

**2019 PRESIDENT'S LETTER
SUNSET POINTE OWNERS' ASSOCIATION, INC.**

Dear Marriott's Sunset Pointe Owner:

Your Board of Directors met on October 9 and 10, 2019. Present for the meetings were John Turano, President, Joe Ferrantino, Vice President, Joe Maloney, Treasurer, and Louis Olsovsky, Secretary.

Since our spring meeting Hurricane Dorian came very close to the resort, fortunately we experienced minimal damage. The cost of repairs was absorbed in the current budget and will not result in an additional line item to recover the cost (as we experienced with Hurricane Matthew). Several planned capital projects have been postponed to the fall months. Some of those projects include: replacement of the elevator jack in building 5 and re-plastering the serenity pool.

The Guest Satisfaction Survey results continue to be strong and are on the upsurge. I would be remiss if I did not acknowledge the superior work of Alex Caballero who has been the Director of Engineering at Sunset Pointe for the past thirteen years. Alex was offered a significant promotion in another Marriott property and he accepted it. We will sorely miss his expertise and attention to detail.

On October 9 the Board held its pre-board meeting. We reviewed the financial condition of the association. We are pleased to inform you that the association is in excellent financial condition. As of December 31, 2018 we had an operating fund balance of \$68,360, the Management Team is projecting that we will have a minimum of \$20,000.00 to add to the operating fund balance this year. This operating fund balance is very important item in our budget as it can be used to help defray any insurance deductible relating to damage to the resort. We should keep in mind that it may not cover the entire deductible, but it will certainly lessen the impact to our owners.

The budgeting process is always a challenge. The Management Team proposed a budget increase of 6.8% over last year's budget which represents an increase of \$92.66 per unit week. The major contributors to this increase are wages, insurance premiums, increased insurance deductibles, benefit increases, and building maintenance cost increases. As I have noted in past years Hilton Head Island has experienced a labor shortage as well as an employee retention problem. The issues regarding wage competition remains and does not appear that it will be lessened in the near future. Our insurance costs have risen dramatically. For example, property damage will increase by 40%, liability insurance will increase by 30%, the deductible for damage caused by water/fire will increase from \$25,000.00 to \$100,000.00, and damage from non-named storms will increase from \$25,000.00 to \$250,000.00. Wage competition, benefit increase and insurance premium increases as well as increases in deductibles are and continue to be the major reasons for the rise in the maintenance fee.

We met with the Management Finance Team to review the proposed budget and attendant increases. We had a lengthy discussion and reviewed each line item in the budget. As a result of this review we were able to reduce the increase from the proposed 6.8% to 4.9% which represents a reduction of approximately \$22.79 per unit week from the originally proposed increase.

I would also like to take this opportunity to highlight the great job that the Management Team is doing on our behalf. They ensure that your board is kept informed of any issues or concerns that occur during the fiscal year. We have telephone conferences during the year to keep us informed regarding the financial status of the resort. I would encourage all owners of Sunset Pointe to visit in order to experience the improvements that have been done to the resort as well as the villas.

The next Board meeting will be on May 5 and 6, 2020. This is also the annual meeting date for owners and the election of board members. I would encourage you to consider expressing interest in becoming a member of the board and attending the annual meeting. Thank you for your continued support.

Sincerely,

John J. Turano

President

Board of Directors

Sunset Pointe Owners' Association, Inc.

VOLUNTEER FORM TO SERVE ON THE BOARD OF DIRECTORS

At the next Annual Meeting, Owners will elect member(s) to serve on the Board of Directors. Board Members meet at least twice annually with the management of Marriott Vacation Club® to conduct the business of the Association. Board Members are reimbursed for actual expenses incurred for travel, lodging and meals. A Nominating Committee will meet to select candidates for the vacant position(s). The list of candidates to be elected will be included on a Limited Proxy sent with the Notice of Annual Meeting. Please complete this volunteer form if you have an interest in serving on the Board of Directors for your Association.

To be considered, your form must be received by January 21, 2020

Name: _____

Address: _____

Occupation: _____
(If retired, list primary occupation prior to retirement.)

Contact information: (Telephone) _____ (Email) _____

If nominated, your name and occupation, along with a brief profile, will be included with the Notice of Annual Meeting. To assist in this effort, please provide a summary of no more than 150 words of your experience and why you would like to serve as a Director. Your summary will be published exactly as stated. Please do not abbreviate words or company names. Please print clearly or type; attach additional paper as necessary.

1. What motivates you to volunteer to serve? _____

2. Please share your professional background that may assist in managing the Association. _____

3. Please explain the history of your stay(s) at Marriott’s Sunset Pointe or how you used your ownership week(s) (rented, exchanged, traded for points) over the last five years:

2019: _____
2018: _____
2017: _____
2016: _____
2015: _____

SIGNATURE: _____

Note: Please be sure that you can commit to attending at least two (2) meetings per year before volunteering to serve. Elected Directors will have their names listed in Association publications. This will permit other Owners to contact you regarding the operation of their Vacation Ownership property.

COMPLETE AND MAIL, FAX OR EMAIL TO:

Marriott Vacation Club® International
5 Grasslawn Avenue
Hilton Head Island, South Carolina 29928
Attn: Mary Caballero
Fax: 843-689-9417
Email: mary.caballero@vacationclub.com

*The submittal of a volunteer form is not a guarantee of being selected as a candidate. Information submitted is proprietary and will be used only by the Nominating Committee, with the exception of your profile, which will be included with the Notice of Annual Meeting, should you be selected as a candidate.

THIS FORM MUST BE RECEIVED BY JANUARY 21, 2020