

ASSESSMENT BILLING NOTICE



ORLANDO VACATION SUITES II
CONDOMINIUM ASSOCIATION, INC.

IN THIS ISSUE

Your 2025 Statement

For questions about the 2025 budget, contact your Home Resort's general manager at 407-387-1301 or Abed.Ereikat@hgv.com.

Learn more about your maintenance fees with videos found here: my.hgv.com/maint-fees

Go Green

To "Go Green" and receive your billing statement electronically, you can opt-in at my.hgv.com/ManageCommunications (case sensitive). Select **Email & Print** to opt into electronic communications whenever possible.

Protect Yourself

Be wary of fraudulent calls, emails or letters claiming to buy, sell or rent your vacation ownership and benefits. Stay up-to-date on spotting red flags from timeshare scams with our educational resources. Visit our Timeshare Fraud Education page at my.hgv.com/fraud-protection for more information.

A MESSAGE FROM YOUR HOME RESORT

Greetings from Orlando and Orlando Vacation Suites II Condominium Association, Inc. It's been a pleasure to welcome our Owners back to SeaWorld® Orlando, a Hilton Grand Vacations Club this year.

2024 has been another extraordinary year for Hilton Grand Vacations. We're thrilled to debut on *USA Today's* 2024 Top Workplaces list and won eight 2024 American Resort Development Association (ARDA) Awards, including two coveted ARDA Circle of Excellence (ACE) Awards. We're proud to have received the ACE Project of Excellence award for the newly opened Elara, a Hilton Club in Las Vegas, and the ACE Philanthropy and Community Service award for our efforts surrounding the Maui wildfires, highlighting our pledge to help the communities we serve.

Another way we give back to our communities is through the HGV Foundation, a 501(c)(3) charity focusing on Disaster Relief, Homelessness, Military & Families and Youth Development, amplifying our impact in these areas while supporting other vital community initiatives. Guests can donate to the Foundation at select properties during check-in or by visiting my.hgv.com/hgv-foundation. You can learn more about HGV's corporate social responsibility, including the Foundation's work, in our annual Environmental, Social and Governance Report, available at my.hgv.com/csr in mid-September.

In other exciting news, we launched additional HGV Max benefits, a unified website for our Owners and Members and a new partnership with Great Wolf Lodge. Details about these have been shared with you via emails, our *Club Traveler* newsletters and on our Member website.

Here at SeaWorld Orlando, a Hilton Grand Vacations Club, we've been diligently working to enhance your home away from home. Recent improvements include renovations in buildings 9 and 10, updating our Activity Center, renewing our poolside furniture and refreshing our parking lot surface through the application of slurry seal.

Looking ahead to 2025, we anticipate renovating buildings 5 and 11; preparing the next generation of villas with model room buildouts; refreshing the first impression landscape at the front of the resort; and celebrating the resort's 30th anniversary next October.

I'm also delighted to share that on March 1, we achieved our fifth consecutive Outstanding Quality Assurance rating with the highest score we have achieved in 20 years!

On behalf of the entire resort team, we thank you for your continued loyalty and for being part of our family. We look forward to welcoming you back to your home away from home soon.

Warm regards,

Abed Ereikat
General Manager

ASSESSMENT BILLING NOTICE

2025 ASSESSMENT SUMMARY

Now available are the 2025 budget and statement for your association's assessment, real estate taxes and annual Club Dues. The overall combined assessment for all unit types increased by 8.42% for 2025. As in previous years, the operations portion of the budget supports your Home Resort's management, while the reserve portion funds property improvements.

To ensure compliance with Florida law due to not receiving enough votes of the ownership to waive the statutory reserve funding requirement, we're now having to budget larger-than-usual contributions to our reserve fund. Your reserve fund provides for the long-term value of your vacation ownership and allows us to undertake projects like Suite renovations and capital projects at the resort. We've also experienced an increase in bad debt year-over-year. To maintain financial health of the association, we are addressing this by budgeting an increase in the allowance for bad debt account.

Several external factors have impacted our costs as well. We've seen increases in real estate taxes and property insurance premiums, which are beyond our control but necessary to protect our shared investment.

On the operational front, wage and benefit increases have necessitated adjustments across the board. This ensures we can attract and retain quality Team Members who can provide you with exceptional service. Our vendors, particularly housekeeping, have faced similar wage pressures, resulting in higher costs we've had to absorb.

Although we've had some increases in budget line items like property taxes and the reserve contribution, the increase in the overall combined assessment for all unit types is still less than last years. With each review of the budget, your association's board and resort team are committed to keeping costs down without compromising service or the property's upkeep. Every year, the budget is built by the corporate finance and on-site operations teams and reviewed internally by your resort's leadership before going to each association board for approval. During this process, every effort is made to keep your maintenance fees as low as possible, taking special care to minimize the impact of extraordinary market conditions.

BOARD OF DIRECTORS UPDATE

At the last Annual Owners Meeting, Alyssia Benford was reelected and Cindy Angelo was elected to the Board of Directors, joining LeaAnn Newman, Michael Brookes and Marc Neu.

We would like to extend our thanks to your board members for their continued support and leadership. As Cathy Gorman comes off the board we would like to thank her for her service.

CONTRIBUTING TO ARDA-ROC

Your assessment statement includes a voluntary contribution to the American Resort Development Association–Resort Owners' Coalition (ARDA–ROC). ARDA promotes the interest of vacation ownership legislation on local, state and federal levels, including tax-related issues. If you don't wish to contribute to ARDA–ROC, simply subtract this fee from the total payment due.

Contributions to ARDA-ROC are not deductible for tax purposes.

PAYMENT INFORMATION

Your maintenance fee payment is due by January 1, 2025, by 11:59 p.m. ET. Please note that if your fees are not paid on time, your account will be delinquent, and you'll be subject to late fees and interest.

We encourage you to make payments via check to provide cost savings to your association or online at club.hiltongrandvacations.com using a debit card.

**ORLANDO VACATION SUITES (ORLANDO VACATION SUITES II CONDOMINIUM ASSOCIATION, INC.)
ANNUAL ASSESSMENT BILLING BUDGET
JANUARY 1, 2025 THROUGH DECEMBER 31, 2025**

(3,468 Unit/Weeks)	2025 BUDGET TOTAL	2025 Per Unit/Wk 2 BR	2025 Per Unit/Wk 3 BR
<u>OPERATING REVENUE</u>			
Maintenance Fee Revenue	3,392,885	978.34	978.34
Contra Maintenance Fee Revenue	(32,718)	(9.43)	(9.43)
Late Fee Income	127,008	36.62	36.62
Interest Income	4,536	1.31	1.31
Support Area 1 Office	1,555	0.45	0.45
Support Area 2 Retail	3,294	0.95	0.95
TOTAL OPERATING REVENUE	3,496,560	1,008.24	1,008.24
<u>OPERATING EXPENSES</u>			
<u>Administrative</u>			
Annual Audit	8,400	2.42	2.42
Division Fees	6,937	2.00	2.00
Other Administration Expenses	176,412	50.87	50.87
Board Reimbursement	1,037	0.30	0.30
Financial Services/Data Processing	60,478	17.44	17.44
Postage, Printing, Newsletter	1,332	0.38	0.38
Management Fee	644,115	185.73	185.73
Total	898,711	259.14	259.14
<u>Operations</u>			
Office, Desk, Bell Service	389,466	112.30	112.30
Housekeeping, Laundry, Supplies	840,556	242.37	242.37
Security Provisions	148,524	42.83	42.83
Uniforms	9,662	2.79	2.79
Grounds & Landscaping	113,460	32.72	32.72
Pool & Spa	25,933	7.48	7.48
Recreation, Concierge, Retail	73,336	21.15	21.15
Total	1,600,937	461.64	461.64
<u>Utilities</u>			
Electric	126,064	36.35	36.35
Water, Sewer, Gas	81,583	23.52	23.52
Waste Disposal	14,212	4.10	4.10
Cable Television	11,759	3.39	3.39
Contract Services	14,891	4.29	4.29
Total	248,509	71.65	71.65
<u>Building</u>			
Maintenance-Service, Equipment, Supplies	401,352	115.73	115.73
Building & Equipment Contracts	27,087	7.81	7.81
Telephone Contract	2,605	0.75	0.75
Elevator & Fire System Contracts	12,753	3.68	3.68
Total	443,797	127.97	127.97
<u>Insurance & Taxes</u>			
Insurance	290,573	83.79	83.79
Income Tax	14,033	4.05	4.05
Total	304,606	87.84	87.84
OPERATING EXPENSES TOTAL	3,496,560	1,008.24	1,008.24
OPERATING SURPLUS / (DEFICIT)	0	0.00	0.00

	2025 BUDGET TOTAL	2025 Per Unit/Wk 2 BR	2025 Per Unit/Wk 3 BR
<u>RESERVE REVENUE</u>			
Reserve Revenue	1,383,628	398.97	398.97
RESERVE REVENUE TOTAL	1,383,628	398.97	398.97
<u>RESERVE CONTRIBUTIONS</u>			
Reserve Cap Imp	332,072	95.75	95.75
Reserve Interior F F	934,335	269.42	269.42
Reserve Paving	5,001	1.44	1.44
Reserve Roof	63,887	18.42	18.42
TOTAL	1,335,295	385.03	385.03
Reserve Painting	48,333	13.94	13.94
TOTAL RESERVE CONTRIBUTIONS	1,383,628	398.97	398.97
RESERVE SURPLUS / (DEFICIT)	0	0.00	0.00

**ORLANDO VACATION SUITES (ORLANDO VACATION SUITES II CONDOMINIUM ASSOCIATION, INC.)
ANNUAL ASSESSMENT BILLING BUDGET
JANUARY 1, 2025 THROUGH DECEMBER 31, 2025**

SUMMARY	2025 BUDGET TOTAL	2025 Per Unit/Wk 2 BR	2025 Per Unit/Wk 3 BR
OPERATING FEE	3,392,885	978.34	978.34
CAPITAL RESERVE	1,335,295	385.03	385.03
PAINTING RESERVE	48,333	13.94	13.94
TOTAL AMOUNT BILLED	4,776,513	1,377.31	1,377.31

**RESERVE ANALYSIS FOR THE PERIOD
JANUARY 1, 2025 THROUGH DECEMBER 31, 2025**

Replacement Fund	Estimated Useful Life as of 1/1/2025 (in years)	Average Estimated Remaining Life (in years)	Estimated Replacement Cost as of 1/1/2025	2025 Statutory Reserve Funding	Estimated Fund Balance 1/1/2025	2025 Proposed Reserve Funding	2025 Assigned Interest Earned	2025 Projected Expenses	Est Fund Bal as of 12/31/2025
Capital Improvements	11.60	5.18	3,454,957	332,072	1,214,710	332,072	24,179	198,583	1,372,378
Interior	11.40	9.42	10,067,523	934,335	2,874,617	934,335	68,051	15,552	3,861,451
Painting - Common	7.25	1.50	44,381	1,127	35,149	1,127	82	31,698	4,660
Painting - Residential	5.00	2.00	384,744	47,206	144,452	47,206	3,438	-	195,096
Paving	13.60	5.20	91,784	5,001	29,275	5,001	364	13,973	20,667
Roof - Common	24.44	6.31	113,070	9,549	41,601	9,549	696	12,380	39,466
Roof - Residential	21.50	7.79	460,464	54,338	166,272	54,338	3,958	-	224,568
			14,616,923	1,383,628	4,506,076	1,383,628	100,768	272,186	5,718,286

	2025 Statutory Reserve Funding	2025 Waived Reserve Funding
Operating Fee	\$978.34	\$978.34
Capital Reserve	385.03	377.61
Painting Reserve	13.94	12.33
TOTAL AMOUNT BILLED	\$1,377.31	\$1,368.27

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. With a waiver to meet fully funded requirement for statutory reserves, the resulting annual maintenance fee would be \$1,368.27. At the most recent special owners meeting, the required vote by the ownership to waive the statutory funding requirement was not achieved. The Board of Directors thereby approved a budget with statutory funding of reserves establishing the maintenance fee at \$1,377.31 for the 2025 budget year.

NOTE 1: There are 3,468 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 Condominiums, Timeshares, and Mobile Homes, Bureau of Standards and Registration, in accordance with Section 721.27, Florida Statutes.

NOTE 2: Real Estate Taxes are billed by Orange County Property Appraiser's office and are not reflected in the operating budget.

NOTE 3: The following Related Party Transactions note is taken directly from the Orlando Vacation Suites II Condominium Association, Inc., Orlando, Florida, Financial Statements year ended December 31, 2023.

The Developer was billed member assessments in the amount of \$511,602 on 412 unsold unit-weeks during the year ended December 31, 2023. As of December 31, 2023, \$255,832 was due to the Developer for overpayment of assessments, included in accounts payable and accrued expenses.

The Developer utilizes space for the purpose of operating a sales and marketing office. The Association receives reimbursements for the maintenance of the sales and marketing office. Total reimbursements for the year ended December 31, 2023 were \$22,008, included in other revenue.

A Board member is an employee of Hilton Grand Vacations Company, LLC ("HGVC") or its affiliates. The following expenses were reimbursed by HGVC or its affiliates during the year ended December 31, 2023:

Second and split week clean reimbursements	<u>\$2,126,127</u>
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As of December 31, 2023, \$342,983, of the above reimbursed expenses was due to the Association, included in other receivables.

The following expenses were paid or accrued to Hilton Grand Vacation Management, LLC ("HGV") or its affiliates during the years ended December 31, 2023:

Management fees	\$2,735,247
Franchise fees	273,525
Financial services fees	439,861
HR Allocation	251,916
Payroll and benefits	10,879,094
Project management fees	21,265
	<u>\$14,600,908</u>

As of December 31, 2023, \$1,201,612 was due from the Association for the above expenses, included in accounts payable and accrued expenses.

Pursuant to the agreement with Hilton Grand Vacation Club, LLC ("HGV Club"), each unit-week owner automatically becomes a member of Hilton Grand Vacation Club (the "Club"). The Club provides a variety of exchange and reservation services, and vacation and travel benefits. Upon purchase, certain unit-week owners are awarded Bonus Points, which can be converted to maintenance fee payments. The Association acts as a conduit for the collection of Club Dues. Club Dues are not considered to be a common expense of the Association. Therefore, Club Dues activity is not reflected on the Association's financial statements. As of December 31, 2023, \$208,228 was due from HGV Club for converted Bonus Points, included in other receivables. As of December 31, 2023, \$138,674 was due to HGV Club for Club Dues collected but not yet remitted, included in accounts payable and accrued expenses.