

October 7, 2016

Dear Marriott's Imperial Palm Villas Owner:

A regular meeting of Imperial Palm Villas Condominium Association, Inc., Board of Directors will be held on October 26, 2016, at 9:45 a.m., Eastern time, at the Talent Experience Center, CONNECT Meeting Room, Marriott's Cypress Harbour, 6720 Captain's Way, Orlando, Florida 32821.

The Board of Directors reviews the Association's reserve funding needs on a regular basis, and will do so again at this meeting. The goal has been and remains to maintain a balanced approach in reserve contributions versus projected expenditures for the Association.

Please pay particular attention to the Reserve Fee on the enclosed proposed budget. For further explanation, see item 2.A. of the Limited Proxy which was recently distributed to you in the Notice of Annual Meeting package.

Owners of Marriott's Imperial Palm Villas are also members of the Vacation Way Recreation Association, Inc. As a member of the Associations, your comments and presence are welcome at this meeting. Any comments will be considered by the Board of Directors prior to taking formal action on the 2017 Proposed Budget.

As noted on the Agenda, open budget discussion with Association members is scheduled from 11:45 a.m. to 12:00 p.m., Eastern time.

The combined 2017 Maintenance Fee and Property Tax billing will be mailed to you in late November and will have a January due date.

If you have any questions regarding the enclosed material, please feel free to contact Evelyn Perez, Director of Finance, by phone at 407-238-6243 or by email at Evelyn.Perez@vacationclub.com.

Warmest regards,

Richard "Nick" Veronda, Jr.
President

Frank Loyke
Vice President

Alexander L. Pollack
Secretary

George Gray
Treasurer

Richard Eger
Director

Board of Directors
Imperial Palm Villas Condominium Association, Inc.

**Imperial Palm Villas Condominium Association, Inc.
Board of Directors Meeting**

October 26, 2016 at 9:45 a.m., Eastern Time

Talent Experience Center
CONNECT Meeting Room
Marriott's Cypress Harbour Resort
6720 Captain's Way
Orlando, Florida 32821

Agenda

- Call to Order
 - Welcome and Introductions
 - Establishment of Quorum
 - Approval of Agenda
 - Appointment of Recording Secretary
 - Proof of Notice of Budget Meeting
- Investment Presentation
- Review and Approval of Meeting Minutes
 - April 26, 2016 Board of Directors Meeting Minutes
 - June 23, 2016 Nominating Committee Meeting Minutes
 - July 12, 2016 Board of Directors Meeting Minutes
- Vacation Way Meeting Recap
- Financial Report
 - Investment Policy Review
 - Current Financials
 - 2016 Year End Forecast
- Break
- Financial Report – Continued
 - Accounts Receivable
 - Fiscal Year Change
 - 2017 Proposed Maintenance Fee Discussion
- Meeting Open to Owners for 2017 Budget Discussion
(Open Budget Discussion with Owners: 11:45 a.m. – 12:00 p.m.)
- Lunch
- Financial Report – Continued
 - Reserve Discussion
 - 2016 Project Update
 - 2017 Project Review
- Refurbishment Update
- Resort Operations
 - Action Items Review
 - Guest Satisfaction Survey Scores Year in Review
 - American's with Disabilities Act (ADA) Discussion
- New Business
 - 2017 Meeting Dates
- Adjournment

Imperial Palm Villas Annual Meeting at 4:00 p.m.
Marriott's Royal Palms and Imperial Palm Villas Clubhouse

IMPERIAL PALM VILLAS CONDOMINIUM ASSOCIATION, INC.

2017 Estimated Operating Budget

For The Period Beginning December 31, 2016 And Ending December 31, 2017

	2016 BUDGETED EXPENSES 2,346 UNIT WEEKS (PER UNIT WEEK)	2017 PROPOSED BUDGET 2,346 UNIT WEEKS (PER UNIT WEEK)	2016 BUDGET VS 2017 BUDGET INCREASE/(DECREASE)		2017 PROPOSED BUDGET TOTAL \$
			\$	%	

Revenue					
SPECIAL (WEEKS 1 - 17,51 - 52)	1,434.79	1,678.69	243.90	17.0%	1,467,150
SPORT (WEEKS 18 - 23,34 - 50)	1,389.03	1,629.04	240.01	17.3%	1,648,559
SUMMER (WEEKS 24 - 33)	1,415.18	1,657.41	242.23	17.1%	762,395
Bank/Investment Interest	0.58	0.82	0.24	41.4%	1,915
Late Fees	6.94	5.75	(1.19)	(17.1%)	13,500
Maintenance Fee Interest Income	13.35	13.47	0.12	0.9%	31,600
Total Maintenance Fee Revenue					3,925,119

Expenses					
Accounting	21.30	21.68	0.38	1.8%	50,870
Administration	40.81	42.72	1.91	4.7%	100,210
Audit Fee	5.01	5.13	0.12	2.4%	12,025
Bad Debt Expense	13.98	13.98	0.00	0.0%	32,799
Billing and Collections	10.54	10.75	0.21	2.0%	25,220
Board of Directors	9.38	9.38	0.00	0.0%	22,000
Cable Television	7.44	7.68	0.24	3.2%	18,012
Credit Card Fee	23.49	23.86	0.37	1.6%	55,976
Division of the Condominium, Timeshare, and Mobile Homes Fee (FL)	2.00	2.00	0.00	0.0%	4,692
Electricity	45.65	42.59	(3.06)	(6.7%)	99,914
High Speed Internet	6.48	6.63	0.15	2.3%	15,561
Housekeeping ⁴	206.63	224.87	18.24	8.8%	527,544
Human Resources	14.95	11.99	(2.96)	(19.8%)	28,117
Income Tax	1.90	2.28	0.38	20.0%	5,341
Insurance	33.48	32.72	(0.76)	(2.3%)	76,771
Landscape / Grounds	23.29	23.63	0.34	1.5%	55,446
Legal	4.26	4.26	0.00	0.0%	10,000
Loss Prevention / Security	4.94	5.55	0.61	12.3%	13,013
Maintenance	118.61	122.42	3.81	3.2%	287,191
Management Fee	115.40	136.02	20.62	17.9%	319,101
Operating Capital	0.00	0.00	0.00	0.0%	0
Other Expenses	0.00	0.00	0.00	0.0%	0
Owner Services ³	38.78	41.11	2.33	6.0%	96,444
Pest Control	3.34	2.75	(0.59)	(17.7%)	6,445
Postage and Printing	7.54	7.92	0.38	5.0%	18,571
Refuse Collection	1.36	1.40	0.04	2.9%	3,282
Rent for Recreation	0.00	0.00	0.00	0.0%	0
Taxes upon Association Property	0.00	0.00	0.00	0.0%	0
Taxes Upon Leased Areas	0.00	0.00	0.00	0.0%	0
Telephone	5.15	5.15	0.00	0.0%	12,082
Vacation Way Recreation Association, Inc	141.80	156.86	15.06	10.6%	367,992
Water and Sewer	17.61	17.36	(0.25)	(1.4%)	40,722
Operating Fee	925.12	982.69	57.57	6.2%	2,305,341

Deficit Recovery/(Surplus Return)	(31.97)	(15.98)	15.99	50.0%	(37,500)
Total Net Operating	872.28	946.67	74.39	8.5%	2,220,826

Reserve Fee ¹	386.65	541.21	154.56	40.0%	1,269,672
Operating And Reserve Fee	1,279.80	1,507.92	228.12	17.8%	3,537,513

Estimated Property Tax²					
SPECIAL (WEEKS 1 - 17,51 - 52)	175.86	190.81	14.95	8.5%	166,768
SPORT (WEEKS 18 - 23,34 - 50)	130.10	141.16	11.06	8.5%	142,854
SUMMER (WEEKS 24 - 33)	156.25	169.53	13.28	8.5%	77,984
Total Maintenance Fee Plus Property Tax					3,925,119

IMPERIAL PALM VILLAS CONDOMINIUM ASSOCIATION, INC.
2017 Estimated Operating Budget Notes
For The Period Beginning December 31, 2016 And Ending December 31, 2017

Notes to the 2017 Estimated Operating Budget

1) Florida Law requires the Association to maintain reserves for deferred maintenance and capital expenditures, based on the estimated useful life and replacement cost of each reserve item. The Association is accumulating funds for repairs and replacements over the remaining useful lives of the components based on estimates of current replacement costs. Actual expenditures may vary from the estimated replacement costs.

The components' actual replacement cost and useful lives may vary from the estimated amounts. If additional funds are needed, the Association has the right, subject to Board approval, to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

The itemized estimate of the remaining life and estimated replacement of the major components are listed below:

- * Roof Replacement – includes both unit roof replacement and common area.
- * Furniture and Fixtures – includes replacement of unit furnishings, equipment, and appliances.
- * Building Painting – includes unit building painting.
- * External Building Maintenance – includes unit building-related equipment items.
- * Pavement Resurfacing – includes pavement resurfacing and striping.
- * Common Area Rehabilitation – provides for site lighting, irrigation systems, and common area maintenance of Imperial Palms units.

Components	Estimated Useful Life In Yrs	Estimated Replacement Cost	Estimated Remaining Useful Years	Anticipated Beginning Fund Balance As Of December 31, 2016	Contribution For 2017
Roof Replacement	15	\$883,460	12	\$133,080	\$62,532
Furniture and Fixtures	13	\$8,288,470	6	\$2,497,065	\$965,234
Building Painting	8	\$351,830	5	\$127,195	\$44,927
External Building Maintenance	15	\$754,839	5	\$272,891	\$96,390
Pavement Resurfacing	16	\$76,951	14	\$9,936	\$4,787
Common Area Rehabilitation	13	\$904,085	7	\$233,463	\$95,803
TOTAL		\$11,259,635		\$3,273,630	\$1,269,672

As permitted by Florida Statute 721, reserve funds may be reallocated between the reserve components by the Board at a duly called meeting.

2) Florida law requires the Managing Entity hired by the Association to collect ad valorem taxes assessed by the Orange County Property Appraiser's Office. The exact amount of the taxes levied on each separate timeshare estate may vary depending on the value of the timeshare estate and will not be known for certain until approximately November (depending upon when the tax bill is sent out) of the year of the assessment. So as to meet the statutory requirement that the Tax Collector's Office only accept "full payment", and so as to have the necessary funds on hand to make payment as soon as possible once the tax bill is received by the Managing Entity in order to receive a discount for early payment, the Managing Entity will bill owners for their proportionate share of the taxes in January. Accordingly, the amount collected each year will be an estimate of the amount of ad valorem taxes that will be levied against individual timeshare estates. When the final bill is available, the amount collected for each timeshare estate will be adjusted accordingly, and overpayments, if any, may reduce the subsequent year's assessment, subject to other budgetary factors.

Estimated 2017 Ad Valorem Taxes	AVERAGE
SPECIAL (WEEKS 1 - 17,51 - 52)	\$190.81
SPORT (WEEKS 18 - 23,34 - 50)	\$141.16
SUMMER (WEEKS 24 - 33)	\$169.53

3) The Marriott Resorts Hospitality Corporation ("MRHC") has been delegated the authority to provide all services incidental to the management of the Condominium, including Owner Services and all property operations. In connection with the performance of those services, all operating expenses will be charged to and paid by the Association to MRHC, including some that may be incurred through affiliates of MRHC. Certain of the operating expenses charged to and paid by the Association to MRHC may reflect economies of scale associated with the number of projects managed by MRHC and the affiliated relationship between MRHC and the developer. The amounts charged for such operating expenses may reflect pricing that is lower than what equivalent services would cost if charged on an independent case-by-case basis.

4) Certain operating expenses are presented in the budget net of funds estimated to be reimbursed to the Association in 2017, including but not limited to: (i) funds received from MVC Trust Owners Association, Inc. and MVC Exchange Company to account for housekeeping expenses necessitated by nightly use of accommodations by MVC Trust members and Marriott Vacation Club Destinations Exchange Program members, and (ii) fees paid to the Association by transient guests who voluntarily elect to receive a daily room cleaning.

The 2017 Estimated Operating Budget is based on 2,346 timeshare estates of a one-week use period, being part of the condominium regime and timeshare plan, with 46 units having been part of the regime and plan on or before December 31, 2017 (2,346 timeshare estates reflects 51 weeks in each of the 46 units being sold).

Notes From 2015 Audit: Certain services, including off-site accounting and administration, and reservations, are provided by MRHC and allocated to the Association based on the number of unit weeks, as a percentage of total unit weeks the respective service covers. Marriott Vacations Worldwide Corporation ("MVWC"), the indirect parent company of MRHC, pays all invoices on behalf of the Association, subject to reimbursement by the Association. The net amount due from (to) MVWC at December 31, 2015 and 2014 was \$23,097 and (\$124,708), respectively.

MRHC collects annual maintenance fees on behalf of the Association. The amount of maintenance fees receivable due from MRHC at December 31, 2015 and 2014 was \$72,388 and \$138,229, respectively.

Capitalized terms not defined in these footnotes have the meaning given to them in the Imperial Palm Condominium Association, Inc. Program Declaration of Covenants, Conditions and Restrictions.

October 7, 2016

Dear Vacation Way Recreation Association, Inc., Member:

A regular meeting of Vacation Way Recreation Association, Inc., Board of Directors will be held on October 25, 2016, at 9:45 a.m., Eastern time, at the Talent Experience Center, CONNECT Meeting Room, Marriott's Cypress Harbour, 6720 Captain's Way , Orlando, Florida 32821.

The Board of Directors reviews the Association's reserve funding needs on a regular basis, and will do so again at this meeting. The goal has been and remains, to maintain a balanced approach in reserve contributions versus projected expenditures for the Association.

Please pay particular attention to the Reserve Fee on the enclosed proposed budget. For further explanation, see item 2.A. of the Limited Proxy which was recently distributed to you in the Notice of Annual Meeting package.

Owners of Imperial Palm Villas are also members of the Vacation Way Recreation Association, Inc. As a member of the Associations, your comments and presence are welcome at this meeting. Any comments will be considered by the Board of Directors prior to taking formal action on the 2017 Proposed Budget.

As noted on the Agenda, open budget discussion with Association members is scheduled from 11:30 a.m. to 11:45 a.m., Eastern time.

The combined 2017 Maintenance Fee billing will be mailed to you in late November and will have a January due date.

If you have any questions regarding the enclosed material, please feel free to contact Evelyn Perez, Director of Finance, by phone at 407-238-6243 or by email at Evelyn.Perez@vacationclub.com.

Best regards,

Robert Gallagher
President

Frank Loyke
Vice President

George Gray
Secretary

Robert H. Adams
Treasurer

Kenneth Waddell
Director

Board of Directors
Vacation Way Recreation Association, Inc.

**Vacation Way Recreation Association, Inc.
Board of Directors Meeting**

October 25, 2016 at 9:45 a.m., Eastern Time

Talent Experience Center
CONNECT Meeting Room
Marriott's Cypress Harbour Resort
6720 Captain's Way
Orlando, Florida 32821

Agenda

- Call to Order
 - Welcome and Introductions
 - Establishment of Quorum
 - Approval of Agenda
 - Appointment of Recording Secretary
 - Proof of Notice of Budget Meeting
- Review and Approval of Meeting Minutes
 - April 25, 2016 Board of Directors Meeting Minutes
 - June 22, 2016 Nominating Committee Meeting Minutes
 - July 12, 2016 Board of Directors Meeting Minutes
- Financial Report
 - Investment Policy Review
 - Current Financials
 - 2016 Year End Forecast
 - Fiscal Year Change
- Break
- Financial Report – Continued
 - 2017 Proposed Maintenance Fee Discussion
- Meeting Open to Members for 2017 Budget Discussion
(Open Budget Discussion with Members: 11:30 a.m. – 11:45 a.m.)
- Lunch
- Financial Report – Continued
 - Reserve Discussion
 - 2016 Project Update
 - 2017 Project Review
- Resort Operations
 - Action Items Review
 - Activities Review
 - American's with Disabilities Act (ADA) Discussion
 - Pool Deck Discussion
- New Business
 - 2017 Meeting Dates
- Adjournment

Vacation Way Annual Meeting at 3:00 p.m.
Marriott's Royal Palms and Imperial Palm Villas Clubhouse

VACATION WAY RECREATION ASSOCIATION, INC.

2017 Estimated Operating Budget

For The Period Beginning December 31, 2016 And Ending December 31, 2017

	2016 BUDGETED EXPENSES 8,555 UNIT WEEKS (PER UNIT WEEK)	2017 PROPOSED BUDGET 8,555 UNIT WEEKS (PER UNIT WEEK)	2016 BUDGET VS 2017 BUDGET INCREASE/(DECREASE)		2017 PROPOSED BUDGET TOTAL \$	2017 BUDGET BY VILLA TYPE	
			\$	%		2 BEDROOM 6,209 UNIT WEEKS (PER UNIT WEEK)	3 BEDROOM 2,346 UNIT WEEKS (PER UNIT WEEK)

Revenue							
Maintenance Fee	123.76	136.90	13.14	10.6%	1,171,201	129.37	156.87
Marketplace Express Net	3.47	3.08	(0.39)	(11.2%)	26,312	2.91	3.52
Miscellaneous Income	0.38	0.38	0.00	0.0%	3,260	0.36	0.44
Total Maintenance Fee Revenue	127.61	140.36	12.75	10.0%	1,200,773	132.64	160.83

Expenses							
Activities	7.28	8.50	1.22	16.8%	72,721	8.03	9.74
Audit Fee	1.06	1.07	0.01	0.9%	9,135	1.01	1.22
Electricity	5.58	5.27	(0.31)	(5.6%)	45,047	4.98	6.03
Front Desk	50.61	52.86	2.25	4.4%	452,234	49.95	60.57
Gas	0.32	0.30	(0.02)	(6.3%)	2,600	0.29	0.35
Income Tax	1.04	1.04	0.00	0.0%	8,898	0.98	1.19
Insurance	2.75	3.38	0.63	22.9%	28,927	3.20	3.87
Landscape / Grounds	4.54	4.67	0.13	2.9%	39,941	4.41	5.35
Maintenance	1.93	1.97	0.04	2.1%	16,840	1.86	2.26
Management Fee	11.25	12.45	1.20	10.7%	106,473	11.76	14.26
Operating Capital	0.00	0.00	0.00	0.0%	0	0.00	0.00
Other Expenses	0.00	0.00	0.00	0.0%	0	0.00	0.00
Pest Control	0.23	0.23	0.00	0.0%	1,992	0.22	0.27
Pool Maintenance	6.86	6.91	0.05	0.7%	59,102	6.53	7.92
Rent for Recreation	0.00	0.00	0.00	0.0%	0	0.00	0.00
Taxes upon Association Property	0.00	0.00	0.00	0.0%	0	0.00	0.00
Taxes Upon Leased Areas	0.00	0.00	0.00	0.0%	0	0.00	0.00
Transportation / Garage / Parking	3.53	3.76	0.23	6.5%	32,203	3.56	4.31
Water and Sewer	0.63	0.63	0.00	0.0%	5,420	0.60	0.73
Operating Fee	97.61	103.04	5.43	5.6%	881,533	97.38	118.07

Total Net Operating	93.76	99.58	5.82	6.2%	851,961	94.11	114.11
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Reserve Fee ¹	30.00	37.32	7.32	24.4%	319,240	35.26	42.76
Operating And Reserve Fee	127.61	140.36	12.75	10.0%	1,200,773	132.64	160.83

VACATION WAY RECREATION ASSOCIATION, INC.
2017 Estimated Operating Budget Notes
For The Period Beginning December 31, 2016 And Ending December 31, 2017

Notes to the 2017 Estimated Operating Budget

1) Florida Law requires the Association to maintain reserves for deferred maintenance and capital expenditures, based on the estimated useful life and replacement cost of each reserve item. The Association is accumulating funds for repairs and replacements over the remaining useful lives of the components based on estimates of current replacement costs. Actual expenditures may vary from the estimated replacement costs.

The components' actual replacement cost and useful lives may vary from the estimated amounts. If additional funds are needed, the Association has the right, subject to Board approval, to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

The itemized estimate of the remaining life and estimated replacement of the major components are listed below:

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- * Building Painting – includes unit building painting.
- * External Building Maintenance – includes unit building-related equipment items.
- * Pavement Resurfacing – includes pavement resurfacing and striping.
- * Common Area Rehabilitation – provides for site lighting, irrigation systems, and common area maintenance of Vacation Way.

Components	Estimated Useful Life In Yrs	Estimated Replacement Cost	Estimated Remaining Useful Years	Anticipated Beginning Fund Balance As Of December 31, 2016	Contribution For 2017
Roof Replacement	16	\$301,597	14	\$115,737	\$13,276
Building Painting	10	\$100,669	9	\$97,180	\$388
External Building Maintenance	25	\$299,139	5	\$171,683	\$25,491
Pavement Resurfacing	16	\$149,336	12	\$38,233	\$9,259
Common Area Rehabilitation	12	\$1,711,899	6	\$86,938	\$270,827
TOTAL		\$2,562,640		\$509,771	\$319,240

As permitted by Florida Statute 721, reserve funds may be reallocated between the reserve components by the Board at a duly called meeting.

The 2017 Estimated Operating Budget is based on 8,555 timeshare estates of a one-week use period, being part of the condominium regime and timeshare plan, with 169 units having been part of the regime and plan on or before December 30, 2016 (8,555 timeshare estates reflects 50.62 weeks in each of the 169 units being sold).

The total Operating and Reserve Fee will be assessed to the owners of timeshare interests in Royal Palms Condominium and Imperial Palm Villas Condominium in accordance with Article VII, Section 1 of the Bylaws of Vacation Way Recreation Association, Inc.

Notes From 2015 Audit: Marriott Vacations Worldwide Corporation ("MVWC"), the current indirect parent company of MRHC, pays all invoices on behalf of the Association, subject to reimbursement by the Association. The net amount due from MVWC at December 31, 2015 and 2014 was \$3,041 and \$8,805, respectively.

Capitalized terms not defined in these footnotes have the meaning given to them in the Vacation Way Recreation Association, Inc. Program Declaration of Covenants, Conditions and Restrictions.