



Hilton Grand Vacations

A GUIDE TO YOUR STATEMENT

FREQUENTLY ASKED QUESTIONS

Maintenance Fees

What costs are covered by my maintenance fees, and who approves the amount?

Maintenance fees are approved by your association's Board of Directors and include the Operating Fee, Reserve Fee and, in some states, Real Estate Taxes. For Hawaii properties, the Maintenance Fee includes the state General Excise Tax. Your statement also includes a voluntary ARDA contribution, Club Dues and Club Fees, which are not a part of your maintenance fees. For more details about these fees, please refer to the Description section inside this brochure.

Why did my maintenance fees change this year?

Your Board of Directors and on-site employees work very hard to maintain and enhance the level of service and quality of the resorts to exceed the expectations of all Owners and guests. Although savings can be achieved in certain costs, other costs increase over time, especially if there are unavoidable circumstances. For example, a hurricane or other such event will likely cause the cost of property insurance to increase. Additional factors contributing to a change in maintenance fees may include increased cost of amenities and activities; expense-driven 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.

When are maintenance fees due?

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 a sufficient flow of funds to support ongoing operations at your Home Resort. Late fees, interest charges and other fees will be assessed on unpaid balances as outlined in your association's governing documents.

Why aren't maintenance fees and taxes pro-rated for new Owners?

New Owners at Club resorts who select occupancy rights in the year in which they purchased receive a full allotment of ClubPoints and are, therefore, responsible for paying the full year's maintenance fees.

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

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 Home 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.

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

Yes. As an Owner, you are responsible for paying the annual maintenance fees and taxes for your Home Resort regardless of whether you occupy your unit. Annual maintenance fees are assessed to each vacation ownership interest and are not related to whether or not you occupy your unit.

Budget

How do I receive information about my budget?

Details about your association's budget are included in the letter from your Home Resort's General Manager, which accompanies the annual billing statement.

Reserve Funding

How does the Board determine how much to assess Owners for capital repairs and replacement?

When planning for the long-term financial health of your association, the Board uses a formal capital reserve study to determine the capital reserve

requirements of the property. This study is updated by a third-party vendor and approved annually by the association's Board of Directors.

When making these calculations, a number of items are taken into consideration, including the replacement, repair, and/or refurbishment of the improvements for the common elements (roof, pool, lobby, etc.), as well as the unit interiors (furniture, appliances, carpet, etc.). Each component is assigned a life cycle, which is based on how long it is expected to last before needing to be replaced, and the current replacement cost. Once those items have been established, the study examines the cash flow required to replace each component based on its respective life cycle, outlining how much needs to be assessed annually and how much will be spent in the coming year on capital items.

Your Board uses this tool to ensure your association has enough money available to replace or repair each item as scheduled over a 30-year period, helping to maintain your resort at the level you expect while limiting the potential for special assessments.

Real Estate Taxes

How are real estate taxes determined?

Real estate taxes are determined similarly to those assessed on a home. The property assessor for the county or city in which the property is located assesses the property every year and determines an "assessed value." In some counties, they assess the entire resort complex; in others, they assess each building or each unit. The assessed value may vary depending on the size of the unit or other factors, such as recent sale prices as reflected in the county records when a deed is recorded.

The amount stated in the tax bill is then divided by the number of timeshare interests within the unit or building(s) applicable to the tax bill to determine the cost for each ownership interest. Also, Property Assessors re-assess property annually, which can result in an increase to the value and, thus, taxes due on your vacation ownership interest. Cities and counties may also adjust millage rates or add new assessments, such as a bond issuance to fund roads or other projects. These will all affect real estate taxes owed. Some states consider real estate taxes a common expense and part of your maintenance fee assessment. Florida law provides that real estate taxes are not a common expense and must be billed as a separate line-item on your statement.

ARDA – Working to Protect Timeshare Owners

The American Resort Development Association (ARDA) serves as the vacation ownership industry's trade association, and works to promote a "timeshare-friendly" legislative agenda.

ARDA is dedicated to communicating with and activating the one million members that make up its Resort Coalition (ARDA-ROC) about legislative and regulatory policies impacting the industry. To that end, the organization has launched a new website (ARDA-ROC.org) to help inform and motivate Owners to become more vocal with policy makers to preserve, protect and enhance vacation ownership.

At its core, the site provides information regarding current and resolved legislative activity around the country and select jurisdictions. You can stay informed on important news, events, specific bills of interest and pertinent legislation relative to the state in which your resort is located. Additionally, the site offers information and resources, including consumer advisories and links to governors' offices, attorneys general, regulatory agencies and consumer groups.

We would like to thank those who have supported these efforts by making a voluntary \$5 annual contribution to the ARDA-ROC. Your Board of Directors has again included an option for this contribution on your billing statement and encourages you to consider this voluntary \$5 donation when paying your assessment.

The budget covers the cost of operating, maintaining and, when necessary, refurbishing your property. 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.

OWNERSHIP	CONTRACT

- **Operating Fee:** Funds the day-to-day operating expenses of your property including: costs related to routine building repairs and maintenance, administration and management, utilities, security, property insurance, housekeeping, recreational amenities, landscape maintenance, and other operating expenses.
- **Reserve Fee:** Funds capital reserves that need to be available for future replacement and refurbishment of your property, including furniture, painting, roofing, etc.
- **Club Dues:** Annual dues for membership in the Hilton Grand Vacations Club exchange program (if applicable) to access distinctive travel opportunities including stays at Hilton Grand Vacations resorts, reservations at thousands of RCI-affiliated resorts, Hilton hotel stays, and one-of-a-kind vacation experiences.
- **Inventory Activation:** A one-time inventory activation fee per ownership interest to enroll the interval in Hilton Grand Vacations Club.
- **Real Estate Taxes:** Taxes on real property assessed by the county in which the property is located.
- **ARDA-ROC:** This voluntary contribution supports the efforts of the American Resort Development Association (ARDA) through the ARDA-Resort Owners Coalition. ARDA is the vacation ownership industry's trade association, which promotes the interest of vacation ownership legislation on local, state and federal levels and has been particularly effective with tax-related issues. If you do not wish to contribute to ARDA, you may subtract this voluntary payment from the total amount due.
- **GE Tax:** The General Excise Tax is only applicable to Hawaii ownership and is imposed on business activity in the state of Hawaii.
- **Club Access Fee:** Applies only to purchasers of a property under development and not yet available for occupancy. The fee provides early access to the Hilton Grand Vacations Club program.

Date Due	Description	Charge	Credit

TOTAL AMOUNT DUE

KEEP THIS PORTION FOR YOUR RECORDS

TO ENSURE PROPER PAYMENT, PLEASE REMIT THIS PORTION WITH PAYMENT

CONTRACT NO.		AMOUNT DUE
PLEASE MAKE CHECK PAYABLE TO		

POST DATED CHECKS CANNOT BE

By Check: The most cost-effective payment method for your association. Please make your check payable to the name of your association, include your contract 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 commingling of funds among associations.

By Credit Card Online: If you are a Club Member, use your Club Member number and password to log in at club.hiltongrandvacations.com and click "View Maintenance Fees" under the "Ownership" menu. 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. A personalized summary of your Club Account will appear, providing access to payment options, association information, and contract details. To pay by credit card, select your preferred method of payment – Discover, MasterCard, Visa or American Express.

If you are not a Club Member, visit club.hiltongrandvacations.com to register for an account using your contract number and make payment.

Paying by check in US Dollars is the most cost-effective method for your Association. Please mail to the address below. To pay online, visit club.hiltongrandvacations.com