

September 25, 2019

Dear Owner:

Please find the Proposed 2020 Maintenance Fee and Budget for the MountainSide Condominium Association, Inc. The Board of Directors will meet to review and approve the budget on October 9, 2019.

While both the Board of Directors and the Management Team's aspiration is to keep both the fees and annual increases as low as possible, we also want to ensure a suitable provision is made in order to protect and enhance the experience you have come to expect from Marriott's MountainSide. The primary driver of the proposed annual increase is summarized by the increase in the Reserve Fund provision and Operating Fund deliverables, thus resulting in an increase to the overall proposed 2020 Maintenance Fee of 4.0%.

The Annual Meeting will be held at 2:00 p.m., Mountain time, on October 9, 2019 at Hyatt Place Park City, 4377 North Highway 224, Park City, Utah 84098. The purpose of this meeting is to review the operations of the Association, consider the proposed 2020 Maintenance Fee and Budget and conduct any other business which may be presented.

Park City Mountain will be open November 22, 2019 through April 12, 2020 for the 2019/2020 ski season. Vail Resorts, Inc., the owner of Park City Mountain, continues to upgrade the ski experience on the mountain. We look forward to another great ski season in Park City. For additional information, visit www.parkcitymountain.com.

The resort team at Marriott's MountainSide appreciates your continued support. Should you have any questions regarding the proposed 2020 Maintenance Fee and Budget, please feel free to contact me directly by phone at 435-940-2000 or by email at tanner.newton@vacationclub.com.

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.

With sincere appreciation,

Tanner Newton
General Manager
Marriott's MountainSide

MOUNTAINSIDE CONDOMINIUM ASSOCIATION, INC.

2020 Estimated Budget

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

	2019 BUDGETED EXPENSES 9,282 UNIT WEEKS (PER UNIT WEEK)	2020 PROPOSED BUDGET 9,282 UNIT WEEKS (PER UNIT WEEK)	2019 BUDGET VS 2020 BUDGET INCREASE/(DECREASE)		2020 PROPOSED BUDGET TOTAL \$	SPECIAL RESIDENTIAL UNIT \$
			\$	%		

Revenue						
Maintenance Fee	1,400.18	1,455.92	55.74	4.0%	13,551,353	37,567
Bank/Investment Interest	5.53	13.47	7.94	143.6%	125,069	0
Late Fees	4.21	3.81	(0.40)	(9.5%)	35,336	0
Maintenance Fee Interest Income	7.14	6.13	(1.01)	(14.1%)	56,929	0
Miscellaneous Income	7.15	7.11	(0.04)	(0.6%)	66,017	0
Total Maintenance Fee Revenue	1,424.21	1,486.44	62.23	4.4%	13,834,704	37,567

Expenses						
Accounting	27.43	25.71	(1.72)	(6.3%)	238,914	302
Activities	48.33	49.37	1.04	2.2%	458,291	0
Administration	52.06	49.96	(2.10)	(4.0%)	464,343	587
Audit Fee	1.19	1.12	(0.07)	(5.9%)	10,530	133
Bad Debt Expense	5.84	6.01	0.17	2.9%	55,788	0
Billing and Collections	9.86	10.13	0.27	2.7%	94,068	0
Board of Directors	0.92	0.95	0.03	3.3%	8,890	112
Cable Television	6.09	6.42	0.33	5.4%	59,613	0
Contingency	0.00	0.00	0.00	0.0%	0	0
Credit Card Fee	20.72	20.48	(0.24)	(1.2%)	190,121	0
Electricity	28.56	30.24	1.68	5.9%	281,759	1,034
Front Desk	116.87	123.58	6.71	5.7%	1,147,043	0
Gas	16.72	20.13	3.41	20.4%	189,275	2,395
High Speed Internet	5.54	5.96	0.42	7.6%	56,040	709
Housekeeping ³	206.43	207.87	1.44	0.7%	1,930,140	733
Human Resources	7.60	13.50	5.90	77.6%	125,428	159
Income Tax	4.69	7.62	2.93	62.5%	70,702	0
Insurance	16.06	21.43	5.37	33.4%	201,103	2,234
Landscape / Grounds	9.89	9.13	(0.76)	(7.7%)	85,803	1,086
Legal	0.54	0.54	0.00	0.0%	5,000	0
Loss Prevention / Security	35.67	35.72	0.05	0.1%	335,792	4,248
Maintenance	118.08	120.22	2.14	1.8%	1,117,400	1,510
Management Fee	127.10	132.16	5.06	4.0%	1,231,941	5,207
Owner Services ²	44.89	46.24	1.35	3.0%	429,169	0
Pest Control	0.97	1.00	0.03	3.1%	9,392	119
Pool Maintenance	3.87	3.97	0.10	2.6%	37,359	473
Postage and Printing	3.56	3.63	0.07	2.0%	34,117	432
Property Taxes	59.86	61.95	2.09	3.5%	575,750	735
Refuse Collection	1.29	1.37	0.08	6.2%	12,912	163
Telephone	4.69	4.69	0.00	0.0%	44,089	558
Transportation / Garage / Parking	5.09	5.30	0.21	4.1%	49,856	631
Water and Sewer	31.21	33.29	2.08	6.7%	312,964	3,959
Operating Fee	1,021.62	1,059.69	38.07	3.7%	9,863,592	27,518

Reserve Fee ¹	402.59	426.75	24.16	6.0%	3,971,112	10,049
Operating and Reserve Fee	1,424.21	1,486.44	62.23	4.4%	13,834,704	37,567

Total Maintenance Fee	1,400.18	1,455.92	55.74	4.0%	13,551,353	37,567
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MOUNTAINSIDE CONDOMINIUM ASSOCIATION, INC.
2020 Estimated Budget Notes
For The Period Beginning January 1, 2020 And Ending December 31, 2020

Notes to the 2020 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, 2020	Contribution For 2020	% Of Fund Balance Over Replacement Costs	Age In Years As Of January 1, 2020	Year To Replace
Roof Replacement	20	\$1,504,991	3	\$969,161	\$131,818	64.40%	17	2022
Furniture and Fixtures	8	\$22,396,740	6	\$6,591,283	\$1,944,131	29.43%	2	2025
Building Painting	8	\$593,086	4	\$209,034	\$70,860	35.25%	4	2023
External Building Maintenance	14	\$19,543,618	11	\$2,990,193	\$1,110,618	15.30%	3	2030
Common Area Rehabilitation	10	\$7,573,076	6	\$1,770,938	\$713,685	23.38%	4	2025
TOTAL		\$51,611,511		\$12,530,609	\$3,971,112			

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 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.

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.

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