



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

October 2008

Dear Casa Ybel IJK Owner,

As we near the end of another terrific year at your home-away-from-home, we are grateful for the opportunity to continue serving you.

In recent months, numerous board-approved property enhancements have been made, as noted in recent newsletters and on your association's official website, [casaybelresort.com](http://casaybelresort.com). New exterior handrail systems, lighting, signage, building painting and resurfacing of the driveways and parking lots are among the most significant items. It has been exciting to see the 25-year-old buildings being transformed into what looks like a brand new resort. I would like to thank the Owners who were on site during the improvement projects for their patience and understanding while the work took place.

**2009 Billing / Budget Impacts**

Enclosed is the statement for your 2009 maintenance fee and 2008 real estate taxes. Your Board of Directors has established the maintenance fee and reserve portion of your statement at \$880.00, which is an increase of \$13.94, or 1.6 percent, over the 2008 fee. This funds the day-to-day operations of your resort, as well as future improvements to your property. Your board spent a great deal of time making sure this portion of your annual fee was kept as low as possible but still addressed important needs for maintaining and enhancing your property.

The 2008 real estate taxes included on this statement along with the individual weekly allocations are determined by the Lee County Tax Collector. For the 2008 tax allocation, Lee County made a number of changes that resulted in an impact on the resort's taxes. First of all, the resort's assessed value increased almost 8 percent, and the allocation method used to determine your weekly amount was changed. Also, beginning this year, the IJK association is now being billed independently from the FGH association. Unfortunately, the combination of these changes has resulted in significant increases for some of you. While we will continue to work with Lee County, your board does not have control over its final decision.

**Your prompt payment of the enclosed bill – due by January 1, 2009 – is appreciated.** Payment on or before that date will ensure sufficient flow of funds to support ongoing operations at your property.

For more information about your billing statement – including frequently asked questions – please review the enclosed brochure. "Understanding Your Vacation Ownership Statement".

**Payment Options**

**By Check** – Paying by check is the most cost-effective payment method for your association. **To help keep your association fees as low as possible, your board would like to encourage you to use this payment option.** Please make your check payable to Casa Ybel Beach & Racquet Club 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 association to prevent co-mingling of funds among associations.

**By Credit Card Online – This is the most costly method of payment. However, we are still maintaining this as an option.** If you are a Hilton Grand Vacations Club Member, log in at hgvclub.com and click “Pay Fees & Taxes” under the “My Ownership” tab. Have your Club Member number and password at your fingertips. 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 Janette Reid to the Board of Directors. We are excited to have her as a Board Member and look forward to her many contributions to the long-term prosperity of your association and your property. We also extend our thanks to the rest of your Board Members – Ron Miller and Terry Williams – for their continued support and leadership.

At the 2009 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, 2009.

### **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 2009 fees. To learn more about ARDA, visit [arda.org](http://arda.org).

If you have any questions about your 2009 maintenance fees and taxes, please feel free to contact me by phone at (239) 395-1876. On behalf of the entire staff of Casa Ybel Resort, we value the role we play in making your vacations fun, relaxing and unforgettable.

Warmest regards,



Chris Cain  
Interval Manager

**CASA YBEL BEACH AND RACQUET CLUB, PHASE IJK, CONDOMINIUM ASSOCIATION, INC.**  
**ANNUAL BUDGET FOR THE PERIOD**  
**JANUARY 1, 2009 THROUGH DECEMBER 31, 2009**

SUMMARY	Statutory Reserve Funding		2008 Per Unit/Week	2008 Annual Budget	With Owner Waiver of Statutory Reserve Funding	
OPERATING FEE	584,163	649.07	623.28	560,956	584,163	649.07
CAPITAL RESERVE	244,860	272.06	285.74	257,162	188,338	209.26
PAINTING RESERVE	20,012	22.24	27.04	24,333	19,500	21.67
<b>NET BEFORE CREDITS</b>	<b>849,035</b>	<b>943.37</b>	<b>936.06</b>	<b>842,451</b>	<b>792,001</b>	<b>880.00</b>
<b>CREDITS</b>						
OPER. SURPLUS REFUND	0	0.00	(70.00)	(63,000)	0	0.00
<b>TOTAL CREDITS</b>	<b>0</b>	<b>0.00</b>	<b>(70.00)</b>	<b>(63,000)</b>	<b>0</b>	<b>0.00</b>
<b>TOTAL AMOUNT BILLED</b>	<b>849,035</b>	<b>943.37</b>	<b>866.06</b>	<b>779,451</b>	<b>792,001</b>	<b>880.00</b>

**RESERVE ANALYSIS FOR THE PERIOD**

900 unit/weeks Replacement Fund	Average Estimated Life (in years)	Average Estimated Remaining Life (in years)	Estimated Replacement Cost (18 units)	2009 Statutory Reserve Funding	Estimated Fund Balance As of 1/1/2009	2009 Proposed Reserve Funding	2009 Projected Expenses	Estimated Fund Balance As of 12/31/2009
Interior	9.59	6.69	1,410,354	210,033	4,500	147,022	76,500	75,022
Roof	15.00	12.00	85,905	5,633	18,314	5,727	0	24,041
Painting	4.62	2.54	90,000	20,012	39,200	19,500	54,000	4,700
Paving	10.16	9.23	31,400	3,271	1,200	3,091	0	4,291
Capital Improvements	20.08	18.10	471,765	25,923	2,500	32,498	32,500	2,498
<b>TOTAL</b>			<b>2,089,424</b>	<b>264,872</b>	<b>65,714</b>	<b>207,838</b>	<b>163,000</b>	<b>110,552</b>

	2009 Statutory Reserve Funding	2009 Proposed Reserve Funding
Operating Fee	\$649.07	\$649.07
Capital Reserve	\$272.06	\$209.26
Painting Reserve	\$22.24	\$21.67
<b>TOTAL AMOUNT BILLED</b>	<b>\$943.37</b>	<b>\$880.00</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 \$943.37. The Board of Directors recommended a vote in favor of waiving the full funding requirements for Statutory Reserves at the 2008 annual meeting, thereby establishing the maintenance fee at \$880.00 for the 2009 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, of the Florida Statutes.

**CASA YBEL BEACH AND RACQUET CLUB, PHASE IJK, CONDOMINIUM ASSOCIATION, INC.**  
**ANNUAL BUDGET FOR THE PERIOD**  
**JANUARY 1, 2009 THROUGH DECEMBER 31, 2009**

Description	900 unit/weeks	2009 Annual Budget	2009 Per Unit/ Week	2008 Per Unit/ Week	2008 Annual Budget
<b>OPERATING REVENUE</b>					
Association Fees		584,163	649.07	623.28	560,956
Late Fee Income		2,400	2.66	3.56	3,200
Interest Income		4,200	4.67	11.67	10,500
Dividend Income		2,700	3.00	0.00	0
Total		593,463	659.40	638.51	574,656
<b>ADMINISTRATIVE</b>					
Annual Audit		6,204	6.89	6.89	6,200
Other Administrative Expense		72,685	80.76	78.36	70,521
Postage, Printing, Newsletter		7,855	8.73	6.71	6,040
Management Fees		36,071	40.08	38.39	34,550
Division Fees		1,800	2.00	2.00	1,800
Financial Services Fees		13,626	15.14	14.50	13,050
Board Reimbursement		8,000	8.89	8.89	8,000
Total		146,241	162.49	155.73	140,161
<b>OPERATING EXPENSE</b>					
Office, Desk		93,317	103.68	100.70	90,626
Housekeeping, Laundry, Supplies		125,909	139.90	131.82	118,640
Security Provisions		4,200	4.67	4.67	4,200
Grounds & Landscaping		37,790	41.99	39.91	35,920
Total		261,216	290.24	277.10	249,386
<b>UTILITIES</b>					
Electric		37,350	41.49	41.50	37,350
Water, Sewer, Gas		17,369	19.30	21.43	19,290
Waste Disposal		6,612	7.35	7.00	6,300
Cable Television		7,926	8.81	8.25	7,428
Total		69,257	76.95	78.19	70,368
<b>BUILDING</b>					
Maintenance - Service, Equipment, Supplies		33,360	37.07	32.44	29,200
Building & Equipment Contracts		7,280	8.09	7.56	6,803
Total		40,640	45.16	40.00	36,003
<b>INSURANCE AND TAXES</b>					
General Insurance		70,609	78.45	72.04	64,836
Income Tax		5,500	6.11	6.84	6,152
Taxes Upon Timeshare Property (Ad Valorem)		N/A	N/A	N/A	N/A
Taxes Upon Leased Areas		N/A	N/A	N/A	N/A
Total		76,109	84.56	78.88	70,988
<b>SALE OF ASSOCIATION WEEKS</b>					
Sale of Association Weeks		0	0.00	(5.56)	(5,000)
Cost of Sales		0	0.00	14.17	12,750
Total		0	0.00	8.61	7,750
<b>OPERATING EXPENSES Total</b>		593,463	659.40	638.51	574,656
<b>OPERATING PROFIT/(LOSS)</b>		0	0.00	0.00	0

Ad Valorem Taxes on individual weeks are billed by the 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	2008 Per Unit/ Week	2008 Annual Budget	With Owner Waiver of Statutory Reserve Funding	
<b>RESERVES</b>					
<b>RESERVE REVENUE</b>					
	264,872	294.30	312.77	281,495	230.93
<b>RESERVE EXPENSES</b>					
<b>Capital Expenses</b>					
Interior Reserve Expense	210,033	233.37	178.42	160,580	147,022
Roof Reserve Expense	5,633	6.26	6.36	5,727	6.36
Paving Reserve Expense	3,271	3.63	17.79	16,014	3,091
Capital Improvements Res Expense	25,923	28.80	83.16	74,841	32,498
Total	244,860	272.06	285.74	257,162	188,338
Painting Reserve Expense	20,012	22.24	27.04	24,333	19,500
<b>RESERVE EXPENSE Total</b>	264,872	294.30	312.77	281,495	230.93
<b>RESERVE PROFIT/(LOSS)</b>	0	0.00	0.00	0	0.00