

May 21, 2018

Dear Marriott's Summit Watch Owner,

Attached, please find the minutes from Summit Watch Resort Owners Association, Inc., and Summit Watch Condominium Owners Association, Inc., Management Committee Meetings. The minutes are being distributed to Owners as outlined in Summit Watch Resort Owners Association By-Laws, Article 3. Meetings of the Resort Association, 3.7; and Summit Watch Condominium Owners Association By-Laws, Article 3. Meetings of the Condominium Association, 3.7.

Please also consider opting-in to receive mailings required by the Association's governing documents or applicable law via electronic transmission through an email address. Examples of required mailings may include: notices of meetings, financial statements, budgets and amendments to the governing documents.

In order to receive these items by electronic transmission, Owners must first explicitly provide consent (or "opt-in"). Consent to receive required mailings by electronic transmission is effective unless it is revoked at a later time.

To opt-in, log into your Owner account on MarriottVacationClub.com. Click on "My Account", click on "Profile", click on "Communication Settings". Edit "Communication Settings" and select "Register".

As announced in the attached meeting minutes, the Board has established the following meeting dates:

Announcement of Next Meeting Dates

- Board Meeting (Budget) - September 20, 2018
- Board and Annual Meetings - November 5, 2018
- Board Meeting - May 2, 2019
- Board Meeting (Budget) – to be determined
- Board and Annual Meetings - October 18, 2019

For questions, please contact me by telephone at 435-647-4019 or by email at Wendy.Carney@vacationclub.com.

Sincerely,

Wendy Carney
General Manager
Marriott's Summit Watch

Summit Watch Condominium Owners Association, Inc.

Board of Directors Meeting

April 19, 2018

A regular meeting of Summit Watch Condominium Owners Association Inc., Board of Directors was held on April 19, 2018, at Park City Marriott, 1895 Sidewinder Drive, Park City, Utah 84060.

Present from the Board of Directors were: David Fjeldsted, President; Valiena A. Allison, Vice President; Robert Turner, Treasurer; William Sheeran, Secretary and Michael Jang, Director

Present from Marriott Vacation Club® International, representing the Management Company, were: Wendy Carney, General Manager; Brandon Weilenmann, Director of Finance; Freddy Arellano-Burga, Assistant Controller; Bob Spear, Senior Director of Customer Experience-West; Kenny Richardson, Director of Engineering; Mike Covello, Senior Director of Refurbishment Services; Jeff Grace, Project Director Refurbishment Services and Brittany Kaps, Operations Manager

Guest present was: Mary Charles, Cherry Bekaert

CALL TO ORDER

David Fjeldsted, President, called the meeting to order at 12:04 p.m., Mountain time.

Approval to run meetings concurrently

A motion was made by Valiena A. Allison to run Summit Watch Condominium Owners Association, Inc., Board of Directors Meeting concurrently with Summit Watch Resort Owners Association, Inc., Board of Directors Meeting. The motion was seconded by William Sheeran and unanimously carried.

ESTABLISHMENT OF QUORUM

Mr. Fjeldsted announced with all Board Members present, quorum was met.

APPOINTMENT OF RECORDING SECRETARY

Mr. Fjeldsted appointed Brittany Kaps to serve as Recording Secretary.

PROOF OF NOTICE OF BOARD MEETING

Notice of Board Meeting was emailed to the Board Members on February 1, 2018, as required by the Association Bylaws.

APPROVAL OF AGENDA

A motion was made by Valiena A. Allison to approve the Agenda as presented. The motion was seconded by William Sheeran and unanimously carried.

APPROVAL OF BOARD OF DIRECTORS MEETING MINUTES

A motion was made by Valiena A. Allison to waive the reading of the October 13, 2017 Board Meeting Minutes and approve as presented. The motion was seconded by William Sheeran and unanimously carried.

A motion was made by Robert Turner to waive the reading of the October 13, 2017 Organizational Meeting Minutes and approve as presented. The motion was seconded by Valiena A. Allison and unanimously carried.

2017 AUDITED FINANCIALS

Mary Charles presented the 2017 Audited Financials. The Association received an unqualified opinion which is the highest level of assurance that can be received.

A motion was made by Robert Turner to accept the Summit Watch Condominium Owners Association Inc., 2017 Audited Financials as presented. The motion was seconded by Valiena A. Allison and unanimously carried.

FINANCIAL REPORT

Current Financials

Brandon Weilenmann presented a review of Current Financials. The year-to-date surplus is \$11,228.

Highlights included:

- Overage in Gas due to a combination of higher rates and usage
- Savings in Security due to staffing turnover
- Savings in Insurance due lower liability insurance premiums

Mr. Weilenmann presented an update on automated parking. Highlights included:

- Year-to-date parking income is \$13,929 under budget; 7% over budget, compared to 2017.
- Sundance Film Festival revenue decreased during the first four days, compared to 2016.
- Decreased revenue due to decreased transient guest parking

Reserves

Wendy Carney presented a review of the Reserve Fund. Highlights included:

- 2017 emergency expenditures included:
 - Sewer line replacement - \$2,059.16

A motion was made by William Sheeran to approve the General Manager Emergency/Contingency Fund to include replacement of the sewer line in the amount of \$2,059.16. The motion was seconded by Robert Turner and unanimously carried.

2018 Reserve Projects

Ms. Carney presented the 2018 Reserve Projects. Highlights included:

- Concrete/expansion joint repairs was discussed
- Plaza Deck maintenance - Sealant was discussed
- 2018 emergency expenditures were discussed and include:
 - Window repair - \$2,133
 - Store front repair (estimated) - \$6,200
 - Roof snow melt repairs - \$1,634

A motion was made by Valiena A. Allison to approve the General Manager Emergency/Contingency Fund of \$9,967 to include window repairs in the amount of \$2,133, store front repairs estimated in the amount of \$6,200, roof snow melt repairs in the amount of \$1,634. The motion was seconded by William Sheeran and unanimously carried.

A motion was made by Valiena A. Allison to approve the General Manager Emergency/Contingency Fund of \$144,055 to include generator lighting estimated in the amount of \$22,000 and Building 1 electrical distribution switch repairs in the amount of \$122,055. The motion was seconded by William Sheeran and unanimously carried.

2019 Reserve Projects

Ms. Carney presented the Preliminary 2019 Reserve Projects. Highlights included:

- Paint exterior of Building 4
- Paint exterior of Building 5
- Parking garage structural repairs

RESERVE STUDY REVIEW

Mr. Weilenmann presented a review of the 2018 Reserve Study. Highlights included:

- Repairs to the parking garage were added
- Electrical distribution switches were added
- Cement fiber siding was delayed
- Useful life of the Plaza Deck Renovation changed from 20 to 25 years
- Replacement of the commercial windows were delayed from 2019-2023 to 2029-2032
- Replacement of residential windows were delayed from 2019-2023 to 2020-2022

- Through the life of the study, future cash flow contributions decreased from 5% through 2021 and 3% from 2021-2037 to 2.5%

A motion was made by Valiena A. Allison to approve the 2018 Reserve Study. The motion was seconded by Robert Turner and unanimously carried.

ESTABLISHMENT OF NOMINATING COMMITTEE

A motion was made by Robert Turner to appoint the following Summit Watch Resort Owners Association, Inc., Board Members to serve on the Summit Watch Condominium Owners Association, Inc., Nominating Committee: Robert Heagy and Robert Crawford. The motion was seconded by Valiena A. Allison and unanimously carried.

NEW BUSINESS

Michael Jang presented New Business. Highlights included:
Old Town Cellar Agreement was discussed.

Tenant Signage

Management Company encouraged to remove A frame signs which are not approved by the Board and are not compliant. A frame signs are approved by the Board of Directors once a year at the Fall Board Meeting.

Plaza Events

Mr. Jang will develop parameters for events held at the plaza. Events will be subject to approval by the Sign Committee.

Ms. Carney discussed possible Sundance Film Festival revenue. Highlights included:

- Music Lodge proposal was discussed

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- Board Meeting - May 2, 2019
- Board Meeting (Budget) – to be determined
- Board and Annual Meetings - October 18, 2019

ADJOURNMENT

There being no further business to come before the Board, a motion was made by Valiena A. Allison to adjourn the meeting at 5:31 p.m. The motion was seconded by William Sheeran and unanimously carried.

Submitted by:

Approved by:

Brittany Kaps
Recording Secretary

Date

David Fjeldsted
President

Date

These minutes are subject to approval at the next Board of Directors Meeting

Summit Watch Resort Owners Association, Inc.

Board of Directors Meeting

April 19, 2018

A regular meeting of Summit Watch Condominium Owners Association Inc., Board of Directors was held on April 19, 2018, at Park City Marriott, 1895 Sidewinder Drive, Park City, Utah 84060.

Present from the Board of Directors were: Robert Crawford, President; Ann Hurbanis, Vice President; Charles Compton, Treasurer; Lynn Gilbert, Secretary and Robert Heagy, Director

Present from Marriott Vacation Club® International, representing the Management Company, were: Wendy Carney, General Manager; Brandon Weilenmann, Director of Finance; Freddy Arellano-Burga, Assistant Controller; Bob Spear, Senior Director of Customer Experience-West; Kenny Richardson, Director of Engineering; Mike Covelto, Senior Director of Refurbishment Services; Jeff Grace, Project Director Refurbishment Services and Brittany Kaps, Operations Manager

Guest present was: Mary Charles, Cherry Bekaert

CALL TO ORDER

Robert Crawford, President, called the meeting to order at 12:04 p.m., Mountain time.

Approval to run meetings concurrently

Dr. Crawford announced the Board opted to not seek counsel regarding holding Summit Watch Resort Owners Association, Inc., meetings concurrently with Summit Watch Condominium Owners Association, Inc., meetings and will hold a concurrent Board Meeting with Summit Watch Condominium Owners Association, Inc.

A motion was made by Ann Hurbanis to run Summit Watch Resort Owners Association, Inc., Board Meeting concurrently with Summit Watch Condominium Owners Association, Inc., Board Meeting. The motion was seconded by Robert Heagy and unanimously carried.

ESTABLISHMENT OF QUORUM

Dr. Crawford announced with all Board Members present, quorum was met.

APPOINTMENT OF RECORDING SECRETARY

Dr. Crawford appointed Brittany Kaps to serve as Recording Secretary.

PROOF OF NOTICE OF BOARD MEETING

Notice of Board Meeting was emailed to the Board Members on February 1, 2018, as required by the Association Bylaws.

APPROVAL OF AGENDA

A motion was made by Lynn Gilbert to approve the Agenda as presented. The motion was seconded by Charles Compton and unanimously carried.

APPROVAL OF BOARD OF DIRECTORS MEETING MINUTES

A motion was made by Robert Heagy to waive the reading of the October 13, 2017 Board Meeting Minutes and approve as presented. The motion was seconded by Lynn Gilbert and unanimously carried.

A motion was made by Charles Compton to waive the reading of the October 13, 2017 Organizational Meeting Minutes and approve as presented. The motion was seconded by Lynn Gilbert and unanimously carried

2017 AUDITED FINANCIALS

Mary Charles presented the 2017 Audited Financials. The auditors issued an unqualified opinion which is the highest level of assurance that can be received.

A motion was made by Ann Hurbanis to accept the Summit Watch Resort Owners Association, Inc., 2017 Audited Financials as presented. The motion was seconded by Lynn Gilbert and unanimously carried.

FUTURE REFURBISHMENT

Mike Covello and Jeff Grace discussed refurbishment and presented the Project Planning and Design Specification proposal to the Board.

The Board President signed the Letter Authorization on behalf of the Board.

OLD BUSINESS

Bronze Weeks

Ann Hurbanis presented an update on Bronze weeks. Highlights included:

- The draft opinion letter provided by Association counsel, Prince, Yeates & Geldzahler, will be reissued with modifications.
 - First American Title Company will provide title insurance on Bronze weeks when sold
- The Association is required to register Bronze weeks with Utah Division of Real Estate
- A quitclaim deed is required to proceed to sell Bronze weeks

A motion was made by Charles Compton, subject to the agreement with the Attorney, Marriott Ownership Resorts, Inc., and First American Title Company, approve Prince, Yeates and Geldzahler to register the Summit Watch Bronze Weeks/Bonus Weeks at the cost of \$10,000 to \$18,000. The motion was seconded by Lynn Gilbert and unanimously carried.

A motion was made by Lynn Gilbert to approve the Board President to execute the quitclaim deed on behalf of the Board for Summit Watch Resort Owners Association, Inc., Bronze Weeks contingent on receiving rental revenue until the weeks are sold. The motion was seconded by Robert Heagy and unanimously carried.

FINANCIAL REPORT

Current Financials

Brandon Weilenmann presented a review of Current Financials. Highlights included:

- Operating Fees increased due to variance between budgeted and billed unit weeks
- Operating investment interest increased due to higher investment yields
- Miscellaneous revenue decreased due to timing of garage income and ski rental commissions
- Gas increased due to higher than anticipated usage on the new boilers

Accounts Receivable

Mr. Weilenmann presented a review of Accounts Receivables. Highlights included:

- As of March 31, 2018, current unpaid maintenance fees are 4.4%, compared to 6.1% in 2017
- Bronze Weeks make up 26% of the total unpaid maintenance fees

Reserves

Ms. Carney presented a review of the Reserve Fund. Highlights included:

- 2017 emergency expenditures were discussed and include:
 - Pool snow melt project overage - \$26,110

A motion was made by Robert Heagy to approve the General Manager Emergency/Contingency Fund to include the pool snow melt project overage for a total amount of \$26,110. The motion was seconded by Ann Hurbanis and unanimously carried.

2018 Reserve Projects

Ms. Carney presented a status update on 2018 Reserve Projects.

2019 Reserve Projects

Ms. Carney presented the 2019 Reserve Projects. Highlights included:

- Replace portable barbecue grills
- Replace heaters - halls/stairs in Buildings 1-6
- WiFi - 5-year upgrade

World Cinema

Bob Spear presented the in-room World Cinema system.

A motion was made by Charles Compton to approve \$95,000 from the Reserve Fund for purchase and installation of World Cinema System. The motion was seconded by Ann Hurbanis and unanimously carried.

A motion was made by Ann Hurbanis to approve \$227,000 from the Reserve Fund for replacement of televisions. The motion was seconded by Charles Compton and unanimously carried.

A motion was made by Robert Heagy to move \$322,000 from the Operating Fund to the Reserve Fund. The motion was seconded by Charles Compton and unanimously carried.

A motion was made by Charles Compton to approve \$173, 813 from the Reserve Fund for the WiFi Infrastructure project. The motion was seconded by Ann Hurbanis and unanimously carried.

RESERVE STUDY REVIEW

Mr. Weilenmann presented the 2018 Reserve Study. Highlights included:

- Villa refurbishment was changed from 2020 and moved to 2020/2021
- Replacement of the van was delayed due to transmission repairs and condition of van
- Building 1 and 2 heat exchange holding tank replacement was moved from 2027 to 2022
- Floor tile was removed; back of house is ceramic and all other areas were converted to stained concrete
- Fitness cardio and strength equipment replacement was delayed one year

A motion was made by Ann Hurbanis to approve the 2018 Reserve Study. The motion was seconded by Charles Compton and unanimously carried.

RESORT OPERATIONS REPORT

Ms. Carney presented the Resort Operations Report. Highlights included:

- Resort received the 2017 World Class Guest Satisfaction Survey Achievement Award
- Rhonda Jennings, Housekeeping department, was recipient of Western Regional Award
- Recruiting efforts and market conditions were reviewed

ESTABLISHMENT OF NOMINATING COMMITTEE

A motion was made by Ann Hurbanis to appoint the following Summit Watch Condominium Owners Association, Inc., Board Members to serve on Summit Watch Resort Owners Association, Inc., Nominating Committee: Robert Turner, Bill Sheeran and Mike Jang. The motion was seconded by Charles Compton and unanimously carried.

Announcement of Next Meeting Dates

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ADJOURNMENT

There being no further business to come before the Board, a motion was made by Ann Hurbanis to adjourn the meeting at 5:31 p.m. The motion was seconded by Charles Compton and unanimously carried.

Submitted by:

Approved by:

Brittany Kaps
Recording Secretary

Date

Robert Crawford
President

Date

These minutes are subject to approval at the next Board of Directors Meeting