

November 15, 2018

Dear Owner:

The minutes from the MountainSide Board of Directors Meeting held on October 10, 2018, are being distributed to Owners as outlined in the MountainSide Condominium Association By-Laws, Article 3. Meetings of the Condominium Association, 3.8.

Please also consider opting-in to receive mailings required by the Association's governing documents or applicable law via electronic transmission through an email address. Examples of required mailings may include: notices of meetings, financial statements, budgets and amendments to the governing documents.

In order to receive these items by electronic transmission, Owners must first explicitly provide consent (or "opt-in"). Consent to receive required mailings by electronic transmission is effective unless it is revoked at a later time.

To opt-in, log into your Owner account on MarriottVacationClub.com. Click on "Account", click on "Profile", click on "Register for Online Document Notification". Edit Settings.

As announced in the attached meeting minutes, the Board has established the following meeting dates:

Announcement of Next Meeting Dates

The meeting dates are subject to change as determined by the Board:

Board Meeting - May 8, 2019

Board and Annual Meetings - October 9, 2019

For questions regarding minute content, contact Mark Harney, General Manager by telephone at 435-940-2000 or by email at Mark.Harney@vacationclub.com.

Regards,

Mark Harney
General Manager

MountainSide Condominium Association, Inc.

Board of Directors Meeting

October 10, 2018

A regular meeting of MountainSide Condominium Association, Inc., was held on October 10, 2018, at Hyatt Place Park City, 4377 North Highway 224, Park City, Utah 84098.

Present from the Board of Directors were: Keven Rowe, President; Roger Taylor, Vice President; Jim Phillips, Secretary and Philip Bateman, Treasurer

Present from Marriott Vacation Club® International, representing the Management Company, were: Mark Harney, General Manager; Jane Berg, Regional Vice President-West; Scott Wilkerson, Regional Director of Finance-West; Brandon Weilenmann, Director of Finance; Freddy Arellano-Burga, Assistant Controller; Ruben Casillas, Director of Engineering; Mike Singley Vice President Owner Services Development; Jeff Grace, Senior Director of Resort Refurbishment Services and Grace Cromwell, Executive Assistant

Guests present via teleconference were: Cory Matsumoto, Comerica Securities, Inc., and Jillian Van Dresser, Van Dresser Company

CALL TO ORDER

The meeting was called to order by Keven Rowe, President, at 9:07 a.m., Mountain time.

ESTABLISHMENT OF QUORUM

Mr. Rowe announced with all Board Members present, quorum was met.

APPOINTMENT OF RECORDING SECRETARY

Mr. Rowe appointed Grace Cromwell to serve as Recording Secretary.

PROOF OF NOTICE OF BOARD MEETING

Notice of Board Meeting was emailed on September 6, 2018 to all Board Members as required by the Association Bylaws.

APPROVAL OF AGENDA

A motion was made by Philip Bateman to approve the Agenda as presented. The motion was seconded by Roger Taylor and unanimously carried.

APPROVAL OF BOARD OF DIRECTORS MEETING MINUTES

A motion was made by Philip Bateman to waive the reading of the May 2, 2018 Board Meeting Minutes and approve as presented. The motion was seconded by Roger Taylor and unanimously carried.

A motion was made by Philip Bateman to waive the reading of the June 27, 2018 Nominating Meeting Minutes and approve as presented. The motion was seconded by Roger Taylor and unanimously carried.

INVESTMENTS

Cory Matsumoto presented an investment update.

A motion was made by Jim Phillips to continue the current Investment Policy with Comerica Securities, Inc., for 2019. The motion was seconded by Philip Bateman and unanimously carried.

2020 REFURBISHMENT DESIGN

Jeff Grace and Jillian Van Dresser reviewed the 2020 refurbishment design.

A motion was made by Philip Bateman to approve the Marriott Refurbishment Services design direction and intent. The motion was seconded by Roger Taylor and unanimously carried.

FINANCIAL REPORT

2018 Current Financials and Year-End Forecast

Freddy Arellano-Burga reviewed 2018 current financials and year-end forecast as of August 31, 2018.

Highlights included:

- Operating Fund is forecasted to have a current year deficit of \$44,590.
- Due to higher yielding investments, savings in Operating Investment Interest was \$29,591.
- Due to decrease of unpaid maintenance fees, savings in Bad Debt Expense was \$40,524.
- Due to lower consumption and lower than anticipated rates, savings in Gas was \$41,464.
- Due to higher labor and recruiting costs, overage in Housekeeping was \$100,652,
- Due to turnover, recruiting costs and higher benefit expense, overage in Front Desk was \$67,523.

A motion was made by Philip Bateman to engage PricewaterhouseCoopers as the association auditors for Fiscal Year 2018. The motion was seconded by Roger Taylor and unanimously carried.

A motion was made by Jim Phillips to appoint the Board Treasurer to accept the Audit on behalf of the Board of Directors. The motion was seconded by Roger Taylor and unanimously carried.

Accounts Receivable

Mr. Arellano-Burga reviewed Accounts Receivable. Highlights included:

- As of August 31, 2018, current outstanding receivables are 1.96%, compared to 2.68% in 2017.

RESERVES

Keven Rowe and Mark Harney discussed the options for the 2017 pool deck and front circle projects which are defective and under insurance review.

2018 Reserve Projects

Mr. Harney and Brandon Weilenmann presented the 2018 Reserve Projects. Highlights included:

- Purchase and install heaters for pool and smoking areas
- Install Fire Avert
- Replace movie theatre chairs
- Purchase and install World Cinema

Mr. Harney discussed 2018 additional expenditures including:

- Emergency garage door repair
- 2020 villa refurbishment

A motion was made by Jim Philips to approve 2018 Reserve Expenditures in the amount of \$9,120 for emergency garage door repair and \$20,000 for villa refurbishment, for a total of \$29,120. The motion was seconded by Roger Taylor and unanimously carried.

Proposed 2019 Reserves Projects

Mr. Harney presented the proposed 2019 Reserves Projects and costs of projects. Highlights included:

- Upgrade wireless router and access points
- Paint and seal Hardie board siding
- Replace automatic door
- Replace golf cart shuttle
- Replace exterior benches and trash receptacles
- Upgrade security cameras
- Replace corroded pipe
- Replace pool cover
- Replace sprinkler heads

Mr. Weilenmann reviewed the projected ending cash flow report for the next 10 years. Based on positive impacts to cash flow, the Board increased the 2019 Reserve contribution to 6%.

A motion was made by Jim Phillips to approve the 2019 Reserve Expenditure Projects in the amount of \$1,416,080, including each project item thereof, as presented and attached to the minutes of record. The motion was seconded by Philip Bateman and unanimously carried.

A motion was made by Jim Phillips to approve 2019 Reserve Projects in the amount of \$85,920 for corroded pipe replacement, sprinkler heads replacement and pool cover replacement to be completed in 2018. The motion was seconded by Roger Taylor and unanimously carried.

RESORT OPERATIONS REPORT

Mr. Harney presented the Resort Operations Report. Highlights included:

- Guest Satisfaction Scores were reviewed
- New activities were reviewed
- Focus is on resort experience and guest service
- New leaders were announced
- 2019 strategy was reviewed and include recruitment and retention

PROPOSED 2019 BUDGET AND MAINTENANCE FEE

Mr. Weilenmann presented the proposed 2019 Budget and Maintenance Fee. The budget includes a 4.4% or \$59.37 increase. Highlights included:

- 28% of the increase is attributed to wage rate increases
- 35% of the increase is attributed to the increased Reserve Fee
- 3% of the increase is attributed to summer intern costs
- 2% of the increase is attributed to the addition of an upgraded fitness position
- 32% of the increase is attributed to all other areas including maintenance and supply increases

A motion was made by Philip Bateman to approve the 2019 Mountainside Condominium Association, Inc., annual maintenance fee budget, as presented by Brandon Weilenmann, in the total amount of \$13,031,862, including each line item of such budget, and move to direct the Secretary of the Association to include such budget in the records of the Association as Exhibit A and attach to the minutes of record, which budget includes total Operating Fees of \$9,285,529 and Reserve Fees of \$3,746,333. It was further moved to approve the billing by Mountainside Condominium Association, Inc., of each Owner for the following amounts owed to Mountainside Condominium Association, Inc.: \$1,400.18 for each Owner of a two-bedroom unit. The motion was seconded by Jim Phillips and unanimously carried.

NEW BUSINESS

Announcement of Next Meeting Dates

Board Meeting - May 8, 2019

Board and Annual Meetings - October 9, 2019

Board of Directors Replacement

Keven Rowe requested a picture and pipe frame be presented to Don Dockstader in appreciation of his contributions and great service to the Board.

Lowell Avenue Projects

Mr. Harney discussed current construction of the Lowell Avenue Kings Crown development.

ADJOURNMENT

There being no further business to come before the Board, a motion was made by Jim Phillips to adjourn the meeting at 12:27 p.m. The motion was seconded by Philip Bateman and unanimously carried.

Submitted by:

Grace Cromwell
Recording Secretary

Date

Approved by:

Keven Rowe
President

Date

These minutes are subject to approval at the next Board of Directors Meeting

Mountainside Condominium Association Inc.

Reserves

2019 Approved Projects

Project #	Approved Expenses	Proposed Amount
1	AED Devices	5,459
2	Attic Stock-Villa Interior	24,548
3	Back Flow Valves	5,253
4	Barbeque Grills-Inserts	15,858
5	Bench-Building Exterior	6,023
6	Break Room-Furniture	8,104
7	Communications Upgrade-Ipods For Asgard	5,850
8	Deck Furniture - Pool	54,543
9	Door Replace-Automatic	53,640
10	Fire - Sprinkler Replacements	22,156
11	Light-Recessed LED-Parking Garage	41,470
12	Paint-Stain/Seal Bldg. Ext. Hardi-Panel	213,990
13	Plumbing-Corroded Pipe Replacement	47,509
14	Pool-Pool Covers	16,256
15	Pool-Stain/Paint/Seal rocks	32,456
16	Prof. Services-Case/Soft Goods Refurbish	492,352
17	Security Cameras - Additional	13,126
18	Shade-back activities deck	6,240
19	Trash Receptacles - Exterior	4,800
20	Variable Frequency Drives	81,718
21	Vehicle-Golf Cart-Garage Shuttle	29,117
22	Wifi-5 yr	235,613
Total Expenses		1,416,080

MountainSide Condominium Association, Inc.

Organizational Meeting

October 10, 2018

An Organizational Meeting of MountainSide Condominium Association, Inc., was held on October 10, 2018, at Marriott’s MountainSide, 1305 Lowell Avenue, Park City, Utah 84060.

Present from the Board of Directors were: Philip Bateman, Keven Rowe and Roger Taylor

Absent from the Board of Directors was: Fran Sutton

Present from Marriott Vacation Club® International, representing the Management Company, were: Mark Harney, General Manager and Grace Cromwell, Executive Assistant

CALL TO ORDER

Keven Rowe called the meeting to order at 4:30 p.m., Mountain time.

ESTABLISHMENT OF QUORUM

With the majority of Board Members present, quorum was established.

APPOINTMENT OF RECORDING SECRETARY

Mr. Rowe appointed Grace Cromwell to serve as Recording Secretary.

APPOINTMENT OF VACANT BOARD MEMBER

A motion was made by Philip Bateman to appoint Jim Phillips to fill the vacant seat on MountainSide Condominium Association, Inc., previously held by Don Dockstader for 2018-2019 year. The motion was seconded by Roger Taylor and unanimously carried.

ELECTION OF OFFICERS

A motion was made by Keven Rowe to elect Keven Rowe as President, Roger Taylor as Vice President, Philip Bateman as Treasurer, Jim Phillips as Secretary and Frances Sutton as Director. The motion was seconded by Philip Bateman and unanimously carried.

ADJOURNMENT

A motion was made by Roger Taylor to adjourn the meeting at 4:35 p.m. The motion was seconded by Philip Bateman and unanimously carried.

Submitted by:

Approved by:

Grace Cromwell Date
Recording Secretary

Keven Rowe Date
President

These minutes are subject to approval at the next Board of Directors Meeting

MOUNTAINSIDE CONDOMINIUM ASSOCIATION, INC.

2019 Estimated Budget

For The Period Beginning January 1, 2019 And Ending December 31, 2019

	2018 BUDGETED EXPENSES 9,282 UNIT WEEKS (PER UNIT WEEK)	2019 APPROVED BUDGET 9,282 UNIT WEEKS (PER UNIT WEEK)	2018 BUDGET VS 2019 BUDGET INCREASE/(DECREASE)		2019 APPROVED BUDGET TOTAL \$	SPECIAL RESIDENTIAL UNIT \$
			\$	%		

Revenue						
Maintenance Fee	1,340.81	1,400.18	59.37	4.4%	13,031,862	35,427
Bank/Investment Interest	2.41	5.53	3.12	129.5%	51,329	0
Late Fees	4.35	4.21	(0.14)	(3.2%)	39,077	0
Maintenance Fee Interest Income	7.21	7.14	(0.07)	(1.0%)	66,273	0
Miscellaneous Income	6.01	7.15	1.14	19.0%	66,370	0
Total Maintenance Fee Revenue	1,360.79	1,424.21	63.42	4.7%	13,254,911	35,427

Expenses						
Accounting	26.61	27.43	0.82	3.1%	254,884	322
Activities	45.36	48.33	2.97	6.5%	448,599	0
Administration	50.63	52.06	1.43	2.8%	483,871	612
Audit Fee	1.16	1.19	0.03	2.6%	11,187	142
Bad Debt Expense	9.97	5.84	(4.13)	(41.4%)	54,163	0
Billing and Collections	9.86	9.86	0.00	0.0%	91,521	0
Board of Directors	0.90	0.92	0.02	2.2%	8,632	109
Cable Television	4.89	6.09	1.20	24.5%	56,515	0
Contingency	0.00	0.00	0.00	0.0%	0	0
Credit Card Fee	21.74	20.72	(1.02)	(4.7%)	192,325	0
Electricity	29.10	28.56	(0.54)	(1.9%)	266,067	976
Front Desk	109.86	116.87	7.01	6.4%	1,084,812	0
Gas	19.91	16.72	(3.19)	(16.0%)	157,144	1,988
High Speed Internet	4.76	5.54	0.78	16.4%	52,075	659
Housekeeping ³	193.76	206.43	12.67	6.5%	1,916,827	728
Human Resources	7.38	7.60	0.22	3.0%	70,650	89
Income Tax	3.12	4.69	1.57	50.3%	43,557	0
Insurance	13.42	16.06	2.64	19.7%	150,780	1,675
Landscape / Grounds	9.59	9.89	0.30	3.1%	92,959	1,176
Legal	0.54	0.54	0.00	0.0%	5,000	0
Loss Prevention / Security	31.66	35.67	4.01	12.7%	335,322	4,242
Maintenance	111.49	118.08	6.59	5.9%	1,097,505	1,483
Management Fee	121.71	127.10	5.39	4.4%	1,184,715	5,008
Owner Services ²	43.58	44.89	1.31	3.0%	416,669	0
Pest Control	0.80	0.97	0.17	21.3%	9,088	115
Pool Maintenance	3.74	3.87	0.13	3.5%	36,390	460
Postage and Printing	3.47	3.56	0.09	2.6%	33,493	424
Property Taxes	57.30	59.86	2.56	4.5%	556,322	710
Refuse Collection	1.47	1.29	(0.18)	(12.2%)	12,159	154
Telephone	4.69	4.69	0.00	0.0%	44,089	558
Transportation / Garage / Parking	5.27	5.09	(0.18)	(3.4%)	47,854	605
Water and Sewer	33.25	31.21	(2.04)	(6.1%)	293,404	3,712
Operating Fee	980.99	1,021.62	40.63	4.1%	9,508,578	25,948

Reserve Fee ¹	379.80	402.59	22.79	6.0%	3,746,333	9,480
Operating and Reserve Fee	1,360.79	1,424.21	63.42	4.7%	13,254,911	35,427

Total Maintenance Fee	1,340.81	1,400.18	59.37	4.4%	13,031,862	35,427
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MOUNTAINSIDE CONDOMINIUM ASSOCIATION, INC.
2019 Estimated Budget Notes
For The Period Beginning January 1, 2019 And Ending December 31, 2019

Notes to the 2019 Estimated Operating Budget

1) The Bylaws for MountainSide Condominium Association, Inc. require the Management Committee to disseminate to the member a budget including the amount of the total cash reserve currently available, estimated replacement costs and the methods and procedures for funding reserves pursuant to Section 8.2.3, 8.2.4 and 8.2.5 of the Bylaws, respectively. Planned replacement reserves are the moneys that the Management Committee has identified to be used to defray the future repair or replacement of, or additions to, those major components that the association is obligated to maintain.

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

Components	Estimated Useful Life In Yrs	Estimated Replacement Cost	Estimated Remaining Useful Years	Anticipated Beginning Fund Balance As Of January 1, 2019	Contribution For 2019	% Of Fund Balance Over Replacement Costs	Age In Years As Of January 1, 2019	Year To Replace
Roof Replacement	20	\$1,418,599	4	\$847,940	\$116,877	59.77%	16	2022
Furniture and Fixtures	8	\$20,556,428	7	\$5,085,927	\$1,810,581	24.74%	1	2025
Building Painting	8	\$559,040	2	\$320,444	\$97,734	57.32%	6	2020
External Building Maintenance	14	\$18,484,610	12	\$1,904,705	\$1,131,911	10.30%	2	2030
Common Area Rehabilitation	10	\$7,193,079	7	\$2,158,397	\$589,231	30.01%	3	2025
TOTAL		\$48,211,756		\$10,317,413	\$3,746,333			

The association computes the estimated replacement reserves using procedures chosen by the Resort Management Committee, as follows:

The cash flow method is being used, which is based on a minimal twenty-year projection of the association's future income and expenses to fund fully its replacement reserves requirements each year during that twenty-year period. The cash flow method requires the association to assess and collect from its owners to fully fund 100% of the estimated replacement reserves, in order to establish a full replacement reserve for the association by the end of each budget year.

The remaining life of a component can be estimated by subtracting the current age of component from the useful life of such component. Each year, the Management Committee may adjust the amount of the estimated replacement reserve for an asset based on reasonable projections for inflation and for interest earned during the estimated useful life of the asset.

The Management Committee has determined that no special assessment will be required this year for either the maintenance or repair of any major component of the Resort or the funding of additional reserves other than those included in the budget.

2) 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.

3) Certain operating expenses are presented in the budget net of funds estimated to be reimbursed to the Association in 2019, including but not limited to: (i) funds received from MVC Trust Owners Association, Inc. to account for housekeeping expenses necessitated by nightly use of accommodations by MVC Trust members, and (ii) fees paid to the Association by transient guests who voluntarily elect to receive a daily room cleaning.

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