing, concrete repairs and repainting.

Please understand that there will be noise associated with this project during the daytime hours, which may cause some discomfort.

While there is never a "good time" to perform these projects, we make our best efforts to complete them during the lowest occupancy periods.

The project is currently scheduled to complete in January, however we are at the mercy of nature and work may be delayed due to weather conditions.

We apologize in advance for any inconvenience this may cause and if you do have any questions, please do not hesitate to contact me.

We appreciate your understanding and patience and as we continue to improve your vacation experience.

~ Pamela Cordell
General Manager

BOARD OF DIRECTORS

Lynne M. Kweder– President
12700 Lake Avenue #412
Lakewood, OH 44107
Phone: (216) 221-8385
E-mail: lkweder@cox.net

Kevin E. Gallagher– V.P. for Property Development
P.O. Box 25
Southold, NY 11971
Phone: (631) 765-4114

Yvonne C. Parker– V.P. for Policy Development
4005 Grovewood Lane
Titusville, FL 32780
Phone: (321) 268-1151

Peter M. Ashton– Treasurer
P.O. Box F-42683
Chancery Court
The Mall
Freeport, Bahamas
Phone: (242) 352-3356

Richard R. Russell– Secretary
1780 Jamaica Street
Titusville, FL 32780
Phone: (321) 267-8952



Turtle Reef Condominiums 1, Inc.
10800 S. Ocean Drive
Jensen Beach, FL 34957

Presorted Standard
US Postage Paid
Stuart, FL
PERMIT 230

**TURTLE REEF CLUB
2009 APPROVED BUDGET**

Revenues

Member Assessments	\$ 1,607,590
Bad Debt	\$ (208,987)
Interest Income:	
Interest Bearing Cash Deposits	\$ 16,500
Interest Income - R/E Taxes	\$ 1,500
Interest Income - Reserves	\$ 33,451
Late Fee Income	\$ 7,500
Lock Out Fee Income	\$ 3,500
Other Income	\$ 9,000
Rental Income	\$ 82,658
Vistana Income	\$ 5,000
Net Revenue	\$ 1,557,712

Utility Expense

Cable TV	\$ 20,276
Electric	\$ 75,250
Elevator	\$ 4,500
Gas	\$ 21,000
Internet	\$ 2,500
Refuse Removal	\$ 12,000
Sewer	\$ 20,000
Sewer Treatment Plant	\$ 15,000
Telephone	\$ 34,000
Water	\$ 21,500
Total Utility Expense	\$ 226,026

Housekeeping Expenses

Carpet/Draperies Cleaning	\$ 7,800
Cleaning Supplies	\$ 10,000
Laundry Supplies	\$ 2,000
Room Supplies	\$ 12,000
Window Cleaning	\$ 2,220
Welcome Kit/Guest Supplies	\$ 7,750
Total Housekeeping	\$ 41,770

Maintenance Expenses

Fire Protection	\$ 3,000
Grounds	\$ 10,000
Heating & Cooling	\$ 15,000
Locks	\$ 3,000
Plumbing	\$ 2,500
Pool/Repairs and Chemicals	\$ 7,000
Repairs/General I&E	\$ 15,000
Special Projects	\$ 2,000
Total Maintenance	\$ 57,500

Administrative

Accounting - Audit	\$ 10,500
Activity Function	\$ 3,000
Bank Fees	\$ 2,000
Board Reimbursement	\$ 15,500
Community Turtle Nest	\$ 2,500
Computer Support	\$ 5,800
Credit Card Processing Fee	\$ 1,000
Income Taxes	\$ 11,000
Legal	\$ 7,000
Liens & Foreclosures	\$ 20,000
Lockbox Charges	\$ 4,000
Management Company	\$ 92,749
Management Seminar/Training	\$ 500
Miscellaneous	\$ 2,500
Office Equipment Lease	\$ 3,000
Office Supplies	\$ 7,000
Reserve Debt Reduction	\$ 95,000
Permits & Licenses	\$ 6,500
Postage & Shipping	\$ 6,500
Printing & Stationery	\$ 3,500
Employee Mileage Reimbursement	\$ 2,000
Uniforms (maint.)	\$ 2,500
Total Administration	\$ 304,049

Salaires & Wages

Temporary Labor	\$ 500
General Management	\$ 54,000
Salaries - Administrative	\$ 87,144
Salaries - Housekeeping	\$ 130,091
Salaries - Maintenance	\$ 80,895
Total Salaries & Wages	\$ 352,630

Payroll Taxes & Benefits

Employee Insurance	\$ 33,885
Employee Promotions	\$ 1,400
Payroll Taxes - Fed. & St.	\$ 34,285
Pension Plan	\$ 11,000
Workman's Comp Insurance	\$ 12,500
Total Payroll Taxes & Benefits	\$ 93,070

Insurance/RE Taxes/Contracts

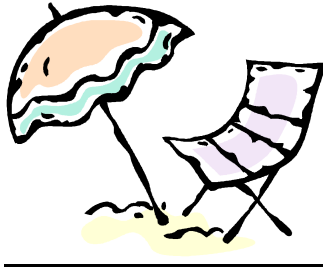
Insurance - Liability/Windstorm	\$ 91,530
Flood Insurance	\$ 16,932
Pest Control	\$ 8,500
Real Estate Taxes	\$ 46,750
Total Insurance and Taxes	\$ 163,712

Total Operating Expenses	\$ 1,238,757
---------------------------------	---------------------

Total Reserves transferred	\$ 318,956
-----------------------------------	-------------------

Total Surplus (Deficit)	0
--------------------------------	----------

C-D Maintenance Fees	\$ 579
A-1 Maintenance Fees	\$ 708



TURTLE REEF PRE-HOLIDAYS RENTAL SPECIAL FOR OWNERS, FAMILY AND FRIENDS

There is plenty of time still left to book that extra vacation week or just a few nights before the holiday rush.

Enjoy the peace and quiet of beautiful Hutchinson Island....

Turtle Reef is All about Vacations...

Spacious Rooms – Vast Sandy Beaches to Roam –
Fishing – Restaurants
All Set at a Prime Location

Receive 20% Discount off The Already Discounted
Rack Rate

This Special Is Based Upon Availability and Some
Restrictions May Apply

We Are Selling Out Quickly, So Call Turtle Reef Today At
(772) 229-1772

Reminder: We Will Be Happy To Place Your Unit/Week Up For Rent

You may download or fill out a rental agreement by going to **www.defenderresorts.com**; go to the Turtle Reef section; click on Owner Information. You will see the section for rental agreements. Click on this section and it will give you directions on how to download or fill out on line. You may also contact the resort at 1-772-229-1772 and a rental agreement will be mailed to you.

DEFENDER RESORTS, INC.

**LESS THAN 90 DAYS LEFT
TILL CHRISTMAS!!**
**CHRISTMAS RESALE
SPECIAL FOR
TURTLE REEF OWNERS,
FAMILY AND FRIENDS**



Christmas is a very special time of year in all of our homes. It brings families closer together and strengthens the bond between each member.

One of the nicest gifts you could give your children, family or friends at Christmas would be a vacation forever. Giving them a week at a fabulous resort insures they will have a quality vacation forever.

TAKE ADVANTAGE OF THESE!

Association foreclosure weeks back on the market at Turtle Reef.

Prime Red Weeks

1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 13, 14

2 Bedroom/2 Bath

Only \$5,500

47, 51, 52

2 Bedroom/2 Bath

Only \$4,900

*REFERRALS ARE A
LIFESAVER*



*CALL DEFENDER
REALTY*

(843) 497-6431

FOR SALE: Week 17 - \$3000 / Week 19 - \$2800 / Week 25 - \$4000 / Week 27 - \$5000 / Week 30 - \$3500 / Week 36 - \$3000 / Week 37 - \$2500 / Week 38 - \$3000 / Week 40 - \$2500 / Week 44 - \$3000 / Week 48 - \$3500

**CALL DEFENDER REALTY, INC.
(843) 497-6431**