

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.

Financial questions should be directed to Jennifer Kammerer, Director of Finance, at 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.

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

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

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

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

For a complete copy of the audited financial statements, please contact the Director of Finance, Jennifer Kammerer, at 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

Balance Sheet				
	Operating	Reserves	2016 Total	2015 Total
Assets:				
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
Total Assets	\$ 2,973,288	\$ 10,159,981	\$ 13,133,269	\$ 12,435,313
Liabilities and Fund Balances:				
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
Total Liabilities and Fund Balances	\$ 2,973,288	\$ 10,159,981	\$ 13,133,269	\$ 12,435,313

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

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

For a complete copy of the audited financial statements, please contact the Director of Finance, Jennifer Kammerer, at 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

Balance Sheet				
	Operating	Reserves	2016 Total	2015 Total
Assets:				
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
Total Assets	\$ 14,243,542	\$ 22,826,210	\$ 37,069,752	\$ 36,829,941
Liabilities and Fund Balances:				
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
Total Liabilities and Fund Balances	\$ 14,243,542	\$ 22,826,210	\$ 37,069,752	\$ 36,829,941

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

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

For a complete copy of the audited financial statements, please contact the Director of Finance, Jennifer Kammerer, at 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

Name	Office Held	Term
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

MARRIOTT'S NEWPORT COAST VILLAS

Condominium Association Board of Directors

Name	Office Held	Term
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

MARRIOTT'S NEWPORT COAST VILLAS

Timeshare Association Board of Directors

Name	Office Held	Term
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

This page intentionally left blank