



October 3, 2008

Dear Board Members:

Every day lately, it seems we are pelted by an artillery of bad news: banks failing, homes foreclosing, the dollar shrinking, unemployment, tumbling stock market, rising gas prices, grocery prices, the price of everything! It's no wonder we feel like acrobats walking the highwire.

And while it's necessary to be made aware of these issues, and important to be informed, we feel that the quality of that information is of even more importance. With that in mind, we would like to keep you and all of our owners well informed, not only through your resort's newsletters, but also electronically, via e-blasts, internet websites, etc., and of course letters such as this.

On the subject of finances, many of you have approached us with your concerns about the safety of your association's funds. Gail Turner, our Controller responsible for your association, has assured us that the safety of your funds is priority one, even above that of trying to obtain the highest return. This means zero tolerance for risk. Based on this philosophy, it is our goal to maintain all association funds in FDIC-insured and/or U.S.-backed investments at all times.

Here is the process: maintenance fees are received through a lock box checking account. Funds are "swept" into a money market account and then are invested in \$95,000 certificates of deposit with different banking institutions which are FDIC-insured. The certificates of deposit must be held at different banks because an association's funds are FDIC-insured up to only \$100,000 at any one financial institution. The maturity dates on the certificates of deposit vary, depending on when the cash is needed for operations and reserves.

For each resort, operating funds and reserve funds are maintained in separate accounts. The reserve accounts are funded from the operating account in accordance with the budget that is approved by the association's board of directors. As needed, funds are moved back from the money market account to the lock box checking account so that association bills can be paid.

With regard to communications with our owners, Ann Baran, who was recently promoted to Senior Director of Resort Operations, has these words to offer: "In this age of electronic communication," she says, "it is important that all association Boards of Directors examine their methods of keeping owners informed of association business, and it seems the internet is far and away the best method."

We live in an age that is becoming increasingly “paperless” and the impact of doing so is beneficial both to the budget as well as to the environment. Many companies, including our own, are converting and storing files electronically. Communication via e-mail is a mainstay, and the capability to disseminate information with such immediacy has allowed us to communicate without delay and in a way that encourages prompt feedback from the recipients.

E-blasts and website postings allow our board members to keep their members apprised of their resorts’ current events, recent decisions and upcoming meetings. They also serve as an avenue for dispelling any rumors or misinformation that may be circulating via other unauthorized websites or e-mails. The use of electronic communication has already saved your association a significant amount of its precious resources, and will continue to do so in the future!

In the near future we will be creating a series of newsletters to be distributed to all of our managed property owners, sending a very clear message: that in spite of the reported gloom and doom, they have the good fortune of having ownership in a guaranteed vacation destination. We’ll remind them that, through Trading Places International, they have many affordable options for travel and relaxation, and that as life goes on, so should life’s little pleasures.

Wishing you all well,

Trading Places International



RJ Jackson



Marcus Wood



Michael Kizerian