

November 9, 2018

Dear Marriott's Harbour Lake Owner:

It is my pleasure to introduce you to the [Fall 2018 Harbour Lake Herald](#)! In this issue, you'll learn about the latest developments taking place at your home away from home in Orlando, Florida.

Please contact me with any questions you may have via email at Melissa.Fritsche@vacationclub.com or via telephone at 407-465-6298.

Best regards,

Melissa Fritsche

General Manager
Marriott's Harbour Lake



HARBOUR LAKE HERALD

Fall 2018

Dear Marriott's Harbour Lake Owner,

If you have come to connect the arrival of the Harbour Lake Herald with a recently completed HAO Board Meeting then you are absolutely correct. However, since this is the Fall Edition of the Herald that also means there was a recently completed Annual Owners Meeting. Both meetings occurred on Friday October 12, 2018. This edition of the Herald will update you with the highlights of both meetings but will also include information on other exciting things happening at Harbour Lake.

The Board is truly pleased to provide you information on the renovations in buildings 30/31 that will be completed by the time you get the Herald and the upcoming renovations in buildings 14/15 which will be initiated in January 2019. These renovations will return the interiors of the subject villas to the Key West theme that is so exemplified by the exterior treatments of our buildings. This will be described later in the Herald as will details on a new butterfly garden that has been built on site.

As our owners prepare for winter at their primary residences please know that your second home at Harbour Lake is fresh and airy offering you a relaxing respite from the anticipated chills of the upcoming season. The HAO Board and our Marriott Management Team wish you and yours a wonderful Holiday Season with your family and friends.

Financial Facts and Tasks

While the HAO Board and our Marriott Management Team do our best to keep your Harbour Lake investment well maintained as well as fresh and vibrant we need to keep you informed on the financials that make it all work. Thus, let me cover some of the major elements in the financial equation so far in 2018. The following items are not in any particular order of significance.

- Orange County again increased the assessed value by 10%. The property tax assessment to owners in the budget for 2018 was less than the estimated tax expense from Orange County as there was surplus funds from 2017 used to lower the fee to owners. Also, the estimated tax expense from Orange County was budgeted to increase 4.5% and the actual fees to be paid are 10% higher. As a result, for 2019, the property tax fee to owners will increase by 13.5% as we conservatively budget future year increases from Orange County at nearly 10% moving forward. The Board has engaged with outside counsel and has filed suit to challenge the assessments by Orange County.
- With Disney announcing its recent union agreement gradually raising the minimum wage to \$15.00 per hour, the HAO Board is budgeting higher labor salaries for 2019 at Harbour Lake, however the amounts budgeted are less than what Disney is paying. With the upswing in the Orlando economy over the last few years and extensive building in the area has resulted in a tight labor market. Consequently, it is already a restricted labor market with multiple job openings going unfilled at Harbour Lake in 2018.
- Extensive building around the Harbour Lake property coupled with a reduction in green space has resulted in a continuing increase in our yearly budget for pest control as critters are displaced from their local surroundings.
- The change in climate has caused humidity issues in our villas over the last few years. This has precipitated a need to add dehumidification equipment with the resulting increased capital and maintenance costs. While the HAO Board and our Marriott Management Team have worked to reduce

the Operations and Reserve Fund portions of our annual Maintenance Fee, the Tax Fund portion continues to be the highest contributor.

- At present the HAO Board anticipates the Operating Fund to be under budget by approximately \$345,000 at the end of calendar year 2018. A portion of this savings will be moved to the Reserve Fund to help reduce future year increases.
- The HAO Board has budgeted for a significant increase in insurance premiums due to increased costs incurred by insurance companies from major weather events in 2017 and 2018.
- The HAO Board has approved an increase in the Maintenance Fee for 2019 of 5.5 percent.
- The 2019 budget approved by the HAO Board is \$23,228,912 million.

The HAO Board and the Marriott Management Team continue to balance costs against maintaining the integrity of the Harbour Lake home you have entrusted to our care. We endeavor to do our best with each dollar our owners allow us to manage.

Tom Lawson

Board President

Board of Directors Noteworthy News

“IT’S LIKE FAMILY HERE”

If you’ve been visiting Harbour Lake for a while, each time you return you probably notice many familiar faces around the resort. I was interested to know what keeps so many great associates continuing to work at Harbour Lake over the years, so I was glad to have the chance to chat recently with Nilsa and Anetude.

After a long day of travel to reach Harbour Lake, we look forward to the friendly greetings at the Front Desk, and Nilsa’s warm welcome always sets the tone. She has worked at Harbour Lake since its earliest days, and she brought her expertise from working at Marriott’s Cypress Harbour and Marriott’s Grande Vista. She says that the smaller resort atmosphere at Harbour Lake appealed to her from the beginning, with the ability to have a relationship with guests and their children. As a cancer survivor, Nilsa has experienced journeys of her own while working at Harbour Lake, and she has high praise for the support she received while undergoing treatments. “Thank you is not enough,” she says about the amazing response of co-workers to her health challenges. She expresses particular appreciation for the way General Manager Melissa helps out in all departments when things are busy. For Nilsa, the favorite part of her job is hearing guests comments about how much they have enjoyed their stay, and how their kids would rather stay at our resort than go to any attractions.

If you meet Anetude from Housekeeping, you might not believe that she is old enough to have worked at Harbour Lake for eighteen years. During that time, she has been an inspector, team leader, supervisor, assistant manager, and now manager. A conversation with Anetude immediately conveys her pride with her team and the work they do to meet the meticulous standards of the resort. She believes that communication is the key to everyone working so well together and appreciates the daily meetings for associates and managers. She credits her bosses for being so available and receptive to new ideas, and for going “above and beyond” in compassion for associates. Anetude wants to make sure that guests have a “WOW!” reaction when they arrive at their villa, and that they understand that associates are available to assist them in any way.

It doesn’t take long to realize that Nilsa and Anetude are examples of why Harbour Lake is able to retain personnel so successfully. The very personal respect and appreciation that permeate the resort are contagious and are communicated to all 185 employees.

Sally Leahey

Board Member

Amenities and Activities

We've made it possible to recycle, even on vacation

Do you know that plastic bags are the enemy of recycling? True! We can return them to the grocery store for specialized recycling. But, if plastic bags get mixed up in your Harbour Lake recycling basket, big problem! One plastic bag in a truck load of recyclables rejects the whole load. So, you think all that glass, paper and plastic gets recycled, but not if there's a bag in there! Honest, it gets rejected at the recycling plant and diverted to the landfill. It costs us owners some money too, as those rejected loads come with a pretty high dumping fee.

The Harbour Lake staff does a very good job of helping all of our resort owners and guests with recycling. We owners can help, too, by keeping bags out of the recycling basket. Feel free to share this with your family, friends and fellow guests when at your vacation home, Harbour Lake.

P.S. Keep an eye out for more Earth friendly developments as Marriott helps institute other moves such as limiting straws, moving to more paper vs. plastic, etc.

Vacation with a Special Event in Mind

Going to Harbour Lake is a special event all by itself. But, thanks to our dynamite activities staff, some weeks are more special than others! Last spring, you may have read about the fun Easter activities at Harbour Lake. There are many others throughout the year.

Before choosing your week to visit, you may wish to call the resort to learn of special happenings around the time of your travel. Just recently guests enjoyed some special events. At the time of the annual Harbour Lake Board meeting, Octoberfest was underway with special food, beverages and fun every Tuesday.

Other examples include Happy National Donut Day June 1, aptly followed by Global Wellness Day on June 9. There is the July 4th parade at the resort. And, of course, there is always a Christmas celebration in December.

Whether or not your visit to the resort coincides with a special event, we all know we are going to find "tons of fun" at Harbour Lake. That's why it's not uncommon for kids to prefer another day at Harbour Lake over theme parks!

Arnie Biondo

Board Member

What's Old Is New as Harbour Lake Goes Back to Key West

Harbour Lake is constantly updating and renovating to make sure all of us have enjoyable stays here. The Board of Directors has moved to restoring the "Key West" theme to Harbour Lake as we continue with our always-on-going renovation of rooms, buildings, and the grounds. When we first approved the "Return to Key West" theme, we worked with a design team from New York City and the top advisors from Marriott to create what we hoped would be nothing short of spectacular.

Well, the first units are being rolled out, and I was privileged to spend a week in one of them. Let me take you on a tour of a 2-bedroom villa with the "new look." I think you'll enjoy it!



The entryway (l) is brighter, lighter, and designed to usher us into the new look. On the right, the doors hide the new washer and dryer; on the left, the entrance to the common bathroom. A longer view (r) shows off the artwork and the new stools at the counter. The stools will fit under the counter, but they have a small back support. The artwork adds a splash of color to the entrance.



The stools are sturdy, but take a look at the carpeting here. The Board and the Design Team agreed on a muted color scheme that would add “pop” to the look of the unit without taking the eye away from the beauty of the overall effect.



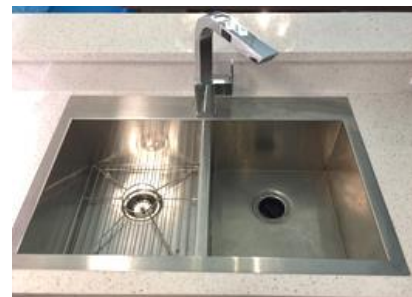
As we move from the entryway, let’s take a look at the kitchen:



The kitchen’s new look is really inspiring. The sleek look of the appliances combines with the light-colored cabinets and the countertop to present an appealing and functional workspace for preparing every meal (and snack) you choose to have in your unit.

The new kitchen lighting is a new welcome addition, and it makes the whole space much brighter.

In the kitchen, one of the “workhorse” areas is the sink. The new look of stainless steel and a sparkling new faucet fixture *almost* make you want to do the dishes by hand! The new faucet swivels from left to right, has the spray and stream modes, and pulls out to become a separate spray device, as we have always counted on.



The centerpiece of the villas is the living room. And with the newly-remodeled look, style and functionality blend beautifully to create an inviting, warm, and communal space suited for group viewing or conversation.

The ottoman can be moved away from the spacious sofa for use as another seating or “table” surface. Again, the light, bright colors of wall, art work, lamps, carpeting, and furniture recall the congeniality of the relaxed Key West look. Natural light streams from the sliding doors to the balcony. The open coffee table replaces the boxy look of previous styles, and the large flat-screen television is easy to see from anywhere in the living room or in the dining area if the screen is swiveled to the side.

If you’re a fan of “the little things,” then you’ll *love* this: next to the TV—and on the bedside tables as well—is a combo outlet box where you can plug in your computer, your video game station, or charge your smart phones and tablets. The “command center” box behind the TV allows you to connect your devices for big-screen viewing, using the TV as a large monitor. Yes, the laid-back lifestyle of Key West with a nod to the conveniences of today.

From the living room, let’s look at the “forgotten area” of the villa. No longer. You wanted a full-length mirror? Here it is. You wanted more storage for all those groceries you bought for the week? Here is your pantry with multiple shelves to handle it all.

From the slider by the balcony, let’s look back the length of the unit, and for the first time, we’ll see the dining area:



This picture really shows off the “new look” very well. From the cushions on the sofa to the colors of the bench seats in the dining area to the entryway, the Key West look of the unit comes together in a way that is both functional and pleasing to the eye.

The dining area retains the same features as you remember with a new look in the chairs at the table and the bright chandelier over the table. Chairs at the counter can add additional eating stations for larger groups.

The chandelier is new and deserves a closer look. The interior of the “wheel” of the chandelier has evenly spaced candelabra lights surrounded by translucent prisms.

The chandelier is one the Board considered not only for its light, its design, and its functionality, but also for its cleaning. Each prism lifts out from a slot in the “wheel” and can be easily cleaned by our housekeeping staff.





The Master Bedroom features a new, brighter look as well. With new-look wall treatments and paintings, with an ottoman that pulls out from beneath the left night stand, and a rattan-style chest of drawers, the master bedroom continues the Key West appeal from the main part of the unit. Of course, the spacious closet has a secure safe, and there is space for hanging clothes.



In the second bedroom (1), two spacious queen beds with new, bright headboards provide the reliable Marriott comfort we have come to expect for a great night's sleep after a full day at the resort or sight-seeing off property.

The balconies are, as always, comfortable and convenient. With a ceiling fan and light, this screened-in area protects you from bugs (and keeps your small children from throwing your jewelry overboard). It is a great place to end the day. Some units even have a view of the fireworks at night from Sea World, across the way.



ALL of the units at Harbour Lake will undergo the “Key West” renovation eventually. But as some of our units await their turn, we are making sure that all of them are up to date, clean, and a welcome “home away from home” for you every time you visit. We look forward to seeing you on your next visit—and we’ll see you at the Pirate Ship! ☺

Les Holliday
Board Member

General Manager Update

Another successful year is quickly ending, and the outlook for 2019 is even better than this year. As you have read, the recent interior renovation brings the villas back to the light and airy Key West feel that was intended upon opening the resort. We look forward to your comments when occupying the villas and can't wait until all villas have the same decor. Entertainment variety is important and the Food & Beverage staff along with the Recreation Department teamed up to create a memorable October with Oktoberfest! Halloween provided another opportunity for the Recreation staff to create a memorable evening for the occupants on site. Candy Land was the theme and guests found themselves transported into the gameboard. It was an amazing event! Stay tuned to see what they create in 2019!

2019 Reserve Projects

We will begin the year with an interior renovation of the villas in Buildings 14 and 15. During the renovation, the villas will receive all new furniture and furnishings as well as appliances. The exterior of the buildings will also be painted to complete the update.

Dehumidifiers will be replaced with new ones in all villas in Buildings 10, 12, 13, 14 and 15 to help combat the high humidity we have been experiencing. Buildings 14 and 15 will also receive new air conditioning units.

Other projects to be completed in January include gel coating the slide at Florida Falls pool.

Your understanding is much appreciated if you should occupy the resort as enhancements are being completed. Due to our yearly high occupancy, we are not able to complete all projects in January and September which historically have been the quietest months at the resort.

Owner and Guest Satisfaction

After each stay at Harbour Lake, a survey is emailed to you. These surveys are very important to all associates and managers and help us make improvements to our day-to-day operation. The survey allows you to inform us of great hospitality displayed by associates as well as areas needing improvement. The Management Team values the information and it helps in recognizing positive performances of our associates and enables us to achieve our goals.

“Go Green” and Save – Opt-in!

You can now choose to receive notice of meetings, voting materials and other required Association mailings via email. When you opt-in to receive these required communications electronically, you're not just helping the environment – you are directly reducing your Association's mailing expenses as well as your personal maintenance fee. Log on to www.marriottvacationclub.com and opt-in today!

Owner Services – On-line or by Phone

Did you know the multitude of things you can do by logging on to www.marriottvacationclub.com?

- Update your personal information, including email address
- Explore destinations
- Book your vacation
- Modify your reservation
- Understand how Vacation Club points work
- “Go Green” and Opt-in and reduce your Association's mailing expenses
- Travel Insurance and assistance

If you need additional assistance, contact Owner Services at 800-845-4226 to speak with a representative.

Warmest regards,

Melissa Fritsche

General Manager
Marriott's Harbour Lake