

**Special Assessment
FAQ
12/12/2006**

1. Member: Why did we not receive a notice prior to the assessment bill?

- In August 2006, a letter of repairs and renovations and closing of Ritz 1 was sent out. This letter states that an Assessment bill will be sent out shortly.
- The letter was posted to our website, www.ritzbeach.com under News and Updates

2. Member: How can you charge us this assessment, it is not in our contract?

- The laws of the Bahamas allow for Special Assessment whether or not it's in your contract.
- We have received approval from the Timeshare Board of the Bahamas

3. Member: We can not afford to pay this.

- The member must contact Conrad to work out a payment plan.
- Should you be unable or refuse to pay it or work out payment plan, you may lose your membership and forfeit any monies paid.

4. Member: Will there be any additional late charges if we are unable to pay it in one payment?

- No, as long as you pay within the agreed payment plan.

5. Member: Can you waive the assessment?

- We are unable to waive the assessment. All Ritz owners have been assessed and it's the responsibility of each owner to pay it.

6. Member: How is the assessment fees calculated?

- The assessment fee is calculated based on your unit size and type., combination of number of units, number of weeks, number of beds square footage of interior and exterior balconies. Number of sliding doors, number of regular doors, number of balcony pools, specific to contract, all of the above was allocated to entire building unless a particular type of work had done only on one type of unit.

7. Member: Why is this not covered by my yearly Maintenance Fees?

- The maintenance fees cover the daily operations of the Resort like power, water, and regular maintenance of units. It is not covered for upgrades and renovations.

8. Member: I can't afford to pay this; can you just cancel my membership?

- a. Is your membership paid for?
 - If YES, tell them that we will send them a Mutual Release form for them to sign and return. Once we receive this signed Release form, we will cancel their membership.
 - If NO, tell them we will have to review your account and get Management Approval.

8. Member: Per the letter, it says that management reviewed the building, who is Management?

- Board of Directors and the Executors of the Estate

9. Member: Why was the building not reviewed in 2004?

- All buildings were reviewed after the 2 hurricanes; however, during the assessment and review in 2005, we were hit with another hurricane. We were unable to complete any repairs due to the destruction of two buildings. The roof at the Ritz were repaired in early 2005 but after Hurricane Wilma hit in late 2005, management concluded that it was necessary to install a Metal roof and make the building hurricane resistance as well as other damage on the island.

10. Member: How do we know that we won't be billed every year?

- The Resort has been in operation since 1980 and this is the only assessment levied during the entire operation. It is not the policy of the Resort to levy assessments unless in extreme and exceptional circumstances.

11. Member: Why do we have to pay this?

- It is the responsibility of each Ritz owner to pay their share. These improvements will:
 - Improve standings with RCI (Resort Condominiums International)
 - Make it less likely to sustain severe damage in a hurricane
 - Enhance your overall experience while staying with us.

12. Member: But when I purchased this Membership, I signed a document stating that this was NOT a timeshare.

- Since the amendment of The Timeshare Act, Ritz Beach Vacation Club is now governed by the Timeshare Act.

13. Member: I will not pay this assessment until I get information on my Investment Certificate?

- This Assessment has nothing to do with the Investment Certificate.
- All queries regarding Investment certificates are being handled by Ken Farino, Attorney at Law hired by the Executors of the Estate. We have no information on any Certificates. You will need to contact Ken Farino at 7 East Franklin Street, Richmond, VA 23219 or email kvlaw@aol.com

14. Member: Why is this not covered by insurance?

- The hurricane damage was repaired with the insurance funds. However, after review of Management, it was decided to make the buildings more hurricane resistance and this is not covered by insurance but should reduce future claims.

15. Member: What is the actual cost of renovations?

- It has not been complete yet but it will be in excess of 1.6 million. And it's allocated on the number of weeks.