

August 26, 2019

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 25, 2019, 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 2020 Condominium Association Operating and Reserve Budgets and related Maintenance Fee. Your Board, on a line-by-line basis, will review the 2020 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 2020 Maintenance Fee and property tax billing will be mailed to you in December and will have a January 2020 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](mailto:Rand.Woods@vacationclub.com) by September 18, 2019.

Sincerely,

*Case Spencer*

Secretary

HAB Condominium Association, Inc.

**HAB CONDOMINIUM ASSOCIATION, INC.**

2020 Estimated Operating Budget

(132 TIMESHARE UNITS - 6,798 UNIT WEEKS)

For The Period Beginning January 1, 2020 And Ending December 31, 2020

	2019 BUDGETED EXPENSES 6,798 UNIT WEEKS (PER UNIT WEEK)	2020 PROPOSED BUDGET 6,798 UNIT WEEKS (PER UNIT WEEK)	2019 BUDGET VS 2020 BUDGET INCREASE/(DECREASE)		2020 PROPOSED BUDGET TOTAL \$	COMMERCIAL UNITS				
			\$	%		Commercial Unit No. 1	Commercial Unit No. 2	Commercial Unit No. 3	Commercial Unit No. 4	
<b>Revenue</b>										
Association Fees - Commercial Units					33,196	15,204	14,836	541	2,615	
Maintenance Fee	1,237.50	1,304.92	67.42	5.4%	8,870,861	-	-	-	-	
Bank/Investment Interest	4.12	7.81	3.69	89.6%	53,085	-	-	-	-	
Late Fees	4.01	3.84	(0.17)	(4.2%)	26,087	-	-	-	-	
Maintenance Fee Interest Income	6.57	6.48	(0.09)	(1.4%)	44,020	-	-	-	-	
<b>Total Maintenance Fee Revenue</b>	<b>1,252.20</b>	<b>1,323.05</b>	<b>70.85</b>	<b>5.7%</b>	<b>9,027,249</b>	<b>15,204</b>	<b>14,836</b>	<b>541</b>	<b>2,615</b>	
<b>Expenses</b>										
Accounting	32.83	30.81	(2.02)	(6.2%)	209,420	-	-	-	-	
Activities	39.95	43.36	3.41	8.5%	294,733	-	-	-	-	
Administration	51.80	49.77	(2.03)	(3.9%)	338,358	-	-	-	-	
Bad Debt Expense	6.30	6.56	0.26	4.1%	44,563	-	-	-	-	
Billing and Collections	10.38	10.14	(0.24)	(2.3%)	68,898	-	-	-	-	
Cable Television	4.78	4.83	0.05	1.0%	32,853	-	-	-	-	
Common Assessment	135.83	137.02	1.19	0.9%	963,479	14,650	14,295	521	2,520	
Credit Card Fee	8.30	8.30	0.00	0.0%	56,423	-	-	-	-	
Electricity	37.25	36.73	(0.52)	(1.4%)	249,697	-	-	-	-	
Front Desk	102.73	116.33	13.60	13.2%	790,835	-	-	-	-	
Gas	6.07	5.30	(0.77)	(12.7%)	36,001	-	-	-	-	
High Speed Internet	5.10	6.33	1.23	24.1%	43,017	-	-	-	-	
Housekeeping	188.95	207.97	19.02	10.1%	1,413,809	-	-	-	-	
Human Resources	21.79	22.11	0.32	1.5%	150,279	-	-	-	-	
Income Tax	1.57	2.97	1.40	89.2%	20,173	-	-	-	-	
Insurance	6.70	8.88	2.18	32.5%	60,337	-	-	-	-	
Lease	2.21	2.24	0.03	1.4%	15,204	-	-	-	-	
Maintenance	71.93	86.86	14.93	20.8%	590,504	-	-	-	-	
Management Fee	99.70	105.70	6.00	6.0%	718,556	-	-	-	-	
Owner Services**	44.89	46.24	1.35	3.0%	314,317	-	-	-	-	
Pool Maintenance	18.68	14.40	(4.28)	(22.9%)	97,897	-	-	-	-	
Postage and Printing	4.41	4.41	0.00	0.0%	30,006	-	-	-	-	
Property Taxes***	18.83	19.09	0.26	1.4%	129,783	-	-	-	-	
Telephone	4.50	4.50	0.00	0.0%	30,591	-	-	-	-	
Water and Sewer	7.58	7.11	(0.47)	(6.2%)	48,335	-	-	-	-	
<b>Operating Fee</b>	<b>933.06</b>	<b>987.96</b>	<b>54.90</b>	<b>5.9%</b>	<b>6,748,068</b>	<b>14,650</b>	<b>14,295</b>	<b>521</b>	<b>2,520</b>	
Reserve Fee - Timeshare****	314.20	329.91	15.71	5.0%	2,242,714	-	-	-	-	
Reserve Fee - Common****	4.94	5.18	0.24	4.9%	36,467	554	541	20	95	
<b>Operating And Reserve Fee</b>	<b>1,252.20</b>	<b>1,323.05</b>	<b>70.85</b>	<b>5.7%</b>	<b>9,027,249</b>	<b>15,204</b>	<b>14,836</b>	<b>541</b>	<b>2,615</b>	
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 2020, 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.**  
**2020 Estimated Condominium Common Expense Budget**  
**For The Period Beginning January 1, 2020 And Ending December 31, 2020**

	<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>
<b>Revenues</b>						
Maintenance Fees	\$ 999,946	\$ 966,750	\$ 15,204	\$ 14,836	\$ 541	\$ 2,615
Bank/Investment Interest	9,567	9,250	145	142	5	25
<b>Total Maintenance Fee Revenue</b>	<b><u>\$1,009,512</u></b>	<b><u>\$ 975,999</u></b>	<b><u>\$ 15,349</u></b>	<b><u>\$ 14,978</u></b>	<b><u>\$ 546</u></b>	<b><u>\$ 2,640</u></b>
<b>Expenses</b>						
Accounting	23,269	22,496	354	345	13	61
Administration	37,595	36,347	572	558	20	98
Audit Fee	12,850	12,423	195	191	7	34
Board of Directors	5,366	5,187	82	80	3	14
Electricity	149,818	144,844	2,278	2,223	81	392
Housekeeping	81,969	79,249	1,246	1,216	44	214
Human Resources	18,859	18,233	287	280	10	49
Income Tax	3,635	3,514	55	54	2	10
Insurance	103,408	99,976	1,572	1,534	56	270
Landscape / Grounds	104,146	100,690	1,583	1,545	56	272
Loss Prevention / Security	148,244	143,323	2,254	2,199	80	388
Maintenance	65,612	63,433	998	973	36	172
Management Fee	90,904	87,886	1,382	1,349	49	238
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
<b>Operating Fee</b>	<b><u>\$ 973,045</u></b>	<b><u>\$ 940,742</u></b>	<b><u>\$ 14,795</u></b>	<b><u>\$ 14,437</u></b>	<b><u>\$ 526</u></b>	<b><u>\$ 2,545</u></b>
Reserve Fee - Common	\$ 36,467	\$ 35,257	554	541	20	95
<b>Operating And Reserve Fee</b>	<b><u>\$1,009,512</u></b>	<b><u>\$ 975,999</u></b>	<b><u>\$ 15,349</u></b>	<b><u>\$ 14,978</u></b>	<b><u>\$ 546</u></b>	<b><u>\$ 2,640</u></b>
<b>Total Maintenance Fee</b>	<b><u>\$ 999,946</u></b>	<b><u>\$ 966,750</u></b>	<b><u>\$ 15,204</u></b>	<b><u>\$ 14,836</u></b>	<b><u>\$ 541</u></b>	<b><u>\$ 2,615</u></b>