

September 13, 2018

Dear Marriott's Evergreen at StreamSide Owner:

A regular meeting of the Evergreen at StreamSide Condominium Association Board of Directors will be held on September 27, 2018, at 1:00 p.m., Mountain time, at Denver Marriott Tech Center, (see Reader Board for exact meeting room location) 4900 South Syracuse Street, Denver, Colorado 80237.

The purpose of this meeting is to review and approve the Evergreen at StreamSide Condominium Association [Proposed 2019 Operating and Reserve Budget](#).

The Board of Directors has yet to **analyze, discuss, or approve** the budget. It is important to note the Board remains concerned about certain operational line items and continues to look for reduction opportunities in the proposed budget. The Reserve contributions will also be reviewed and approved during this meeting.

As a member of the Association, your comments and presence are welcome at this meeting. Any comments will be considered by the Board of Directors prior to taking formal action on the proposed 2019 Budget.

If you have any questions regarding the enclosed material, contact David McDaniel, by phone at 970-477-5150 or by email at david.mcdaniel@vacationclub.com.

Sincerely,

Roberto Ruiz

Secretary

Evergreen at Streamside Condominium Association

**Evergreen at Streamside Condominium Association
Board of Directors Meeting**

September 27, 2018 at 1:00 p.m., Mountain time

Denver Marriott Tech Center
4900 South Syracuse Street
Denver, Colorado 80237

Agenda

- Call to Order
- Establishment of Quorum
- Appointment of Recording Secretary
- Proof of Notice of Board of Directors Meeting
- Approval of Agenda
- Approval of Board of Directors Meeting Minutes
 - July 30, 2018 Nominating Committee Minutes
 - June 22, 2018 Board Minutes
- Action Items
- Resort Operations Report
- Financial Report
 - Investments
 - Current Financials
 - Accounts Receivable
 - Bad Debt
 - 2018 Financial Audit
- Reserves
 - 2018 Reserves
 - 2019 Reserves
 - 2019 Cash Flow
- Proposed 2019 Budget and Maintenance Fee
- Highland P.U.D. Report
- New Business
 - Electronic Signature
 - Expense Reimbursement Policy
 - Nominating Committee
 - Announcement of Next Meeting Dates
 - Nominating Committee Meeting – to be determined
 - Board and Annual Meetings - June 21, 2019
 - Board Meeting - September 26, 2019
- Adjournment

EVERGREEN AT STREAMSIDE CONDOMINIUM ASSOCIATION

2019 ESTIMATED OPERATING BUDGET

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

	2018 BUDGETED EXPENSES 1,989 UNIT WEEKS (PER UNIT WEEK)	2018 FORECASTED EXPENSES 1,989 UNIT WEEKS (PER UNIT WEEK)	2019 PROPOSED BUDGET 1,989 UNIT WEEKS (PER UNIT WEEK)	2018 BUDGET VS 2019 BUDGET INCREASE/(DECREASE)		2018 FORECAST VS 2019 BUDGET INCREASE/(DECREASE)		2018 BUDGET TOTAL	2018 FORECASTED TOTAL	2019 PROPOSED BUDGET TOTAL
				\$	%	\$	%	\$	\$	\$
Revenue										
Maintenance Fee	1,818.33	1,806.89	1,874.30	55.97	3.1%	67.41	3.6%	3,616,660	3,593,942	3,728,011
Bank/Investment Interest	2.72	10.48	10.47	7.75	284.9%	-0.01	(0.1%)	5,410	20,849	20,815
Late Fees	5.64	5.29	5.29	-0.35	(6.2%)	0.00	0.0%	11,218	10,518	10,518
Maintenance Fee Interest Income	25.52	25.11	23.32	-2.20	(8.6%)	-1.79	(7.1%)	50,760	49,942	46,386
Miscellaneous Income	9.29	9.53	0.00	-9.29	(100.0%)	-9.53	(100.0%)	18,484	18,956	0
Surplus Return	50.28	50.28	50.28	0.00	0.0%	0.00	0.0%	100,000	100,000	100,000
Total Maintenance Fee Revenue	1,911.78	1,907.58	1,963.66	51.88	2.7%	56.08	2.9%	3,802,532	3,794,207	3,905,730
Expenses										
Accounting	33.39	33.23	34.70	1.31	3.9%	1.47	4.4%	66,406	66,087	69,026
Administration	60.00	59.82	64.28	4.28	7.1%	4.46	7.5%	119,340	118,990	127,862
Audit Fee	3.85	3.83	3.96	0.11	2.9%	0.13	3.4%	7,658	7,608	7,880
Bad Debt Expense	86.98	95.52	85.47	-1.51	(1.7%)	-10.05	(10.5%)	173,000	189,997	170,000
Billing and Collections	9.55	9.55	9.55	0.00	0.0%	0.00	0.0%	18,995	18,995	18,995
Board of Directors	10.56	10.56	10.56	0.00	0.0%	0.00	0.0%	21,004	21,004	21,000
Cable Television	10.66	11.77	10.90	0.24	2.3%	-0.87	(7.4%)	21,203	23,415	21,689
Common Assessment - Highland P.U.D. Association	265.75	265.75	275.57	9.82	3.7%	9.82	3.7%	528,585	528,585	548,114
Consulting Expense - Reserve Study	0.00	0.00	1.43	1.43	100.0%	1.43	100.0%	0	0	2,850
Contingency	0.00	0.00	0.00	0.00	0.0%	0.00	0.0%	0	0	0
Credit Card Fee	27.34	23.84	24.58	-2.76	(10.1%)	0.74	3.1%	54,379	47,421	48,884
Electricity	36.23	36.24	37.25	1.02	2.8%	1.01	2.8%	72,062	72,076	74,095
Front Desk	92.97	92.49	94.59	1.62	1.7%	2.10	2.3%	184,918	183,969	188,132
Gas	8.93	10.25	9.24	0.31	3.5%	-1.01	(9.9%)	17,761	20,383	18,375
High Speed Internet	4.03	3.94	3.94	-0.09	(2.2%)	0.00	0.0%	8,016	7,842	7,842
Housekeeping *	181.32	173.74	192.74	11.42	6.3%	19.00	10.9%	360,646	345,575	383,356
Human Resources	4.19	4.19	4.19	0.00	0.0%	0.00	0.0%	8,334	8,334	8,334
Income Tax	0.94	3.39	3.39	2.45	260.6%	0.00	0.0%	1,870	6,741	6,741
Insurance	12.16	12.63	16.36	4.20	34.5%	3.73	29.5%	24,194	25,127	32,532
Lease - Office	15.26	14.32	15.38	0.12	0.8%	1.06	7.4%	30,352	28,484	30,585
Legal	2.51	0.32	2.51	0.00	0.0%	2.19	684.4%	4,993	635	4,992
Loss Prevention / Security	7.86	7.95	8.46	0.60	7.6%	0.51	6.4%	15,633	15,807	16,817
Maintenance	114.92	112.68	126.17	11.25	9.8%	13.49	12.0%	228,576	224,125	250,960
Management Fee **	139.76	139.76	143.94	4.18	3.0%	4.18	3.0%	277,975	277,975	286,301
Owner Services ***	43.58	43.58	44.89	1.31	3.0%	1.31	3.0%	86,681	86,681	89,286
Postage and Printing	6.54	6.42	6.54	0.00	0.0%	0.12	1.9%	13,008	12,763	13,008
Property Taxes	33.70	33.03	33.70	0.00	0.0%	0.67	2.0%	67,029	65,703	67,029
Snow Removal	2.27	1.51	2.27	0.00	0.0%	0.76	50.3%	4,516	3,009	4,516
Water and Sewer	18.35	19.09	18.92	0.57	3.1%	-0.17	(0.9%)	36,498	37,976	37,629
Operating Fee	1,233.60	1,229.40	1,285.48	51.88	4.2%	56.08	4.4%	2,453,632	2,445,307	2,556,830
Reserve Fee	678.18	678.18	678.18	0.00	0.0%	0.00	0.0%	1,348,900	1,348,900	1,348,900
Operating and Reserve Fee	1,911.78	1,907.58	1,963.66	51.88	2.7%	56.08	2.9%	3,802,532	3,794,207	3,905,730
Total Maintenance Fee	1,818.33	1,806.89	1,874.30	55.97	3.1%	67.41	3.6%	3,616,660	3,593,942	3,728,011

*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.

**The Association entered into a management agreement with Marriott Resorts Hospitality Corporation (MRHC) on October 19, 2005 and MRHC is responsible for the management, maintenance and operations of the facilities, in exchange for an annual fee of 10% of the annual budget of the Association, including replacement reserves contribution but excluding MRHC's management fee and transfers to Highland P.U.D. Association.

*** 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.