



## Turtle Reef Condominiums I, Inc.

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October 20, 2010

*Dear Owners,*

Enclosed is your proxy for the Annual Meeting scheduled for November 20, 2010. We NEED your proxy to establish a quorum for the meeting, so I urge you to return it!

There are several matters on which we are asking you to vote and want to offer you some explanation and clarification.

### **ELECTION OF DIRECTORS**

There are three Board terms which will expire this year. Three resumes were received in response to the announcement in the Summer Turtle Tracks. These résumés are enclosed for your review with this mailing. You are requested to cast up to three votes, either for the announced candidates and/or for your write-in choices. You will be electing candidates to serve for three-year terms.

### **WAIVER OF 100% FUNDING OF RESERVES**

Florida Law requires that Association reserves be fully (100%) funded unless the owners waive that requirement, approving a lower level of funding. This must be voted on each budget year. The purpose of reserves is to accumulate funds for the replacement of capital items at the end of their lifespan. A professional reserve study, which had not been done for many years at Turtle Reef, greatly increased the dollar amount required for 100% funding. We are currently carrying approximately one and a half million dollars in reserves. Professionals in our field consider this amount adequate to enable us to make all necessary replacements of capital items as they need replacement. You are requested to choose between preserving the requirement to fund the reserves at 100%, which would create an extraordinary increase in your maintenance fee, or waiving that requirement. The Board recommends voting to waive the requirement.

### **BY-LAW AMENDMENT TO PERMIT NON-JUDICIAL FORECLOSURES**

The Florida Timeshare Law now permits timeshares to utilize a non-judicial foreclosure process. The judicial process has been very costly to Turtle Reef over the years, treating our unit weeks like hundred thousand dollar properties, at times taking many years to conclude. We anticipate significant cost savings for the Association with this new process. The law also protects owners by providing those subject to foreclosure the right to a court process if they choose. You are requested to authorize the Board of Directors the option to utilize a non-judicial "trustee" process in those cases where individuals subject to foreclosure do not object to its use. The Board recommends a "Yes" vote.

With thanks for returning your proxy,

*Lynne M Kweder, President*

## **Turtle Reef Condominiums I, Inc. Notice of Annual Meeting**

Notice is hereby given that the annual meeting of the owners of Turtle Reef Condominiums I, Inc. will be held on the following date, hour, and place noted below:

**DATE:**            **NOVEMBER 20, 2010**

**LOCATION: THE TURTLES' NEST**

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

**TIME:**            The Annual Owners Meeting will begin at 10:30 a.m. A Board Meeting will follow after the Annual Owners Meeting has been adjourned.

**POSTING:**      This notice has also been posted on the Condominium property at the place designated by rule for the posting of such notices in accordance with the by-law and statutory requirements.

### **Annual Meeting Agenda**

Call to order:            **10:30 A.M.**

1. Report from the President
2. Registration of Proxies
3. Certification of Proxies
4. Election of Directors
  - a. Report of Applicants for Nomination
  - b. Nominations from the floor
5. Other Business
6. Adjournment

**Turtle Reef Condominiums I, Inc.**

**Dated:** October 15, 2010

**By:** Pamela S. Cordell

**Pamela S. Cordell  
Regional Director of Operations**

## LYNNE M. KWEDER

Lynne has served as **President of the Board of Directors of Turtle Reef Condominiums I, Inc.** since the end of February, 2007. Her major goals as President have been to lay a sustainable foundation for Turtle Reef's future through providing leadership to (1) plans for updating and improving the property, the management, and the policies of Turtle Reef Club, and (2) facilitating the Board of Directors transition from micro-management of the resort to a governing and oversight Board.

### **During her Presidency, Lynne:**

- Introduced strategic planning and provided an opportunity for owner participation in setting priorities. Supported the Board in setting "reasonably ambitious" annual goals to carry out the strategic plan, and tracked accomplishment through development of bi-monthly board agendas.
- Conducted board orientation and provided ongoing board development and education about board responsibilities and shifts in our legal and economic environment.
- Reorganized and redefined the roles of Board members, with each member carrying a portfolio of responsibility and accountability for a governance function (policy development, evaluation, property development, and financial oversight), fostering extraordinary contributions from each and every member of our skilled and knowledgeable Board.
- Redefined our relationship with the management, appropriately delegating the management of the resort and implementation of Board decisions to the management.
- Introduced a periodic evaluation process to hold management accountable, which has just been completed for the first three-year contract period with our management company.
- Provided leadership to the Board's initiation of major property improvements and our necessary concrete restoration in D building, and mold remediation throughout the resort.
- Initiated a major revision of our By-Laws and Turtle Reef's policies, currently in process.
- Serves as the spokesperson for the Board through the Turtle Tracks and other communications with owners and management.

### **Lynne's work experience includes:**

- Thirty years consulting to Boards of Directors and management of non-profit and public organizations in strategic planning, managing complex change, outcome measurement, team development, and conflict management.
- Ten years as Executive Director of a non-profit post-graduate training institute with an annual budget the same size as Turtle Reef's budget.
- Twelve years as executive staff in an umbrella non-profit organization where she held several positions as Director of Planning, Resource Development, Training (for Boards and Staff), Contract Management, and Consultant to member organizations.
- Twenty years teaching organizational development skills at university and post-graduate institutions.
- Recently certified and currently practicing as Executive Coach for private and corporate clients.

### **Lynne's educational background and recognitions include:**

- An M.P.A from Ohio State University, taking most of her coursework in the School of Business Administration and eight years of post-graduate training in Organizational Development.
- Awards and honors include citations from many non-profit organizations, a Governor's Citation from the State of Ohio, a Pace Setter's Award from Ohio State University, and membership in Phi Beta Kappa.

# KEVIN E. GALLAGHER

## **BACKGROUND**

- Mid-level manager NYNEX, (New York – New England Telephone Co) 35 years Technical services and support staff.
- Telephone consultant and troubleshooter nationwide.
- Volunteer firefighter 46 years. Served as Secretary, President and Captain.
- Board member, Huntington Village Co-Op, a 252 unit fully occupied complex.
- President of the Co-Op board, 4 years, controlling all aspects of management with a paid staff of 8 union employees.
- President of my homeowners association.
- 4 year Board member at Turtle Reef serving as Vice President Property Development

## **AT TURTLE REEF**

Upon joining the Board in 2007, I was elected V. P. Property Development. My position was to develop ideas and proposals for the improvement of our property to bring to the Board for approval or denial. I contributed property improvement ideas to the overall strategic plan, personally researching some of those ideas utilizing outside architects and contractors, vendors and retail stores to compile the data to price proposals for presentation to the Board. I also chair a Board Committee on Decorations. As a result of my leadership in this area of property development, the following improvements have taken place at Turtle Reef.

- New TV sets that are in vogue, large enough to be seen from the dining area using a swivel base. Additionally, a TV for the 2<sup>nd</sup> bedroom to be installed following cabling.
- New patio tables and chairs that allow better utilization of the screened in decks.
- New propane grills with timers and lighting to replace the falling apart charcoal units.
- New up to date chaise lounges around the pool, which are easy to keep clean, are comfortable, and accommodate more owners and guests.
- New, comfortable, heavy duty resin chairs on the pool deck.
- A policy of maintenance using stainless steel screws to stop unsightly rust stains.
- New vinyl self-locking child proof pool gates to replace the unsightly and dirty wood gates.
- New attractive, white impact resistant windows throughout Buildings C and D to provide further protection from storm and hurricane damage.
- The purchase of a solar water heating system for the pool, the cost of which will pay for itself in 1 ½ years, thus saving us about \$12,000/yr on propane.
- Automatic door openers at both the front and back of the lobby to ease the moving in process
- A new enclosure for garbage far from the building to minimize odors and pests.
- A systematic program of furniture and appliance replacement, redecoration, and updating of our units, which is currently in process.
- Upgrading and refurbishment of Unit A1 creating a unique three-bedroom space for sale or rental, adding to Turtle Reef's potential revenues.

My candidacy for re-election to the Board has been endorsed by the other four individual Board members.

## **PERSONAL**

Married 46 years with 3 married daughters and 7 grandchildren. Enjoys boating, photography, gardening, electronics and carpentry. Been coming to Turtle Reef 11 years and own 8 weeks in February and March.

## PETER M. ASHTON

I have had the privilege of serving as a director of Turtle Reef for the past 4 years. I served initially as Vice President Evaluation and for the past 3 years as Secretary/Treasurer.

I am a Fellow of the Institute of Chartered Accountants and for a number of years was employed by one of the leading auditing firms. Subsequent to leaving the auditing profession, I have gained experience in the fields of banking, single and multi family property construction, property management and the time share industry. I have over the years served on the boards of a number of condominium and timeshare properties.

In my position as Vice President of Evaluation, I was involved in negotiating the management contract with Defender Resorts. The decision to engage a professional resort manager was made after reviewing the then existing manner in which the property was operated. The board recognized that there needed to be continuity in management and that the considerable time being spent by one board member in managing the property could not go on indefinitely.

In my position as Treasurer, I have implemented a number changes to the financial reports received by the board members. These include simplifying the monthly statements to make them more useful and understandable, the completion of a reserve analysis study which was conducted by an independent company specializing in this area and new procedures for the preparation of the annual budget. These changes have resulted in a significant decrease in the use of external accountants and the cost of their services.

During my time on the board of Turtle Reef, we have been faced with a number of challenges, the greatest of which have been the unexpected cost and disruption of the remediation and the concrete work. I would like to continue to serve as a board member in order to complete the work that we have commenced to place Turtle Reef on a sound financial footing and to ensure that in the future Turtle Reef once again becomes the outstanding experience you have all come to expect over the years.

I ask for your vote and if elected, I look forward to serving Turtle Reef for another term. Thank you for your past and continued support.

**TURTLE REEF CLUB**  
**2011 APPROVED OPERATING BUDGET - Version A**

**Revenues**

Member Assessments	\$ 1,700,660
Bad Debt	\$ (340,132)
Interest Income:	
Interest Bearing Cash Deposits	\$ 200
Interest Income -Real Estate Taxes	\$ 400
Interest Income - Delinquencies	\$ 3,000
Lock-Out Fee Income	\$ 1,100
Other Income	\$ 4,140
Rental Income from HOA weeks	\$ 51,000
Resale Income from HOA weeks	\$ 6,000
Vistana Income	\$ 20,000
<b>Net Revenue</b>	<b>\$ 1,446,368</b>

**Utility Expense**

Cable TV	\$ 22,781
Electric	\$ 71,000
Elevator	\$ 7,000
Gas	\$ 22,200
Internet	\$ 3,700
Refuse Removal	\$ 10,180
Sewer	\$ 20,210
Sewer Treatment Plant	\$ 15,500
Telephone	\$ 10,500
Water	\$ 23,000
<b>Total Utility Expense</b>	<b>\$ 206,071</b>

**Housekeeping Expenses**

Carpet & Drapery Cleaning	\$ 5,000
Cleaning Supplies	\$ 10,000
Laundry Supplies	\$ 2,000
Room Supplies	\$ 15,000
Window Cleaning	\$ 2,220
Welcome Kit/Guest Supplies	\$ 8,000
<b>Total Housekeeping</b>	<b>\$ 42,220</b>

**Maintenance Expenses**

Fire Protection	\$ 4,750
Grounds	\$ 16,700
Heating & Cooling	\$ 15,000
Locks	\$ 6,000
Pest Control	\$ 8,500
Plumbing	\$ 3,500
Pool Repairs & Chemicals	\$ 7,500
Repairs General - Interior & Exterior	\$ 19,500
Special Projects	\$ 5,500
<b>Total Maintenance</b>	<b>\$ 86,950</b>

**Administrative**

Accounting - Audit	\$ 12,000
Activity Function	\$ 5,000
Bank Fees	\$ 2,000
Board Reimbursement	\$ 15,500
Community Turtle Nest	\$ 2,700
Computer Support	\$ 2,000
Credit Card Processing Fee	\$ 1,000
Income Taxes	\$ 5,000
Legal	\$ 5,000
Liens & Foreclosures	\$ 29,000
Lockbox Charges	\$ 1,500
Management Company	\$ 98,397
Management Seminars & Training	\$ 2,500
Miscellaneous	\$ 1,500
Office Equipment Lease	\$ 3,000
Office Supplies	\$ 8,900
Permits & Licenses	\$ 8,500
Postage & Shipping	\$ 12,000
Printing & Stationery	\$ 10,000
Employee Mileage Reimbursement	\$ 2,000
Uniforms	\$ 3,000
<b>Total Administration</b>	<b>\$ 230,497</b>

**Salaries & Wages**

General Management	\$ 54,573
Salaries - Administrative	\$ 67,165
Salaries - Housekeeping	\$ 148,350
Salaries - Maintenance	\$ 72,531
<b>Total Salaries &amp; Wages</b>	<b>\$ 342,619</b>

**Payroll Taxes & Benefits**

Employee Insurance	\$ 30,536
Employee Solicitation and Promotions	\$ 1,800
Payroll Taxes - Federal & State	\$ 27,782
Pension Plan	\$ 10,000
Workman's Comp Insurance	\$ 6,408
<b>Total Payroll Taxes &amp; Benefits</b>	<b>\$ 76,526</b>

**Insurance/RE Taxes/Contracts**

Insurance - Liability & Windstorm	\$ 59,422
Flood Insurance	\$ 19,063
Real Estate Taxes	\$ 73,000
<b>Total Insurance and Taxes</b>	<b>\$ 151,485</b>

<b>Total Operating Expenses</b>	<b>\$ 1,136,368</b>
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<b>Total Amount to Transfer to Reserves</b>	<b>\$ 310,000</b>
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<b>Total Surplus (Deficit)</b>	<b>\$ -</b>
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**Approved 2011 Fee per Interval**

C-D Maintenance Fees	\$ 616
A-1 Maintenance Fees	\$ 736

<b><i>This version of the Budget allows for less than 100% funding of the Reserve Account</i></b>
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**TURTLE REEF CLUB**  
**2011 APPROVED OPERATING BUDGET - Version B**

**Revenues**

Member Assessments	\$ 3,375,660
Bad Debt	\$ (675,132)
Interest Income:	
Interest Bearing Cash Deposits	\$ 200
Interest Income -Real Estate Taxes	\$ 400
Interest Income - Delinquencies	\$ 3,000
Lock-Out Fee Income	\$ 1,100
Other Income	\$ 4,140
Rental Income from HOA weeks	\$ 51,000
Resale Income from HOA weeks	\$ 6,000
Vistana Income	\$ 20,000
<b>Net Revenue</b>	<b>\$ 2,786,368</b>

**Utility Expense**

Cable TV	\$ 22,781
Electric	\$ 71,000
Elevator	\$ 7,000
Gas	\$ 22,200
Internet	\$ 3,700
Refuse Removal	\$ 10,180
Sewer	\$ 20,210
Sewer Treatment Plant	\$ 15,500
Telephone	\$ 10,500
Water	\$ 23,000
<b>Total Utility Expense</b>	<b>\$ 206,071</b>

**Housekeeping Expenses**

Carpet & Drapery Cleaning	\$ 5,000
Cleaning Supplies	\$ 10,000
Laundry Supplies	\$ 2,000
Room Supplies	\$ 15,000
Window Cleaning	\$ 2,220
Welcome Kit/Guest Supplies	\$ 8,000
<b>Total Housekeeping</b>	<b>\$ 42,220</b>

**Maintenance Expenses**

Fire Protection	\$ 4,750
Grounds	\$ 16,700
Heating & Cooling	\$ 15,000
Locks	\$ 6,000
Pest Control	\$ 8,500
Plumbing	\$ 3,500
Pool Repairs & Chemicals	\$ 7,500
Repairs General - Interior & Exterior	\$ 19,500
Special Projects	\$ 5,500
<b>Total Maintenance</b>	<b>\$ 86,950</b>

**Administrative**

Accounting - Audit	\$ 12,000
Activity Function	\$ 5,000
Bank Fees	\$ 2,000
Board Reimbursement	\$ 15,500
Community Turtle Nest	\$ 2,700
Computer Support	\$ 2,000
Credit Card Processing Fee	\$ 1,000
Income Taxes	\$ 5,000
Legal	\$ 5,000
Liens & Foreclosures	\$ 29,000
Lockbox Charges	\$ 1,500
Management Company	\$ 98,397
Management Seminars & Training	\$ 2,500
Miscellaneous	\$ 1,500
Office Equipment Lease	\$ 3,000
Office Supplies	\$ 8,900
Permits & Licenses	\$ 8,500
Postage & Shipping	\$ 12,000
Printing & Stationery	\$ 10,000
Employee Mileage Reimbursement	\$ 2,000
Uniforms	\$ 3,000
<b>Total Administration</b>	<b>\$ 230,497</b>

**Salaries & Wages**

General Management	\$ 54,573
Salaries - Administrative	\$ 67,165
Salaries - Housekeeping	\$ 148,350
Salaries - Maintenance	\$ 72,531
<b>Total Salaries &amp; Wages</b>	<b>\$ 342,619</b>

**Payroll Taxes & Benefits**

Employee Insurance	\$ 30,536
Employee Solicitation and Promotions	\$ 1,800
Payroll Taxes - Federal & State	\$ 27,782
Pension Plan	\$ 10,000
Workman's Comp Insurance	\$ 6,408
<b>Total Payroll Taxes &amp; Benefits</b>	<b>\$ 76,526</b>

**Insurance/RE Taxes/Contracts**

Insurance - Liability & Windstorm	\$ 59,422
Flood Insurance	\$ 19,063
Real Estate Taxes	\$ 73,000
<b>Total Insurance and Taxes</b>	<b>\$ 151,485</b>

<b>Total Operating Expenses</b>	<b>\$ 1,136,368</b>
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<b>Total Amount to Transfer to Reserves</b>	<b>\$ 1,650,000</b>
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<b>Total Surplus (Deficit)</b>	<b>\$ -</b>
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**Approved 2011 Fee per Interval**

C-D Maintenance Fees	\$ 1,237
A-1 Maintenance Fees	\$ 1,318

**This version of the Budget allows for 100% funding of the Reserve Account**