

## FREQUENTLY ASKED QUESTIONS

### Q. What costs are covered by my maintenance fees and who approves the amount?

- A. Maintenance fees are approved by your association's Board of Directors and include the Operating Fee, Reserve Fee, Real Estate Taxes, Club Dues (if applicable), General Excise Tax (applicable to Hawaii ownership), Club Access Fee (applicable to purchasers of a property under development and who have elected to gain access to the Club program), and voluntary ARDA contribution. The Operating Fee funds the day-to-day operations of your resort, its administration and maintenance. The Reserve Fee funds the future refurbishment of the resort, including replacement of furniture and roofing, painting and other enhancements as needed. For more details about these fees, please see item ② inside this brochure.

### Q. Why did my maintenance fees change this year?

- A. Just as higher fuel costs and other rising costs have affected us in our personal lives, so too have the increased costs impacted the operation of your resort. The cost of fuel affects many line items in your association's budget. It has a direct impact on the cost of utilities and also drives inflation, which in turn leads to higher costs for a wide range of products and services. Some of these costs have increased in recent months at a higher rate than inflation.

Factors contributing to a change in maintenance fees include: an increased cost of amenities and activities; expenses driven by inflationary trends such as real estate taxes, insurance premiums and utility costs, which are outside the control of your association; and cost-of-living wage increases for on-site employees.

Please keep in mind that your association's Board of Directors works carefully to establish a budget for your property, addressing the need to maintain your property while managing your annual maintenance assessment.

### Q. When are maintenance fees due?

- A. Maintenance fees are due on or before January 1 each year, unless you are a new Owner. Shortly after the time of purchase, new Owners are billed for that calendar year's maintenance fees if they elected use rights for that year. After making this payment, new Owners join all other Owners on the same January 1 maintenance fee due- date cycle. Your prompt payment will ensure sufficient flow of funds to support ongoing operations at your resort. Late charges and interest fees will be assessed on unpaid balances according to your association's governing documents.

### Q. Why aren't maintenance fees and taxes prorated for new Owners?

- A. New Owners at Club resorts who elect to start their occupancy in the current year receive a full allotment of ClubPoints and are therefore responsible for paying the full year's maintenance fees and taxes.

### Q. If I don't occupy my unit until later in the year, why do I pay maintenance fees in January?

- A. The due date for payment of maintenance fees is established as part of your association's governing documents or by your Board of Directors. Your resort's budget is based on all Owners paying the maintenance fee by the due date. This ensures the sufficient flow of funds for the daily operation of your resort.

### Q. Do I still need to pay the maintenance fees if I don't occupy my unit this year?

- A. Yes. As an Owner, you are responsible for paying the annual maintenance fees and taxes at your resort, regardless of whether you occupy your unit. Annual maintenance fees are pro-rated to each vacation ownership interval not related to whether or not you occupy your unit.

### Q. How do I receive information about my association's budget?

- A. Details about your association's budget are included in the letter from your resort's General Manager, which accompanies the enclosed annual billing statement.

### Q. How are real estate taxes determined?

- A. Just like property taxes on a home, real estate taxes assessed to your vacation ownership interval are determined by the property assessor in the county where your resort is located. Each unit within the resort is assessed property tax. The property tax for the unit is then divided by the number of timeshare interests within that unit to determine the cost for each interest. Property assessors re-assess and re-value property on an ongoing basis, which can result in increases to the valuation of property and therefore the real estate taxes due on the property. In addition, cities and counties occasionally adjust millage, or real estate rates, which determines the level of property taxes owed on your vacation ownership interval.

## UNDERSTANDING YOUR VACATION OWNERSHIP STATEMENT



REVIEW IMPORTANT DETAILS INSIDE

  
**Hilton**  
**Grand Vacations**



Please know that your Board of Directors and Hilton Grand Vacations work carefully to establish the annual budgets, addressing the need to maintain your property while managing increases to your annual maintenance fees.

- **By Check** – Paying by check is the most cost-effective payment method for your association. Please make your check payable to the name of your association, include your account number on the check and remit it with your statement 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.

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

