

April 28, 2017

Dear Marriott's Newport Coast® Villas Owner,

Attached, please find the 2016 Audit Report Summaries for the Newport Coast Villas Master Association, the Newport Coast Villas Condominium Association, and the Newport Coast Villas Timeshare Association. These reports are being provided as outlined in the Newport Coast Villas Master Declaration of Covenants Conditions and Restrictions (CC&R's), Article III, 3.4 Duties of the Master Association (b) Budget and Annual Report (2) and Master Declaration of CC&R's, Article I, Definitions, 1.3 Annual Report; the Newport Coast Villas Timeshare Association Bylaws, Exhibit B, Management Agreement, Article III, Services of Managing Agent, 3.6 Financial Services, (b) Financial Statements; and the Newport Coast Villas Condominium Association Declaration of CC&Rs, Article VI Management, 6.2 Specific Powers and Duties of the Condominium Association, (b) Budget and Annual Report (1). **The complete Annual Reports are available at the business office of the Timeshare Association and copies will be provided upon an Owner's request at the expense of the Timeshare Association.**

If you would like to request a copy of the full Audit please contact Lisa Romero, Executive Assistant, by phone at (949) 464-6002 or via email at [lisa.romero@vacationclub.com](mailto:lisa.romero@vacationclub.com).

Financial questions should be directed to Jennifer Kammerer, Director of Finance, at [jennifer.kammerer@vacationclub.com](mailto:jennifer.kammerer@vacationclub.com).

Of course, I remain available to answer any questions that you prefer to direct to my attention at [james.marks@vacationclub.com](mailto:james.marks@vacationclub.com).

Sincerely,

*James Marks*

General Manager

Marriott's Newport Coast Villas

**Newport Coast Master Association**  
**Summary Report on Audit of Financial Statements**  
**Fiscal Years Ended December 30, 2016 and January 1, 2016**

<b>Balance Sheet</b>				
	<u>Operating</u>	<u>Reserves</u>	<u>2016 Total</u>	<u>2015 Total</u>
<b>Assets:</b>				
<b>Cash and Investments</b>	\$ 1,723,952	\$ 4,761,804	\$ 6,485,756	\$ 5,564,129
<b>Other Assets</b>	228,107	180,173	408,280	429,560
<b>Total Assets</b>	<u>\$ 1,952,059</u>	<u>\$ 4,941,977</u>	<u>\$ 6,894,036</u>	<u>\$ 5,993,689</u>
<b>Liabilities and Fund Balances:</b>				
<b>Accrued Expenses</b>	\$ 51,534	\$ 1,395	\$ 52,929	\$ 174,951
<b>Other Liabilities</b>	1,774,164	1,256,391	3,030,555	3,316,482
<b>Fund Balances</b>	126,361	3,684,191	3,810,552	2,502,256
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,952,059</u>	<u>\$ 4,941,977</u>	<u>\$ 6,894,036</u>	<u>\$ 5,993,689</u>

<b>Operating Fund - Income Statement</b>			
	<u>2016 Total</u>	<u>2015 Total</u>	
<b>Total Revenues</b>	\$ 3,394,680	\$ 2,575,114	
<b>Total Expenses</b>	<u>(3,070,821)</u>	<u>(2,925,117)</u>	
<b>Excess (Deficit) of Revenues over Expenses</b>	323,859	(350,003)	
<b>Fund Balance - Beginning of Year</b>	<u>(197,498)</u>	<u>152,505</u>	
<b>Fund Balance - End of Year</b>	<u>\$ 126,361</u>	<u>\$ (197,498)</u>	

<b>Reserve Fund - Income Statement</b>			
	<u>2016 Total</u>	<u>2015 Total</u>	
<b>Total Revenues</b>	\$ 2,130,242	\$ 2,038,117	
<b>Total Expenses</b>	<u>(1,145,805)</u>	<u>(963,504)</u>	
<b>Excess (Deficit) of Revenues over Expenses</b>	984,437	1,074,613	
<b>Fund Balance - Beginning of Year</b>	<u>2,699,754</u>	<u>1,625,141</u>	
<b>Fund Balance - End of Year</b>	<u>\$ 3,684,191</u>	<u>\$ 2,699,754</u>	

For a complete copy of the audited financial statements, please contact the Director of Finance, Jennifer Kammerer, at [Jennifer.Kammerer@vacationclub.com](mailto:Jennifer.Kammerer@vacationclub.com). Newport Coast Master Association financial statements were audited by PriceWaterhouseCoopers LLP.

**Newport Coast Condominium Association**  
**Summary Report on Audit of Financial Statements**  
**Fiscal Years Ended December 30, 2016 and January 1, 2016**

<b>Balance Sheet</b>				
	<b>Operating</b>	<b>Reserves</b>	<b>2016 Total</b>	<b>2015 Total</b>
<b>Assets:</b>				
Cash and Investments	\$ 2,324,109	\$ 9,964,722	\$ 12,288,831	\$ 11,452,373
Other Assets	649,179	195,259	844,438	982,940
<b>Total Assets</b>	<b>\$ 2,973,288</b>	<b>\$ 10,159,981</b>	<b>\$ 13,133,269</b>	<b>\$ 12,435,313</b>
<b>Liabilities and Fund Balances:</b>				
Accrued Expenses	\$ 71,533	\$ 351	\$ 71,884	\$ 76,310
Other Liabilities	2,493,360	1,716,931	\$ 4,210,291	\$ 4,343,580
Fund Balances	408,395	8,442,699	8,851,094	8,015,423
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,973,288</b>	<b>\$ 10,159,981</b>	<b>\$ 13,133,269</b>	<b>\$ 12,435,313</b>

<b>Operating Fund - Income Statement</b>			
	<b>2016 Total</b>	<b>2015 Total</b>	
Total Revenues	\$ 4,820,569	\$ 4,448,390	
Total Expenses	(4,697,685)	(4,490,665)	
<b>Excess (Deficit) of Revenues over Expenses</b>	122,884	(42,275)	
Fund Balance - Beginning of Year	285,511	327,786	
<b>Fund Balance - End of Year</b>	<b>\$ 408,395</b>	<b>\$ 285,511</b>	

<b>Reserve Fund - Income Statement</b>			
	<b>2016 Total</b>	<b>2015 Total</b>	
Total Revenues	\$ 2,785,924	\$ 2,390,892	
Total Expenses	(2,073,137)	(1,962,120)	
<b>Excess (Deficit) of Revenues over Expenses</b>	712,787	428,772	
Fund Balance - Beginning of Year	7,729,912	7,301,140	
<b>Fund Balance - End of Year</b>	<b>\$ 8,442,699</b>	<b>\$ 7,729,912</b>	

For a complete copy of the audited financial statements, please contact the Director of Finance, Jennifer Kammerer, at [Jennifer.Kammerer@vacationclub.com](mailto:Jennifer.Kammerer@vacationclub.com). Newport Coast Condominium Association financial statements were audited by PriceWaterhouseCoopers LLP.

**Newport Coast Timeshare Association**  
**Summary Report on Audit of Financial Statements**  
**Fiscal Years Ended December 30, 2016 and January 1, 2016**

<b>Balance Sheet</b>				
	<b>Operating</b>	<b>Reserves</b>	<b>2016 Total</b>	<b>2015 Total</b>
<b>Assets:</b>				
Cash and Investments	\$ 12,548,348	\$ 22,430,295	\$ 34,978,643	\$ 34,129,959
Other Assets	1,695,194	395,915	2,091,109	2,699,982
<b>Total Assets</b>	<b>\$ 14,243,542</b>	<b>\$ 22,826,210</b>	<b>\$ 37,069,752</b>	<b>\$ 36,829,941</b>
<b>Liabilities and Fund Balances:</b>				
Accrued Expenses	\$ 313,835	\$ 650	\$ 314,485	\$ 295,625
Other Liabilities	12,233,589	5,270,379	\$ 17,503,968	\$ 16,775,337
Fund Balances	1,696,118	17,555,181	19,251,299	19,758,979
<b>Total Liabilities and Fund Balances</b>	<b>\$ 14,243,542</b>	<b>\$ 22,826,210</b>	<b>\$ 37,069,752</b>	<b>\$ 36,829,941</b>

<b>Operating Fund - Income Statement</b>			
	<b>2016 Total</b>	<b>2015 Total</b>	
<b>Total Revenues</b>	\$ 20,068,789	\$ 19,693,942	
<b>Total Expenses</b>	(20,212,285)	(19,698,366)	
<b>Excess (Deficit) of Revenues over Expenses</b>	(143,496)	(4,424)	
<b>Fund Balance - Beginning of Year</b>	1,839,614	1,844,038	
<b>Fund Balance - End of Year</b>	<b>\$ 1,696,118</b>	<b>\$ 1,839,614</b>	

<b>Reserve Fund - Income Statement</b>			
	<b>2016 Total</b>	<b>2015 Total</b>	
<b>Total Revenues</b>	\$ 8,862,177	\$ 8,091,658	
<b>Total Expenses</b>	(9,226,361)	(10,079,932)	
<b>Excess (Deficit) of Revenues over Expenses</b>	(364,184)	(1,988,274)	
<b>Fund Balance - Beginning of Year</b>	17,919,365	19,907,639	
<b>Fund Balance - End of Year</b>	<b>\$ 17,555,181</b>	<b>\$ 17,919,365</b>	

For a complete copy of the audited financial statements, please contact the Director of Finance, Jennifer Kammerer, at [Jennifer.Kammerer@vacationclub.com](mailto:Jennifer.Kammerer@vacationclub.com). Newport Coast Timeshare Association financial statements were audited by PriceWaterhouseCoopers LLP.

# *MARRIOTT'S NEWPORT COAST VILLAS*

## *Master Association Board of Directors*

<b>Name</b>	<b>Office Held</b>	<b>Term</b>
John Albert	President	2015-2017
Don Baarman	Vice President	2015-2017
Bill Whelihan	Secretary	2015-2017
Vince Tobin	Treasurer	2016-2018
Keven Rowe	Director	2016-2018

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

# ***MARRIOTT'S NEWPORT COAST VILLAS***

## ***Condominium Association Board of Directors***

<b>Name</b>	<b>Office Held</b>	<b>Term</b>
John Albert	President	2015-2017
Don Baarman	Vice President	2015-2017
Bill Whelihan	Secretary	2015-2017
Vince Tobin	Treasurer	2016-2018
Keven Rowe	Director	2016-2018

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

# ***MARRIOTT'S NEWPORT COAST VILLAS***

## ***Timeshare Association Board of Directors***

<b>Name</b>	<b>Office Held</b>	<b>Term</b>
John Albert	President	2015-2017
Don Baarman	Vice President	2015-2017
Bill Whelihan	Secretary	2015-2017
Vince Tobin	Treasurer	2016-2018
Keven Rowe	Director	2016-2018

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