

October 11, 2019

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 30, 2019, 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 proposed 2020 Budget.

As noted on the Agenda, open budget discussion with Association members is scheduled from 11:05 a.m. to 11:20 a.m., Eastern time.

The combined 2020 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,

George Gray
President

Frank Loyke
Vice President

Richard Eger
Secretary

Alexander L. Pollack
Treasurer

Richard "Nick" Veronda, Jr.
Director

Board of Directors
Imperial Palm Villas Condominium Association, Inc.

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

October 30, 2019 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
- Establishment of Quorum
- Appointment of Recording Secretary
- Approval of Agenda
- Proof of Notice of Meeting
- Investment Presentation
- Review and Approval of Previous Meeting Minutes
 - January 8, 2019 Board of Directors Meeting
 - April 23, 2019 Board of Directors Meeting
 - June 26, 2019 Board of Directors Meeting
 - July 16, 2019 Nominating Committee Meeting
- Vacation Way Meeting Recap
- Financial Report
 - Investment Policy Review
 - Current Financials
 - 2019 Year End Forecast
 - Proposed 2020 Maintenance Fee Discussion
 - Meeting Open to Owners for 2020 Budget Discussion
(Open Budget Discussion with Owners: 11:05 a.m. – 11:20 a.m.)
 - Property Tax Discussion
 - Accounts Receivable
 - Reserves Discussion
 - 2019 Reserves Project Update
 - 2020 Reserves Project Review
- Resort Operations
 - Action Items Review
 - Guest Satisfaction Survey Scores Year in Review
 - Reaffirm Expense Policy
 - 2021 Master Bathroom Refurbishment Discussion
 - Audit Firm
- Financial Report – Continued
 - Approval of 2020 Budget
- New Business
 - Announcement of 2020 Meeting Dates
- Adjournment

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

IMPERIAL PALM VILLAS CONDOMINIUM ASSOCIATION, INC.

2020 Estimated Operating Budget

For The Period Beginning January 1, 2020 And Ending December 31, 2020

| | 2019 BUDGETED EXPENSES 2,346 UNIT WEEKS (PER UNIT WEEK) | 2020 PROPOSED BUDGET 2,346 UNIT WEEKS (PER UNIT WEEK) | 2019 BUDGET VS 2020 BUDGET INCREASE/(DECREASE) | | 2020 PROPOSED BUDGET TOTAL \$ |
|--|--|--|---|---|--|
| | | | \$ | % | |

| Revenue | | | | | |
|--------------------------------------|----------|-----------------|--------|---------|------------------|
| SPECIAL (WEEKS 1 - 17,51 - 52) | 1,706.55 | 2,437.56 | 731.01 | 42.8% | 2,130,443 |
| SPORT (WEEKS 18 - 23,34 - 50) | 1,656.90 | 2,387.91 | 731.01 | 44.1% | 2,416,582 |
| SUMMER (WEEKS 24 - 33) | 1,685.27 | 2,416.28 | 731.01 | 43.4% | 1,111,497 |
| Bank/Investment Interest | 3.29 | 6.68 | 3.39 | 103.0% | 15,675 |
| Late Fees | 6.31 | 5.25 | (1.06) | (16.8%) | 12,325 |
| Maintenance Fee Interest Income | 11.91 | 12.34 | 0.43 | 3.6% | 28,939 |
| Total Maintenance Fee Revenue | | | | | 5,715,461 |

| Expenses | | | | | |
|---|-----------------|-----------------|---------------|--------------|------------------|
| Accounting | 22.53 | 22.71 | 0.18 | 0.8% | 53,276 |
| Administration | 47.59 | 46.39 | (1.20) | (2.5%) | 108,828 |
| Audit Fee | 5.47 | 3.60 | (1.87) | (34.2%) | 8,450 |
| Bad Debt Expense | 13.97 | 12.79 | (1.18) | (8.4%) | 30,000 |
| Billing and Collections | 10.75 | 10.13 | (0.62) | (5.8%) | 23,775 |
| Board of Directors | 9.38 | 9.38 | 0.00 | 0.0% | 22,000 |
| Cable Television | 6.93 | 6.93 | 0.00 | 0.0% | 16,260 |
| Credit Card Fee | 23.72 | 22.93 | (0.79) | (3.3%) | 53,795 |
| Division of the Condominium, Timeshare, and Mobile Homes Fee (FL) | 2.00 | 2.00 | 0.00 | 0.0% | 4,692 |
| Electricity | 46.51 | 50.05 | 3.54 | 7.6% | 117,424 |
| High Speed Internet | 0.83 | 0.83 | 0.00 | 0.0% | 1,949 |
| Housekeeping ⁴ | 262.98 | 301.52 | 38.54 | 14.7% | 707,363 |
| Human Resources | 13.22 | 19.64 | 6.42 | 48.6% | 46,087 |
| Income Tax | 4.08 | 6.55 | 2.47 | 60.5% | 15,368 |
| Insurance | 37.98 | 52.60 | 14.62 | 38.5% | 123,388 |
| Landscape / Grounds | 21.26 | 21.26 | 0.00 | 0.0% | 49,878 |
| Legal | 4.26 | 0.85 | (3.41) | (80.0%) | 2,000 |
| Loss Prevention / Security | 6.91 | 7.15 | 0.24 | 3.5% | 16,780 |
| Maintenance | 136.36 | 133.41 | (2.95) | (2.2%) | 312,979 |
| Management Fee | 137.39 | 198.65 | 61.26 | 44.6% | 466,044 |
| 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 | 44.89 | 46.24 | 1.35 | 3.0% | 108,471 |
| Pest Control | 2.55 | 2.62 | 0.07 | 2.7% | 6,155 |
| Postage and Printing | 7.78 | 7.78 | 0.00 | 0.0% | 18,250 |
| Refuse Collection | 1.49 | 3.39 | 1.90 | 127.5% | 7,956 |
| 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 | 6.62 | 7.00 | 0.38 | 5.7% | 16,421 |
| Vacation Way Recreation Association, Inc | 169.68 | 226.78 | 57.10 | 33.7% | 532,035 |
| Water and Sewer | 25.89 | 23.36 | (2.53) | (9.8%) | 54,810 |
| Operating Fee | 1,073.02 | 1,246.54 | 173.52 | 16.2% | 2,924,434 |

| | | | | | |
|----------------------------|-----------------|-----------------|---------------|--------------|------------------|
| Total Net Operating | 1,051.51 | 1,222.27 | 170.76 | 16.2% | 2,867,495 |
|----------------------------|-----------------|-----------------|---------------|--------------|------------------|

| | | | | | |
|----------------------------------|-----------------|-----------------|---------------|--------------|------------------|
| Reserve Fee ¹ | 464.23 | 1,024.48 | 560.25 | 120.7% | 2,403,421 |
| Operating And Reserve Fee | 1,537.25 | 2,271.02 | 733.77 | 47.7% | 5,327,855 |

| Estimated Property Tax² | | | | | |
|--|--------|---------------|------|------|------------------|
| SPECIAL (WEEKS 1 - 17,51 - 52) | 190.81 | 190.81 | 0.00 | 0.0% | 166,768 |
| SPORT (WEEKS 18 - 23,34 - 50) | 141.16 | 141.16 | 0.00 | 0.0% | 142,854 |
| SUMMER (WEEKS 24 - 33) | 169.53 | 169.53 | 0.00 | 0.0% | 77,984 |
| Total Maintenance Fee Plus Property Tax | | | | | 5,715,461 |

IMPERIAL PALM VILLAS CONDOMINIUM ASSOCIATION, INC.
2020 Estimated Operating Budget Notes
For The Period Beginning January 1, 2020 And Ending December 31, 2020

Notes to the 2020 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 January 1, 2020 | Contribution For 2020 |
|-------------------------------|------------------------------|----------------------------|----------------------------------|--|-----------------------|
| Roof Replacement | 15 | \$1,067,913 | 6 | \$275,141 | \$132,129 |
| Furniture and Fixtures | 14 | \$10,887,333 | 5 | \$607,122 | \$2,056,042 |
| Building Painting | 8 | \$373,964 | 6 | \$429,434 | (\$9,245) |
| External Building Maintenance | 14 | \$814,756 | 8 | \$78,170 | \$92,073 |
| Pavement Resurfacing | 15 | \$86,593 | 9 | \$6,906 | \$8,854 |
| Common Area Rehabilitation | 13 | \$1,075,295 | 6 | \$333,887 | \$123,568 |
| TOTAL | | \$14,305,854 | | \$1,730,660 | \$2,403,421 |

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 2020 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 2020, 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 2020 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, 2019 (2,346 timeshare estates reflects 51 weeks in each of the 46 units being sold).

Notes From 2018 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 (to) from MVWC at December 31, 2018 and 2017 was (\$13,514) and \$4,621, respectively.

MRHC collects annual maintenance fees on behalf of the Association. The amount of maintenance fees receivable due from MRHC at December 31, 2018 and 2017 was \$255,328 and \$97,582, respectively.

The amount due to Vacation Way Recreation Association, Inc. from the Association at December 31, 2018 and 2017 was \$0 and \$1,280, respectively.

October 11, 2019

Dear Vacation Way Recreation Association, Inc., Member:

A regular meeting of Vacation Way Recreation Association, Inc., Board of Directors will be held on October 29, 2019, at 9:15 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 proposed 2020 Budget.

As noted on the Agenda, open budget discussion with Association members is scheduled from 10:45 a.m. to 11:00 a.m., Eastern time.

The combined 2020 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

George Gray
Vice President

Alex Pollack
Secretary

Robert H. Adams
Treasurer

Laura McMillan
Director

Board of Directors
Vacation Way Recreation Association, Inc.

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

October 29, 2019 at 9:15 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
- Establishment of Quorum
- Approval of Agenda
- Appointment of Recording Secretary
- Proof of Notice of Meeting
- Review and Approval of Meeting Minutes
 - January 8, 2019 Board of Directors Meeting
 - April 22, 2019 Board of Directors Meeting
 - June 26, 2019 Board of Directors Meeting
 - July 9, 2019 Nominating Committee Meeting
- Financial Report
 - Investment Policy Review
 - Current Financials
 - 2019 Year End Forecast
 - Proposed 2020 Maintenance Fee Discussion
 - Meeting Open to Members for 2019 Budget Discussion
(Open Budget Discussion with Members: 10:45 a.m. – 11:00 a.m.)
 - Reserves Discussion
 - 2019 Reserves Project Update
 - 2020 Reserves Project Review
- Resort Operations
 - Action Items Review
 - Activities Review
 - 2020 Lobby Refurbishment Discussion
 - Audit Firm
- Financial Report – Continued
 - Approval of 2020 Budget
- New Business
 - Announcement of 2020 Meeting Dates
- Adjournment

Vacation Way Annual Meeting at 1:00 p.m.
Marriott's Royal Palms and Imperial Palm Villas Clubhouse

VACATION WAY RECREATION ASSOCIATION, INC.

2020 Estimated Operating Budget

For The Period Beginning January 1, 2020 And Ending December 31, 2020

| | 2019 BUDGETED EXPENSES | 2020 PROPOSED BUDGET | 2019 BUDGET VS 2020 BUDGET INCREASE/(DECREASE) | | 2 BEDROOM Royal Palms Condominium 68.58% | 3 BEDROOM Imperial Palms Condominium 31.42% |
|--|------------------------------|----------------------------|---|---|---|--|
| | \$ | \$ | \$ | % | | |

| Revenue | | | | | | |
|--------------------------------------|------------------|------------------|----------------|--------------|------------------|----------------|
| Maintenance Fee | 1,266,903 | 1,693,297 | 426,394 | 33.7% | 1,161,262 | 532,035 |
| Bank/Investment Interest | 0 | 99 | 99 | 100.0% | 68 | 31 |
| Marketplace Express Net | 22,318 | 7,008 | (15,310) | (68.6%) | 4,806 | 2,202 |
| Miscellaneous Income | 3,263 | 3,263 | 0 | 0.0% | 2,238 | 1,025 |
| Total Maintenance Fee Revenue | 1,292,484 | 1,703,667 | 411,183 | 31.8% | 1,168,374 | 535,293 |

| Expenses | | | | | | |
|-----------------------------------|------------------|------------------|----------------|--------------|----------------|----------------|
| Activities | 78,681 | 85,827 | 7,146 | 9.1% | 58,860 | 26,967 |
| Audit Fee | 12,950 | 10,600 | (2,350) | (18.1%) | 7,269 | 3,331 |
| Electricity | 48,132 | 48,906 | 774 | 1.6% | 33,540 | 15,366 |
| Front Desk | 533,828 | 676,598 | 142,770 | 26.7% | 464,011 | 212,587 |
| Gas | 4,411 | 4,121 | (290) | (6.6%) | 2,826 | 1,295 |
| Income Tax | 8,682 | 7,368 | (1,314) | (15.1%) | 5,053 | 2,315 |
| Insurance | 35,353 | 52,626 | 17,273 | 48.9% | 36,091 | 16,535 |
| Landscape / Grounds | 45,430 | 47,065 | 1,635 | 3.6% | 32,277 | 14,788 |
| Maintenance | 15,888 | 15,888 | 0 | 0.0% | 10,896 | 4,992 |
| Management Fee | 115,173 | 153,936 | 38,763 | 33.7% | 105,569 | 48,367 |
| Operating Capital | 0 | 0 | 0 | 0.0% | 0 | 0 |
| Other Expenses | 0 | 0 | 0 | 0.0% | 0 | 0 |
| Pest Control | 2,064 | 2,126 | 62 | 3.0% | 1,458 | 668 |
| Pool Maintenance | 76,755 | 88,108 | 11,353 | 14.8% | 60,424 | 27,684 |
| Rent for Recreation | 0 | 0 | 0 | 0.0% | 0 | 0 |
| Taxes upon Association Property | 0 | 0 | 0 | 0.0% | 0 | 0 |
| Taxes upon Leased Areas | 0 | 0 | 0 | 0.0% | 0 | 0 |
| Transportation / Garage / Parking | 44,213 | 45,603 | 1,390 | 3.1% | 31,275 | 14,328 |
| Water and Sewer | 6,560 | 5,141 | (1,419) | (21.6%) | 3,526 | 1,615 |
| Operating Fee | 1,028,120 | 1,243,913 | 215,793 | 21.0% | 853,075 | 390,838 |

| | | | | | | |
|----------------------------------|------------------|------------------|----------------|--------------|------------------|----------------|
| Reserve Fee ¹ | 264,364 | 459,754 | 195,390 | 73.9% | 315,299 | 144,455 |
| Operating and Reserve Fee | 1,292,484 | 1,703,667 | 411,183 | 31.8% | 1,168,374 | 535,293 |

| | | | | | | |
|------------------------------|------------------|------------------|----------------|--------------|------------------|----------------|
| Total Maintenance Fee | 1,266,903 | 1,693,297 | 426,394 | 33.7% | 1,161,262 | 532,035 |
|------------------------------|------------------|------------------|----------------|--------------|------------------|----------------|

VACATION WAY RECREATION ASSOCIATION, INC.
2020 Estimated Operating Budget Notes
For The Period Beginning January 1, 2020 And Ending December 31, 2020

Notes to the 2020 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 Vacation Way.

| Components | Estimated Useful Life In Yrs | Estimated Replacement Cost | Estimated Remaining Useful Years | Anticipated Beginning Fund Balance As Of January 1, 2020 | Contribution For 2020 |
|-------------------------------|------------------------------|----------------------------|----------------------------------|--|-----------------------|
| Roof Replacement | 20 | \$302,404 | 8 | \$153,244 | \$18,645 |
| Building Painting | 10 | \$117,664 | 8 | \$104,677 | \$1,623 |
| External Building Maintenance | 17 | \$433,913 | 14 | \$177,534 | \$18,313 |
| Pavement Resurfacing | 16 | \$153,105 | 8 | \$45,674 | \$13,429 |
| Common Area Rehabilitation | 10 | \$2,153,852 | 5 | \$115,131 | \$407,744 |
| TOTAL | | \$3,160,938 | | \$596,260 | \$459,754 |

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

The 2020 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 31, 2019 (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 2018 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 to MVWC at December 31, 2018 and 2017 was \$70,560 and \$58,064, respectively.

The amount due from Imperial Palm Villas Condominium Association, Inc. to the Association at December 31, 2018 and 2017 was \$0 and \$1,280, respectively.

The amount due from Royal Palms of Orlando Condominium Association, Inc. to the Association at December 31, 2018 and 2017 was \$0 and \$2,668, respectively.

The amount due from Sabal Palms of Orlando Condominium Association, Inc. to the Association at December 31, 2018 and 2017 was \$0 and \$5,446, respectively.