

August 24, 2020

RE: Notice of Budget Meeting
HAB Condominium Association, Inc.

Dear Marriott's Willow Ridge Lodge Owner:

A regular meeting of the HAB Condominium Association, Inc., Board of Directors will be held at 8:30 a.m., Central time, on September 22, 2020, at the Marriott's Willow Ridge Lodge, Owners' Lounge, 2929 Green Mountain Drive, Branson, Missouri 65616.

The primary purpose of this meeting is to review and adopt the 2021 Condominium Association Operating and Reserve Budgets and related Maintenance Fee. Your Board, on a line-by-line basis, will review the 2021 Proposed Maintenance Fee, a copy of which is included in this mailing for your information.

As a member of the Association, your presence and/or comments are welcome at this meeting. **Open budget discussion with members is scheduled to take place from 8:45 a.m., to 9:15 a.m.** The Board of Directors will consider any comments prior to taking formal action on the proposed budget.

As a reminder, the combined 2021 Maintenance Fee and property tax billing will be mailed to you in December and will have a January 2021 due date.

If you have any questions regarding the enclosed material or if you would like to attend the meeting, please contact Rand Woods, General Manager, by phone at 417-348-3074 or by email at Rand.Woods@vacationclub.com by September 15, 2020.

Sincerely,

Richard Leake

Secretary
HAB Condominium Association, Inc.

HAB CONDOMINIUM ASSOCIATION, INC.

2021 Estimated Operating Budget

(132 TIMESHARE UNITS - 6,798 UNIT WEEKS)

For The Period Beginning January 1, 2021 And Ending December 31, 2021

	2020 BUDGETED EXPENSES 6,798 UNIT WEEKS (PER UNIT WEEK)	2021 PROPOSED BUDGET 6,798 UNIT WEEKS (PER UNIT WEEK)	2020 BUDGET VS 2021 BUDGET INCREASE/(DECREASE)		2021 PROPOSED BUDGET TOTAL \$	COMMERCIAL UNITS				
			\$	%		Commercial Unit No. 1	Commercial Unit No. 2	Commercial Unit No. 3	Commercial Unit No. 4	
Revenue										
Association Fees - Commercial Units					33,151	15,183	14,816	540	2,612	
Maintenance Fee	1,299.67	1,323.26	23.59	1.8%	8,995,494	-	-	-	-	-
Bank/Investment Interest	7.83	3.87	(3.96)	(50.6%)	26,310	-	-	-	-	-
Late Fees	3.84	4.11	0.27	7.0%	27,944	-	-	-	-	-
Maintenance Fee Interest Income	6.48	6.51	0.03	0.5%	44,277	-	-	-	-	-
Total Maintenance Fee Revenue	1,317.82	1,337.75	19.93	1.5%	9,127,176	15,183	14,816	540	2,612	
Expenses										
Accounting	31.49	30.88	(0.61)	(1.9%)	209,941	-	-	-	-	-
Activities	44.23	45.33	1.10	2.5%	308,141	-	-	-	-	-
Administration	50.65	47.51	(3.14)	(6.2%)	322,993	-	-	-	-	-
Bad Debt Expense	6.56	6.56	0.00	0.0%	44,625	-	-	-	-	-
Billing and Collections	10.13	10.13	0.00	0.0%	68,894	-	-	-	-	-
Cable Television	4.83	4.83	0.00	0.0%	32,803	-	-	-	-	-
Common Assessment	137.81	136.82	(0.99)	(0.7%)	962,031	14,628	14,275	520	2,517	
Credit Card Fee	8.30	8.12	(0.18)	(2.2%)	55,170	-	-	-	-	-
Electricity	36.73	36.73	0.00	0.0%	249,697	-	-	-	-	-
Front Desk	112.67	119.09	6.42	5.7%	809,546	-	-	-	-	-
Gas	5.30	5.30	0.00	0.0%	36,000	-	-	-	-	-
High Speed Internet	6.33	6.33	0.00	0.0%	43,016	-	-	-	-	-
Housekeeping	209.63	221.15	11.52	5.5%	1,503,360	-	-	-	-	-
Human Resources	21.79	21.79	0.00	0.0%	148,137	-	-	-	-	-
Income Tax	2.97	1.48	(1.49)	(50.2%)	10,076	-	-	-	-	-
Insurance	8.88	7.55	(1.33)	(15.0%)	51,358	-	-	-	-	-
Lease	2.25	2.23	(0.02)	(0.9%)	15,182	-	-	-	-	-
Maintenance	87.65	88.48	0.83	0.9%	601,520	-	-	-	-	-
Management Fee	105.16	106.17	1.01	1.0%	721,749	-	-	-	-	-
Owner Services**	46.24	46.24	0.00	0.0%	314,317	-	-	-	-	-
Pool Maintenance	13.90	14.13	0.23	1.7%	96,044	-	-	-	-	-
Postage and Printing	4.41	4.41	0.00	0.0%	29,986	-	-	-	-	-
Property Taxes***	19.09	19.09	0.00	0.0%	129,783	-	-	-	-	-
Telephone	5.00	5.00	0.00	0.0%	33,990	-	-	-	-	-
Water and Sewer	7.11	7.11	0.00	0.0%	48,335	-	-	-	-	-
Operating Fee	989.11	1,002.46	13.35	1.3%	6,846,692	14,628	14,275	520	2,517	
Reserve Fee - Timeshare****	323.62	330.10	6.48	2.0%	2,243,997	-	-	-	-	-
Reserve Fee - Common****	5.09	5.19	0.10	2.0%	36,487	555	541	20	95	
Operating And Reserve Fee	1,317.82	1,337.75	19.93	1.5%	9,127,176	15,183	14,816	540	2,612	
International Owner's Surcharge*****	34.50	34.50	0.00	0.0%	-----	-----	-----	-----	-----	

* Certain operating expenses are presented in the budget net of funds estimated to be reimbursed to the Association in 2021, including but not limited to: (i) funds received from MVC Exchange Company to account for housekeeping expenses necessitated by nightly use of accommodations by Marriott Vacation Club Destinations Exchange Program members, and (ii) fees paid to the Association by transient guests who voluntarily elect to receive a daily room cleaning.

** The Marriott Resorts Hospitality Corporation ("MRHC") has been delegated the authority to provide all services incidental to the management of the Condominium, including Owner Services and all property operations. In connection with the performance of those services, all operating expenses will be charged to and paid by the Association to MRHC, including some that may be incurred through affiliates of MRHC. Certain of the operating expenses charged to and paid by the Association to MRHC may reflect economies of scale associated with the number of projects managed by MRHC and the affiliated relationship between MRHC and the developer. The amounts charged for such operating expenses may reflect pricing that is lower than what equivalent services would cost if charged on an independent case-by-case basis.

*** The amount collected each year will be an estimate of the amount of ad valorem taxes that will be levied against individual timeshare estates. When the final bill is available, the amount collected for each timeshare estate will be adjusted accordingly, and overpayments, if any, may reduce the subsequent year's assessment, subject to other budgetary factors.

**** The Association maintains reserves for deferred maintenance and capital expenditures, based on the estimated useful life and replacement cost of each reserve item. The Association is reserving funds for repairs and replacements over the remaining useful lives of the components based on estimates of current replacement costs. Actual expenditures may vary from the estimated replacement costs.

***** International Owners of Timeshare Estates, in addition to other charges assessed pursuant to this Declaration, shall be charged an annual fee (the "International Owner's Surcharge"), which relates to the added costs for postage, personal delivery, increased frequency of and costs associated with long-distance telephone calls, translation costs, additional costs for telefacsimile communications and labor costs for additional, special support staff. Currently, the International Owner's Surcharge is thirty four dollars (\$34.50 U.S.). The International Surcharge may, from time to time, be increased to reflect any increase in the cost of providing these services; provided, however, any such increase shall not exceed one hundred and fifteen percent (115%) of the International Owner's Surcharge in the immediately preceding year, unless approved in advance by the majority of all Owners.

The Estimated Timeshare Plan Operating Budget assumes (i) the conveyance of up to sixty six (66) Timeshare Estates in Buildings 1, 2 & 3 to the Association for maintenance purposes and (ii) the operation of all 132 residential units for the entire fiscal year.

The Owner of a Biennial Timeshare Estate shall own an undivided share Common Elements and of the Common Surplus equal to one-half (1/2) that of an owner of a Timeshare Estate, and such Owner shall also be responsible for a share of the Timeshare Plan Common Expenses equal to one-half (1/2) that of an Owner of a Timeshare Estate.

HAB CONDOMINIUM ASSOCIATION, INC.
2021 Estimated Condominium Common Expense Budget
For The Period Beginning January 1, 2021 And Ending December 31, 2021

	<u>Annual Total</u>	<u>Timeshare</u>	<u>Commercial Unit No. 1</u>	<u>Commercial Unit No. 2</u>	<u>Commercial Unit No. 3</u>	<u>Commercial Unit No. 4</u>
Revenues						
Maintenance Fees	\$ 998,518	\$ 965,367	\$ 15,183	\$ 14,816	\$ 540	\$ 2,612
Bank/Investment Interest	4,742	4,585	72	70	3	12
Total Maintenance Fee Revenue	<u>\$1,003,259</u>	<u>\$ 969,951</u>	<u>\$ 15,255</u>	<u>\$ 14,886</u>	<u>\$ 543</u>	<u>\$ 2,624</u>
Expenses						
Accounting	23,327	22,552	355	346	13	61
Administration	35,888	34,697	546	532	19	94
Audit Fee	11,500	11,118	175	171	6	30
Board of Directors	4,928	4,764	75	73	3	13
Electricity	149,818	144,844	2,278	2,223	81	392
Housekeeping	87,161	84,268	1,325	1,293	47	228
Human Resources	18,590	17,972	283	276	10	49
Income Tax	1,816	1,755	28	27	1	5
Insurance	88,019	85,097	1,338	1,306	48	230
Landscape / Grounds	106,698	103,156	1,622	1,583	58	279
Loss Prevention / Security	154,047	148,933	2,342	2,286	83	403
Maintenance	66,836	64,617	1,016	992	36	175
Management Fee	90,774	87,761	1,380	1,347	49	237
Pest Control	10,832	10,472	165	161	6	28
Property Taxes	20,983	20,287	319	311	11	55
Refuse Collection	35,516	34,337	540	527	19	93
Water and Sewer	60,040	58,046	913	891	33	157
Operating Fee	<u>\$ 966,772</u>	<u>\$ 934,675</u>	<u>\$ 14,700</u>	<u>\$ 14,345</u>	<u>\$ 523</u>	<u>\$ 2,529</u>
Reserve Fee - Common	\$ 36,487	\$ 35,276	555	541	20	95
Operating And Reserve Fee	<u>\$1,003,259</u>	<u>\$ 969,951</u>	<u>\$ 15,255</u>	<u>\$ 14,886</u>	<u>\$ 543</u>	<u>\$ 2,624</u>
Total Maintenance Fee	<u>\$ 998,518</u>	<u>\$ 965,367</u>	<u>\$ 15,183</u>	<u>\$ 14,816</u>	<u>\$ 540</u>	<u>\$ 2,612</u>