

ASSESSMENT BILLING NOTICE

November 2023



A MESSAGE FROM YOUR HOME RESORT

Greetings from Marco Island and The Charter Club of Marco Beach Condominium Association, Inc., at The Charter Club of Marco Beach!

This has been an exciting year for Hilton Grand Vacations. We've been recognized by *Newsweek* as one of "America's Greatest Workplaces" in 2023 and were named in its annual rankings for the "Top 100 Global Most Loved Workplaces." These awards demonstrate HGV's commitment to investing in its Team Members who along with you, our Owners, are the heart of the company.

HGV is continuing with its rebranding efforts of legacy Diamond and Embarc resorts. In 2022 and 2023, we've rebranded 24 resorts in great markets such as Scottsdale, Virginia Beach, St. Maarten, Sedona, the island of Kauai in Hawaii and Mont Tremblant in Quebec.

At the resort level, we've been busy working on getting your resort ready for reopening following the impacts to the property from Hurricane Ian in 2022. Since we started construction at the resort, we've replaced much of the damaged landscape throughout the property and the beach gazebo, beach shower and storage boxes are being completed! Beyond hurricane repair, we've replaced the ice machines under both buildings and the fitness machines in the gym, including the addition of a new treadmill and elliptical machine. We also resurfaced the tennis and shuffleboard courts and added two pickleball courts by popular demand! Next, we've replaced the kitchen and living room flooring in every unit with luxury vinyl planked tile and installed new case moldings throughout the same areas. New signage has been placed in several areas of the property, including the kiddie pool, main pool, property entrance and exit, parking lot and clubhouse. We've also upgraded each floor's corridor lighting to LED lighting. Lastly, this year we'll complete a model unit with all-new furniture and designs for our anticipated unit refurbishment project in 2024! We'll also finalize the replacement of all pool furniture and tables, as well as the refabrication of the pool umbrellas, and sealcoat the entire parking lot.

Looking ahead to 2024, we'll continue to do our best to maintain the highest standards for our Owners and Guests. We welcome all feedback, so please let us know how you think we're doing.

On behalf of the entire team, thank you for your continued support. Your commitment to the resort's success is greatly appreciated and we consistently communicate that message regularly to the entire team.

We can't wait to welcome you back to your home away from home.

Warm regards,

David Martella
General Manager

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IMPORTANT INFORMATION

Your 2024 Statement

For questions about the 2024 budget, contact your Home Resort's general manager at 239-394-4192 or David.martella@hgv.com

Learn more about your maintenance fees with videos found on the Club website at my.hgv.com/hoa-statement.

Interested in serving on your association's board of directors? Contact Riki Martin at riki.martin@hgv.com.

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.*

ASSESSMENT BILLING NOTICE

2024 ASSESSMENT SUMMARY

Now available are the 2024 budget and statement for your association's assessment and real estate taxes. In large part due to insurance increases, the overall combined assessment increased by 18.73% for 2024. As in previous years, the operations portion of the budget supports your Home Resort's management, while the reserve portion funds property improvements. **Payments are due January 1, 2024, by 11:59 p.m. ET/PT.**

Like last year, above-average inflation resulted in greater expenses for essential products, supplies and services in 2023, while higher fuel costs affected shipping and deliveries. Many properties are also experiencing an increase in utility costs due to increases in gas and oil prices.

At the same time, inflation has had a tremendous impact on operating and capital expenses, and we're experiencing a 83.47% increase in insurance costs. The global insurance market has changed dramatically due to rising interest rates, inflation, and property values; the number of natural catastrophes around the world; constrained reinsurance capacity; and lack of new capital.

Similarly, wage rates and the cost of benefits increased across the hospitality industry, and we have made necessary adjustments to retain and attract Team Members. Our labor vendors have experienced the same wage pressures and we've had to absorb their higher costs as well.

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.

STAY INFORMED ABOUT YOUR PROPERTY

Be sure to visit your HOA's dedicated web page to learn the latest updates from your property's General Manager as well as access important news from your association. To access, visit <http://charterclub.hgvc.com> or Board of Director's Owners website at <https://charterclubofmarcoisland.com>.

BOARD OF DIRECTORS UPDATE

At the last Annual Owners Meeting, Bob Stammer, Martin Terry, and Lyman Wood were elected to the Board of Directors, joining Gary Jelin and Carlos Wehby.

We would like to extend our thanks to your board members for their continued support and leadership.

Please note that your association's 2024 Annual Owners Meeting will be held on February 28, 2024. At that meeting, two candidates will be elected to the board of directors. If you are interested in pursuing candidacy, please complete by December 20, 2023. A Board of Directors Candidate Form or a one-sided informational statement (on no longer than 8.5" x 11" paper) and mail it to Hilton Grand Vacations, 599 S. Collier Blvd., #113, Marco Island, FL, 34145. You may also email the requested info to Riki Martin at Riki.Martin@hgvc.com. The Candidate Form can be downloaded from the property's website at <http://charterclub.hgvc.com>. Your candidate biography will be printed verbatim and sent with the Annual Meeting notice. Approximately 30 days prior to the 2024 Annual Meeting, you will receive additional information including your meeting notice and proxy. Please watch for this material and reply as instructed – your feedback is important to ensuring the association's general operations.

TIMESHARE FRAUD RESOURCES

With the increasing number of fraudulent timeshare scams targeting Owners, HGVC is committed to helping you protect your vacation ownership. We will never contact you offering to sell, rent or transfer your ownership. If you receive any communications from a company — letters, emails, or phone calls — offering to do so, please report the incident to your state's Attorney General. To identify a potential scam, review our educational resources at: my.hgvc.com/fraud-alert.

PAYMENT INFORMATION

Your maintenance fee payment is due January 1, 2024, by 11:59 p.m. ET/PT. 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 online at hiltongrandvacations.com using a debit card or by making an electronic funds transfer (EFT) from your checking account. This provides cost savings for your association; credit card payments result in merchant fees, which are passed back to Owners as operating costs.

If you're not receiving your billing statement electronically and would like to "Go Green," visit my.hgvc.com/ManageCommunications (case sensitive). Select **Email & Print** to opt into electronic communications whenever possible.

THE CHARTER CLUB OF MARCO BEACH CONDOMINIUM ASSOCIATION, INC.
ANNUAL BUDGET FOR THE PERIOD
JANUARY 1, 2024 THROUGH DECEMBER 31, 2024

Description	4,080 Unit/Weeks	2024 Annual Budget	2024 Per Unit/ Week	2023 Per Unit/ Week	2023 Annual Budget
<u>OPERATING REVENUE</u>					
Association Fees		5,302,643	1,299.67	1,052.17	4,292,834
Other HOA Revenue		2,850	0.70	0.70	2,850
Late Fee Income		10,000	2.45	2.94	12,000
NSF Income		0	0.00	0.02	70
Interest Income		36,000	8.82	2.13	8,700
Sales Rent Income		45,000	11.03	12.13	49,500
Concession Income		28,900	7.08	7.08	28,900
Flex Reservation Fees		43,000	10.54	10.54	43,000
Other Revenue Non-Tax		600	0.15	0.15	600
Contra Maintenance Fee Revenue		(24,000)	(5.88)	(5.88)	(24,000)
OPERATING REVENUE TOTAL		5,444,993	1,334.56	1,081.97	4,414,454
<u>OPERATING EXPENSES</u>					
<u>Administrative</u>					
Annual Audit		7,300	1.79	1.79	7,300
Other Administrative Expenses		216,840	53.15	50.01	204,045
Postage, Printing, Newsletter		37,800	9.26	8.29	33,800
HOA Management Fee Expense		202,824	49.71	47.34	193,164
Division Fees		8,160	2.00	2.00	8,160
Financial Services Fees		65,196	15.98	15.51	63,300
Board Of Directors		12,000	2.94	2.94	12,000
Total		550,120	134.83	127.88	521,769
<u>Operations</u>					
Office, Desk		519,057	127.22	112.32	458,272
Housekeeping, Laundry, Supplies		881,929	216.16	206.25	841,489
Security Provisions		94,620	23.19	23.19	94,620
Grounds & Landscaping		135,740	33.27	30.44	124,210
Pool & Spa		96,850	23.74	22.08	90,100
Recreation		228,746	56.07	51.32	209,395
Total		1,956,942	479.65	445.61	1,818,086
<u>Utilities</u>					
Electric		169,500	41.54	37.79	154,200
Water, Sewer, Gas		120,528	29.54	31.02	126,564
Waste Removal		38,225	9.37	9.71	39,600
Telephone		16,800	4.12	7.65	31,200
Cable Television		73,200	17.94	19.01	77,580
WAN Expense		10,800	2.65	0.00	0
Total		429,053	105.16	105.18	429,144
<u>Building</u>					
Maintenance - Service, Equipment, Supplies		659,982	161.76	152.06	620,397
Building & Equipment Contracts		10,680	2.62	2.50	10,200
Elevator Contracts		27,600	6.76	6.10	24,900
Board Authorized Project		40,000	9.80	9.80	40,000
Total		738,262	180.94	170.46	695,497
<u>Insurance & Taxes</u>					
Insurance Premium Expense		1,714,616	420.25	229.06	934,558
Income Tax		53,000	12.99	3.04	12,400
¹ Tax on Timeshare Property (Ad Valorem Taxes)		n/a	n/a	n/a	n/a
Total		1,767,616	433.24	232.10	946,958
<u>Sale of Association Weeks</u>					
Sale of Association Weeks		26,000	6.37	6.37	26,000
Cost of Sales		(29,000)	(7.11)	(7.11)	(29,000)
Total		(3,000)	(0.74)	(0.74)	(3,000)
OPERATING EXPENSES TOTAL		5,444,993	1,334.56	1,081.97	4,414,454
OPERATING SURPLUS/(DEFICIT)		0	0.00	0.00	0

¹ Ad Valorem Taxes on individual weeks are billed by the Collier County Property Appraiser's office based on the relative value of the unit week and therefore, are not reflected in the above operating budget.

THE CHARTER CLUB OF MARCO BEACH CONDOMINIUM ASSOCIATION, INC.
ANNUAL BUDGET FOR THE PERIOD
JANUARY 1, 2024 THROUGH DECEMBER 31, 2024

	Statutory Reserve Funding			With Owner Waiver of Statutory Reserve Funding		
	2024 Annual Budget	2024 Per Unit/Week	2023 Per Unit/Week	2023 Annual Budget	2024 Annual Budget	2024 Per Unit/Week
RESERVE REVENUE						
RESERVE REVENUE TOTAL	1,883,837	461.72	284.68	1,161,506	1,173,298	287.57
RESERVE CONTRIBUTIONS						
Capital Reserves:						
Interior	1,152,578	282.50	149.81	611,259	629,183	154.21
Roof	34,406	8.43	30.37	123,892	81,631	20.01
Paving	26,117	6.40	6.85	27,956	23,765	5.82
Recreation	8,627	2.11	6.89	28,103	28,103	6.89
Capital Improvements	512,356	125.58	71.48	291,639	304,292	74.58
Total	1,734,084	425.02	265.40	1,082,849	1,066,974	261.51
Painting Reserve	149,753	36.70	19.28	78,657	106,324	26.06
Total	149,753	36.70	19.28	78,657	106,324	26.06
RESERVE CONTRIBUTIONS TOTAL	1,883,837	461.72	284.68	1,161,506	1,173,298	287.57
RESERVE SURPLUS/(DEFICIT)	0	0.00	0.00	0	0	0.00

Summary	Statutory Reserve Funding			With Owner Waiver of Statutory Reserve Funding		
	2024 Annual Budget	2024 Per Unit/Week	2023 Per Unit/Week	2023 Annual Budget	2024 Annual Budget	2024 Per Unit/Week
Operating Fee	5,302,643	1,299.67	1,052.17	4,292,834	5,302,643	1,299.67
Capital Reserve	1,734,084	425.02	265.40	1,082,849	1,066,974	261.51
Painting Reserve	149,753	36.70	19.28	78,657	106,324	26.06
TOTAL AMOUNT BILLED	7,186,480	1,761.39	1,336.85	5,454,340	6,475,941	1,587.24

RESERVE ANALYSIS FOR THE PERIOD
JANUARY 1, 2024 THROUGH DECEMBER 31, 2024

	4,080 Unit/Weeks	Average Estimated Useful Life In Years	Average Estimated Remaining Life In Years On 1/1/2024	Estimated Replacement Cost As Of 1/1/2024	2024 Statutory Reserve Funding	Estimated Fund Balance 1/1/2024	2024 Proposed Reserve/Assmt. Contributions	2024 Projected Expenses	Estimated Fund Balance 12/31/2024
Interior		13.32	4.98	7,943,560	1,152,578	2,208,143	629,183	2,614,880	222,446
Roof		25.95	1.35	530,000	34,406	481,448	81,631	500,000	63,079
Painting		10.25	4.58	1,089,500	149,753	403,270	106,324	431,500	78,094
Paving		19.07	8.63	380,000	26,117	149,431	23,765	10,000	163,196
Recreation		5.16	3.44	144,890	8,627	115,182	28,103	62,050	81,235
Capital Improvements		14.78	6.68	4,448,900	512,356	1,025,443	304,292	769,900	559,835
TOTAL				14,536,850	1,883,837	4,382,917	1,173,298	4,388,330	1,167,885

	2024 Statutory Reserve Funding	2024 Proposed Reserve Funding
Operating Fee	\$1,299.67	\$1,299.67
Capital Reserve	\$425.02	\$261.51
Painting Reserve	\$36.70	\$26.06
TOTAL AMOUNT BILLED	\$1,761.39	\$1,587.24

** 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. To meet fully funded requirements for Statutory Reserves, the resulting annual maintenance fee would be \$1,761.39. The Board of Directors recommends a vote in favor of waiving the full funding requirements for Statutory Reserves at the annual meeting, thereby establishing the maintenance fee at \$1,587.24 for the 2024 budget year.

NOTE:
There may be some items that require future replacement and are not reserved for, i.e.: replacement of plumbing, railings, electrical wiring, etcetera. These types of items will need to be paid from operating funds or will require a special assessment.

The components' actual replacement costs and useful lives may vary from the estimated amounts. If additional funds are needed, the Association has the right, subject to Board approval, to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

There are 4,080 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.