



**Hilton**  
**Grand Vacations Company**

October 2009

Dear Casa Ybel FGH Owner,

It is our pleasure to serve you and ensure that your resort remains an extraordinary setting for your vacation getaways.

In addition to last year's enhancements to the building exteriors, the resort has implemented several other exciting upgrades in recent months, including repainting of the unit interiors; refinishing of unit furniture; installation of new 32-inch flat-screen TVs in the living rooms and master bedrooms; and installation of tile and new screen enclosures on the upper unit lanais. The lower units will receive the tile and screen enclosures next year.

**2010 Billing / Budget Impacts**

Enclosed is the statement for your 2010 maintenance fee and 2009 real estate taxes. The operating portion funds the day-to-day operations of your resort, with the reserves portion funding future improvements to your property, including replacement of furniture and roofing, painting and other enhancements as needed.

Many of the key factors that contribute to a change in maintenance fees for 2010 are largely beyond the control of the association, such as real estate taxes, insurance premiums and utility costs. In addition, the association has seen an increase in uncollectible accounts and a decrease in interest earned on operating funds.

Please keep in mind that your association's Board of Directors and Hilton Grand Vacations work carefully to establish your association's budget, addressing important needs for maintaining and enhancing your property while managing your annual maintenance fee. For more information about your billing statement – including Frequently Asked Questions – please review the enclosed brochure, "Understanding Your Vacation Ownership Statement."

**Prompt payment of the enclosed bill – due on January 1, 2010 – is appreciated.** Payment on or before that date will ensure sufficient flow of funds to support ongoing operations at your property. Remember that the postage date has no bearing on the application of funds to your account – allow at least 10 business days after mailing your payment for the payment to be posted in our system.

**Please be aware that your account will be considered past due and subject to late fees and related charges after January 1, 2010, and that any late fees and related charges will not be waived, in accordance with policies established by your association's governing documents and/or Board of Directors and/or applicable law.**

**Payment Options**

**By Check** – Paying by check is the most cost-effective payment method for your association. Please make your check payable to Casa Ybel Beach & Racquet Club, include your account number on the check and remit it with your payment stub. 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 Card Online** – If you are a Hilton Grand Vacations Club Member, log in at hgvclub.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 hgvclub.com and click the online payment button for non-members.

All payments must be payable in U.S. funds.

### **Board of Directors**

At the last Annual Owners Meeting, the ownership re-elected Len Elikan and Lynn Perkins to seats on the Board of Directors. We are excited to have them as Board Members again and look forward to their many contributions to the long-term prosperity of your association. We also extend our thanks to the rest of your Board Members – Brenda Pommerenke, John Demos, Joseph Gala, Patricia Sweeney and Susan Walter – for their continued support and leadership.

At the 2010 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 by January 31, 2010.

### **ARDA – Timeshare's First Line of Defense**

As the vacation ownership industry's trade association, the American Resort Development Association (ARDA) promotes a "timeshare-friendly" legislative agenda at the local, state and federal levels. On behalf of ARDA, we would like to thank those who have supported these efforts by making a voluntary \$3 annual contribution to the ARDA-Resort Owners Coalition.

ARDA has been successful at protecting timeshare Owners from excess federal taxes (on prepaid assessments, surplus assessments and capital reserve funds) as well as from excess resort-use taxes. ARDA has also been instrumental in preserving the second home exemption for timeshare Owners. Your Board of Directors has made the decision to include a contribution to ARDA on your billing statement and encourages you again to make this voluntary contribution of \$3 when paying your 2010 fees. To learn more about ARDA, visit [arda.org](http://arda.org).

If you have any questions about your 2010 maintenance fees and taxes, please feel free to contact me by phone at (239) 395-1876.

On behalf of the staff of Casa Ybel Resort, we look forward to welcoming you back to the familiar comfort of your home away from home.

Warmest regards,

A handwritten signature in cursive script that reads "Chris Cain".

Chris Cain  
Interval Manager

**CASA YBEL BEACH AND RACQUET CLUB CONDOMINIUM ASSOCIATION, INC**  
**ANNUAL BUDGET FOR THE PERIOD**  
**JANUARY 1, 2010 THROUGH DECEMBER 31, 2010**

Description	2856 unit/weeks	2010	2010	2009	2009	2009
		Annual Budget	Per Unit/ Week	Per Unit/ Week	Annual Budget	Proj. Actuals For Year
<b>REVENUE</b>						
Association Fees		1,600,397	560.36	559.32	1,597,423	1,597,423
Late Fee Income		6,000	2.10	3.50	10,000	8,543
NSF Income		0	0.00	0.00	0	70
Interest Income		1,000	0.35	3.61	10,300	1,073
Dividend Income		0	0.00	0.95	2,700	5
Week 53 Income		6,160	2.16	0.00	0	0
Prior Year Surplus (Deficit)		46,323	16.22	0.00	0	0
Other Revenue		0	0.00	0.00	0	250
<b>TOTAL OPERATING REVENUE</b>		<b>1,659,880</b>	<b>581.19</b>	<b>567.38</b>	<b>1,620,423</b>	<b>1,607,363</b>
<b>ADMINISTRATIVE</b>						
Annual Audit		6,400	2.24	2.17	6,204	6,200
Bad Debt Expense		10,000	3.50	0.00	0	0
Other Administrative Expenses		218,130	76.38	74.48	212,706	212,230
Postage, Printing, Newsletter		20,577	7.20	7.78	22,225	22,480
Management Fees		114,456	40.08	40.08	114,456	114,456
Division Fees		5,712	2.00	2.00	5,712	5,712
Financial Services Fees		31,934	11.18	10.96	31,302	31,302
Board Reimbursement		14,500	5.08	5.08	14,500	13,539
<b>Total</b>		<b>421,709</b>	<b>147.66</b>	<b>142.55</b>	<b>407,105</b>	<b>405,919</b>
<b>OPERATING EXPENSE</b>						
Office, Desk		287,655	100.72	104.95	299,747	276,753
Housekeeping, Laundry, Supplies		385,148	134.86	134.84	385,117	377,112
Security Provisions		6,000	2.10	2.10	6,000	6,216
Grounds & Landscaping		43,620	15.27	15.65	44,710	42,627
<b>Total</b>		<b>722,423</b>	<b>252.95</b>	<b>257.55</b>	<b>735,574</b>	<b>702,708</b>
<b>UTILITIES</b>						
Electric		90,350	31.64	29.31	83,700	89,265
Water, Sewer, Gas		70,100	24.54	23.54	67,236	68,586
Waste Disposal		16,356	5.73	5.73	16,356	15,326
Cable Television		18,528	6.48	6.07	17,346	17,317
<b>Total</b>		<b>195,334</b>	<b>68.39</b>	<b>64.65</b>	<b>184,638</b>	<b>190,494</b>
<b>BUILDING</b>						
Maintenance - Service, Equipment, Supplies		74,234	25.99	14.94	42,660	52,618
Building & Equipment Contracts		18,876	6.61	7.88	22,501	22,804
<b>Total</b>		<b>93,110</b>	<b>32.60</b>	<b>22.82</b>	<b>65,161</b>	<b>75,422</b>
<b>INSURANCE &amp; TAXES</b>						
General Insurance		224,304	78.54	75.18	214,723	211,836
Income Tax		3,000	1.05	4.63	13,222	2,900
Taxes Upon Timeshare Property (Ad Valorem Taxes)		n/a	n/a	n/a	n/a	n/a
Taxes Upon Leased Areas		n/a	n/a	n/a	n/a	n/a
<b>Total</b>		<b>227,304</b>	<b>79.59</b>	<b>79.81</b>	<b>227,945</b>	<b>214,736</b>
<b>SALE OF ASSOCIATION WEEKS</b>						
Sale of Association Weeks		0	0.00	0.00	0	(6,000)
Cost of Sales		0	0.00	0.00	0	4,518
<b>Total</b>		<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>(1,482)</b>
<b>OPERATING EXPENSE TOTAL</b>		<b>1,659,880</b>	<b>581.19</b>	<b>567.38</b>	<b>1,620,423</b>	<b>1,587,796</b>
<b>OPER. PROFIT/(LOSS)</b>		<b>0</b>	<b>0.00</b>	<b>(0.00)</b>	<b>(0)</b>	<b>19,567</b>

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	
	2010 Annual Budget	2010 Per Unit/ Week	2009 Per Unit/ Week	2009 Annual Budget	2009 Proj. Actuals For Year	2010 Annual Budget	2010 Per Unit/ Week
<b>RESERVE REVENUE</b>	578,451	202.54	134.16	383,144	383,161	433,086	151.64
<b>RESERVE EXPENSES</b>							
<b>Capital Reserves:</b>							
Interior	481,616	168.64	119.41	341,003	341,020	340,741	119.31
Roof	8,433	2.95	2.95	8,433	8,433	8,433	2.95
Paving	4,025	1.41	1.50	4,279	4,279	4,136	1.45
Recreation	0	0.00	0.00	0	0	0	0.00
Common Area	0	0.00	0.00	0	0	0	0.00
Capital Improvements	42,449	14.86	10.30	29,429	29,429	38,109	13.34
<b>Total</b>	<b>536,523</b>	<b>187.86</b>	<b>134.16</b>	<b>383,144</b>	<b>383,161</b>	<b>391,419</b>	<b>137.05</b>
<b>Painting Reserve</b>	41,928	14.68	0.00	0	0	41,667	14.59
<b>Total</b>	<b>41,928</b>	<b>14.68</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>41,667</b>	<b>14.59</b>
<b>RESERVE EXPENSE TOTAL</b>	<b>578,451</b>	<b>202.54</b>	<b>134.16</b>	<b>383,144</b>	<b>383,161</b>	<b>433,086</b>	<b>151.64</b>
<b>RESERVE PROFIT/(LOSS)</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>

**CASA YBEL BEACH AND RACQUET CLUB CONDOMINIUM ASSOCIATION, INC**  
**ANNUAL BUDGET FOR THE PERIOD**  
**JANUARY 1, 2010 THROUGH DECEMBER 31, 2010**

Summary	Statutory Reserve Funding				With Owner Waiver of Statutory Reserve Funding		
	2010 Annual Budget	2010 Per Unit/ Week	2009 Per Unit/ Week	2009 Annual Budget	2009 Proj. Actuals For Year	2010 Annual Budget	2010 Per Unit/ Week
<b>OPERATING FEE</b>	1,600,397	560.36	559.32	1,597,423	1,597,423	1,600,397	560.36
<b>CAPITAL RESERVE</b>	536,523	187.86	134.16	383,144	383,161	391,419	137.05
<b>PAINTING RESERVE</b>	41,928	14.68	0.00	0	0	41,667	14.59
<b>SPECIAL ASSESSMENT</b>	0	0.00	0.00	0	0	0	0.00
<b>NET BEFORE CREDITS</b>	<b>2,178,848</b>	<b>762.90</b>	<b>693.48</b>	<b>1,980,567</b>	<b>1,980,584</b>	<b>2,033,483</b>	<b>712.00</b>
<b>CREDITS</b>							
<b>PAINTING RESERVE REFUND</b>	0	0.00	0.00	0	0	0	0.00
<b>OPER. SURPLUS REFUND</b>	0	0.00	0.00	0	0	0	0.00
<b>TOTAL CREDITS</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>TOTAL AMOUNT BILLED</b>	<b>2,178,848</b>	<b>762.90</b>	<b>693.48</b>	<b>1,980,567</b>	<b>1,980,584</b>	<b>2,033,483</b>	<b>712.00</b>

**CASA YBEL BEACH AND RACQUET CLUB CONDOMINIUM ASSOCIATION, INC**  
**RESERVE ANALYSIS FOR THE PERIOD**  
**JANUARY 1, 2010 THROUGH DECEMBER 31, 2010**

2856 unit/weeks Replacement Fund	Average Estimated Life (in years)	Average Estimated Remaining Life (in years)	Estimated Replacement Cost (2856 units)	2010 Statutory Reserve Funding	Estimated Fund Balance As of 1/1/2010	2010 Proposed Reserve/Assmt. Funding	2010 Projected Expenses	Estimated Fund Balance As of 12/31/2010
Interior	9.08	5.48	3,092,880	481,616	456,000	340,741	537,600	259,141
Roof	15.00	11.00	126,500	8,433	33,740	8,433	0	42,173
Painting	4.56	4.28	190,000	41,928	10,550	41,667	0	52,217
Paving	9.18	8.40	37,949	4,025	4,150	4,136	2,000	6,286
Recreation	0.00	0.00	0	0	0	0	0	0
Common Area	0.00	0.00	0	0	0	0	0	0
Capital Improvements	22.80	15.37	868,700	42,449	216,200	38,109	6,500	247,809
<b>TOTAL</b>			<b>4,316,029</b>	<b>578,451</b>	<b>720,640</b>	<b>433,086</b>	<b>546,100</b>	<b>607,626</b>

	2010 Statutory Reserve Funding	2010 Proposed Reserve Funding
Operating Fee	\$560.36	\$560.36
Capital Reserve	\$187.86	\$137.05
Painting Reserve	\$14.68	\$14.59
Special Assessment	\$0.00	\$0.00
Total Amount Billed	<u>\$762.90</u>	<u>\$712.00</u>
Painting Reserve Refund	\$0.00	\$0.00
Operating Surplus Refund	\$0.00	\$0.00
<b>TOTAL AMOUNT BILLED</b>	<b><u>\$762.90</u></b>	<b><u>\$712.00</u></b>

\*\* 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 \$762.90. The Board of Directors recommends a vote in favor of waiving the full funding requirements for Statutory Reserves at the 2009 annual meeting, thereby establishing the maintenance fee at \$712.00 for the 2010 budget year.

**NOTE:**  
There may be some items that may 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 2856 periods of 7-day annual use availability that exists within the timeshare plan for which annual fees are required to be paid to the Division of Florida Land Sales, Condominiums and Mobile Homes, Bureau of Timeshare, in accordance with Section 721.27, Florida Statutes.