

October 30, 2019

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 November 15, 2019, 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 Jenny Llano, Executive Assistant, by November 11, 2019, by email at [Maria.Llano@vacationclub.com](mailto:Maria.Llano@vacationclub.com) or by phone at 305-629-3436.

**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 Friday, November 15, 2019.**

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**

November 15, 2019 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
  - 2019 Current Financials
  - 2019 Maintenance Fee Accounts Receivable
  - 2020 Proposed Operating Budget
  - 2020 Proposed Reserve Budget
  - 2020 Proposed Property Tax Budget
- Board of Directors Awards
- New Business
  - 2021 case/soft goods renovation
  - Establishment of 2021 Board and Annual Meeting Dates
- Financial Review
  - Review of Proposed 2020 Budget  
**(Open budget discussion with Owners: 11:45 a.m. to 12:00 noon)**
  - Approval of 2020 Budget
- Adjournment

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

2020 Estimated Operating Budget

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

	2019 BUDGETED EXPENSES 7,262 UNIT WEEKS (PER UNIT WEEK)	2020 PROPOSED BUDGET 7,261 UNIT WEEKS (PER UNIT WEEK)	2019 BUDGET VS 2020 BUDGET INCREASE/(DECREASE)		2020 PROPOSED BUDGET TOTAL \$
			\$	%	

<b>Revenue</b>					
GOLD (WEEKS 19 - 21,35 - 51)	1,648.40	1,959.10	310.70	18.8%	5,524,648
PLATINUM (WEEKS 1 - 18)	1,677.91	1,989.05	311.14	18.5%	5,048,196
PLATINUM PLUS (WEEKS 52)	1,681.90	1,993.10	311.20	18.5%	281,027
SILVER (WEEKS 22 - 34)	1,628.96	1,939.38	310.42	19.1%	3,417,179
Bank/Investment Interest	8.43	14.13	5.70	67.6%	102,610
Late Fees	6.20	4.96	(1.24)	(20.0%)	36,000
Maintenance Fee Interest Income	19.28	13.77	(5.51)	(28.6%)	100,000
Miscellaneous Income	9.30	10.09	0.79	8.5%	73,259
Pool Bar Net	0.09	0.27	0.18	200.0%	1,951
<b>Total Maintenance Fee Revenue</b>					<b>14,584,870</b>

<b>Expenses</b>					
Accounting	39.89	38.94	(0.95)	(2.4%)	282,759
Activities	47.32	50.81	3.49	7.4%	368,952
Administration	85.94	83.27	(2.67)	(3.1%)	604,637
Amenities Fee	52.78	52.79	0.01	0.0%	383,319
Audit Fee	1.99	1.69	(0.30)	(15.1%)	12,250
Bad Debt Expense	25.05	24.00	(1.05)	(4.2%)	174,240
Billing and Collections	11.94	10.14	(1.80)	(15.1%)	73,596
Board of Directors	4.00	4.00	0.00	0.0%	29,080
Cable Television	7.53	6.12	(1.41)	(18.7%)	44,445
Credit Card Fee	24.77	21.94	(2.83)	(11.4%)	159,288
Division of the Condominium, Timeshare, and Mobile Homes Fee (FL)	2.00	2.00	0.00	0.0%	14,524
Electricity	28.27	32.59	4.32	15.3%	236,617
Front Desk	97.07	109.61	12.54	12.9%	795,903
Gas	8.14	7.94	(0.20)	(2.5%)	57,663
High Speed Internet	4.53	5.42	0.89	19.6%	39,360
Housekeeping <sup>6</sup>	292.63	299.20	6.57	2.2%	2,172,504
Human Resources	19.04	25.65	6.61	34.7%	186,242
Income Tax	8.71	21.57	12.86	147.6%	156,639
Insurance	51.84	75.60	23.76	45.8%	548,902
Landscape / Grounds	14.24	14.14	(0.10)	(0.7%)	102,640
Legal	1.38	1.38	0.00	0.0%	10,000
Loss Prevention / Security	62.93	64.33	1.40	2.2%	467,072
Maintenance	137.55	138.94	1.39	1.0%	1,008,826
Management Fee	150.42	178.68	28.26	18.8%	1,297,369
Operating Capital	15.00	15.00	0.00	0.0%	108,930
Other Expenses	0.00	0.00	0.00	0.0%	0
Owner Services <sup>5</sup>	0.00	46.24	46.24	100.0%	335,771
Pest Control	3.30	3.40	0.10	3.0%	24,704
Pool Maintenance	5.40	5.89	0.49	9.1%	42,788
Postage and Printing	3.90	3.90	0.00	0.0%	28,345
Refuse Collection	15.20	18.51	3.31	21.8%	134,400
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	4.69	4.83	0.14	3.0%	35,052
Transportation / Garage / Parking	17.63	17.81	0.18	1.0%	129,292
Water and Sewer	24.86	21.21	(3.65)	(14.7%)	154,028
<b>Operating Fee</b>	<b>1,269.94</b>	<b>1,407.54</b>	<b>137.60</b>	<b>10.8%</b>	<b>10,220,137</b>

<b>Total Net Operating</b>	<b>1,226.64</b>	<b>1,364.32</b>	<b>137.68</b>	<b>11.2%</b>	<b>9,906,317</b>
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Reserve Fee <sup>4</sup>	348.00	519.91	171.91	49.4%	3,775,041
<b>Operating And Reserve Fee</b>	<b>1,617.94</b>	<b>1,927.45</b>	<b>309.51</b>	<b>19.1%</b>	<b>13,995,178</b>

<b>Estimated Property Tax<sup>1</sup></b>					
GOLD (WEEKS 19 - 21,35 - 51)	73.76	74.87	1.11	1.5%	211,134
PLATINUM (WEEKS 1 - 18)	103.27	104.82	1.55	1.5%	266,033
PLATINUM PLUS (WEEKS 52)	107.26	108.87	1.61	1.5%	15,351
SILVER (WEEKS 22 - 34)	54.32	55.15	0.83	1.5%	97,174
<b>Total Maintenance Fee Plus Property Tax</b>					<b>14,584,870</b>

Club Dues <sup>2</sup>	4.00	4.00	0.00	0.0%	-----
International Owner Fee <sup>3</sup>	34.50	34.50	0.00	0.0%	-----
Owner Service Fee <sup>5</sup>	44.89	0.00	(44.89)	(100.0%)	-----

**VILLAS AT DORAL 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 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 2020 Ad Valorem Taxes</b>	<b>AVERAGE</b>
GOLD (WEEKS 19 - 21,35 - 51)	\$74.87
PLATINUM (WEEKS 1 - 18)	\$104.82
PLATINUM PLUS (WEEKS 52)	\$108.87
SILVER (WEEKS 22 - 34)	\$55.15

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 four dollars and seventy four cents (\$84.74), 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, 2020</b>	<b>Contribution For 2020</b>
Roof Replacement	22	\$1,407,035	7	\$366,063	\$148,687
Furniture and Fixtures	11	\$18,744,073	6	\$3,934,595	\$2,467,866
Building Painting	8	\$981,413	2	\$448,216	\$266,557
External Building Maintenance	14	\$2,463,640	7	\$555,003	\$272,620
Pavement Resurfacing	21	\$382,002	6	\$176,555	\$34,236
Common Area Rehabilitation	12	\$3,759,232	5	\$833,415	\$585,073
<b>TOTAL</b>		<b>\$27,737,395</b>		<b>\$6,313,847</b>	<b>\$3,775,041</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 2020, 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 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. The amount due to Marriott Resorts Hospitality Corporation at December 31, 2018 and 2017 was \$0 and \$4,040, 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 from (to) MVWC at December 31, 2018 and 2017 was \$5,515 and (\$141,161), 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 \$893,694 and \$177,504, respectively.