Hilton Grand Vacations

A GUIDE TO UNDERSTANDING YOUR STATEMENT

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 might maintenance fees change every year?
Your Board of Directors and on-site employees work hard to maintain and enhance the service and quality at each resort. Although every effort is made to reduce costs, certain costs increase over time. For example, a hurricane or other such event might 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 outside the control of your association; and cost-of-living wage increases for on-site employees.

When are maintenance fees due?
Annual maintenance fees are due on Jan. 1 of each year. New Owners also pay maintenance fees when selecting occupancy rights for their year of purchase. These fees cover the calendar year and are billed shortly after purchase. Prompt payments ensure ongoing upkeep and support to your Home Resort. Late fees, interest charges and other fees are assessed on unpaid balances as outlined in your association's governing documents or as approved by your board, as applicable.

Why aren't maintenance fees and taxes pro-rated for new Owners?
New Owners receive a full allotment of ClubPoints when selecting occupancy rights for their year of purchase and are responsible for paying the full year's maintenance fees.

Why do I pay maintenance fees in January when I don't occupy my unit until later in the year?
The due date for payment 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. Paying on time 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.

Budget

How do I receive information about my Home Resort's 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 assess for repairs and replacements?
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 prepared and 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 need to replace, repair, and/or refurbish common elements and unit interiors such as roofs, pools, lobbies, furniture, appliances and carpets. These components are assigned life cycles based on how long they are expected to last before needing replacement. The study examines the cash flow required to replace each component based on its respective life cycle and how much will be spent in the coming year.

Your board uses this annual assessment tool to prepare for replacements or repairs over a 30-year period, thus helping to maintain your resort to a first-class standard and in keeping with HGV's brand guidelines.

Real Estate Taxes

How are real estate taxes determined?
A 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, the entire resort complex is assessed; in others, each building or unit is assessed separately. 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.

To determine the cost for each Owner, the amount stated in the tax bill is then divided by the number of timeshare interests within the unit or building(s). An increase in annual property value will result in an increase of taxes due. Cities and counties may also adjust millage rates or add new assessments, such as a bond issuance to fund roads or other projects. These adjustments will also 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.

Third-Party Exit Company Fraud

It is important to be informed and cautious when receiving unsolicited calls from a third party claiming to be able to sell, rent or advertise your timeshare. HGV does not share your information with any third parties. In addition, we would never solicit to rent your timeshare or hire a third party to sell or rent your timeshare on our behalf. For more information on this topic, visit **my.hgv.com/fraud-alert**.

ARDA

The American Resort Development Association (ARDA) serves as the vacation ownership industry's trade association and works to promote a fair and equitable legislative agenda.

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

We would like to thank those who have supported these efforts by making a voluntary $5 annual contribution to ARDA-ROC. Your Board of Directors has again included an option for this contribution on your billing statement Third-Party Exit Company Fraud. Contributions to ARDA-ROC are not typically tax deductible. Please seek advice from your own tax advisor.

This guide is intended to help you familiarize yourself with the format of your statement as well as the fees and taxes that make up your annual maintenance assessment. The Board of Directors of your Owners' association is responsible for establishing the annual budget and maintenance fees for your Home Resort.

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.

STATEMENT

OWNERSHIP	CONTRACT NO.

ASSOCIATION

U.S. and Canada:
Worldwide: (407) 613-3119
M-F, 9am-6pm EST

Statement as of:

DESCRIPTION

- **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 program 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

SEE REVERSE SIDE FOR IMPORTANT INFORMATION

TOTAL AMOUNT DUE	

Failure to pay the Total Amount Due within days of the Date Due will result in the imposition of a LATE CHARGE OF $. Failure to pay the Total Amount Due within days of the Date Due will result in the imposition of a FINANCE CHARGE. The FINANCE CHARGE will be applied to the past due balance (maintenance fees and assessments) and will be computed at the rate of % per month. This is an ANNUAL PERCENTGE RATE OF %. All payments and credit are deducted from the past due balance prior to computation of the FINANCE CHARGE. If you are an Owner at more than one Association, a separate check must be prepared for each Association. By law, we cannot co-mingle funds of separate Associations.

KEEP THIS PORTION FOR YOUR RECORDS

TO ENSURE PROPER PAYMENT, PLEASE REMIT THIS PORTION WITH 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

CONTRACT NO.	AMOUNT DUE

PLEASE MAKE CHECK PAYABLE TO:

POST DATED CHECKS CANNOT BE ACCE

PAYMENT OPTIONS

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.

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