

Q: Why are Owners receiving a bill for our 2023 maintenance fees even though our Home Resort is closed due to the damage caused by Hurricane Ian?

A: While your Home Resort is temporarily closed due to damages caused by Hurricane Ian, your maintenance fees will be used to fund reserves, taxes and fixed expenses, which are being shared with you in this packet. In addition, for the association to be eligible to qualify for maintenance fee reimbursement from your Home Resort's insurance company, the claim submission requires us to provide evidence of a reimbursable expense, which includes submission of your annual maintenance fee payment.

Q: Why does the maintenance fee include variable expenses, such as housekeeping and front desk costs, when the resorts may be closed in 2023 for the full year?

A: While your Home Resort is temporarily closed due to damages caused by Hurricane Ian, the property may re-open sometime in 2023. As a result, we will need each Owner's full maintenance fee payment to operate the property once it re-opens and to fund planned projects. In addition, to file an insurance claim for reimbursement of the maintenance fees, we first need to document that the fees were budgeted, assessed and paid by the Owners.

Q: Why aren't Owners only being billed for fixed expenses?

A: Per your association's rules, we are not allowed to increase maintenance fees by more than 15% annually without a majority vote from Owners at each property. The variable expense is an important part of the budget, which helps fund your Home Resort's daily operations. If we did not bill the variable expense in 2023, we would need to add it to the 2024 budget to make up the difference. This, in turn, would increase your maintenance fees by more than 15%.

Also, please keep in mind that the resort may re-open sometime in 2023. As a result, we will need each Owner's full maintenance fee payment to operate the property once it re-opens and to fund operations, reserves and real estate taxes.

Q: Will Owners who are unable to use their week(s) because the property is closed receive a reimbursement for the full 2023 maintenance fee amount?

A: Yes. Owners who are unable to use their week(s) in 2023 due to their Home Resort's closure will receive a full reimbursement — the insurance company will reimburse the fixed portion of the maintenance fee, while the association will reimburse the variable portion.

Once a resort is ready to re-open in 2023, Owners will be notified of the opening date in advance. Please note that once the resort opens, Owners at the property will not receive a maintenance fee reimbursement whether or not they choose to use their week(s).

Q: Is there a limit to what the insurance company will pay?

A: Yes. The associations participate in a blanket insurance policy that does have a limit per event, such as Hurricane Ian. The insured limit was based on wind modeling studies, historical data and the total insured value of the properties in the program. In the past, this amount has been sufficient and will likely be sufficient in this claim. However, the total loss has not yet been determined.

Eighteen resorts included in the policy were damaged by Hurricane Ian. Four resorts on Marco Island experienced little damage, which has been repaired. Unfortunately, the 14 resorts on Fort Myers Beach, Sanibel and Captiva suffered major damage. As we learn more, Hilton Grand Vacations will work with your association's board of directors to keep everyone informed.

Q: My ownership week is early in the year. If the resort does not open in time for me to use my week in 2023, do I still need to pay my 2023 maintenance fees?

A: Yes. There are two reasons for this. First, your Home Resort's association must collect payment for all fixed operating expenses, reserves and taxes even if the property is closed — similarly to how homeowners must pay for property taxes whether the dwelling is in use or not. Second, to be able to file a claim for maintenance fee reimbursement, the association must show documentation that maintenance fees were assessed and paid by the Owners. Only after fixed expenses are incurred and paid by Owners will the insurance company provide reimbursement.

Every quarter throughout 2023, the association will file a reimbursement claim for the fixed portion of the maintenance fees for the prior quarter for all Owners who were not able to use their week.

Q: Will reimbursements be credited toward future year maintenance fees?

A: Yes. Reimbursements will be credited to each Owner's account to offset future-year maintenance fees. You have the option of keeping this credit on your account for future billing or contacting Hilton Grand Vacations to request a refund. Your refund will be issued through your original form of payment. To request a refund, please wait to receive a statement by mail from HGV and then contact us at **877-311-4440** (toll free, U.S. and Canada only) or **407-613-3119** (worldwide).

If you are a voluntary HGV Club Member, you have the option of accepting the maintenance fee credit or trading in your fixed-week or flex-week reservation for ClubPoints. To trade in your fixed- or flex-week for Points, call Club Member Services at **800-932-4482** (toll free, U.S. and Canada only) or **407-613-3141** (worldwide) if you are within 30 days of your reservation. If you're more than 30 days away from your reservation, visit club.hiltongrandvacations.com to cancel your booking. We cannot accept a request to trade your week after the week has passed, nor can we accept your week once your credit has been issued.

Q: When can I expect my credit?

A: Credits will be applied to Owner accounts by quarter after a use week has passed for that quarter. For example, an Owner who owns Week 5 will have their credit applied within 60 days of quarter end (March 31). An Owner who owns Week 20 will have their credit applied within 60 days of quarter end (June 30).

Q: What happens if Owners do not pay their 2023 maintenance fee?

A: If Owners do not pay their 2023 maintenance fees before the deadline, they will be subject to the association's approved assessment, billing and collection policy. In addition, if the maintenance fees are not paid, there will be no basis to file a claim and collect reimbursement from the insurance company. The full fee will remain as outstanding on the Owner's account.

Q: What is the deadline to pay my 2023 maintenance fee?

A: The deadline to pay your maintenance fees is January 1, 2023, at 11:59 p.m. ET. Please refer to the back of your annual statement for details on how to submit your payment and a list of payment options.

Q: Is the damage from the storm going to require a special assessment from my association?

A: Thank you for your inquiry. Four resorts on Marco Island experienced little damage, which has been repaired. Unfortunately, the 14 resorts on Fort Myers Beach, Sanibel and Captiva suffered major damage, and we are working with our contractors to further assess each situation and identify next steps. As we've done in the past, Hilton Grand Vacations will work with your association's board of directors to keep everyone informed, including providing details on any special assessment that could be needed in the future to address the storm's damage.