April 30, 2018

Dear Marriott's Manor Club Owner:

Please find the 2017 Audited Financial Report for your Associations which is made available to you in accordance with the Associations' governing documents.

You may contact me by phone at 757-221-7300 or by email at tammi.hastings@vacationclub.com with any questions.

Sincerely,

Tammi Hastings
General Manager
Marriott's Manor Club

Manor Club at Ford's Colony Time-Share Association and Affiliate

Combined Financial Statements
December 31, 2017 and December 30, 2016

Manor Club at Ford's Colony Time-Share Association and Affiliate
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December 31, 2017 and December 30, 2016

Report of Independent Auditors

The Board of Directors of
Manor Club at Ford's Colony Time-Share Association and Affiliate

We have audited the accompanying combined financial statements of Manor Club at Ford's Colony Time-Share Association and Affiliate (the "Association"), which comprise the combined balance sheet as of December 31, 2017 and the related combined statements of revenues, expenses and changes in fund balance - operating fund and of revenues, expenditures and changes in fund balance - reserve for replacement fund for the fiscal years ended December 31, 2017 and December 30, 2016, and of cash flows for the fiscal year ended December 31, 2017.

Management's Responsibility for the Combined Financial Statements
Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on the combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Association's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Manor Club at Ford's Colony Time-Share Association and Affiliate at December 31, 2017, and the results of its operations for the fiscal years ended December 31, 2017 and December 30, 2016 and its cash flows for the fiscal year ended December 31, 2017 in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP, 4040 West Boy Scout Boulevard, Suite 1000, Tampa, FL 33607-5745
T: (813) 229 0221, F: (813) 229 3646, www.pwc.com/us

Other Matters

We previously audited the combined balance sheet as of December 30, 2016 and the related combined statements of revenues, expenses and changes in fund balance – operating fund, of revenues, expenditures and changes in fund balance – reserve for replacement fund and of cash flows for the fiscal year then ended (not presented herein), and in our report dated April 6, 2017, we expressed an unmodified opinion on those combined financial statements. In our opinion, the information set forth in the accompanying summarized financial information as of December 30, 2016 and for the fiscal year then ended is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

Accounting principles generally accepted in the United States of America require that the Supplementary Information on Future Major Repairs and Replacements (Unaudited) on page 14 be presented to supplement the basic combined financial statements. Such information, although not a part of the basic combined financial statements, is required by the Financial Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic combined financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic combined financial statements, and other knowledge we obtained during our audit of the basic combined financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

PricewaterhouseCoopers LLP

Certified Public Accountants
Tampa, Florida
April 19, 2018

Manor Club at Ford's Colony Time-Share Association and Affiliate
Combined Balance Sheets
December 31, 2017, with Summarized Comparative Totals for December 30, 2016

	December 31, 2017			
	Operating Fund	Reserve for Replacement Fund	Total	December 30, 2016
Assets				
Cash and cash equivalents	$ 3,961,755	$ 5,644,250	$ 9,606,005	$ 5,060,441
Investments	-	-	-	1,695,000
Maintenance fees receivable, less allowance for doubtful accounts of approximately $196,000 and $205,000 in 2017 and 2016, respectively	1,367,684	339,587	1,707,271	1,537,478
Maintenance fees receivable due from MRHC	406,622	104,945	511,567	302,394
Accrued interest receivable	-	-	-	4,463
Income tax receivable	-	-	-	8,612
Prepaid expenses and other assets	176,662	444,202	620,864	181,866
Fixed assets, net	4,166	-	4,166	5,917
Due from Marriott Vacations Worldwide Corporation	-	-	-	211,243
Due from Operating Fund	-	19,966	19,966	27,094
Due to Reserve for Replacement Fund	(19,966)	-	(19,966)	(27,094)
Total assets	$ 5,896,923	$ 6,552,950	$ 12,449,873	$ 9,007,414
Liabilities and Fund Balances				
Liabilities				
Accrued expenses and other liabilities	$ 425,506	$ 662,455	$ 1,087,961	$ 332,263
Unearned maintenance fees	4,852,190	1,140,950	5,993,140	5,374,318
Income tax payable	1,453	11,095	12,548	3,065
Due to Marriott Vacations Worldwide Corporation	23,407	-	23,407	-
Total liabilities	5,302,556	1,814,500	7,117,056	5,709,646
Fund balances	594,367	4,738,450	5,332,817	3,297,768
Total liabilities and fund balances	$ 5,896,923	$ 6,552,950	$ 12,449,873	$ 9,007,414

The accompanying notes are an integral part of these combined financial statements.

Manor Club at Ford's Colony Time-Share Association and Affiliate
Combined Statements of Revenues, Expenses and Changes in Fund Balance – Operating Fund
Fiscal Years Ended December 31, 2017 and December 30, 2016

	December 31, 2017	December 30, 2016
Revenues		
Members' assessments	$ 9,132,185	$ 8,814,760
Operating late fee income	84,253	84,995
Operating finance charge	218,236	204,207
Investment income	15,484	6,173
Lease and other income	58,549	50,027
Total revenues	9,508,707	9,160,162
Expenses		
Accounting and administration	965,187	778,926
Activities fee	419,690	447,449
Audit fees	17,125	17,275
Bad debt (benefit) expense	(1,433)	32,916
Board of Directors' expenses	18,363	13,506
Cable television	51,051	45,182
Credit card fees	183,835	185,851
Electricity	249,959	291,601
Front desk	695,856	687,948
Gas	56,176	49,944
Golf fees	344,744	339,647
High speed internet	41,280	49,654
Housekeeping (net)	1,859,804	1,787,472
Human resources	145,387	118,506
Income tax expense	12,101	7,540
Insurance	160,836	160,291
Loss prevention	261,300	264,078
Landscaping	204,923	189,479
Maintenance	1,321,538	1,263,987
Management fee	709,294	703,665
Owner services	420,884	397,030
Pest control	15,626	13,261
Pool maintenance	42,449	44,156
Postage and printing	46,409	40,539
Property tax	686,929	726,130
Refuse collection	31,542	35,961
Telephone	47,197	47,203
Water and sewer	265,198	187,008
Total expenses	9,273,250	8,926,205
Excess of revenues over expenses	235,457	233,957
Fund balance		
Beginning of fiscal year	358,910	124,953
End of fiscal year	$ 594,367	$ 358,910

The accompanying notes are an integral part of these combined financial statements.

Manor Club at Ford's Colony Time-Share Association and Affiliate
Combined Statements of Revenues, Expenses and Changes in Fund Balance – Reserve for Replacement Fund
Fiscal Years Ended December 31, 2017 and December 30, 2016

	December 31, 2017	December 30, 2016
Revenues		
Members' assessments	$ 4,392,102	$ 4,095,200
Investment income	31,123	8,804
Interest income	56,658	56,746
Realized gain on fair value investment	-	5,825
Total revenues	4,479,883	4,166,575
Expenditures		
Roof replacement	482,130	-
Furniture and fixtures	319,437	819,327
External building maintenance	1,610,379	85,527
Pavement resurfacing	-	13,850
Common area rehabilitation	257,249	799,637
Income tax expense	11,096	2,779
Total expenditures	2,680,291	1,721,120
Excess of revenues over expenditures	1,799,592	2,445,455
Fund balance		
Beginning of fiscal year	2,938,858	493,403
End of fiscal year	$ 4,738,450	$ 2,938,858

The accompanying notes are an integral part of these combined financial statements.

Manor Club at Ford's Colony Time-Share Association and Affiliate
Combined Statements of Cash Flows
For the Fiscal Year Ended December 31, 2017, with Summarized Comparative Totals for the Fiscal Year Ended December 30, 2016

	December 31, 2017			
	Operating Fund	Reserve for Replacement Fund	Total	December 30, 2016
Cash flows from operating activities				
Excess of revenues over expenses/expenditures	$ 235,457	$ 1,799,592	$ 2,035,049	$ 2,679,412
Adjustments to reconcile excess of revenues over expenses/expenditures to net cash provided by operating activities				
Bad debt (benefit) expense	(1,433)	-	(1,433)	32,916
Depreciation expense	1,751	-	1,751	8,601
Realized gain on fair value investment	-	-	-	(5,825)
Changes in operating assets and liabilities				
Increase in maintenance fees receivable	(161,191)	(7,169)	(168,360)	(51,705)
(Increase) decrease in maintenance fees receivable due from MRHC	(160,036)	(49,138)	(209,174)	191,648
Decrease (increase) in accrued interest receivable	2,137	2,326	4,463	(4,463)
Decrease (increase) in income tax receivable	8,612	-	8,612	(8,612)
Decrease (increase) in prepaid expenses and other assets	5,204	(444,202)	(438,998)	(19,138)
Decrease (increase) in due from Marriott Vacations Worldwide Corporation	211,243	-	211,243	(211,243)
Increase (decrease) in accrued expenses and other liabilities	142,500	613,198	755,698	(1,095,059)
Increase in unearned maintenance fees	472,556	146,266	618,822	468,362
Increase (decrease) in income tax payable	1,453	8,031	9,484	(1,268)
Increase (decrease) in due to Marriott Vacations Worldwide Corporation	23,407	-	23,407	(10,942)
(Decrease) increase in due (to) from Operating/Reserve for Replacement Fund	(7,127)	7,127	-	-
Net cash provided by operating activities	774,533	2,076,031	2,850,564	1,972,684
Cash flows from investing activities				
Purchases of investments	(747,000)	(744,000)	(1,491,000)	(2,691,000)
Proceeds from maturities of investments	1,245,000	1,941,000	3,186,000	1,246,000
Additions to fixed assets	-	-	-	(127)
Net cash provided by (used in) investing activities	498,000	1,197,000	1,695,000	(1,445,127)
Net increase in cash and cash equivalents	1,272,533	3,273,031	4,545,564	527,557
Cash and cash equivalents				
Beginning of fiscal year	2,689,222	2,371,219	5,060,441	4,532,884
End of fiscal year	$ 3,961,755	$ 5,644,250	$ 9,606,005	$ 5,060,441
Supplemental disclosures of cash flow information				
Cash paid during the fiscal year for income taxes	$ 2,036	$ 3,065	$ 5,101	$ 20,199

The accompanying notes are an integral part of these combined financial statements.

1. Summary of Significant Accounting Policies

Manor Club at Ford's Colony Time-Share Association (the "Time-Share Association") was incorporated in the State of Virginia on June 30, 1993. The purpose of the Time-Share Association is to operate and maintain the furnishings and fixtures of the Manor Club at Ford's Colony interval ownership condominium (the "Ownership Condominium"). The members of the Time-Share Association are also members of the Manor Club at Ford's Colony Condominium Association, (the "Condominium Association"). The purpose of the Condominium Association is to manage and maintain the exterior and common property of the Ownership Condominium. As of December 31, 2017 and December 30, 2016, the Ownership Condominium consisted of 10,238 unit weeks. The Condominium Association's and the Time-Share Association's declaration of interval ownership provides that each unit week owner has an undivided interest in the facilities and, accordingly, the condominium assets are not recorded on the financial records of the Association. The Time-Share and Condominium Associations are managed under an agreement with Marriott Resorts Hospitality Corporation ("MRHC").

Principles of Combination
The accompanying combined financial statements include the accounts of the Time-Share Association and the Condominium Association ("MCC"), a related party affiliate. The entities are collectively referred to as the "Association" and present combined financial statements due to the interrelated activities of the Association.

Fiscal Year
Prior to fiscal year 2017, the Association's fiscal year ended on the Friday nearest to December 31. During 2016, the Board of Directors of the Association approved a change in the Association's fiscal year to a calendar year commencing January 1, 2017. The budget for fiscal year 2017 reflects the 2017 calendar year, plus one additional day at the end of December 2016 due to the transition from the 2016 periodic fiscal year to the 2017 calendar-based fiscal year.

Comparative Information
While comparative information is not required under accounting principles generally accepted in the United States of America, the Association believes that this information is useful and has included comparative financial information from the combined financial statements as of and for the fiscal year ended December 30, 2016. Within the Combined Balance Sheets and Combined Statements of Cash Flows, prior year balances, by fund, have been condensed for comparative purposes. This summarized information is not intended to be a full presentation in conformity with accounting principles generally accepted in the United States of America, which would require certain additional information. Accordingly, such information should be read in conjunction with the Association's audited combined financial statements as of and for the fiscal year ended December 30, 2016.

Use of Estimates
The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Operating Fund
The Association's fees and earnings from operations, which are restricted for the use and benefit of Association members, are recorded in the Operating Fund.

Reserve for Replacement Fund
The Association is accumulating funds for future major repairs and replacements. Accumulated funds are held in separate savings accounts and generally are not available for normal operations.

MRHC, on behalf of the Board of Directors (the "Board"), conducts ongoing studies to estimate the remaining useful lives and the replacement costs of the components of common property. The table included in the Unaudited Supplementary Information on Future Major Repairs and Replacements is based on these studies.

The Board is funding for major repairs and replacements over the remaining estimated useful lives of the components based on estimates of current replacement costs and considering amounts previously accumulated in the Reserve for Replacement Fund. Accordingly, the funding requirement of $4,627,576, based on a full funding plan, has been included in the 2018 budget.

Funds are being accumulated in the Reserve for Replacement Fund based on estimates of future needs for repairs and replacements of common property components. Actual expenditures may vary from the estimated future expenditures, and the variations may be material. Therefore, amounts accumulated in the Reserve for Replacement Fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association has the right, subject to the Board's approval, to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

Cash and Cash Equivalents
The Association considers money in checking accounts, money market funds, and certificates of deposit with an original maturity of three months or less, at date of purchase, to be cash equivalents. The Association places its cash and cash equivalents with financial institutions in the United States of America. The Federal Deposit Insurance Corporation ("FDIC") provides for deposits at FDIC-insured institutions to be insured up to $250,000.

Investments
Investments consisted of certificates of deposit. The Association's certificates of deposit were carried at amortized cost, as the Association had both the intent and ability to hold them until maturity. Certain certificates of deposit were considered depository accounts and were insured by the FDIC.

Fair Value Measurements
The Association measures certain assets at fair value in accordance with current accounting standards on fair value measurements. The standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) as opposed to the price that would be paid to acquire the asset or received to assume the liability (an entry price). A fair value measure should reflect the assumptions that market participants would use in pricing the asset or liability, including the assumptions about the risk inherent in a particular valuation technique, the effect of a restriction on the sale or use of an asset and the risk of nonperformance. A fair value hierarchy is utilized which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Three levels may be used to measure fair value:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.

- Level 2 – Quoted prices for similar assets and liabilities in active markets or inputs that are observable.

- Level 3 – Inputs that are unobservable (for example cash flow modeling inputs based on assumptions).

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The Association had no investments recorded at fair value on a recurring basis at December 31, 2017 or December 30, 2016.

Maintenance Fees Receivable
Maintenance fees receivable represents amounts due from owners.

Effective January 1, 2010, the Association entered into a Foreclosed Inventory Purchase Agreement with Marriott Ownership Resorts, Inc. ("MORI"). This agreement shall automatically renew for any number of additional one (1) year terms, unless either party terminates the agreement with a 45-day written notice. The agreement provides that MORI shall purchase the Association's foreclosed inventory subject to the terms of the agreement. Should either party terminate the agreement, there could be potential exposure regarding the allowance for doubtful accounts and bad debt expense. As of April 19, 2018, the agreement is in full effect and has automatically renewed, and neither party has opted to terminate the agreement.

Fixed Assets
Fixed assets, net are stated at cost. Upon disposition or retirement, the cost and related accumulated depreciation are eliminated and any resulting gain or loss is reflected in operations. Maintenance and repairs are charged to expense when incurred; expenditures for renewals and betterments are capitalized.

Depreciation is provided utilizing the straight-line method using estimated useful lives between three and ten years.

Unearned Maintenance Fees
Maintenance fees for all unit weeks are receivables as of the beginning of each timeshare year. Unearned maintenance fees represent prepayment of the next year's maintenance fees. The fees for the unit weeks prior to the Association's period-end are classified as revenues; the remainder is considered unearned maintenance fees.

Income Taxes
The Association accounts for income taxes in accordance with ASC 740, *Income Taxes*. ASC 740 utilizes the asset and liability method, whereby deferred tax assets and liabilities are recognized for the future tax impact attributable to differences between the financial statement carrying amounts and tax basis of existing assets and liabilities. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply in the years in which the temporary differences are expected to be recovered.

Timeshare associations may elect to be taxed as exempt homeowners associations pursuant to Internal Revenue Code Section 528 ("Section 528") if they meet certain income, expenditure, and organizational requirements. Section 528 allows electing timeshare associations to be taxed at a 32% rate on their "homeowners association taxable income," which is the excess of the association's gross income, excluding "exempt function income," over related deductions. "Exempt function income" includes membership dues, fees and assessments (less related expenses) from owners of timeshare rights to use, or timeshare ownership interests in, real property.

The Association made this election for 2016 and plans on making this election for 2017; accordingly, deferred taxes have not been provided for temporary differences related to exempt function income. Should the Association not elect to be taxed as an exempt homeowners association in the future, deferred tax assets and liabilities may be recognized for existing temporary differences at that time, with a corresponding impact on income tax expense.

The Association has evaluated the effects of the guidance provided by generally accepted accounting principles related to accounting for uncertainty in income taxes. The Association has determined that it had no uncertain income tax positions that could have a significant effect on the financial statements for the fiscal year ended December 31, 2017. The Association's federal income tax returns for 2014, 2015 and 2016 are subject to examination by the Internal Revenue Service, generally for a period of three years after the federal income tax returns were filed.

Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2014-09 – *Revenue from Contracts with Customers (Topic 606)* ("ASU 2014-09"), as Amended. ASU 2014-09 supersedes the revenue recognition requirements in Topic 605, Revenue Recognition, as well as most industry-specific guidance, and significantly enhances comparability of revenue recognition practices across entities and industries by providing a principle-based, comprehensive framework for addressing revenue recognition issues. In order for a provider of promised goods or services to recognize as revenue the consideration that it expects to receive in exchange for the promised goods or services, the provider should apply the following five steps: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when (or as) the entity satisfies a performance obligation. ASU 2014-09, as amended, will be effective for annual reporting periods beginning after December 15, 2018. The new standard may be applied retrospectively or on a modified retrospective basis with the cumulative effect recognized on the date of adoption. Although the Association expects to adopt ASU 2014-09, as amended, commencing in fiscal year 2019, the Association continues to evaluate the impact that adoption of this accounting standards update will have on its combined financial statements and disclosures.

In February 2016, the FASB issued Accounting Standards Update No. 2016-02 – *Leases (Topic 842)* ("ASU 2016-02") to increase transparency and comparability of information regarding an entity's leasing activities by providing additional information to users of financial statements. ASU 2016-02 amends the existing accounting standards for lease accounting, including requiring lessees to recognize most leases on their balance sheets and making targeted changes to lessor accounting. The new standard requires a modified retrospective transition approach for all leases existing at, or entered into after, the date of initial application, with an option to use certain transition relief. This update is effective for annual periods beginning after December 15, 2019, with early adoption permitted. Although the Association expects to adopt ASU 2016-02 commencing in fiscal year 2020, the Association continues to evaluate the impact that adoption of this accounting standards update will have on its combined financial statements and disclosures.

2. Investments

The investments were classified as follows at December 31, 2017 and December 30, 2016:

	December 31, 2017		December 30, 2016	
	Amortized Cost/Principal	**Fair Market Value**	**Amortized Cost/Principal**	**Fair Market Value**
Certificates of deposit (held-to-maturity)	$ -	$ -	$ 1,695,000	$ 1,695,582

The contractual maturity of investments at December 31, 2017 and December 30, 2016 are as follows:

	December 31, 2017		December 30, 2016	
	Amortized Cost/Principal	**Fair Market Value**	**Amortized Cost/Principal**	**Fair Market Value**
Due within one year	$ -	$ -	$ 1,695,000	$ 1,695,582
	$ -	$ -	$ 1,695,000	$ 1,695,582

During the fiscal year ended December 30, 2016, an equity-linked certificate of deposit of $250,000 matured and was redeemed for $250,000. This resulted in a total gain of $0. In prior years, $5,825 was netted in unrealized losses on fair value investment with $5,825 included in realized gain on fair value investment for the fiscal year ended December 30, 2016 in the Statements of Revenues, Expenditures and Changes in Fund Balance – Reserve for Replacement Fund.

3. Income Taxes

The provision for income taxes consisted of the following for the fiscal years ended December 31, 2017 and December 30, 2016:

	December 31, 2017			December 30, 2016		
	Total	**Operating Fund**	**Reserve for Replacement Fund**	**Total**	**Operating Fund**	**Reserve for Replacement Fund**
Federal	$ 19,340	$ 10,089	$ 9,251	$ 8,555	$ 6,286	$ 2,269
State	3,857	2,012	1,845	1,764	1,254	510
	$ 23,197	$ 12,101	$ 11,096	$ 10,319	$ 7,540	$ 2,779

The difference between the provision for income taxes as presented, and the provision calculated by applying the statutory federal rate to excess of revenues over expenses/expenditures, primarily relates to state income taxes and the exclusion of exempt function income.

4. Fixed Assets, net

Fixed assets, net consist of the following at December 31, 2017 and December 30, 2016:

	December 31, 2017	December 30, 2016
Office equipment	$ 40,242	$ 40,242
Activities equipment	8,842	8,842
Point of Sale	8,183	8,183
Accumulated depreciation	(53,101)	(51,350)
	$ 4,166	$ 5,917

Depreciation expense was $1,751 and $8,601 for the fiscal years ended December 31, 2017 and December 30, 2016, respectively, and is allocated to various expenses included in the Combined Statements of Revenues, Expenses and Changes in Fund Balance – Operating Fund.

5. Related Party Transactions

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.

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 ($23,407) and $211,243, 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 $511,567 and $302,394, respectively.

6. Management Agreement

The Association entered into a management agreement with MRHC, on April 2, 2004. Commencing on the first day of fiscal year 2005 and on the first day of each subsequent fiscal year, the management fee for that fiscal year shall be increased by an amount equal to the management fee for the immediately prior fiscal year multiplied by the percentage change over the prior twelve months in the Consumer Price Index. The agreement expires April 2, 2024. MRHC provides all management and maintenance of the facilities. For the fiscal years ended December 31, 2017 and December 30, 2016, the management fee was $709,294 and $703,665, respectively, and is recorded in the Statements of Revenues, Expenses and Changes in Fund Balance – Operating Fund.

7. Lease Income

The Association leases land to a service provider for placement of a cell phone tower. For the fiscal years ended December 31, 2017 and December 30, 2016, lease income of $18,000 and $16,500, respectively, was recorded in other income in the Combined Statements of Revenues, Expenses, and Changes in Fund Balances – Operating Fund.

8. Commitments and Contingencies

Marriott Ownership Resorts, Inc. ("MORI") entered into a Golf Facility Use, Access and Easement Agreement ("Agreement") dated May 11, 1993 with Ford's Colony Country Club, Inc. ("FCCC"). The Agreement provides for certain rights related to use of the facility by Association members as well as adherence to rules and regulations by members. The term of the agreement is through 2032. Fees paid annually by the Association were determined at the origination of the agreement and may be increased annually at the discretion of FCCC not to exceed increases in the Consumer Price Index. According to this agreement, in the event the lender or lenders having a mortgage against all or a portion of the property comprising the golf course facility acquire title to said property, the annual golf maintenance fee may be increased on a one-time basis by up to 50% and certain usage rights of the Association members may be reduced. Fees paid by the Association under this Agreement for the fiscal years ended December 31, 2017 and December 30, 2016 were $344,744 and $339,647, respectively.

9. Concentrations of Credit Risk

Financial instruments which potentially subject the Association to concentrations of credit risk consist principally of cash and cash equivalents and investments. The Association maintains its cash and cash equivalents and investments with what the Board of Directors believes to be a high credit quality financial institution. In addition, the Board of Directors maintains its investments in a portfolio that it believes limits the amount of market exposure.

In an effort to fulfill their fiduciary responsibility to protect and maintain assets for the Association, the Board of Directors for the Association has implemented a formal investment policy statement in reference to all cash, cash equivalents and investable funds for the reserve for replacement and operating funds. The investment policy statement stipulates that all funds shall be invested in federally insured or guaranteed vehicles with no risk to principal as long as these investments are held-to-maturity.

Since the Board of Directors has incorporated an analysis that identifies the use of these funds at specific times and the investments are structured with maturity dates to coincide with these anticipated expenditures, notwithstanding emergencies not under the control of the Board of Directors, the Association is able to and prepared to hold these investments to their stated maturity dates.

The MVC Trust is a Florida land trust established to hold certain real property, including timeshare interests, utilized as part of the Marriott Vacation Club Destinations vacation ownership plan. As of December 31, 2017 and December 30, 2016, the MVC Trust held 1,524 (15%) and 1,254 (12%) of the timeshare interests in the Association, respectively.

10. Subsequent Events

The Association has performed an evaluation of subsequent events through April 19, 2018 which is the date the combined financial statements were issued. On February 6, 2018, Manor Club at Ford's Colony Condominium Association ("COA") and Manor Club at Ford's Colony Time-Share Association ("TOA") entered into a settlement that resulted in an amount of $809,234 to the COA and TOA.

Manor Club at Ford's Colony Time-Share Association and Affiliate
Supplementary Information on Future Major Repairs and Replacements (Unaudited)
Fiscal Year Ended December 31, 2017

On behalf of the Board of Directors, a study was completed during 2016 to estimate the remaining useful lives and the replacement costs of the components of common property.

The following table is based on the study with subsequent review by the Board of Directors and presents significant information about the components of common property.

	Estimated Remaining Useful Lives (Years)	Estimated Current Replacement Costs	2018 Funding Requirement	Components of Fund Balance at December 31, 2017
Roof replacement	6	$ 2,556,428	$ 172,266	$ 752,754
Furniture and fixtures	5	29,120,096	2,899,110	3,849,711
Building painting	2	66,221	(40,141)	203,411
External building maintenance	8	5,865,634	869,473	(775,065)
Pavement resurfacing	7	401,278	22,074	132,280
Common area rehabilitation	6	7,952,759	704,794	575,359
		$ 45,962,416	$ 4,627,576	$ 4,738,450

Manor Club at Ford's Colony Time-Share Association
Board of Directors

NAME & ADDRESS	PHONE & FAX	OFFICE HELD	TERM
Patrick Brown c/o Marriott's Manor Club 101 St. Andrews Drive Williamsburg, Virginia 23188	Phone: 757-258-1120 Fax: 757-258-5705 ownerboard.manorclub@vacationclub.com	President	2017 – 2020
Gerard Desmond c/o Marriott's Manor Club 101 St. Andrews Drive Williamsburg, Virginia 23188	Phone: 757-258-1120 Fax: 757-258-5705 ownerboard.manorclub@vacationclub.com	Vice President	2016 – 2019
Amber Gerry Kein c/o Marriott's Manor Club 101 St. Andrews Drive Williamsburg, Virginia 23188	Phone: 757-258-1120 Fax: 757-258-5705 ownerboard.manorclub@vacationclub.com	Secretary/Treasurer	2015 – 2018

Manor Club at Ford's Colony Condominium Association
Board of Directors

NAME & ADDRESS	PHONE & FAX	OFFICE HELD	TERM
Patrick Brown c/o Marriott's Manor Club 101 St. Andrews Drive Williamsburg, Virginia 23188	Phone: 757-258-1120 Fax: 757-258-5705 ownerboard.manorclub@vacationclub.com	President	2016 – 2019
Gerard Desmond c/o Marriott's Manor Club 101 St. Andrews Drive Williamsburg, Virginia 23188	Phone: 757-258-1120 Fax: 757-258-5705 ownerboard.manorclub@vacationclub.com	Vice President	2017 – 2020
Amber Gerry Kein c/o Marriott's Manor Club 101 St. Andrews Drive Williamsburg, Virginia 23188	Phone: 757-258-1120 Fax: 757-258-5705 ownerboard.manorclub@vacationclub.com	Secretary/Treasurer	2015 – 2018