

Dear Monarch Grand Vacations Owner,

As we approach the end of another exciting and successful year, we hope this letter finds you and your family doing well. We look forward to providing you with another year of fantastic resort accommodations and service. We are pleased to advise that there is not an increase to the assessment in 2017. We would like to take a moment to provide you additional information on projects planned for 2017 for the underlying resorts.

### **Assessment Fees**

As a reminder, your Association consists of seven managed resorts: Riviera Beach, Riviera Shores, Riviera Oaks, Palm Canyon, Cabo Azul, Cancún Resort, Cedar Breaks, and two affiliate resorts: Tahoe Seasons and Desert Isles. The Board of Directors of each resort's association meets annually to create a budget for the upcoming year. The boards review the actual year-to-date expenses needed to operate the resorts and then forecast the operating costs for the upcoming year by making assumptions about changes—increases and decreases—in those expenses. The boards also determine what amount should be contributed to the resorts' reserve funds for future refurbishments, repairs and replacements. These costs are then apportioned across all owners, and therefore the fees billed to your Association are dependent on the amount of inventory the Association owns at each resort.

### **Property Improvements and Reserves**

Your resorts' boards have budgeted to invest approximately \$9.9 million in property improvements and repairs in 2017. The projects planned for 2017 include:

#### Riviera Beach Resort

- guest suit refurbishments to include carpet, paint, bathroom vanities, and furniture
- window/sliding door replacements
- owner lounge refurbishment
- painting and plumbing repairs

#### Riviera Oaks Resort

- exterior painting
- replacement of washers and dryers
- HVAC unit replacements as needed

#### Riviera Shores Resort

- ottomans in all 28 suites
- boiler replacement
- elevator cab refurbishment
- replacement of interior suite doors

#### Palm Canyon Resort

- guest suite refurbishment – Phase 4
- balcony floor painting
- replacement of appliances as needed

#### Cabo Azul Resort

- Los Niños pool now open!

#### Cancún Resort Las Vegas

- replacement of boilers
- lobby enhancement
- construction of restroom on pool deck/life guard station
- pool deck resurfacing
- replacement of circulation pumps in cooling tower
- roof repairs as needed
- corridor carpet replacement in all buildings

Cedar Breaks Lodge & Spa

- sofas and chairs replacements in suites
- replacement of door lock mechanisms

### **Payment Information and Payment Options**

Please remember that payment is due January 1, 2017. If you prepaid your 2017 maintenance fee based on the 2016 rate, the incremental increase is also due by January 1, 2017. Please refer to the enclosed Assessment Billing and Collection Policy for additional details for due dates on your quarterly assessments. Your first quarterly assessment will become delinquent on January 10, 2017 and subject to late fees and interest. We encourage you to send payment by check in the enclosed envelope or use the electronic debit (EFT) feature available at [DiamondResorts.com](http://DiamondResorts.com). Payments made by check or EFT save money for our Association. For more information on how to pay your bill, please refer to the Frequently Asked Questions on the back of your statement.

### **Member Services Update**

Member Services is available to assist you six days a week for anything you may need to maximize enjoyment of your membership. Please note the following contact information for future reference. Offices are closed on major holidays.

Hours of operation are as follows:

- Monday through Friday: 8:00am to 5:00pm PT
- Saturday: 8:00am to 5:00pm PT
- Sunday: Closed

**Phone:** 1.800.828.4200 (toll free)  
1.702.473.7634 (local)

**E-mail:** [Monarchmembersupport@diamondresorts.com](mailto:Monarchmembersupport@diamondresorts.com)

Sincerely,

Board of Directors  
Monarch Grand Vacation Owners Association