

November 27, 2019

Dear Marriott's Cypress Harbour Owner:

It's our pleasure to introduce you to the [Fall 2019 Newsletter](#) from your Board of Directors. In this issue, you'll learn about the latest developments taking place at your home away from home in Orlando, Florida.

Best regards,

Deb Gammon

President
Cypress Harbour Condominium Association, Inc.

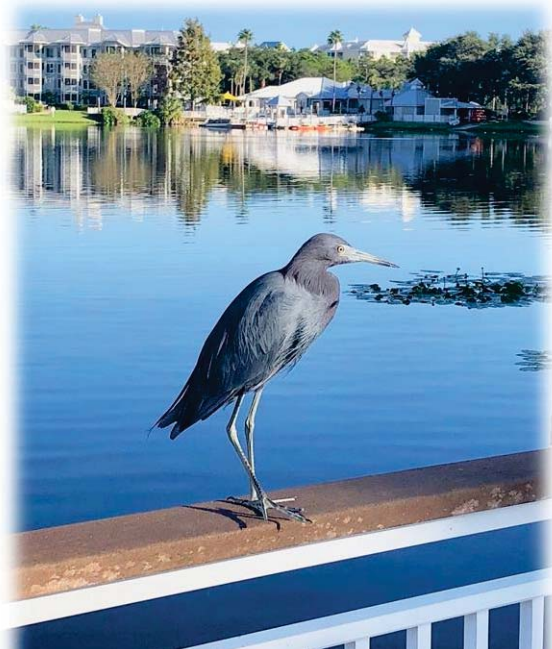
Herbert Vogt

General Manager
Marriott's Cypress Harbour

MARRIOTT'S CYPRESS HARBOUR NEWSLETTER

Fall 2019

The picture to the right represents a new addition to our semi-annual newsletter. We invite owners to submit a favorite picture from your stay. We will select one to be included with a photo credit given! (If your photo is selected, we will require you to sign a standard photo release.) Please send your submission for the Spring 2020 newsletter to Patti Soltys at Psoltys@aol.com by April 15, 2020.



This Little Blue Heron was captured by Patti Soltys in October 2019 enjoying a tranquil morning on the lake.

RESERVE PROJECT UPDATE

For 2019, the resort has completed 55 reserve projects, with 28 reserve projects in progress to be completed by year end. One major project completed was the Phase V villa refurbishment (buildings 69,70,71,72). With the completion of Phase V, our “new” villa design in 2015 has been rolled out to all 510 villas.

Also this year, we replaced the original 40kw emergency generator with a new 150kw generator. This upgrade will now provide enough electricity to operate the Marketplace, Galley Grill, Pavilion Bar and most areas of the Clubhouse during power outages.

The new Wi-Fi system recently completed has greatly improved the bandwidth and security for the villas and common areas (pools, activities and food and beverage) areas.

2020 will continue with many reserve projects to complete. Two of the larger projects are the Phase I villa soft goods refurbishment and the Phase 1 villa building painting (buildings 50, 51, 52, 53).

FINANCIAL UPDATE

Our resort financials are forecasted to achieve another great year thanks to the efforts of our Cypress Harbour team.

The budget is built with the goal of a net zero difference between revenues and expenses. However, in prior years, the management team has been very successful in generating a surplus in the Operating fund, by closely watching expenses in every department. Starting in 2020, if there is any new surplus, those funds will be used to partially fund the new master bathroom shower experience.

The budget for 2020 is estimated at about \$36 million, a 4.6 percent increase over last year. Our budget is comprised of 3 funds: Operating (63%), Reserves (27%) and Property Tax (10%).

The operating budget for next year has an increase of 4.1 percent. This portion of the budget includes all the expenses required to run our high-quality resort.

The most significant variations on the operating budget for 2020 are:

- Provisions to maintain our hourly workers wages competitive in a very demanding market.
- Insurance rate adjustments because of the increase in natural disasters.
- Legal expenses to continue with the property valuation lawsuit (to lower property tax assessments) against Orange County for the years 2017 thru 2019.
- Expense reductions in internet and cable due to the implementation of new technologies.
- And a 6.5 percent decrease in electricity expense due to an anticipated rate adjustment.

The reserve budget for 2020 will not be increasing. It will continue at \$373 per unit week. The reserve budget includes the funds needed to complete the replacement of all assets as they reach the end of their useful lives. Examples of the assets being replaced are listed in the project update section.

The property tax is a not controllable expense and is based on the notice we receive annually from Orange County. It varies by season of week owned. In total, property tax increased by 13.3 percent in the 2020 budget.

The overall budget by season per week is: Special weeks at \$1,426.67, an increase of \$66.67, Sport weeks at \$1,350.05, an increase of \$57.47 and Summer weeks at \$1,390.83, an increase of \$62.26.

The Market Place, Bar & Grill operation this year is forecasting a profit of \$243,000 or a 2.1 percent increase versus 2018. These profits are the main funding source of the Association's "earmarked reserves". Earmarked reserves have funded many projects in the past like the SPA / Fitness Center and the Pickle Ball / Barbecue / Fire Pit area. Over the past 16 years (2003-2018), \$6.7 million dollars have been generated to fund special projects like the ones mentioned above without increasing Owner annual fees.



OPERATIONS UPDATE

We are proud to report the Guest Services Survey results as of September 2019 are very positive for the resort. Overall satisfaction is rated at 96.8% which was 0.2% better than last year. All other measures are improved, and problem resolution satisfaction is significantly higher than the Company average. Congrats to the team for continuing to surpass expectations for our Owners and guests!

SPIRIT TO SERVE, which is the team's commitment to give back to the community, continues to grow. For 2018, they were named Site of the Year based on completion of 77 events, 258 volunteer hours and 4,555 pounds of food donated to Second Harvest Food Bank. Number of events, volunteer hours and food donations are the three criteria used to determine the winner of this award. Also, very importantly, over \$57,000 was donated to Children's Miracle Network via various fundraising efforts.

PICKLEBALL

If you have stayed with us recently, you probably are aware of this new amenity. Pickleball is one of the fastest growing sports in America with over 3 million players.

Behind the growth is the mass appeal of a multi-generational sport that is playable for ages 8 to 88+. Combining elements of tennis, badminton and table tennis, pickleball can be played indoors or outdoors, as singles or doubles, using a modified tennis net, a paddle, and a ball that is similar to a whiffle ball but a bit sturdier and more durable. The badminton-sized court is shorter than a tennis court, which attracts older players who can still compete without having to run too far.

Cypress Harbour completed construction of a state-of-the-art Pickleball court last year. There have been rave reviews and instruction is offered weekly. In mid-October we hosted our first Annual Pickleball Tournament, a day of fun and prizes, with proceeds going to Children's Miracle Network.

PICKLEBALL TOURNAMENT



NEW OFFERINGS FOR FOOD AND FUN

Beach Ball Bonanza

One of our LARGEST events is the Beach Ball Bonanza, when we bring over 250 beach balls to the Clubhouse Pool, including one which is 12 feet in diameter! This pool game involves all ages and makes a huge splash during for our Spring and Summer seasons.



Christmas in July

This year we celebrated our first ever “Christmas in July”. Guests enjoyed a variety of summer themed holiday activities including ornament making, miniature sand snowman making, holiday tie dye, and even a visit from Santa Claus!



S.T.E.M. Activities – Soda Bottle Rocket Launch & Build Your Own Moon Lander

Our two new **Science, Technology, Engineering and Math** activities challenge our Owners and Guests to have fun while they are learning! During Soda Bottle Rocket Launch, participants design their own reusable soda bottle rocket, and then launch them up to 100 feet in the air using only water! Our Moon Lander activity challenges guests to design a craft to transport “astronauts”, successfully drop them from an elevated height, and have their craft survive. Teams are judged on survival, accuracy and design!

FOOD AND BEVERAGE INITIATIVES

Trends show that drinks with little to no alcohol are in high demand. Earlier this summer, Leslie and Will, our Food and Beverage Managers, worked to create a simple and satisfying mocktail menu which is a hit with adults and kids alike! Offerings are prominently featured at the Pavilion Bar and provide guests an option beyond soda or Island Oasis smoothies. While the



drinks are great without alcohol, we do provide the option to add alcohol if the guest would like. The feedback on our new mocktails has been wonderful, and we love creating new products for our guests to enjoy.

GRAND PINES UPDATE

“Park Square Homes” acquired the remaining parcel adjacent to Cypress Harbour from Ridgewood Real Estate Partners. They have completed the installation of the eight-foot fencing around the resort.

We will provide more information about future construction as it becomes available.



ASSOCIATE NEWS

The Board and Management Team recognized six associates in October who have achieved 20 years of service. These service anniversaries are special because all their time was at Cypress Harbour.



The following Leadership transitions also occurred recently:

Lauren Benoit was promoted from Assistant Director of Services to Front Office Manager.

Joao DaSilva was promoted from Operations Manager to Assistant Front Office Manager.

Amy Spence was promoted from Housekeeping Operations Supervisor to Operations Manager.

Tom Mix was promoted from Assistant Front Office Manager to Assistant Director of Service

Vicente Rosa was promoted from Assistant Safety and Security Manager to Safety and Security Manager.

Glenn Correa was promoted from Safety and Security Operations Supervisor to Assistant Safety and Security Manager

Anthony Taborda joined us from Miami as Assistant Chief Engineer.

SPIRIT TO PRESERVE (formerly called All Things Green)

Current initiatives continue. Including recycling key cards, installation of Energy efficient boilers, car charging stations, recycle bin in Villa Utility rooms, and LED lighting in villas and common areas. The engineering team is also looking into the option to replace the current bollard lights with solar powered bollards. We are currently conducting a trial to test the performance of these lights. A major benefit of solar powered bollards is that they continue to provide light during loss of power and are more cost efficient.



Food and Beverage continues to look for new ways to improve our menu and evolve our offerings with the trends present in the region. Decreasing our environmental footprint, has been one area of concentrated focus. Aiding in our efforts to Go Green, the Galley Grill has introduced disposable utensils that utilize less plastic and can be recycled after use in our onsite recycling areas. Additionally, we have eliminated the use of plastic straws and now offer our guests the option of a straw-less lid or a paper straw.

Lastly, we have increased our environmentally friendly offerings in the Marketplace and are now offering oat milk for any Starbucks coffee drinks. Our efforts to lessen our impact on the environment won't stop here, as our Food and Beverage leaders are constantly on the lookout for any new items to reduce our footprint.

BRIEFS

****Your Board is challenging our 2017, 2018 and 2019 property taxes. Orange County has been valuing timeshare differently. We were successful in recouping money from previous years so we will press on.**

****We are continuing our investigation about updating our master bathrooms. More to come in future newsletters. As we work through the financing and build out for the conversion of our dated jetted tubs, we will begin to convert the failing jetted tubs to soaking tubs until the project begins.**

**If at any point in the future you decide you no longer can use your timeshare at Cypress Harbour, we are providing the email and phone number for your convenience. It is resale.operations@vacationclub.com and 866-682-4547. We hope this is a long way in the future but wanted to share.

**Do you have a Marriott Bonvoy credit card? If so, please consider using it to pay your annual dues. Not only will you get points, but the resort gets a rebate!

Our Spring Board Meetings will be held on April 23 and 24, 2020 and the Fall Board Meetings will be held on October 15 and 16, 2020. The Annual Meeting will be held on October 16, 2020 at Cypress Harbour. Come join us!

Warm regards,

Patti Soltys, for the Board of Directors

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