

November 21, 2017

Dear Marriott's Timber Lodge Owner:

These minutes from the Timber Lodge Condominium Association and the Timber Lodge Timeshare Association Board Meetings are being distributed to Owners as outlined in the Timber Lodge Condominium Association Declaration of Conditions, Covenants and Restrictions (CC&Rs), Article VI Management, 6.2 Specific Powers and Duties of the Condominium Association, (l) Minutes, Agenda and Policies.

The Disclosure Statement and Insurance Summary is being distributed to Owners as required by California Civil Code 5300 and 5310 and as outlined in the Timber Lodge Condominium Association Declaration of CC&Rs, Article VI Management, 6.2 Specific Powers and Duties of the Condominium Association, (h) Insurance (2) Distribution of Insurance Summary (C); and the Timber Lodge Timeshare Association Declaration of CC&Rs, Article VI Enforcement of Restrictions, 6.2 Certain Specific Enforcement Powers, (a) Suspension of Privileges and Imposition of Monetary Penalties.

Please also find the Board Newsletter for your review.

Consider opting-in to receive mailings required by the Association's governing documents or applicable law via electronic transmission through an e-mail 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 <https://owners.marriottvacationclub.com>. Click on "My Account". Under Profile, click on "Update Owner Information". Click on "Communication Settings". Under Online Owner Association Document Notification, click on "Edit Settings".

For questions, contact Patricia Schille, General Manager, by phone at 530-542-6601 or by email at [Patricia.Schille@vacationclub.com](mailto:Patricia.Schille@vacationclub.com).

Sincerely,

*Patricia Schille*  
General Manager  
Marriott's Timber Lodge

# Timber Lodge Condominium and Timber Lodge Timeshare Association Updates

November 21, 2017

## A Note from the President

While thinking about this update, I couldn't help but reflect on the reason why so many of us originally purchased our ownership at Timber Lodge, a place to escape, to connect with the mountains and lake, to relax and recharge from our normal routine within beautiful surroundings while enjoying our family and friends. This year, more than any I can remember, Timber Lodge is the perfect sanctuary to briefly escape from the natural disasters that have impacted so many of our members and the global chaos that is difficult to ignore.

Your Board of Directors, working with the Management Company, remain focused on creating delightful

vacation experiences while protecting your assets within a budget that is managed to minimize maintenance fee increases. As we work toward these goals, we want to provide you with a perspective of the increasingly difficult operating environment in South Lake Tahoe. Later in this update, we provide information on the impact of new properties in the area and the effect they are

having on attracting talent and starting wage rates. We believe the management team will continue to do an outstanding job in these challenging conditions to ensure each and every owner has a memorable vacation experience.

Happy Travels,  
David Babich

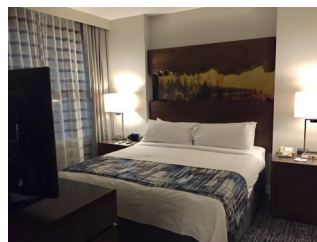


## Resort Renovation

The renovation of the Alpine Building began after Labor Day and will be completed by November 20, 2017. For this renovation we opted to design a model villa for our Owners to occupy, which was beneficial as we were able to incorporate the feedback we received into the final design. Additionally, the high levels of occupancy we experienced this winter ensured the model unit received high occupancy. This helped us identify how well the furniture and fixtures held up under normal use, and changes were made accordingly. The Sierra Building renovation is expected to begin March 15, 2018 and will be completed by June 26, 2018. We are

very excited for you to see the new look of the villas!

If you will be staying at the resort during these dates, please be aware you will experience daytime construction noise during the renovations.



## Board of Directors

David Babich, President

Candyce Beneke, Vice-President

Daniel Craig, Secretary

David Armitage,  
Treasurer

John Albert, Director

[TLBOD@vacationclub.com](mailto:TLBOD@vacationclub.com)

## Dates to Remember:

- Alpine Building Renovation: Completion by November 20, 2017
- Sierra Building Renovation: March 15 - June 26, 2018
- Board of Directors and Annual Meetings: April 10, 2018

## **SOUTH LAKE TAHOE GROWTH UPDATE**

Currently, there are unprecedented market circumstances in South Lake Tahoe. The change in our competitive landscape and decrease of labor in our market will impact the maintenance fees in 2018. New hotel openings in the market have made it challenging to find and retain quality talent, as these competitors are offering higher starting wage rates. To maintain proper staffing levels in 2017 and remain competitive, our starting wages have been increased and this will continue in 2018. Our greatest challenge has been in the housekeeping department and we are actively recruiting candidates under the H2B visa program to meet our staffing needs in the future.

The following have been factors in the South Lake Tahoe market that have perpetuated a new outlook on our staffing requirements:

- The minimum wage in California will increase 24% over the next three years
- The addition of three new properties, Zalanta, Edgewood and Tahoe Beach Club, has created competition for qualified talent
- The increase of over 300 available positions
- Low unemployment levels – 4.8 % locally
- Added positions in nearby Carson City and Reno created by employers such as Tesla, FEMA and Amazon
- Reduction of affordable housing

The Board and Management Team are committed to minimizing maintenance fee increases, while protecting assets and managing Owners needs and expectations, while ensuring the resort team continually delivers unforgettable vacation moments.

### **NEW LEADERS**

The Marriott Vacation Club culture is one that is rich in history of continually developing our leaders. We are very happy to carry on that long standing tradition at Timber Lodge. Please welcome our new leaders to the Timber Lodge Leadership Team.

**James Beddingfield**  
**Director of Operations**



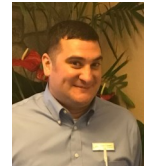
James began his career with Marriott Vacation Club in 2011 as an Intern at Marriott's Harbour Point and Marriott's Sunset Pointe in Hilton Head, South Carolina. After the completion of his six-month internship, he accepted a position as the Assistant Front Desk Manager at Marriott Vacation Club's three resorts located in Sea Pines, also on Hilton Head. Over the next three years, James was promoted to Front Desk Manager, and then Front Office Manager in Sea Pines. Looking to further his career and learn a new discipline, James accepted a position as the Director of Services for Marriott's Grande Ocean. He has spent the past two years in his role at Grande Ocean, before transitioning to Timber Lodge. James is a graduate of Clemson University in South Carolina, where he majored in Marketing and Business Management.

**Paige Madison**  
**Front Office Manager**



Paige started her Marriott Vacation Club career in the Management Development Program at Marriott's Canyon Villas in Phoenix in 2013. After she completed the development program, she accepted the position of Assistant Front Desk Manager at Marriott's Newport Coast Villas. Paige worked her way up to Front Desk Manager in 2014 at Newport Coast. In 2015, Paige became an Operations Manager for Marriott Vacation Club's West Region. Paige has been an instrumental part of our overall success throughout the year working in a task force capacity. I think you will agree that Paige's positivity is contagious! Welcome to the Timber Lodge Team.

**Adam Travers**  
**Director of Engineering**



Adam recently joined the Timber Lodge Team from Gateway Canyons Resort and Spa in Colorado. He has 19+ years extensive experience in building operations, facilities and energy management, along with large-scale project management, both residential and commercial. Adam's knowledge and involvement with projects from conception to completion, including upgrades and HVAC replacement projects, will be a great asset. Adam jumped right in to leading the Timber Lodge Engineering Team to great success. Welcome to Tahoe!

**Timber Lodge Condominium Association  
Timber Lodge Timeshare Association**

**Board of Directors Meeting**

**October 3, 2017**

A regular meeting of Timber Lodge Condominium Association and Timber Lodge Timeshare Association Boards of Directors was held concurrently on October 3, 2017, at Marriott Grand Residence Club, Cascade Room, 1001 Heavenly Village Way, South Lake Tahoe, California 96150.

**Present from each of the Boards of Directors were:** David Babich, President; Candyce Beneke, Vice President; David Armitage, Treasurer; Daniel Craig, Secretary and John Albert, Director

**Present from Marriott Vacation Club® International, representing the Management Company, were:** James Beddingfield, Director of Operations; Gregory Campbell, General Manager, Marriott Grand Residence Club – Lake Tahoe; Meghan Dorris, Assistant Controller; Jennifer Kammerer, Market Director of Finance-Southwest; Patricia Schille, General Manager; Vakhid Shimanski-Director of Finance; Bob Spear, Regional Director of Operations-West; Adam Travers, Director of Engineering and Sheri Runyon, Executive Assistant

**Guest present was:** Chris Van Ruiten, Comerica

**CALL TO ORDER**

David Babich, President, called the meeting to order at 9:05 a.m., Pacific time.

Overview of Senate Bill Section 4900, et. seq. (Open Meeting Act) of California Civil Code

Mr. Babich reminded those present of the Davis-Stirling Act – Section 4900, et. seq.

Approval to run meetings concurrently

**A motion was made by David Armitage to hold Timber Lodge Condominium Association and Timber Lodge Timeshare Association Boards of Directors Meetings concurrently. The motion was seconded by John Albert and unanimously carried.**

**ESTABLISHMENT OF QUORUM**

Mr. Babich announced, with all Board Members of each Association present, quorum was met for each Association.

**APPOINTMENT OF RECORDING SECRETARY**

Mr. Babich appointed Sheri Runyon to serve as Recording Secretary.

**PROOF OF NOTICE OF BOARD OF DIRECTORS MEETINGS**

Notice of Board Meetings was emailed to each Board Member, of each Association, on May 18, 2016, as required by each Association Bylaws.

**APPROVAL OF AGENDA**

**A motion was made by Candyce Beneke to approve the Agenda, as presented. The motion was seconded by David Armitage and unanimously carried.**

**APPROVAL OF BOARD MEETING MINUTES**

**A motion was made by Daniel Craig to approve the April 10, 2017 Timber Lodge Condominium Association and Timber Lodge Timeshare Association Board Meeting Minutes. The motion was seconded by John Albert and unanimously carried.**

**A motion was made by David Armitage to approve the July 12, 2017 Timber Lodge Condominium Association and Timber Lodge Timeshare Association Special Board Meeting Minutes. The motion was seconded by Daniel Craig and unanimously carried.**

## **FINANCIAL REPORT**

### **Investment Report**

Chris Van Ruiten presented an Investment update. Highlights included:

- As of August 31, 2017, Timber Lodge Condominium Association has a total of \$5,444,407 in portfolio investments; Timber Lodge Timeshare Association has \$21,085,449 in portfolio investments

**A motion was made by John Albert to continue the current investment strategy for 2018 with Comerica for Timber Lodge Condominium Association. The motion was seconded by David Armitage and unanimously carried.**

**A motion was made by Candyce Beneke to continue the current investment strategy for 2018 with Comerica for Timber Lodge Timeshare Association. The motion was seconded by David Armitage and unanimously carried.**

### **2017 Financial Review**

Meghan Dorris presented a review of the 2017 Financials. Highlights included:

- The current forecast for 2017 year-end Operating Fund for Timber Lodge Condominium Association shows a deficit of \$11,875 which is less than 0.05% of the Operating budget. The 2017 year-end projected life to date fund balance is positive at \$99,563.
- The current forecast for 2017 year-end Operating Fund for Timber Lodge Timeshare Association shows a deficit of \$446,693, which represents 5% of the Operating budget. Key drivers influencing the overage include Housekeeping, Activities, Administration, and gas consumption. The 2017 year-end projected life to date fund balance remains positive at \$603,538.

### **Accounts Receivable**

Ms. Dorris reviewed the Accounts Receivables. Highlights included:

- As of September 30, 2017, year to date outstanding fees were 1.1%, the same as 2016

### **Foreclosed Inventory Purchase Agreement**

Jennifer Kammerer presented the Foreclosed Inventory Purchase Agreement (FIPA) from Marriott Ownership Resorts Inc. (MORI) previously discussed in the October 3, 2017 Board of Directors Meeting. Ms. Kammerer informed the Board, pursuant to the terms of the original agreement, MORI provided a cancellation letter to the Board President with an effective date of December 31, 2017. Ms. Kammerer presented the new FIPA agreement, included in the Board information packet, which has an effective date of January 1, 2018. Ms. Kammerer reviewed the overall terms of the agreement.

**A motion was made by Candyce Beneke to approve the terms and conditions of the new Foreclosed Inventory Purchase Agreement for Timber Lodge Timeshare Association, presented by Marriott Ownership Resorts, Inc., with an effective date of January 1, 2018, and authorize the President to sign the agreement on behalf of the Association. The motion was seconded by Daniel Craig. David Babich, David Armitage, Candyce Beneke and Daniel Craig voted in favor. John Albert abstained. With the majority of Board Members voting in favor, the motion carried.**

### **Reserves**

Patricia Schille and Adam Travers presented an update on 2017 Reserve projects. Highlights included:

- All previously approved Reserve projects for 2017 are expected to be completed by year-end with the exception of the boiler heat exchanger; the project will be moved to a future date, to be determined, based on a recommendation to extend the useful life
- Based on the weather conditions in the winter, it may be necessary to upgrade the previously purchased associate shuttle to a four-wheel drive vehicle; the shuttle costs are shared equally with GRCLT Condominium, Inc.

**A motion was made by David Armitage to approve \$14,250 from the 2017 Timber Lodge Condominium Association Reserve Fund to purchase a four-wheel drive shuttle. The motion was seconded by Candyce Beneke and unanimously carried.**

**A motion was made by Daniel Craig to approve an amount not to exceed \$33,000 from the 2018 Timber Lodge Condominium Reserve Fund for Mechanical Service Systems (MSS) to conduct an electrical and mechanical engineering design and scope work. The motion was seconded by John Albert and unanimously carried.**

#### 2018 Proposed Condominium Association Reserve Projects

Ms. Schille and Mr. Travers presented the Proposed 2018 Timber Lodge Condominium Association Reserve projects and the proposed cost of each project. Highlights included:

- Design documents to determine the feasibility of constructing an associate canteen/back of the house kitchen area at a cost of \$10,000
- Install gold mining activity sluice at a cost of \$20,000; the Board requested the Management Company provide additional information on a potential return on investment and to research alternate village locations
- Repair non-operating roof snow melt areas at a cost of \$15,143
- Purchase a snow blower at a cost of \$3,462
- Replacement of the building automation system at a cost of \$165,000, as original system has not been replaced and has a recommended useful life of 10 years
- Installation of variable frequency drives for primary chiller pumps at a cost of \$6,600
- Install sensors for variable frequency drives on secondary chiller pumps at a cost of \$2,750
- Installation of variable frequency drives for primary condenser pumps at a cost of \$6,600
- Replace cooling tower fill media at a cost of \$55,000
- Install control valves for the cooling tower at a cost of \$22,000
- Replace variable frequency drives on the cooling tower fan at a cost of \$16,500
- Install mixing valves on domestic hot water system in the Sierra Building at a cost of \$55,000
- Install variable frequency drives on guest room toilet exhaust fans at a cost of \$11,000
- Replace four plate and frame heat exchangers that serve the pool and spas at a cost of \$33,000

**A motion was made by Candyce Beneke to approve \$402,055 for Timber Lodge Condominium Association 2018 Reserve Expenditures as presented. The motion was seconded by John Albert and unanimously carried.**

#### RECESS

The meeting recessed at 11:05 a.m.

#### RECONVENE

The meeting reconvened at 11:21 a.m., with all attendees still present.

#### 2018 Proposed Timeshare Association Reserves Projects

Ms. Schille and Mr. Travers presented the 2018 Proposed Timeshare Association Reserve Projects. Highlights included:

- Refurbish guest elevators to include panels, flooring, signage and refinishing metal work at a cost of \$201,870
- Install new tile flooring in guest laundry and vending areas at a cost of \$29,812
- Purchase 6 additional luggage carts at a cost of \$12,406
- Paint interior stairwells at a cost of \$13,787
- Paint interior trash and vending areas at a cost of \$9,176
- Replace all pool, spa and splash pad filters at a cost of \$2,540
- Replace spa filters in Phase 2 at a cost of \$1,504
- Replace pool deck furniture cushions and add additional side table and furniture at a cost of \$34,963
- Replace pool umbrellas with 25 upgraded umbrellas to be secured in pavers for additional shade and safety purposes at a cost of \$100,000
- Replace all two-way radios with upgraded version at a cost of \$16,778
- Renovate Fitness Center, locker rooms and steam rooms at a cost of \$140,000, in addition to the previously approved \$160,000
- Purchase of interior unit appliance attic stock at a cost of \$37,800
- 2018 payments of 2017-2018 Villa Refurbishment at a cost of \$7,215,543

- Upgrade of guest safes in Phase 1 to electronic locking safes at a cost of \$42,133

The Reserves cash flow planning discussion was presented in detail by Jennifer Kammerer. The 2017 Reserve Study was conducted by Armstrong Consulting, Inc. The study considers the replacement, repairs and/or refurbishment of the villa interior furniture, fixtures and equipment, as well as short-lived building and site improvement for the common elements throughout the resort. The Armstrong Reserve Study provides a budget planning tool for the Board of Directors to establish Reserve contribution levels that will enable the Association to achieve its capital project goals.

The cash flow report, included in the Armstrong Reserve Study, was reviewed with the Board and a full copy of the complete Reserve Study was offered upon request.

The Armstrong Consulting, Inc., Reserve Study recommends an annual Reserve contribution increase at a rate of 4.1% per year from 2018 to 2035 for Timber Lodge Timeshare Association Reserve Plan and a 7.6% increase from 2018 to 2031 for Timber Lodge Condominium Association Reserve Plan to adequately fund future projected Reserve expenditures.

The Management Team reviewed several cash flow scenarios with updates to the Armstrong Consulting, Inc., projected expenditures schedule enabling the Board to identify opportunities to modify the annual rate of contribution increases while maintaining available funds for potential cost overruns or premature component failures.

**A motion was made by Daniel Craig to approve \$7,858,314 for 2018 Timber Lodge Timeshare Association Reserve Expenditures as presented. The motion was seconded by David Armitage and unanimously carried.**

Ms. Kammerer reviewed a Reserve funding summary for Timber Lodge Timeshare Association which outlined current balances, estimated replacement costs and estimated remaining useful life. The Management Team recommended reallocating Reserve Fund balances between the Reserve Fund categories, including \$2,661,542 to furniture and fixtures, \$190,396 to external building maintenance and (\$2,851,938) from common area rehabilitation, having a net \$0 overall impact on total Reserve Fund balance.

**A motion was made by David Armitage to reallocate 2017 Timber Lodge Timeshare Association Reserve Fund balance as recommended by the Management Company corresponding to the 2017 Armstrong Consulting, Inc., Reserve Study. The motion was seconded by Candyce Beneke and unanimously carried.**

Ms. Kammerer reviewed a Reserve funding summary for Timber Lodge Condominium Association which outlined current balances, estimated replacement costs and estimated remaining useful life. The Management Team recommended reallocating Reserve Fund balances between the Reserve Fund categories, including \$296,637 to furniture and fixtures, \$136,897 to building painting, \$208,694 to pavement resurfacing, (\$304,688) from external building maintenance, (\$55,999) from roof replacement and (\$281,541) from common area rehabilitation, having a net \$0 overall impact on total Reserve Fund balance.

**A motion was made by Daniel Craig to reallocate 2017 Timber Lodge Condominium Association Reserve Fund as recommended by the Management Company corresponding to the 2017 Armstrong Consulting, Inc., Reserve Study. The motion was seconded by David Armitage and unanimously carried.**

### **RESORT OPERATIONS REPORT**

James Beddingfield presented the Resort Operations Report. Highlights included:

- Renovation is in progress and noise from the tile replacement is prevalent
- Artwork, elevator lighting sconces and new corner guards in the common area hallways were not originally included in the renovation scope; artwork will be discussed further with the interior designer
- After discussion of proposed corner guard options, the Board recommended new white corner guards
- Currently, total renovation costs are under budget



- Current year-to-date Overall Satisfaction Score is 86.7%

### **2018 PROPOSED MAINTENANCE FEE AND BUDGET**

Ms. Schille and Ms. Kammerer presented the Proposed 2018 Maintenance Fee and Budget for Timber Lodge Timeshare Association and Timber Lodge Condominium Association. Highlights included:

- Staffing remains a challenge in the region
- California minimum wage will increase \$1.00 per hour/per year until 2022
- The overall combined Association maintenance fee increase from 2003 to 2018 was an average of 5%

John Albert left the meeting at 12:29 p.m.

**A motion was made by David Armitage to transfer \$300,000 from Timber Lodge Timeshare Association Operating Fund to Timber Lodge Timeshare Association Reserve Fund by the end of fiscal year 2017. The motion was seconded by Candyce Beneke and unanimously carried.**

**A motion was made by Daniel Craig to approve the 2018 Timber Lodge Condominium Association Operating Budget of \$3,130,453 and Reserve Budget of \$797,486, for a total maintenance fee of \$3,927,939, including each line item thereof. The motion was seconded by David Armitage and unanimously carried.**

**A motion was made by David Armitage to approve the 2018 Timber Lodge Timeshare Association Annual Maintenance Fee Budget as follows:**

- **1-Bedroom Operating Fee of \$574.62 and Reserve Fee of \$216.68, resulting in a total 1-Bedroom per-unit week maintenance fee of \$791.30**
- **2-Bedroom Operating Fee of \$712.19 and Reserve Fee of \$321.48, resulting in a total 2-Bedroom per-unit week maintenance fee of \$1,033.67**
- **3-Bedroom Operating Fee of \$872.93 and Reserve Fee of \$443.94, resulting in a total 3-Bedroom per-unit week maintenance fee of \$1,316.87**

**for a total budget of \$13,583,864, including each line item thereof. The motion was seconded by Daniel Craig and unanimously carried.**

### **ACTION ITEMS**

Ms. Schille reviewed the Action Items. Highlights included:

- After further research into collapsing the Associations, the cost involved and the possibility of not receiving enough Owner votes, the Board does not plan to proceed with the initiative
- During the renovation of the lobby area in the spring, Sales and Marketing proposed an additional concierge podium be included in the scope to be paid for by Sales and Marketing
- An agreement between the Associations and Fire + Ice restaurant is currently being reviewed by Association Counsel; Fire + Ice may provide food and beverage service to the pool area in 2018
- The Alpine Building Business Center will be painted and re-carpeted during the renovation
- A boarding pass kiosk will be added to the lobby

### **NEW BUSINESS**

#### **Boardvantage**

Ms. Schille and Ms. Kammerer provided an overview of Boardvantage. The new software facilitates Board Meetings and provides document storage Board Members could access.

**A motion was made by David Armitage to approve the Management Company to purchase Boardvantage's MeetX product to facilitate future Board and or/Committee meetings. The costs are not to exceed \$2,800 annually without further Board approval. The motion was seconded by Daniel Craig and unanimously carried.**

#### **Announcement of Next Boards of Directors Meeting Dates**

- Board and Annual Meetings - April 10, 2018
- Board Meeting – October 2, 2018



**ADJOURNMENT**

**There being no further business to come before the Boards, a motion was made by David Armitage to adjourn the meeting at 1:07 p.m. The motion was seconded by Candyce Beneke and unanimously carried.**

Submitted by:

Approved by:

\_\_\_\_\_  
Sheri Runyon Date  
Recording Secretary

\_\_\_\_\_  
David Babich Date  
President

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

## **ANNUAL BUDGET REPORT DISCLOSURES**

### **INSURANCE SUMMARY**

**This summary of the association's policies of insurance provides only certain information, as required by Section 5300 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property or real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage.**

**Timber Lodge Condominium Association**  
**SECTION 5300(b) (10) CALIFORNIA CIVIL CODE**  
**Federal Housing Administration**

Certification by the Federal Housing Administration may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest.

This common interest development is a condominium project. The association of this common interest development is not certified by the Federal Housing Administration.

**Timber Lodge Condominium Association**  
**SECTION 5300(b) (11) CALIFORNIA CIVIL CODE**  
**Veterans Affairs**

Certification by the federal Department of Veterans Affairs may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest.

This common interest development is a condominium project. The association of this common interest development is not certified by the federal Department of Veterans Affairs.

## ANNUAL POLICY STATEMENT DISCLOSURES

Capitalized terms used herein without definition shall have the meaning given to such terms in the Condominium Declaration of Covenants, Conditions and Restrictions for Timber Lodge.

### **(1) Designated Contact Person for Association Communications.**

Below is the name and contact information for the person designated to receive official communications on behalf of Timber Lodge Condominium Association (hereinafter, the "Association"), pursuant to Section 4035 of the California Civil Code. **Please submit all requests for copies of policies and meeting minutes in writing to the address below.**

Marriott's Timber Lodge  
Attn: Sheri Runyon  
4100 Lake Tahoe Boulevard  
South Lake Tahoe, California 96150

E-mail: [sheri.runyon@vacationclub.com](mailto:sheri.runyon@vacationclub.com)

### **(2) Request for Notices to Two Addresses.**

A member may submit a request to the Association to have notices sent to up to two different specified addresses pursuant to subdivision (b) of Section 4040 of the California Civil Code.

### **(3) Location for Posting General Notices.**

The following is the location for the posting of a general notice by the Association, pursuant to paragraph (3) of subdivision (a) of Section 4045 of the California Civil Code: Timber Lodge Front Desk Lobby Window.

### **(4) Right to Receive General Notices by Individual Delivery.**

An Owner may request to receive general notices by individual delivery, pursuant to subdivision (b) of Section 4045 of the California Civil Code, by submitting a written request to the Association.

### **(5) Right to Receive Meeting Minutes.**

An Owner is entitled to receive copies of meeting minutes, pursuant to subdivision (b) of Section 4045 of the California Civil Code. Any such request should be made in writing to the address provided above.

### **(6) Statement of Assessment Collection Policies.**

#### **NOTICE ASSESSMENTS AND FORECLOSURE**

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

#### **ASSESSMENTS AND FORECLOSURE**

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay Association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action,

known as judicial foreclosure, or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after January 1, 2006, Association(s) may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an Association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5700 through 5720 of the Civil Code, inclusive)

In a judicial or nonjudicial foreclosure, the Association(s) may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common area damaged by a member or a member's guests, if the governing documents provide for this. (Section 5725 of the Civil Code)

The association must comply with the requirements of Article 2 (commencing with Section 5650) of Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the Associations. (Section 5675 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 5660 of the Civil Code) If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 5685 of the Civil Code)

The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

## **PAYMENTS**

When an owner makes a payment, the owner may request a receipt, and the association is required to provide it. On receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (Section 5655 of the Civil Code)

An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part

5 of Division 4 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing with Section 5925) of Chapter 10 of Part 5 of Division 4 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 5685 of the Civil Code)

### **MEETINGS AND PAYMENT PLANS**

An owner of a separate interest that is not a time-share interest may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exists. (Section 5665 of the Civil Code)

The board must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist. (Section 5665 of the Civil Code)

### **(7) Statement of Policies and Practices in Enforcing Lien Rights and Other Legal Remedies.**

California Civil Code Section 5310(a)(7) requires the Association describe its current policies and practices for enforcing lien rights or other legal remedies for default in payment of its assessments. We certainly encourage and appreciate prompt payment to avoid our valued Owners being subject to the actions described below.

Assessments and other amounts payable to the Association by the Owners are deemed delinquent if not paid within 15 days of the date due and shall bear interest at a rate of 12% per annum and be subject to a late fee equal to the greater of \$10 or 10% of the delinquent amount. The Association is also entitled to receive its costs of collection from the delinquent Owner. If such delinquency is not paid within 10 days of the delivery of notice of such delinquency to the Owner, the Association to which such amount is owed may elect to pursue recordation of a notice of delinquent assessment and claim of lien on behalf of such Association and thereafter seek foreclosure of the Association's lien, subject to the Association's compliance with the applicable statutory requirements, including providing at least 30 days' notice prior to such recordation. The Association also has the right to pursue other legal remedies, including, but not limited to, imposition of monetary penalties and/or the owner's right to participate in any vote in accordance with the terms and conditions set forth in the governing documents for the Association.

Bylaws of Timber Lodge Condominium Association. Article 3 Membership Assessments and Lien Rights. Section 3.2 ENFORCEMENT; LIEN RIGHTS. For the purpose of enforcing and collecting Assessments, this Association shall have the lien rights set forth in Article 7 of the Declaration, which lien rights shall be enforceable by the Board in the manner set forth in the Article 8 of the Declaration. The Board shall also have and be entitled to exercise all other rights and remedies set forth in the Declaration or otherwise provided for at law or in equity.

We encourage you to review the provisions of the Bylaws and Declaration for further detail regarding the enforcement powers and remedies afforded to the Association.



**(8) Statement of Association's Discipline Policy and Schedule of Penalties for Violations of Governing Documents.**

The Board of the Association expects all owners and their guests to adhere to the covenants, agreements and requirements set forth in the governing documents, including the applicable Rules and Regulations and Declaration. To assist the Board of Directors in the enforcement of the provisions of the governing documents, the Board has delegated enforcement authority to the Manager. Any owner or guest who has been advised by the Manager that they are in violation of the governing documents, including the Rules and Regulations and/or the Declaration, will be required to immediately cease and desist any prohibited activity or otherwise take such actions as may be needed to correct such violation. If an owner or his guest, after being notified by the Manager that they are in violation of the governing documents, fails to comply with the Manager's direction, the matter will be referred to the Board for consideration of the assessment of penalties by reason of such person's non-compliance. The owner against whom such action is proposed to be taken has the right to appear before the Board at its next regularly scheduled meeting to contest such action, all as more particularly provided in the Bylaws and the Declaration.

Furthermore, any assessments and other amounts payable to the Association by the Owners are deemed delinquent if not paid within 15 days of the date due and shall bear interest at a rate of 12% per annum and be subject to a late fee of the greater of \$10 or 10% of the delinquent amount.

Second Amendment to Timber Lodge Condominium Rules and Regulations - NON-SMOKING  
Effective October 1, 2007, smoking is prohibited everywhere on the Condominium Project, including within the Units and on the adjacent/connecting balcony/patio, except where designated by the Operating Company in its sole discretion, as may be changed from time to time. Failure to comply with this Non-Smoking Policy by an Owner or the Owner's guests, family or invitees may result in a cleaning fee in an amount equal to the lesser of \$250.00 or the maximum amount permitted by applicable law, which shall be a personal charge assessed to the Owner following any applicable procedural requirements. As used in these Rules, the term "smoking" shall include the use of tobacco products, electronic cigarettes, vaporizers and other similar alternative nicotine products and marijuana.

Timber Lodge Condominium Rules and Regulations - VIOLATIONS OF THESE RULES.

1. VIOLATIONS. The failure by an Owner to abide by, and comply with, the Rules may result in the imposition of fines or other penalties and/or the suspension of such Owner's rights and privileges. Violations shall be reported in writing to the Operating Company or President of the Association. Violations will be called to the attention of the violating Owner by the Operating Company or President of the Association, and by the appropriate committee or member of the Board if follow-up action is necessary. Violations needing follow-up action will be presented to and judged by the Board for appropriate action at its next regularly scheduled meeting or at a special meeting called for this purpose.

2. REPORTING VIOLATIONS AND DAMAGES.

a. Whenever possible, violations of the Rules should be reported to the Operating Company. To the extent reasonably possible, the Operating Company will keep the identity of the complainant confidential.

b. All corrective actions regarding violations of the Rules and damages to the Common Areas will be enforced by the Board or the Operating Company and should be reported promptly to the Operating Company or the board.

c. Damage to Common Areas shall be surveyed by the Board or the Operating Company, and the cost of repair or replacement and any legal fees incurred may be assessed by the Board against the

person or persons responsible, including, but not limited to, against Owners or Occupants for damage caused directly or indirectly by their guests.

3. The Violation Of Any Rules Adopted by the Association Shall Give the Board of Directors or its Agents The Right To:

d. ENTER THE UNIT IN WHICH, OR AS TO WHICH, SUCH VIOLATION OR BREACH EXISTS AND TO SUMMARILY ABATE AND REMOVE, AT THE EXPENSE OF THE DEFAULTING OWNER OR OCCUPANT, ANY STRUCTURE, ITEM OR CONDITION THAT MAY EXIST THEREIN CONTRARY TO THE INTENT AND MEANING OF THE PROVISIONS HEREOF, AND THE BOARD OR THE OPERATING COMPANY SHALL NOT THEREBY BE DEEMED LIABLE FOR ANY DAMAGES OR GUILTY IN ANY MANNER OF TRESPASS; AND/OR

e. ENJOIN, ABATE OR REMEDY BY APPROPRIATE LEGAL PROCEEDINGS, EITHER AT LAW OR IN EQUITY, THE CONTINUANCE OF ANY SUCH BREACH; AND ALL COSTS THEREOF, INCLUDING ATTORNEYS' FEES AND COSTS, SHALL BE BORNE BY THE DEFAULTING OWNER OR OCCUPANTS/ AND/OR

f. LEVY FINES, IN THE DISCRETION OF THE BOARD.

Condominium Declaration of Covenants, Conditions and Restrictions for Timber Lodge. Article VII. Assessments and Personal Charges. 7.8 PERSONAL CHARGES. Pursuant to the Condominium Declaration, the Board may levy a Personal Charge against any Residential Condominium to reimburse the Condominium Association for costs incurred in bringing such Residential Condominium and its Owner into compliance with the provisions of the Condominium Declaration or the Rules and Regulations. Personal Charges shall be due ten (10) days after the Board gives written notice thereof to the Owner subject thereto.

(a) Personal Charges are not Assessments and the remedies available to the Condominium Association against any Owner for nonpayment of such Owner's Personal Charges are those remedies provided in Section 8.1 and subsection 8.2(a) of the Condominium Declaration, and, with respect to Personal Repair Charges, those remedies provided in Section 8.1, Section 8.2(a) and Section 8.2(b) of the Condominium Declaration.

**(9) Summary of Dispute Resolution Procedures.**

Pursuant to Sections 5310(a)(9) and 5920 of the Davis-Stirling Common Interest Development Act:

(a) Either party to a dispute within the scope of Article 2 of the Davis-Stirling Common Interest Development Act (as described in Section 5900 of the Civil Code) may invoke the following procedure:

(1) The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.

(2) A member of an association may refuse a request to meet and confer. The association shall not refuse a request to meet and confer.

(3) The board shall designate a director to meet and confer.

(4) The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute. The parties may be assisted by an attorney or another person at their own cost when conferring.

(5) A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the board designee on behalf of the association.

(b) A written agreement reached under this section binds the parties and is judicially enforceable if it is signed by both parties and both of the following conditions are satisfied:

(1) The agreement is not in conflict with law or the governing documents of the common interest development or association.

(2) The agreement is either consistent with the authority granted by the board to its designee or the agreement is ratified by the board.

(c) A member shall not be charged a fee to participate in the process.

Pursuant to Sections 5310(a)(9) and 5965 of the Davis-Stirling Common Interest Development Act, below is a summary of Article 3 of the Act with respect to alternative dispute resolution as a prerequisite to the filing of a civil action.

Neither an association nor a member may file an enforcement action in superior court for declaratory, injunctive or writ relief or for such relief in connection with a claim for monetary damages not in excess of the jurisdictional limits unless the parties have endeavored to submit their dispute to alternative dispute resolution pursuant to Article 3 of the Davis-Stirling Common Interest Development Act. The provisions of this Article do not apply to a small claims action or to an assessment dispute. Any party to a dispute may initiate the process by serving a Request for Resolution on the other party which includes the items described in Section 5935 of the Civil Code including a brief description of the dispute and a request for alternative dispute resolution. If the party served fails to respond within 30 days of receipt, the request is deemed rejected. If the party served accepts the request, the parties must complete the alternative dispute resolution within 90 days of the initiating party's receipt of such acceptance, unless otherwise extended by written stipulation signed by the parties. At the time of commencement of an enforcement action, the party commencing the action is required to file a certificate with the initial pleading stating that (i) alternative dispute resolution has been completed in compliance with Article 3; (ii) one of the other parties did not accept the terms offered for alternative dispute resolution; and/or (iii) preliminary or temporary injunctive relief is necessary. After an enforcement action is commenced, the matter may still be referred to dispute resolution by written stipulation of the parties. If attorneys' fees may be awarded, the court may consider whether a party's refusal to participate in alternative dispute resolution before commencement of the action was reasonable.

Failure of a member of the association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of the member's right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law.

**(10) Summary of Requirements for Association Approval of Physical Changes to the Property.**

Condominium Declaration of Covenants, Conditions and Restrictions for Timber Lodge, Article XII. Architectural Control. Section 12.2(a) GENERAL PROVISIONS. The Architectural Committee may establish reasonable procedural rules in connection with review of plans and specifications including, without limitation, the number of sets of plans to be submitted; however, the Architectural Committee may delegate its plan review responsibilities to one or more members of such Architectural Committee. Upon such delegation, the approval or disapproval of plans and specifications by such persons shall be equivalent to approval or disapproval by the entire Architectural Committee. Unless any such rules are complied with, such plans and specifications shall be deemed not submitted.

Condominium Declaration of Covenants, Conditions and Restrictions for Timber Lodge, Article XII. Architectural Control. Section 12.3 APPROVAL AND CONFORMITY OF PLANS.

Except as required to prevent damage or injury to persons or property in an emergency, no improvements, alterations or repairs to the Common Area shall be commenced, constructed or otherwise performed nor shall there be any improvements, alterations or repairs to any Condominium Unit as described in Section 12.3(c) of the Condominium Declaration (collectively "Improvements") except in compliance with plans and specifications therefor which have been submitted to and approved by the Architectural Committee; provided, however, that in no case shall the Architectural Standards require Architectural Committee review for any improvements, alterations or repairs to the Condominium Units performed by Declarant, the Condominium Association or, with respect to the Commercial Units, the Commercial Owners, so long as such improvements, alterations and repairs are limited to such Units and do not impact any common area and do not fall within the scope of Section 12.3(c) of the Condominium Declaration.

**(11) Mailing Address for Overnight Payment of Assessments.**

In accordance with Section 5655 of the California Civil Code, an Owner may direct overnight payments of Assessments to the following address:

Marriott Resorts Hospitality Corporation  
Attn: 382056  
500 Ross Street 154-0460  
Pittsburgh, Pennsylvania 15250-8056

***Note: This summary is not intended to contain all matters relating to California Civil Codes which are described herein, and care should be taken to review the entire California Civil Codes.***

SCHEDULE OF INSURANCE

**Insured: MARRIOTT OWNERSHIP RESORTS, INC. CALIFORNIA LOCATIONS**

Coverage	Perils/Hazards Insured	Limit or Amount	Policy Term Company/Policy No.	Deductibles
<p><b>COMMERCIAL PROPERTY</b> Real and Personal Property, Business Income Including Extra Expense</p>	<p><b>Maximum Limit of Liability – Any One Occurrence, Except as Sub-limited</b></p> <p><u>Sublimits</u> Earthquake - Annual Aggregate Flood – Annual Aggregate Named Windstorm</p> <p>Perils: All Risk of Direct Physical Loss or Damage including Boiler &amp; Machinery</p>	<p>\$ 500,000,000</p> <p>\$ 200,000,000 \$ 250,000,000 \$ 250,000,000</p>	<p>June 1, 2017 – June 1, 2018</p> <p>Multiple carriers provide the coverage under a Layered Participation Program.</p> <p>A list of participating carriers is available upon request.</p>	<p>All perils - \$25,000, Except:</p> <ul style="list-style-type: none"> <li>▪ CA Earthquake: 5%, \$250,000 minimum, \$1,000,000 maximum</li> <li>▪ Flood Zones A or V, 3%, \$500,000 minimum, \$5,000,000 maximum</li> </ul>
<p><b>GENERAL LIABILITY</b></p>	<p>General Aggregate Products – Comp. Ops. Aggregate Personal &amp; Adv. Injury Each Occurrence Fire Damage (Any one fire) Medical Expenses (Any one person)</p>	<p>\$ 15,000,000 \$ 2,000,000 \$ 1,000,000 \$ 1,000,000 \$ 100,000 \$ 2,500</p>	<p>October 1, 2017 – October 1, 2018 Liberty Mutual Fire Ins. Co. Policy No. TB2651283929127</p>	<p>BI/PD Liability Combined - \$500 Per Occurrence</p>

Property coverage excludes unit owner’s and tenant’s personal property, improvements and betterments. Coverage applies to the condominium property, including common elements and limited common elements, as required under the condominium documents.

Liability coverage applies to the areas owned by the Condominium Association including the common elements and limited common elements (or similarly defined terms) as outlined in the condominium documents. Coverage does not apply under any circumstances for an individual Owner’s negligent or willful acts or the actions of the Owner’s renters, guests or invitees including but not limited to damage caused by the renters, guests or invitees.

Please refer to the condominium documents for detailed information on the areas covered.

All insurance coverage references and descriptions contained in this Account Summary are intended only to identify the types of coverages and generally describe specific coverage features of your insurance policies. Refer to policies for actual coverage terms and conditions. *This summary contains confidential and proprietary information. Do not copy or distribute this information without prior consent of the MVCI Insurance Department.*

SCHEDULE OF INSURANCE

**Insured: MARRIOTT OWNERSHIP RESORTS, INC. CALIFORNIA LOCATIONS**

Coverage	Perils/Hazards Insured	Limit or Amount	Policy Term Company/Policy No.	Deductibles
<u>AUTO LIABILITY</u>	Combined Single Limit (BI/PD) Medical Payments	\$ 2,000,000 \$ 5,000	October 1, 2017 – October 1, 2018 Liberty Mutual Fire Ins. Co. Policy No. AS2651283929117	Physical Damage - \$500
<u>EXCESS LIABILITY</u>	Limit of Liability	\$ 25,000,000	October 1, 2017 – October 1, 2018 American Guarantee & Liability Ins Co Policy No. AUC-9318982-06	

Property coverage excludes unit owner’s and tenant’s personal property, improvements and betterments. Coverage applies to the condominium property, including common elements and limited common elements, as required under the condominium documents.

Liability coverage applies to the areas owned by the Condominium Association including the common elements and limited common elements (or similarly defined terms) as outlined in the condominium documents. Coverage does not apply under any circumstances for an individual Owner’s negligent or willful acts or the actions of the Owner’s renters, guests or invitees including but not limited to damage caused by the renters, guests or invitees.

Please refer to the condominium documents for detailed information on the areas covered.

All insurance coverage references and descriptions contained in this Account Summary are intended only to identify the types of coverages and generally describe specific coverage features of your insurance policies. Refer to policies for actual coverage terms and conditions. *This summary contains confidential and proprietary information. Do not copy or distribute this information without prior consent of the MVCI Insurance Department.*

## Assessment and Reserve Funding Disclosure Summary

**Association name:** **Timber Lodge Condominium Association**

**For Fiscal Year Beginning:** 1/1/2018      **# of Ownership Interests:** 264

1) Regular budgeted assessments:	Total	Per Ownership Interest
Reserve Contributions	\$797,486	\$3,020.78
Total Assessment Income	\$3,927,939	\$14,878.56

per: Year  
per: Year

2) Additional regular or special assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Date Assessment will be due	Amt per Ownership Interest per month or year	Purpose of Assessment
N/A		
N/A		
Total:		\$0.00

3) Based on the most recent Reserve Study and other information available to the Board of Directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years? **Yes**

4) If the answer to #3 is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient Reserve Funds will be available each year during the next 30 years that have not yet been approved by the board or the members?

Approximate date assessment will be due	Amt per Ownership Interest per month or year	
N/A		
N/A		
N/A		
N/A		
Total:		\$0

5) All major components are included in the reserve study and are included in its calculation.

6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code:

All computations/disclosures are based on the fiscal year start date of:	1/1/2018
Fully Funded Balance:	\$11,399,374
Projected Reserve Fund Balance:	\$4,156,992
Percent Funded:	36.5%

From the 7/21/2017 Reserve Study by Armstrong Consulting, Inc. and any minor changes since that date.

7) See attached 30 Year Reserve Plan Summary Table, showing the fiscal year, projected reserve funding, estimated reserve expenses and interest, reserve balances and percent funded which is based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code.

Note: The financial representations set forth in this summary is based on the best estimates of the preparer at that time. The estimates are subject to change.



# Timber Lodge Condominium Association

30 Year Reserve Plan Summary

Recommended

Fiscal Year Beginning 1/1/2018

<u>Period</u>	<u>Beginning Balance</u>	<u>Income</u>	<u>Special Assessment/Loans</u>	<u>Expenses</u>	<u>Interest</u>	<u>Ending Balance</u>	<u>Avg. Fee/Unit-Week</u>	<u>% Fee Change</u>	<u>Fully Funded Balance</u>	<u>Percent Funded</u>
FY2018	4,156,992	797,486	0	(402,055)	57,333	4,609,756	58.66	10.0%	11,399,374	40.4%
FY2019	4,609,756	877,235	0	(1,111,626)	55,698	4,431,063	64.52	10.0%	11,784,485	37.6%
FY2020	4,431,063	964,958	0	(1,252,606)	52,510	4,195,925	70.97	10.0%	11,954,087	35.1%
FY2021	4,195,925	1,061,454	0	(1,324,754)	45,661	3,978,285	78.07	10.0%	12,091,828	32.9%
FY2022	3,978,285	1,141,063	0	(3,869,930)	18,732	1,268,151	83.93	7.5%	9,520,997	13.3%
FY2023	1,268,151	1,226,643	0	(257,638)	27,322	2,264,477	90.22	7.5%	10,757,731	21.0%
FY2024	2,264,477	1,318,641	0	(189,158)	41,886	3,435,846	96.99	7.5%	12,285,865	28.0%
FY2025	3,435,846	1,417,539	0	(246,242)	58,386	4,665,529	104.26	7.5%	13,717,779	34.0%
FY2026	4,665,529	1,523,854	0	(1,805,710)	55,554	4,439,228	112.08	7.5%	13,629,748	32.6%
FY2027	4,439,228	1,638,143	0	(2,744,418)	38,698	3,371,652	120.49	7.5%	12,612,599	26.7%
FY2028	3,371,652	1,720,050	0	(1,879,538)	40,877	3,253,042	126.51	5.0%	12,350,547	26.3%
FY2029	3,253,042	1,771,652	0	(1,316,954)	46,593	3,754,333	130.31	3.0%	12,861,957	29.2%
FY2030	3,754,333	1,824,802	0	(201,515)	66,426	5,444,045	134.22	3.0%	14,758,810	36.9%
FY2031	5,444,045	1,879,546	0	(5,608,946)	21,730	1,736,374	138.24	3.0%	11,014,998	15.8%
FY2032	1,736,374	1,935,932	0	(1,940,831)	20,104	1,751,579	142.39	3.0%	10,990,724	15.9%
FY2033	1,751,579	1,994,010	0	(1,015,228)	33,562	2,763,923	146.66	3.0%	11,807,754	23.4%
FY2034	2,763,923	2,053,830	0	(124,741)	57,530	4,750,542	151.06	3.0%	13,800,521	34.4%
FY2035	4,750,542	2,115,445	0	(1,570,312)	66,533	5,362,208	155.59	3.0%	14,430,641	37.2%
FY2036	5,362,208	2,178,908	0	(872,337)	83,126	6,751,904	160.26	3.0%	16,063,472	42.0%
FY2037	6,751,904	2,244,276	0	(1,113,325)	99,900	7,982,755	165.07	3.0%	17,372,466	46.0%
FY2038	7,982,755	2,311,604	0	(1,235,247)	105,184	9,164,295	170.02	3.0%	18,667,553	49.1%
FY2039	9,164,295	2,380,952	0	(1,888,744)	121,978	9,778,481	175.12	3.0%	19,176,157	51.0%
FY2040	9,778,481	2,452,381	0	(294,847)	148,974	12,084,988	180.38	3.0%	21,642,528	55.8%
FY2041	12,084,988	2,525,952	0	(2,526,176)	153,151	12,237,915	185.79	3.0%	22,210,554	55.1%
FY2042	12,237,915	2,601,731	0	(7,925,184)	87,627	7,002,088	191.36	3.0%	17,040,850	41.1%
FY2043	7,002,088	2,679,783	0	(453,185)	116,955	9,345,642	197.10	3.0%	19,502,669	47.9%
FY2044	9,345,642	2,760,176	0	(246,793)	137,840	11,996,865	203.01	3.0%	22,081,641	54.3%
FY2045	11,996,865	2,842,981	0	(442,193)	179,912	14,577,565	209.10	3.0%	24,891,685	58.6%
FY2046	14,577,565	2,928,271	0	(3,448,960)	178,696	14,235,572	215.38	3.0%	24,784,260	57.4%
FY2047	14,235,572	3,016,119	0	(3,122,318)	181,657	14,311,031	221.84	3.0%	25,617,120	55.9%

**Long Term before tax interest Rate:**

2.00%

**Long Term Inflation Rate:**

3.50%

The foregoing financial projections apply only as of the date of this report. These projections are subject to risks, uncertainties, estimates and assumptions based on information currently available. Some assumptions and estimates inevitably will not be accurate, and unanticipated events may occur. Therefore, actual financial results will vary, and such variations may be material. The Board of Directors should not place undue reliance on these projections in making budgeting or other financial decisions for the Association.

Neither the management company nor any of its affiliates assumes any liability, or extends any guarantee or warranty, express or implied, with respect to these financial projections or actual results achieved.