

Cypress Pointe Resort



2004 Summer Edition

Tourism Rebounds in Orlando

After the national disaster of September 2001 and the economic issues that followed, travel dropped dramatically. Cypress Pointe Resort was affected as were most other resorts. Part of the reason for the timing of our unit renovation work was to take advantage of lower occupancy rates and to update our units for an anticipated return to heavy utilization.

As hoped, there is a clear trend, since the fall of 2003 of recovery in all travel. Cypress Pointe Resort has started to see occupancy levels at or above pre-911 rates. In fact the summer season for 2004 booked very quickly, as did the 2004 holiday periods. Combined with the effort to get every week back to paying status and an ongoing advertising campaign for our available rental time, utilization of the available space at CPR continues to rise.

Most owners realize that to have the best choice of available dates an early reservation request is required. But some do wait until mid-year or beyond to make a request. As the occupancy rates continue to rise this is a risky strategy. Remember that it is up to each owner to make a timely reservation to use their time each year and no time is ever automatically assigned to any owner. If an owner waits until no time is left to reserve they can lose use of their week for that year. All fees are due even if no time remains to be reserved in a given use year. Early in the year some weeks did go unreserved and those weeks are now lost forever.

If you haven't made arrangements to use or deposit your 2004 time it is very important you do so as soon as possible. No one wants an owner to lose a year of use or trade.

Capital Projects

In 2004 and 2005 the unit renovation, the largest and most expensive project ever at Cypress Pointe Resort, will take the majority of time, effort and money available. As large and expensive as it is, it is not the only capital project that needs to be done. Some items like boiler replacements and parking lot repairs or resurfacing must occur when needed both for safety and guest comfort. Others are discretionary in nature. The type of work that will need to be done as funds can be made available. While they may not look ascetically pleasing they can still be used. The discolored, and in some cases cracked, tile flooring and damaged yet usable countertops in some units fall into this category. Then there are items the resort needs but must find space and funding to accomplish. The desperately needed storage building is one of those.

To address this type of need the Board has asked that a five year capital improvement plan be prepared. This will encompass some items already included in the 30 year reserve plan and some that are brand new. The initial list of projects may include the following:

- Storage and Maintenance Building
- Improvements to the Laundry
- Replacement of floor tiles in buildings 1-4
- Countertop replacement in all units
- Acquisition of the building 9 land for the Association
- Improvements to the basketball and tennis courts

As you can see these items are large scale projects similar to the pool renovation work in 2002. With careful planning it is hoped the 5 year plan can become a rolling blueprint of improvements to keep Cypress Pointe Resort in top condition. Watch for updates on these and other projects in the newsletters, on the web site and in the budget presentations as Cypress Pointe continues to improve the guest experience.



Cypress Pointe Resorts Move to Eliminate

Over the past few years, Cypress Pointe Resort and Cypress Pointe Grande Villas have each taken more control over their own expenses and cut reliance on shared services. In 2001, each resort hired a General Manager and dedicated on-site personnel ending years of using a shared labor pool. As part of the 2005 budget process, the complete elimination of the remaining shared expenses is being studied. Currently, the resorts still share the check-in area and related personnel, office space, some expenses of the Clubhouse and the cable television (CATV) system.

The original Cypress Pointe Resort (also known as Phase I or CPR) and Cypress Pointe Grande Villas (also known as Phase II or CPGV) have separate Owner's Associations and Boards of Directors. They have individual RCI and II identification codes and separate budgets. They are two independent resorts that happen to be next door to each other. Yet many owners and guests are under the impression that it is one big resort. That idea was fostered by the original developer of both resorts, and in fact, some common features as well as the similar names have been shared between the two resorts.

Why was that done? As best we know, it saved the developer the expense of building a second clubhouse, check-in area, phone switch, CATV system, laundry and many of the other expensive capital improvements that already existed at Cypress Pointe Resort and could be shared with the new resort next door. The Condominium Owner's Board, at that time (1995-96), was under developer control and it approved a cross-use agreement that allowed the resorts to share those items. What wasn't included in that agreement was a plan for the owners of Cypress Pointe Resort (Phase I) to be reimbursed for that use of their facilities by Grande Villas. When Cypress Pointe Resort was built, all common area improvements (the pool, Clubhouse, tennis courts, etc.) were deeded to the Cypress Pointe Resort Association. Those improvements belong to the owners of Cypress Pointe Resort as part of their deeded ownership. The owners of Phase I pay to maintain them and pay the annual taxes on those improvements.

When the control of CPR was turned over to its owners,

management reviewed the cross-use agreement and put in place a procedure to allocate the costs associated with the shared services and space. As the management, at that time, was part of the original developer's corporate umbrella, it seemed logical they would have a good idea of what was intended in the cross-use agreement. The CPR Board accepted those procedures and they have been in use since at least 1997. In 2003, control of Cypress Pointe Grande Villas was turned over to the owners. As the CPR Board did before them, the Grande Villas Board has looked at every cost and procedure currently in place with an eye toward improving the owner/guest experience as well as controlling expenses.

As a result of those reviews, a change of direction has been started. With the mutual agreement of each respective Board of Directors, both are looking at ending the remaining cost-sharing currently in place. To do that will require that Grande Villas have a new check-in area on their property, as well as changes to the phones and CATV systems among other things. The Board at Cypress Pointe Resort has always seen the resort as one built to stand alone while accepting the sharing of services that were needed by CPGV. The CPR Board also felt that having the two separated, if possible, would give both resorts the opportunity to offer a unique guest experience and the greatest control over the cost to their respective owners. The Board at Grande Villas apparently feels the same way as they requested that the work required be done to end the cost-sharing situation.

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With the steps taken at Cypress Pointe Resort over the past five years to improve collections, properly fund operations and reserves, our resort is now in excellent physical and financial health. This has allowed us to undertake improvements to our infrastructure as well as the current renovation of the units. Cypress Pointe Grande Villas has not been in the financial position to improve, but must focus on simply maintaining their existing features. As time goes on the differences between the resorts will continue to widen. Each resort should have a chance to operate on their own strengths, rather than being tied to expenses at the other. Ending the shared expenses allows each resort to fund and operate independently, as their Association deems appropriate.

Starting immediately, the remaining shared services are being phased out. The easy items like personnel and the laundry (built by the owners of Cypress Pointe Resort with a special assessment in 1995) have already been sep-



Cost Sharing

arated. The ones that have more challenges, such as the CATV system and front desk operations, will be addressed as options can be implemented. In 2005, CPGV hopes to set up their own check-in desk and office area so the existing shared areas in the Clubhouse can be turned back to CPR control. The impact on the budget for both resorts will be reviewed during the budget process over the next three months.

What will not change is the ability of owners from Cypress Pointe Resort and Cypress Pointe Grande Villas to enjoy the common areas of the other resort. That is an important feature used by guests at both resorts as each offers some unique common features. The change being made is strictly budgetary and will not impact the enjoyment of the owners and guests at either resort.

For owners at Cypress Pointe Resort, this is another great opportunity to promote our unique situation. Our resort is completely owner controlled. It is a small resort by Orlando standards, yet it's large enough to offer most any amenity a guest could want. We have always had both a premier location and family feeling. Our resort is home for the Clubhouse and Volcano pool. These are signature features both Cypress Pointe resorts are known for. The full budgetary separation will allow us to fully exploit the fact that Phase I units are now more up-to-date and have many more amenities than Grande Villas. For current and potential owners, we can highlight our solid financial footing and long-term plans for not just maintaining, but improving one of Orlando's best time-share resorts. Our annual fees are lower than those at

Grande Villas and every owner at Cypress Pointe Resort has a deed to a full 3-bedroom condo. Owners at Grande Villas have been sold many permutations of deeds that may or may not represent a full unit/week. It is the opinion of the Cypress Pointe Resort Board of Directors that the owners at Cypress Pointe Resort have one of the

best values in Orlando time-shares today and we will continue to work openly with all owners to keep it that way. Our web site is located at www.cypress-pointe.net and is updated on a frequent basis. There is also contact information listed to reach the management company for routine issues or even directly contact the Board of Directors.

The CPR Board also felt that having the two separated, if possible, would give both resorts the opportunity to offer a unique guest experience and the greatest control over the cost to their respective owners.

The existing common check-in and other shared services have been very confusing to both owners and guests at the resort. They don't understand why they can't interchange reservations or unit sizes at the two resorts. That can lead to problems at the front desk slowing check-in and getting guests off to a bad start during vacation. The Board of Directors at both resorts feel that letting each stand alone is the best way to maximize the value to all owners. That is the anticipated direction the resorts will take over the next two years. Your Phase I Board of Directors welcomes your input. Feel free to send a letter, fax, email or even join the Cypress Pointe Resort communication group that exists as part of the Yahoo groups. Connections to all of these may be found through the web page or by contacting the resort at (407) 238-2300.

SPECIAL OFFER!

For a limited time and with a limited quantity of weeks available, if you have ever thought about adding an additional week to your regular use week or an extra suite for friends and family to use while you are on your vacation here at Cypress Pointe Resort; now you can!

Simply ask the reservation agent for availability of the additional week that you desire. The cost is simply the maintenance fee for that week. The fee is due and payable at the time of the reservation. It is that easy to add this extra week of vacation. This space is limited and once it is gone for this year, it is gone. Availability and reservations are based on a first come first served basis.

This offer is valid only for those Cypress Pointe Resort owners in good standing. In addition to the option of using the week here at Cypress Pointe Resort, you may also use this "extra" week for exchange purposes as well. You will of course need to pay the exchange fee as you would for your regular week. What better way to maximize your vacation than to add a cost effective second week! Call VRI Central Reservations today for more details at (949) 859-2181.





8651 Treasure Cay Lane
Orlando, FL 32836

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SERVICE DIRECTORY

Cypress Pointe Resort
8651 Treasure Cay Lane
Orlando, FL 32836
Telephone (407) 238-2300
Fax (407) 238-7826
Email: CP1@cypresspointe.net
website <http://www.cypresspointe.net>

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