

Cypress Pointe Resort



November, 2008

MESSAGE FROM YOUR BOARD OF DIRECTORS

Fees are steady while improvements loom - In this newsletter are the first photos of the proposed 2010 full unit renovation. Once again Cypress Pointe Resort will be undergoing major unit upgrades and design changes to keep it competitive with newer resorts that lack our premier location. The work is planned for 2010-11 and should be 100% funded prior to the first hammer being lifted.

In 2003, when the last full unit renovation was needed, the Board made a decision that all future renovations had to be planned for and the proper monies set aside each year in the Reserve account so no one is blindsided by a special assessment when major work is due. A secondary goal was to stabilize fees and minimize large swings year to year. While we had an unexpected bump in the plan when the roofs failed nearly 20 years before their time, we fortunately were able to obtain a loan to handle that situation and spread that cost out over 10 years. The rest of the plan laid out in 2003 called for the one-time assessment to fund that work and, starting in 2006, a plan to fully fund expected resort needs through 2030 and beyond.

That plan has been followed. In 2009 we will again fully fund the operations budget, reserve contributions and taxes while holding the fee to an average under \$800/week, an increase of only \$8 over the 2008 fees despite the massive rise in energy and overall insurance costs (especially health insurance), plus the never ending pressure for better wages. To get this result the Board has utilized the excellent collection rates achieved over the past few years as well as the surplus to budget we have enjoyed every year since 2002. One area where we saved a tremendous amount is in real estate taxes. Through a series of tax challenges in 2003-2006 we have been able to reduce the property tax from over \$100/week to under \$40/week. In fact, even with the reduced collections for taxes, we have accumulated nearly two full years of required tax payments in the dedicated tax account. So for 2009, the amount collected for real estate tax per week will be reduced to \$10 to allow us to get that account back in line with actual annual expenses. Florida law does not allow that money to be used for any purpose other than taxes so we need to reduce tax collections until the existing funds are used.

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We Need Your Vote...A PROXY for your use in voting for or against a proposed amendment to the Bylaws is also enclosed. The proposed Bylaws amendment has been approved by the Board of Directors by a unanimous vote and now must be approved by a majority of all of the owners in order to become effective. YOUR BOARD OF DIRECTORS URGES YOU TO VOTE IN FAVOR OF THE PROPOSED AMENDMENT.

Our Bylaws currently provide for three to seven Board members, each serving three (3) year terms. Florida Statute 718.112(2)(d) governing condominiums was amended effective October 1, 2008 to provide that Board member terms shall be limited to one (1) year unless the Bylaws permit staggered terms of no more than two (2) years. Your Board of Directors believes that limiting the number of Board members to three (3) and one (1) year Board member terms are not in the best interest of the Association. The operations of a timeshare owners Association are extremely complex and require governance by experienced Directors. Limiting Board member terms to one (1) year creates the risk that all of the Board members in any given year may be new to the Board and have no previous experience. With two (2) year staggered terms, there should always be an incumbent experienced Board member each year.

Call For Nominations—As in previous years, enclosed is the Call for Nominations and Candidate Nomination Form for any owner who may be interested in submitting their name as a candidate to serve on the Board of Directors. Your Board of Directors consists of six vacation owners and a developer appointed representative who volunteer their time to manage the affairs of the Association and the resort with the assistance of your management company, Vacation Resorts International.

Although serving on the Board can sometimes seem like a thankless job, it can also be quite rewarding, especially when measurable improvements on behalf of the owners are being made. If you wish to be a candidate for the Board of Directors in 2009, please follow the instructions contained in the Call for Nominations.



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CYPRESS POINTE Resort

Call for Nominations

November, 2008

Your Board of Directors is searching for owners who are interested in the future of Cypress Pointe Resort (Phase I) to submit their names as candidates and run in the upcoming election for service on the Board. Enclosed you will find a Candidate Nomination Form which we hope you will take time to fill out.

To qualify, you need only fill the following requirements:

- Must be a legal owner in good standing with regard to all fees and be allowed to serve as a Board member in compliance with the Association condominium documents and Florida statutes.
- Must be willing to attend:
 - Regular Board meetings from approximately 9:00 a.m. to 3:00 p.m. on Saturdays as scheduled by majority vote of the Board.
 - Telephonic meetings are sometimes necessary throughout the year as circumstances dictate and as scheduled by majority vote of the Board.
 - The Annual Meeting.
 - Annual Budget Workshop.
- Must be prepared to expend a great amount of effort and time on discussing a variety of issues such as financial statements, management reports, old/new business, and owner correspondence – all of which determine the direction and policies of your Resort.
- Must be willing to serve for a full two (2) year term.

NOTE: Board members are not compensated.

If you have the time and dedication and are interested in this highly rewarding position, please complete the enclosed Candidate Nomination Form and submit it to reach us no later than January 10, 2009.

Please mail or fax your Nomination Form to reach us no later than January 10, 2009.

Mail your Nomination Form to:
Cypress Pointe Resort
c/o Vacation Resorts International
P.O. Box 540669
Merritt Island, FL 32954
or Fax to: (321) 453-1300



Message From Your Board of Directors Continued...

To prevent a wild swing in annual fees, the funds normally collected for taxes will be moved temporarily to the reserve contribution. This will help assure that everything we wish to accomplish in the next renovation will be funded. Read more on those plans later in this newsletter. Finally, we are funding the operations budget to 100% of the requested amount for 2009. But again, thanks to our past surplus to budget, we will not be collecting for the full amount needed. The amount collected for operations will actually go down \$5/week from 2008. This despite increases in utilities and wages among many other areas. We are able to accomplish this by using some of the 2007 surplus to budget to fund the difference, thus holding the 2009 annual fee steady. The only increase is the scheduled \$5 increase in reserve funding built into the 2003 long-term reserve plan and a \$3 increase for health insurance.

Other steps taken to minimize annual fees have been an aggressive push to cut general insurance costs (down \$79,000 from 2008 while maintaining the same coverage levels), the recent lease agreement worked out with Diamond Resorts for the sales area, which will bring in significant new income after 2012, new contracts for our high-speed Internet supplier including shared revenue, a new CATV service starting in November 2008 to lower costs for those services, as well as adding new channels and other agreements to maximize Association income. The result is a predictable annual fee that is one of the lowest in Orlando for a three-bedroom unit week.

The next renovation takes shape - Now for the exciting news everyone will enjoy. As you'll see in the accompanying pictures, the 2010 unit renovation will be the biggest change yet at Cypress Pointe Resort. As in 2004, we are first addressing the number one needs and complaints about the units. You'll find new doors on the two master bedroom suite bathrooms and all new tile flooring and granite countertops throughout. The kitchen and bathroom's built-in cabinets are all new with hardwood fronts. The 2nd bedroom gets special attention with a new window, built in dresser/closet, cable service, queen sized bed and much more. All this in addition to new soft goods, carpets, flat-screen TV's and other updated items expected with each total unit renovation cycle.

While that is still over a year away, the planning required to properly stage such a massive improvement literally takes months.

By getting the final design firmed up now and ordering well ahead of the install date, we will minimize costs and help ensure a smooth installation. As always, we have to work around a very high demand for occupancy and, unlike 2004, have very little delinquent time available to shut down units. It is possible that the work may have to be spread over a longer period than in 2004-5. That will be worked out, as the scheduled installation is closer. Watch the Association website at <http://cypresspointe.net> and future newsletters for updates.

New Recreation and Picnic Area Opens - Also in this newsletter are photos of the brand new recreation and picnic area for Cypress Pointe Resort. This replaces and expands on the old basketball, shuffleboard and tennis areas lost to the construction of the "RALPH CAY" laundry, storage and maintenance building in 2006.

The new recreation area features a professional tennis court, half court basketball and two professional shuffleboard courts, along with a new 30' diameter gazebo. It is located in front of the Clubhouse next to the forever-wild conservation area and features a professionally landscaped setting, greatly enhancing the look of the entrance of our resort.

The new picnic area will eventually feature gas grills (not installed as of this writing) that replace the old charcoal grills that had previously been located behind some of the buildings. Plan to have a cookout and enjoy this beautiful setting on your next visit.

Café Pointe® - Finally, the new Café/Deli replacing the old convenience store/snack bar has opened for business. Featuring fresh brewed Joffrey's Coffee and teas, hot and cold coffee drinks, smoothies along with deli sandwiches, ice cream, great pastries and more, Café Pointe® is the perfect place for your morning coffee and paper, lunch by the pool or snacks anytime of day.

With our recently enhanced resort-wide WiFi service, you can even surf the net while enjoying your food or using the recreation / picnic area. For your convenience, there are now new Business Center services in the Game room and in Gift Pointe. For a reasonable fee, you may use a PC, printer and fax while at the resort even if you don't carry a laptop. The Business center also features remote printing from your room for boarding passes and other print needs.

Cypress Pointe Resort continues to improve the vacation experience for owners and guests. Please remember that your Board and Management welcome input from our owners with comments or ideas.

VRI*ety **Welcome to VRI*ety: An Exciting New World Of Choices with More Resorts on the Way** - As an owner of Cypress Pointe Resort, you now have the option to exchange your week within VRI's internal exchange program-VRI*ety.

By the end of 2008 VRI*ety is expected to grow to almost 150 resorts, providing an entirely new spectrum of exclusive VRI owner exchange opportunities. With VRI*ety you truly have more benefits and flexibility*:

- No annual membership fee
- Exchange fee less than \$100 USD

Call us and talk to one of our VRI*ety Reservation Guides to help plan your next vacation exchange

Monday – Friday 9:00 a.m. – 7:30 p.m. and Saturday 11:00 a.m. – 4:00 p.m. (eastern time).

VRI*ety's toll free number is: 1-888-203-1044

*Please visit www.vriresorts.com and click on VRI*ety Exchange to learn more about VRI*ety.





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Orlando, FL 32836

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SERVICE DIRECTORY

Cypress Pointe Resort
8651 Treasure Cay Lane
Orlando, FL 32836
Telephone (407) 597-2700 or (407) 238-2300
Front Desk Fax (407) 238-2886
Owner Services Fax (407) 238-7501
Email: cp1@cypresspointe.net
Web-site <http://cypresspointe.net>

MEMBERS OF THE BOARD

John Chase, President
Ralph Owen, Vice President
Don Wilks, Secretary
Stuart Schwartz, Treasurer
Michael Aliperti, Director
Chris Thimes, Director
Linda Riddle, Director

VACATION RESORTS INTERNATIONAL

271 Crockett Blvd.
Merritt Island, FL 32954
Corporate Service... (321) 453-3300

VACATION RESORTS INTERNATIONAL

Reservations Direct (949) 859-2181
Central Reservations - Hours of Operations
Monday through Friday
6:00 a.m. to 6:00 p.m. (Pacific Time)
Saturday
8:30 a.m. to 4:00 p.m. (Pacific Time)
Sundays and Holidays - Closed

OWNER SERVICES (407) 597-3000

EXCHANGE INFORMATION

VRI*ety (888) 203-1044
Interval International (II) (800) 634-3415
Resort Condominiums International (RCI)
Special VRI Owner Line (877) 874-3334
The Club (877) 374-2582

DIAMOND RESORTS SERVICES

For Title Services, Deeds and Mortgage Issues
Main Office (702) 804-8600
Mortgage Collections (877) 258-2786

Our Most Recent Renovations

Visit <http://cypresspointe.net/2010model.htm> to see all the photos.

Living Room



Kitchen



Dining Area & Desk



Master Suite A



Our Most Recent Renovations

Visit <http://cypresspointe.net/2010model.htm> to see all the photos.

Second Bedroom



Recreation & Picnic Area



Master Suite B



Cafe Pointe®



**PROPOSED AMENDMENT TO
BYLAWS
OF
THE CYPRESS POINTE RESORT AT LAKE BUENA VISTA
CONDOMINIUM ASSOCIATION, INC.**

**Additions indicated by underlining
Deletions indicated by ~~strike-throughs (----)~~
Unaffected omitted language indicated by ellipsis (...)**

ARTICLE IV. BOARD OF DIRECTORS

Section 1. Number, Term, and Qualification. The affairs of the Association shall be governed by a Board of Directors comprised of not less than three (3) persons, and shall consist of seven (7) directors unless otherwise changed as provided below, each of whom, with the exception of the initial Directors appointed by Developer, pursuant to Section 2 below, shall be a member of the Association or the spouse of a member; provided, however, that in no event shall a member and his or her spouse both serve on the Board of Directors concurrently. For purposes of this Section, all officers and directors of a corporate member and all general partners of a general or limited partnership shall be considered members and shall qualify to serve on the Board. The number of Directors may be increased or decreased from time to time by an amendment to these By-Laws; provided, however, that the Board shall be comprised of at least three (3) but no more than seven (7) persons, and the Board shall at all times be comprised of an odd number of Directors. No decrease in the number of Directors shall have the effect of shortening the term of any incumbent Director.

Except for those Directors appointed by Developer, beginning with the 2009 annual meeting, each Director shall serve for a term of two (2) ~~three (3)~~ years or until the election of his successor, whichever occurs later, or until his death, incapacity, resignation, or removal, to result in the election of a portion of the Board each year in a staggered fashion; provided, however, that the terms of Directors shall automatically extend to three (3) years if permitted by either statutory or decisional law, and provided that the Board, at a duly convened Board meeting, may establish a term of one (1) or two (2) years in regard to the directorship(s) to be filled at an annual election in order to begin or preserve the proper staggering of the election of directors initially one (1) of the first Directors elected by the members shall serve for a one (1) year term, one (1) such Director shall serve for a two (2) year term, and the remaining such Director first elected by the members shall serve for a three (3) year term, and thereafter, the term of no more than one (1) of the Directors shall expire annually, unless and until the number of Directors is increased, whereupon such system of staggered terms shall be modified accordingly.

...

(The remainder of the Bylaws is unchanged.)

CYPRESS POINTE Resort

Candidate Nomination Form

If you wish to be placed on the ballot for possible election to your Board of Directors, please fill out the following information and return to the address listed below in order to reach us no later than January 10, 2009. **Please do not send resumes, and limit your response to no more than 250 words within the space provided. Management reserves the right to edit text that exceeds the space limitations.**

Name: _____
(Please print)

Interval Week(s) Owned: _____

Education: _____

Qualifying Experience: _____

Objectives as a Director: _____

Do you have a relationship or affiliation which involves you in any way with the development, sales or management of a timeshare resort and, if so, please explain: _____

Please return to:
Cypress Pointe Resort
c/o Vacation Resorts International
P.O. Box 540669
Merritt Island, FL 32954
or Fax to: (321) 453-1300

PROXY

The undersigned hereby appoints Don Wilks as Secretary of the Association, on behalf of the Board of Directors, as my proxy (or if I have not appointed a proxy above, I hereby appoint _____), with full powers of substitution, for all matters to come before the Membership Meeting of The Cypress Pointe Resort at Lake Buena Vista Condominium Association, Inc. to be held March 21, 2009, at 9:00 A.M., at Cypress Pointe Resort, 8651 Treasure Cay Lane, Orlando, Florida, and any adjournment thereof. The proxyholder named above has the authority to vote and act for me to the same extent that I would if personally present, with power of substitution, except that my proxyholder's authority is limited as indicated below. This proxy shall be a general proxy for all issues which might come up at the meeting and for which a limited proxy is not required.

LIMITED POWERS - FOR YOUR VOTE TO BE CAST ON THE FOLLOWING ISSUE, YOU MUST INDICATE YOUR PREFERENCE IN THE BOXES PROVIDED BELOW.

I SPECIFICALLY AUTHORIZE AND INSTRUCT MY PROXY HOLDER TO CAST MY VOTE IN REFERENCE TO THE FOLLOWING MATTERS AS INDICATED BELOW:

Are you in favor of the proposed amendment to Bylaw Article IV, Section 1, regarding the staggered election of Directors?

YES

NO

Dated: _____, 2009.

Unit Week(s) No. _____

Owner(s) of the timeshare estate (e.g., unit week), or the owner designated as voting representative on a certificate signed by all owners of the timeshare estate.

Below is for administrative purposes only. Do not complete. SUBSTITUTION OF PROXY

The undersigned, appointed as proxy above, does hereby designate _____ to substitute for me in the proxy set forth above.

Dated: _____, 2009. _____

PROXY

THIS PROXY IS REVOCABLE BY THE UNIT OWNER AND IS VALID ONLY FOR THE MEETING FOR WHICH IT IS GIVEN AND ANY LAWFUL ADJOURNMENT. IN NO EVENT IS THE PROXY VALID FOR MORE THAN NINETY (90) DAYS FROM THE DATE OF THE ORIGINAL MEETING FOR WHICH IT WAS GIVEN.

For your vote to be counted, you must complete this PROXY and return it by March 11, 2009. Please use the enclosed envelope.

PROXY ONLY

Cypress Pointe Resort
8651 Treasure Cay Lane
Orlando, FL 32836

PLACE
STAMP
HERE