

October 9, 2018

Dear Marriott's Villas at Doral Owner:

A regular meeting of the Board of Directors of Villas at Doral Condominium Association, Inc., will be held at 8:30 a.m., Eastern time, on October 25, 2018, at Marriott's Villas at Doral, Second Floor Conference Room, 4101 NW 87<sup>th</sup> Avenue, Miami, Florida 33178.

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.

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.

As a member of the Association, your presence and comments are welcome at this meeting. Any comments will be considered by the Board of Directors prior to taking formal action on the proposed budget. In order to accommodate seating arrangements for Owners planning to attend the Board Meeting, please RSVP to Rebecca Valencia, Guest Relations Manager, by October 16, 2018, by telephone at 305-629-3417, or by email at [rebecca.valencia@vacationclub.com](mailto:rebecca.valencia@vacationclub.com).

**As noted on the Agenda, open budget discussion with Association members is scheduled from 11:45 a.m. to 12:00 noon, Eastern Time, on Thursday, October 25, 2018.**

If you have any questions or would like any additional information, please contact Julio Picasso, General Manager, by phone at 305-629-3434, or by email at [julior.picasso@vacationclub.com](mailto:julior.picasso@vacationclub.com).

Sincerely,

*Daniel Tovar*

Secretary

Villas at Doral Condominium Association, Inc.

**Villas at Doral Condominium Association Inc.  
Board of Directors Meeting**

October 25, 2018 at 8:30 a.m., Eastern Time

Marriott's Villas at Doral  
Second Floor Conference Room  
4101 NW 87<sup>th</sup> Avenue  
Miami, Florida 33178

**Agenda**

- Call to Order
- Establishment of Quorum
- Proof of Notice of Meeting
- Appointment of Recording Secretary
- Approval of Agenda
- Approval of Meeting Minutes
- Action Items Review
- Resort Operations Report
- Financial Review
  - Treasurer's Review
  - 2018 Current Financials
  - 2018 Maintenance Fee Accounts Receivable
  - 2019 Proposed Operating Budget
  - 2019 Proposed Reserve Budget
  - 2019 Proposed Property Tax Budget
- Board of Directors Awards
- New Business
- 2021 case/soft goods renovation
  - Establishment of 2020 Board and Annual Meeting Dates
- Financial Review
  - Review of Proposed 2019 Budget  
**(Open budget discussion with Owners: 11:45 a.m. to 12:00 noon)**
  - Approval of 2019 Budget
- Adjournment

**VILLAS AT DORAL CONDOMINIUM ASSOCIATION, INC.**

2019 Estimated Operating Budget

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

	2018 BUDGETED EXPENSES 7,262 UNIT WEEKS (PER UNIT WEEK)	2019 PROPOSED BUDGET 7,262 UNIT WEEKS (PER UNIT WEEK)	2018 BUDGET VS 2019 BUDGET INCREASE/(DECREASE)		2019 PROPOSED BUDGET TOTAL \$
			\$	%	

<b>Revenue</b>					
GOLD (WEEKS 19 - 21,35 - 51)	1,569.20	<b>1,816.20</b>	247.00	15.7%	<b>5,121,723</b>
PLATINUM (WEEKS 1 - 18)	1,603.15	<b>1,847.60</b>	244.45	15.3%	<b>4,689,245</b>
PLATINUM PLUS (WEEKS 52)	1,607.74	<b>1,851.85</b>	244.11	15.2%	<b>261,113</b>
SILVER (WEEKS 22 - 34)	1,546.84	<b>1,795.51</b>	248.67	16.1%	<b>3,165,509</b>
Bank/Investment Interest	1.36	<b>8.43</b>	7.07	519.9%	<b>61,184</b>
Late Fees	7.75	<b>6.20</b>	(1.55)	(20.0%)	<b>45,000</b>
Maintenance Fee Interest Income	28.64	<b>19.28</b>	(9.36)	(32.7%)	<b>140,000</b>
Miscellaneous Income	8.73	<b>9.30</b>	0.57	6.5%	<b>67,536</b>
Pool Bar Net	0.13	<b>0.09</b>	(0.04)	(30.8%)	<b>649</b>
<b>Total Maintenance Fee Revenue</b>					<b>13,551,959</b>

<b>Expenses</b>					
Accounting	38.79	<b>39.89</b>	1.10	2.8%	<b>289,667</b>
Activities	42.04	<b>50.76</b>	8.72	20.7%	<b>368,644</b>
Administration	83.43	<b>85.94</b>	2.51	3.0%	<b>624,112</b>
Amenities Fee	52.78	<b>52.78</b>	0.00	0.0%	<b>383,319</b>
Audit Fee	1.95	<b>1.99</b>	0.04	2.1%	<b>14,425</b>
Bad Debt Expense	31.43	<b>26.43</b>	(5.00)	(15.9%)	<b>191,935</b>
Billing and Collections	11.94	<b>11.94</b>	0.00	0.0%	<b>86,708</b>
Board of Directors	3.69	<b>3.73</b>	0.04	1.1%	<b>27,080</b>
Cable Television	7.53	<b>7.53</b>	0.00	0.0%	<b>54,672</b>
Credit Card Fee	27.92	<b>24.77</b>	(3.15)	(11.3%)	<b>179,911</b>
Division of the Condominium, Timeshare, and Mobile Homes Fee (FL)	2.00	<b>2.00</b>	0.00	0.0%	<b>14,524</b>
Electricity	32.14	<b>28.27</b>	(3.87)	(12.0%)	<b>205,309</b>
Front Desk	91.51	<b>97.07</b>	5.56	6.1%	<b>704,912</b>
Gas	7.41	<b>8.14</b>	0.73	9.9%	<b>59,097</b>
High Speed Internet	4.12	<b>4.53</b>	0.41	10.0%	<b>32,892</b>
Housekeeping <sup>6</sup>	278.10	<b>292.63</b>	14.53	5.2%	<b>2,125,109</b>
Human Resources	18.68	<b>19.04</b>	0.36	1.9%	<b>138,236</b>
Income Tax	4.07	<b>8.71</b>	4.64	114.0%	<b>63,253</b>
Insurance	47.91	<b>53.51</b>	5.60	11.7%	<b>388,574</b>
Landscape / Grounds	13.10	<b>14.24</b>	1.14	8.7%	<b>103,376</b>
Legal	0.28	<b>0.28</b>	0.00	0.0%	<b>2,000</b>
Loss Prevention / Security	61.68	<b>62.93</b>	1.25	2.0%	<b>457,023</b>
Maintenance	134.96	<b>137.55</b>	2.59	1.9%	<b>998,887</b>
Management Fee	143.31	<b>165.71</b>	22.40	15.6%	<b>1,203,418</b>
Operating Capital	0.00	<b>0.00</b>	0.00	0.0%	<b>0</b>
Other Expenses	0.00	<b>0.00</b>	0.00	0.0%	<b>0</b>
Pest Control	3.30	<b>3.30</b>	0.00	0.0%	<b>23,984</b>
Pool Maintenance	5.62	<b>5.40</b>	(0.22)	(3.9%)	<b>39,214</b>
Postage and Printing	3.90	<b>3.90</b>	0.00	0.0%	<b>28,345</b>
Refuse Collection	14.05	<b>15.20</b>	1.15	8.2%	<b>110,400</b>
Rent for Recreation	0.00	<b>0.00</b>	0.00	0.0%	<b>0</b>
Taxes upon Association Property	0.00	<b>0.00</b>	0.00	0.0%	<b>0</b>
Taxes upon Leased Areas	0.00	<b>0.00</b>	0.00	0.0%	<b>0</b>
Telephone	4.55	<b>4.69</b>	0.14	3.1%	<b>34,033</b>
Transportation / Garage / Parking	15.20	<b>17.63</b>	2.43	16.0%	<b>128,049</b>
Water and Sewer	23.57	<b>24.86</b>	1.29	5.5%	<b>180,523</b>
<b>Operating Fee</b>	<b>1,210.96</b>	<b>1,275.35</b>	<b>64.39</b>	<b>5.3%</b>	<b>9,261,631</b>

<b>Total Net Operating</b>	<b>1,164.35</b>	<b>1,232.05</b>	<b>67.70</b>	<b>5.8%</b>	<b>8,947,262</b>
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Reserve Fee <sup>4</sup>	320.00	<b>505.64</b>	185.64	58.0%	<b>3,671,945</b>
<b>Operating And Reserve Fee</b>	<b>1,530.96</b>	<b>1,780.99</b>	<b>250.03</b>	<b>16.3%</b>	<b>12,933,576</b>

<b>Estimated Property Tax<sup>1</sup></b>					
GOLD (WEEKS 19 - 21,35 - 51)	84.85	<b>78.51</b>	(6.34)	(7.5%)	<b>221,398</b>
PLATINUM (WEEKS 1 - 18)	118.80	<b>109.91</b>	(8.89)	(7.5%)	<b>278,951</b>
PLATINUM PLUS (WEEKS 52)	123.39	<b>114.16</b>	(9.23)	(7.5%)	<b>16,097</b>
SILVER (WEEKS 22 - 34)	62.49	<b>57.82</b>	(4.67)	(7.5%)	<b>101,937</b>
<b>Total Maintenance Fee Plus Property Tax</b>					<b>13,551,959</b>

Club Dues <sup>2</sup>	4.00	<b>4.00</b>	0.00	0.0%	-----
International Owner Fee <sup>3</sup>	34.50	<b>34.50</b>	0.00	0.0%	-----
Owner Service Fee <sup>5</sup>	43.58	<b>44.89</b>	1.31	3.0%	-----

**VILLAS AT DORAL CONDOMINIUM ASSOCIATION, INC.**  
**2019 Estimated Operating Budget Notes**  
**For The Period Beginning January 1, 2019 And Ending December 31, 2019**

Notes to the 2019 Estimated Operating Budget

1) Florida Law requires the Managing Entity hired by the Association to collect ad valorem taxes assessed by the Miami-Dade 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 November 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.

<b>Estimated 2019 Ad Valorem Taxes</b>	<b>AVERAGE</b>
GOLD (WEEKS 19 - 21,35 - 51)	\$78.51
PLATINUM (WEEKS 1 - 18)	\$109.91
PLATINUM PLUS (WEEKS 52)	\$114.16
SILVER (WEEKS 22 - 34)	\$57.82

2) The Resort Affiliation Agreement (and thus membership in the Club for every Owner of a Unit Week in a Club Unit) is a Limited Common Element of each Club Unit. Costs assessed by the Club Manager or otherwise incurred by the Association pursuant to the Resort Affiliation Agreement constitute Multisite Timeshare Plan Common Expenses, to be apportioned only among Owners of Unit Weeks in Club Units.

3) International Owner's fee of eighty three dollars and thirty nine cents (\$83.39), thirty four dollars and fifty cents (\$34.50) higher than domestic, includes additional costs for postage, personal delivery increased frequency of and costs associated with long-distance telephone calls, translation costs, telefacsimile communications and labor costs for additional, special support staff. The fee may, from time to time, be increased to reflect any increase in cost of providing services, provided, however, any such increase shall not exceed one hundred and fifteen percent (115%) of the immediately preceding year's fee, unless approved in advance by the majority of all Owners.

4) 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 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 Villas at Doral units.

<b>Components</b>	<b>Estimated Useful Life In Yrs</b>	<b>Estimated Replacement Cost</b>	<b>Estimated Remaining Useful Years</b>	<b>Anticipated Beginning Fund Balance As Of January 1, 2019</b>	<b>Contribution For 2019</b>
Roof Replacement	22	\$1,311,209	7	\$388,309	\$131,843
Furniture and Fixtures	11	\$16,471,801	5	\$2,559,945	\$2,782,371
Building Painting	5	\$724,442	2	\$302,635	\$210,904
External Building Maintenance	14	\$1,135,287	5	\$433,976	\$140,262
Pavement Resurfacing	21	\$363,836	10	\$155,553	\$20,828
Common Area Rehabilitation	12	\$2,599,587	5	\$670,902	\$385,737
<b>TOTAL</b>		<b>\$22,606,162</b>		<b>\$4,511,320</b>	<b>\$3,671,945</b>

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

5) 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.

6) 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 Exchange Company to account for housekeeping expenses necessitated by nightly use of accommodations by 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.

Notes from 2017 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. The amount due to Marriott Resorts Hospitality Corporation at December 31, 2017 and December 30, 2016 was \$4,040 and \$0, respectively. 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) from MVWC at December 31, 2017 and December 30, 2016 was (\$141,161) and \$69,268, respectively.

MRHC collects annual maintenance fees on behalf of the Association. The amount of maintenance fees receivable due from MRHC at December 31, 2017 and December 30, 2016 was \$177,504 and \$155,953, respectively.