



Hilton
Grand Vacations Company

October 2009

Dear Casa Ybel IJK 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; installation of new living room sleeper sofas; and installation of tile on the screened lanais.

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, Phase IJK, 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 Ron Miller to a seat on the Board of Directors. We are excited to have Ron as a Board Member again and look forward to his many contributions to the long-term prosperity of your association. We also extend our thanks to the rest of your Board Members – Terry Williams and Janette Reid – for their continued support and leadership.

At the 2010 Annual Owners Meeting, one (1) candidate 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.

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,



Chris Cain
Interval Manager

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

| Description | 900 unit/weeks | 2010 Annual Budget | 2010 Per Unit/ Week | 2009 Per Unit/ Week | 2009 Annual Budget | 2009 Proj. Actuals For Year |
|--|-------------------|--------------------------|---------------------------|---------------------------|--------------------------|-----------------------------------|
| REVENUE | | | | | | |
| Association Fees | | 619,302 | 688.11 | 649.07 | 584,163 | 584,163 |
| Late Fee Income | | 2,400 | 2.67 | 2.66 | 2,400 | 4,424 |
| Interest Income | | 0 | 0.00 | 4.67 | 4,200 | 193 |
| Dividend Income | | 0 | 0.00 | 3.00 | 2,700 | 1 |
| Week 53 Income | | 1,980 | 2.20 | 0.00 | 0 | 0 |
| Prior Year Surplus (Deficit) | | 4,269 | 4.74 | 0.00 | 0 | 0 |
| Other Revenue | | 0 | 0.00 | 0.00 | 0 | 40 |
| TOTAL OPERATING REVENUE | | 627,951 | 697.72 | 659.40 | 593,463 | 588,821 |
| ADMINISTRATIVE | | | | | | |
| Annual Audit | | 6,400 | 7.11 | 6.89 | 6,204 | 6,204 |
| Bad Debt Expense | | 16,500 | 18.33 | 0.00 | 0 | 0 |
| Other Administrative Expenses | | 76,635 | 85.15 | 80.76 | 72,685 | 73,996 |
| Postage, Printing, Newsletter | | 7,478 | 8.31 | 8.73 | 7,855 | 7,241 |
| Management Fees | | 36,071 | 40.08 | 40.08 | 36,071 | 36,071 |
| Division Fees | | 1,800 | 2.00 | 2.00 | 1,800 | 1,800 |
| Financial Services Fees | | 13,897 | 15.44 | 15.14 | 13,626 | 13,626 |
| Board Reimbursement | | 10,000 | 11.11 | 8.89 | 8,000 | 9,633 |
| Total | | 168,781 | 187.53 | 162.49 | 146,241 | 148,571 |
| OPERATING EXPENSE | | | | | | |
| Office, Desk | | 90,071 | 100.09 | 103.68 | 93,317 | 86,794 |
| Housekeeping, Laundry, Supplies | | 129,945 | 144.38 | 139.90 | 125,909 | 125,563 |
| Security Provisions | | 3,025 | 3.36 | 4.67 | 4,200 | 2,420 |
| Grounds & Landscaping | | 37,804 | 42.00 | 41.99 | 37,790 | 37,470 |
| Total | | 260,845 | 289.83 | 290.24 | 261,216 | 252,246 |
| UTILITIES | | | | | | |
| Electric | | 37,300 | 41.44 | 41.49 | 37,350 | 36,649 |
| Water, Sewer, Gas | | 14,255 | 15.84 | 19.30 | 17,369 | 13,515 |
| Waste Disposal | | 6,375 | 7.09 | 7.35 | 6,612 | 6,375 |
| Cable Television | | 8,478 | 9.42 | 8.81 | 7,926 | 7,908 |
| Total | | 66,408 | 73.79 | 76.95 | 69,257 | 64,446 |
| BUILDING | | | | | | |
| Maintenance - Service, Equipment, Supplies | | 51,192 | 56.88 | 37.07 | 33,360 | 54,074 |
| Building & Equipment Contracts | | 6,068 | 6.74 | 8.09 | 7,280 | 7,378 |
| Total | | 57,260 | 63.62 | 45.16 | 40,640 | 61,453 |
| INSURANCE & TAXES | | | | | | |
| General Insurance | | 73,757 | 81.95 | 78.45 | 70,609 | 69,605 |
| Income Tax | 900 | 900 | 1.00 | 6.11 | 5,500 | 716 |
| Taxes Upon Timeshare Property (Ad Valorem Taxes) | n/a | n/a | n/a | n/a | n/a | n/a |
| Taxes Upon Leased Areas | n/a | n/a | n/a | n/a | n/a | n/a |
| Total | | 74,657 | 82.95 | 84.56 | 76,109 | 70,321 |
| SALE OF ASSOCIATION WEEKS | | | | | | |
| Sale of Association Weeks | | 0 | 0.00 | 0.00 | 0 | (7,500) |
| Cost of Sales | | 0 | 0.00 | 0.00 | 0 | 7,227 |
| Total | | 0 | 0.00 | 0.00 | 0 | (273) |
| OPERATING EXPENSE TOTAL | | 627,951 | 697.72 | 659.40 | 593,463 | 596,765 |
| OPER. PROFIT/(LOSS) | | 0 | 0.00 | 0.00 | (0) | (7,944) |

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 |
| RESERVE REVENUE | 244,914 | 272.13 | 230.93 | 207,838 | 207,838 | 187,649 | 208.50 |
| RESERVE EXPENSES | | | | | | | |
| Capital Reserves: | | | | | | | |
| Interior | 197,339 | 219.27 | 163.36 | 147,022 | 147,022 | 140,593 | 156.22 |
| Roof | 5,882 | 6.54 | 6.36 | 5,727 | 5,727 | 5,727 | 6.36 |
| Paving | 3,637 | 4.04 | 3.43 | 3,091 | 3,091 | 3,720 | 4.13 |
| 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 | 23,238 | 25.82 | 36.11 | 32,498 | 32,498 | 22,859 | 25.40 |
| Total | 230,096 | 255.67 | 209.26 | 188,338 | 188,338 | 172,899 | 192.11 |
| Painting Reserve | 14,818 | 16.46 | 21.67 | 19,500 | 19,500 | 14,750 | 16.39 |
| Total | 14,818 | 16.46 | 21.67 | 19,500 | 19,500 | 14,750 | 16.39 |
| RESERVE EXPENSE TOTAL | 244,914 | 272.13 | 230.93 | 207,838 | 207,838 | 187,649 | 208.50 |
| RESERVE PROFIT/(LOSS) | 0 | 0.00 | (0.00) | (0) | 0 | 0 | 0.00 |

CASA YBEL BEACH AND RACQUET CLUB, PHASE IJK, 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 |
| OPERATING FEE | 619,302 | 688.11 | 649.07 | 584,163 | 584,163 | 619,302 | 688.11 |
| CAPITAL RESERVE | 230,096 | 255.67 | 209.26 | 188,338 | 188,338 | 172,899 | 192.11 |
| PAINTING RESERVE | 14,818 | 16.46 | 21.67 | 19,500 | 19,500 | 14,750 | 16.39 |
| SPECIAL ASSESSMENT | 0 | 0.00 | 0.00 | 0 | 0 | 0 | 0.00 |
| NET BEFORE CREDITS | 864,216 | 960.24 | 880.00 | 792,001 | 792,001 | 806,951 | 896.61 |
| CREDITS | | | | | | | |
| PAINTING RESERVE REFUND | 0 | 0.00 | 0.00 | 0 | 0 | 0 | 0.00 |
| OPER. SURPLUS REFUND | 0 | 0.00 | 0.00 | 0 | 0 | 0 | 0.00 |
| TOTAL CREDITS | 0 | 0.00 | 0.00 | 0 | 0 | 0 | 0.00 |
| TOTAL AMOUNT BILLED | 864,216 | 960.24 | 880.00 | 792,001 | 792,001 | 806,951 | 896.61 |

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

| 900 unit/weeks Replacement Fund | Average Estimated Life (in years) | Average Estimated Remaining Life (in years) | Estimated Replacement Cost (900 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 | 10.10 | 6.67 | 1,419,534 | 197,339 | 103,700 | 140,593 | 0 | 244,293 |
| Roof | 15.00 | 11.00 | 85,905 | 5,882 | 21,200 | 5,727 | 0 | 26,927 |
| Painting | 4.81 | 4.41 | 71,000 | 14,818 | 5,700 | 14,750 | 0 | 20,450 |
| Paving | 8.01 | 7.01 | 29,800 | 3,637 | 4,300 | 3,720 | 2,400 | 5,620 |
| 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 | 19.54 | 17.81 | 446,765 | 23,238 | 32,900 | 22,859 | 2,500 | 53,259 |
| TOTAL | | | 2,053,004 | 244,914 | 167,800 | 187,649 | 4,900 | 350,549 |

| | 2010 Statutory Reserve Funding | 2010 Proposed Reserve Funding |
|----------------------------|--------------------------------|-------------------------------|
| Operating Fee | \$688.11 | \$688.11 |
| Capital Reserve | \$255.67 | \$192.11 |
| Painting Reserve | \$16.46 | \$16.39 |
| Special Assessment | \$0.00 | \$0.00 |
| Total Amount Billed | <u>\$960.24</u> | <u>\$896.61</u> |
| Painting Reserve Refund | \$0.00 | \$0.00 |
| Operating Surplus Refund | \$0.00 | \$0.00 |
| TOTAL AMOUNT BILLED | <u>\$960.24</u> | <u>\$896.61</u> |

** 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 \$960.24. 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 \$896.61 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 900 periods of 7-day annual use availability that exist 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.