

Dear Custom House Owner:

It is my pleasure to introduce you to Custom House Leasehold Condominium Association, LLC Board of Directors Newsletter. In this issue, you'll learn about the latest developments taking place at your home away from home in Boston, Massachusetts.

Best regards,

Willie Nagda

General Manager

Marriott Vacation Club PulseSM at Custom House

Custom House Leasehold Condominium Association, LLC
2nd Quarter – 2016 Board of Directors Newsletter

Dear Custom House Owner:

Renovation

The major refurbishment project has been completed and “everyday life” is back to normal at Custom House. Commencing with the facade repairs that lasted until December 2015, and concluding with the major refurbishment that began in January of this year, it has been a challenging time for the management team and their associates. Through it all, guests received the highest level of attention, which the Custom House team is always committed to providing, regardless of the circumstances. There remain a few items that need to be resolved, specifically the weight of the dining room chairs, the installation of some bathroom shelving and hooks, the arrival of the new coffee tables and a few other minor details.

Yes, it’s been a long fifteen months, but the end result is that the Custom House exterior façade has been repaired with preventative measures being addressed, and the much-awaited major renovation has concluded resulting in a bright, new and inviting charm that we hope all Custom House owners will enjoy for many years.

Exciting News About Custom House Resales

If you want to sell your Custom House Timeshare Week(s), there have been some significant changes made that are getting results for many Custom House Owners...

Dramatic changes have occurred in the resale of week(s) over the past 4 months at the Marriott Vacation Club Resale Department. In our February Newsletter, we reported that selling a timeshare was extremely difficult and for those of you who have explored the possibility of selling a timeshare, it has not been a sellers’ market. We reported that over time, a number of Custom House owners have contacted Marriott’s Vacation Club’s Resale Operations to place their name on a list to sell their week through a listing program. Over the past two years, the Resale Department has introduced price reductions and a few option incentives, but those initiatives have had limited impact. It was also reported that additional price reductions and options were being explored for the listing program to spur more activity, and it was suggested that you contact the Resale Department. Those additional price reductions and options that were being explored have been initiated in 2016.

New Price Reductions Have Been Introduced Resulting In Increased Sales

The prices of Custom House weeks were reduced and many owners who had listed have sold their week(s). It appears that buyers who have been focusing on Custom House have reacted due to the most recent price reductions.

Based on these recent developments, again, it is suggested that you contact the Resale Department.

Phone: 866-682-4547 Monday-Thursday 9 am – 5 pm; Friday 10 am – 5 pm

Email: Resale.operations@vacationclub.com

Deed-Back Program Is Still An Option

If resale is not the option that is right for you, it is recommended to contact Resale Operations and explore the Deed-back Program that was introduced last fall. The way it works is quite simple. If an owner wants to relinquish ownership of their Custom House timeshare week(s), they simply need to be current on their maintenance fees, use the week(s) as they choose during

2016, and notify Resale Operations that they want to do a deed-back to Marriott Vacation Club. It is anticipated that this will be offered through September 2016. If the program remains available after September 2016, owners would be responsible for the payment of the 2017 maintenance fee, will receive usage in 2017, and will relinquish usage and maintenance fee obligations beginning in 2018. This program remains subject to change at any time so please contact the Marriott Vacation Club Resale Department for the program details.

For the past three years, owners have been frustrated and have expressed “I cannot get rid of my timeshare”. The recent spike in resale is very encouraging. Whether it’s a resale or a deed-back, there are two options that can work for you. The Board has focused on the frustration and gridlock that Custom House owners have felt, and it is so satisfying to see progress being made at Marriott Vacation Club for our owners.

A Special Offer To Enroll In The Marriott Vacation Club Destinations™ Program Is Being Extended Thru October 15, 2016 For Custom House Owners

If you have not taken advantage of the special offer to enroll in the Marriott Vacation Club Destinations Program, you will be happy to learn that the offer has been extended through October 15, 2016. The Destinations Program opens doors for your future travels that you never thought were possible.

If you are not enrolled in the program, you should contact Tim Hamilton or Marianne Callahan at the Sales Office at Custom House, 1-617-310-6378, to learn how you can take advantage of this special rollback enrollment price of \$595-\$695. The enrollment is currently \$2395. We encourage you to take the time to learn more about the program and take advantage of the special savings being offered. This offer does expire on October 15, 2016.

2015 Year-End Audit

At the April 6th 2016 Board of Director’s meeting, the Board conducted an extensive review of the financials for the 12 month calendar year of 2015 with Custom House Director of Finance, Ginger James. Ms. James provided a high level summary of the Profit and Loss Statement, Balance Sheet, and Reserve Study for 2015 and also for the first accounting period through March 25, 2016. After the discussion, the Board participated in a teleconference with John Sittig and Amy Johnson of PricewaterhouseCoopers (PwC) who presented the Association’s 2015 Audit Review stating there were no issues or concerns with the audit, and issued the highest level of assurance. Mr. Sittig made the Board aware of the fact that the audit required no adjusting entries and the Board expressed its extreme satisfaction to Ms. James for a job well done.

Clock Centennial

The celebration for the Custom House Clock Centennial went off like clockwork! A reception for owners and guests was hosted by Willie Nagda, General Manager, and his staff at 4:00pm on April 6th, 2016 – 100 years to the day that the clock was started. Rum and Revolution, the popular musical duo that performs weekly in the Counting Room entertained as guests assembled.

Representatives from the Boston Preservation Alliance and the Boston Landmarks Commission spoke about the importance of preserving history and celebrating milestones. Wharf District Council President Susanne Lavoie also extended her congratulations. Board member Kevin Doyle gave a brief history of the Custom House tower, constructed as a “skyscraper” in 1915. It was the tallest building in Boston, a record it held until 1964 when the Prudential Center

exceeded it. It was fashioned by local architects Peabody and Stearns after St Mark's campanile in Venice.

Clockmaster David Hockstrasser addressed the clock itself. He told of the honor of maintaining the clock for decades. He and his brother designed the system we see today that keeps all four faces of the clock in perfect synchronization. He likened the size and social importance of the clock to London's Big Ben. Everyone agreed with the analogy.

Custom House owner and photographer Paul Doherty was on hand to talk about his love of the tower and showed many of the pictures that he has taken over the years. Of special interest was his composite pictures of the tower under construction a hundred years ago, joined along the centerline with the tower today.

Earlier in the day, Marriott Vacation Club's Director of Public Relations Nick Gollatscheck hosted local Boston media outlets that told the story of the clock centennial on three television channels, in blogs, social media, and a story on the front page of the Boston Globe. It was a fitting reflection on our stewardship of the Boston landmark that we hope will be celebrated every 25 years into the future.

2015 Awards

At the March 2016 General Managers meeting held in Orlando, FL, the Custom House team received many well-deserved honors:

- Team of the Year
- Highest "Everything in Working Order" score
- Highest Associate Engagement Survey score
- Highest number of "Spirit to Serve" events
- Highest number of volunteer hours for "Spirit to Serve" events

Custom House 4th Quarter Associates Awards For Outstanding Service And Performance

Housekeeping-Sergia Martinez and Brigida Maniel

Engineering-Rodney DeJesus

Administration-Joanne Darland

The Board of Directors applauds the 4th Quarter Associates Honorees and extends its congratulations to the management team and every associate for the well-deserved recognition that was received at the General Manager's Conference. It is the unwavering commitment to excellence of every member of the Custom House team that helps make Custom House the crowning jewel that it is. Congratulations!

The Spirit To Serving Our Community

The spirit to serving our community continues to be part of the on-going agenda at Custom House. Whether it's serving dinner to 300 homeless folks at the Pine Street Inn, which was held in May, or participating in neighborhood clean-ups in June, the Custom House management team and associates were there and continue to volunteer in serving the community.

In May, the New England area was touched by the extraordinary compassion that Red Sox Star, David Ortiz and the Red Sox organization displayed when "A Home Run for Maverick" touched the hearts of everyone. The Custom House team reached out and hosted Maverick and his family and went above and beyond in taking a special part in this heart-warming story. Simply google "Maverick's Top Seven Favorite Fenway Moments", which included his stay at Marriott's

Custom House and you too will be touched by the love and affection that was given to a very special little 6 year old Red Sox fan who is being treated for a serious heart ailment.

Custom House Inspires A Brand Evolution

You may have already heard about Marriott Vacation Club PulseSM, an exciting new collection of city properties – including Marriott’s Custom House.

But did you know that it all began in Boston – and that Marriott’s Custom House inspired this evolution of Marriott Vacation Club[®] offerings?

As an owner at Marriott’s Custom House, you’ve been the first to experience exhilarating city vacations in the center of it all, Marriott Vacation Club style. From the beginning, Marriott’s Custom House has stood apart by providing an immersive urban experience to Owners in a prime central location amid Boston’s historic landmarks and diverse shopping and dining.

The popularity of Marriott’s Custom House has been undeniable, with many Owners asking for more city-centric vacation options in the heart of the action – a request that directly led to the creation of Marriott Vacation Club Pulse.

Moving forward, Marriott’s Custom House – now Marriott Vacation Club PulseSM at Custom House, Boston – will join Marriott Vacation Club Pulse properties in New York City, South Beach, San Diego and Washington D.C., will continue to provide Owners with unforgettable cosmopolitan experiences.

You may continue to reserve a stay at Marriott Vacation Club Pulse at Custom House, Boston, in the same way you always have, feeling pride that your property has been instrumental in changing the way Owners experience city vacations!

If You Are Going To Drive In Boston Please Take Note...

The Boston City Council approved a proposal on Wednesday, April 27, 2016 to lower the speed limit from 30 mph to 20 mph in the city of Boston, unless otherwise posted.

The measure, which was supported unanimously, would also decrease the speed limit to 15 mph in school zones, as well as other “municipally designated zones,” such as areas near senior centers or MBTA stations.

In order to officially pass, the proposal still needs to be signed by Mayor Marty Walsh and approved by the state legislature.

Boston’s Popularity Reflected in Hotel Rates

As the summer approaches, we thought that you would enjoy reading a survey of the hotel rates in the city of Boston for 2 nights, Thursday June 2-Sat June 4. We think that you will find it interesting to see how the Maintenance Fee average nightly cost of \$236.83 for suites at Custom House compares with some of the “hotel room” rates that we discovered when searching during the last week in May.

The Harborside Inn - \$319

Omni Parker House Hotel - \$359

The Bostonian Boston - \$454

Boston Marriott Long Wharf - \$489

The Liberty Hotel -\$608

and for non-owners...one night at our beloved Custom House rents out at \$607.

It was mentioned earlier that the popularity of Custom House is being reflected in the recent resale boom. The demand to visit Boston is high and it is comforting to see that ownership in the crowning jewel that we all love so much remains a very good value to our owners.

Do have a wonderful summer, and we look forward to your next visit to Custom House when you are sure to enjoy the dramatic renovation of your timeshare property.

Sincerely,

Board of Directors

Custom House Leasehold Condominium Association, LLC