

October 4, 2019

Dear Marriott's Willow Ridge Lodge Owner:

At the Board of Directors Meeting held on September 25, 2019, your Board adopted the 2020 Budget. A copy of that budget is included for your review.

The Bylaws of the HAB Condominium Association, Inc., Article 5, Section 5.2 (c) states that the Owners have the opportunity to vote for or against ratification of the Budget each year. You may consider ratification of the 2020 Budget by written ballot. A two-thirds vote of all outstanding ownership interests is required to reject (and not approve) the budget that was adopted by your Board of Directors. **Ballots must be returned by November 1, 2019.**

Enclosed please find the following information for your review and action:

- 2020 Adopted Budget
- Ballot (for you to consider the 2020 Budget)
- Business Reply Envelope (for your use in returning your completed Ballot)

Should you have any questions regarding the enclosed materials, 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).

Sincerely,

*John Brayman*

President

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 APPROVED BUDGET 6,798 UNIT WEEKS (PER UNIT WEEK)	2019 BUDGET VS 2020 BUDGET INCREASE/(DECREASE)		2020 APPROVED 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					33,361	15,278	14,910	545	2,628	
Maintenance Fee	1,237.50	1,299.67	62.17	5.0%	8,835,165	-	-	-	-	
Bank/Investment Interest	4.12	7.83	3.71	90.0%	53,207	-	-	-	-	
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>1,317.82</b>	<b>65.62</b>	<b>5.2%</b>	<b>8,991,840</b>	<b>15,278</b>	<b>14,910</b>	<b>545</b>	<b>2,628</b>	
<b>Expenses</b>										
Accounting	32.83	31.49	(1.34)	(4.1%)	214,056	-	-	-	-	
Activities	39.95	44.23	4.28	10.7%	300,671	-	-	-	-	
Administration	51.80	50.65	(1.15)	(2.2%)	344,352	-	-	-	-	
Bad Debt Expense	6.30	6.56	0.26	4.1%	44,563	-	-	-	-	
Billing and Collections	10.38	10.13	(0.25)	(2.4%)	68,894	-	-	-	-	
Cable Television	4.78	4.83	0.05	1.0%	32,803	-	-	-	-	
Common Assessment	135.83	137.81	1.98	1.5%	969,037	14,734	14,379	526	2,534	
Credit Card Fee	8.30	8.30	0.00	0.0%	56,406	-	-	-	-	
Electricity	37.25	36.73	(0.52)	(1.4%)	249,697	-	-	-	-	
Front Desk	102.73	112.67	9.94	9.7%	765,912	-	-	-	-	
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	209.63	20.68	10.9%	1,425,065	-	-	-	-	
Human Resources	21.79	21.79	0.00	0.0%	148,137	-	-	-	-	
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	2.25	0.04	1.8%	15,278	-	-	-	-	
Maintenance	71.93	87.65	15.72	21.9%	595,863	-	-	-	-	
Management Fee	99.70	105.16	5.46	5.5%	714,884	-	-	-	-	
Owner Services**	44.89	46.24	1.35	3.0%	314,317	-	-	-	-	
Pool Maintenance	18.68	13.90	(4.78)	(25.6%)	94,496	-	-	-	-	
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	5.00	0.50	11.1%	33,990	-	-	-	-	
Water and Sewer	7.58	7.11	(0.47)	(6.2%)	48,335	-	-	-	-	
<b>Operating Fee</b>	<b>933.06</b>	<b>989.11</b>	<b>56.05</b>	<b>6.0%</b>	<b>6,756,071</b>	<b>14,734</b>	<b>14,379</b>	<b>526</b>	<b>2,534</b>	
Reserve Fee - Timeshare****	314.20	323.62	9.42	3.0%	2,199,997	-	-	-	-	
Reserve Fee - Common****	4.94	5.09	0.15	3.0%	35,772	544	531	19	94	
<b>Operating And Reserve Fee</b>	<b>1,252.20</b>	<b>1,317.82</b>	<b>65.62</b>	<b>5.2%</b>	<b>8,991,840</b>	<b>15,278</b>	<b>14,910</b>	<b>545</b>	<b>2,628</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	\$ 1,004,808	\$ 971,447	\$ 15,278	\$ 14,910	\$ 545	\$ 2,628
Bank/Investment Interest	9,589	9,271	146	142	5	25
<b>Total Maintenance Fee Revenue</b>	<b><u>\$ 1,014,397</u></b>	<b><u>\$ 980,718</u></b>	<b><u>\$ 15,424</u></b>	<b><u>\$ 15,052</u></b>	<b><u>\$ 550</u></b>	<b><u>\$ 2,653</u></b>
<b>Expenses</b>						
Accounting	23,784	22,994	362	353	13	62
Administration	38,261	36,990	582	568	21	100
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	82,621	79,878	1,256	1,226	45	216
Human Resources	18,590	17,972	283	276	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	151,221	146,201	2,299	2,244	82	395
Maintenance	66,207	64,009	1,007	982	36	173
Management Fee	91,346	88,313	1,389	1,355	50	239
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>\$ 978,625</u></b>	<b><u>\$ 946,134</u></b>	<b><u>\$ 14,880</u></b>	<b><u>\$ 14,521</u></b>	<b><u>\$ 531</u></b>	<b><u>\$ 2,559</u></b>
Reserve Fee - Common	\$ 35,772	\$ 34,584	544	531	19	94
<b>Operating And Reserve Fee</b>	<b><u>\$ 1,014,397</u></b>	<b><u>\$ 980,718</u></b>	<b><u>\$ 15,424</u></b>	<b><u>\$ 15,052</u></b>	<b><u>\$ 550</u></b>	<b><u>\$ 2,653</u></b>
<b>Total Maintenance Fee</b>	<b><u>\$ 1,004,808</u></b>	<b><u>\$ 971,447</u></b>	<b><u>\$ 15,278</u></b>	<b><u>\$ 14,910</u></b>	<b><u>\$ 545</u></b>	<b><u>\$ 2,628</u></b>

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# BALLOT

**HAB Condominium Association, Inc.  
2019 Budget Ratification Ballot**

**Date:** \_\_\_\_\_

**Voting Member Signature**

**(X):** \_\_\_\_\_

**Voting Member Signature**

**(X):** \_\_\_\_\_

**Note: All parties listed on the Ballot must sign and date the form.**

1. The Bylaws of the HAB Condominium Association, Inc., Article 5, Section 5.2 (c) states that Owners have the opportunity to vote for or against ratification of the Budget each year. You may consider ratification of the 2020 Budget by written ballot by voting below and returning your ballot in the enclosed envelope. A two-thirds vote of all outstanding ownership interests is required to reject (and not approve) the budget that was adopted by your Board of Directors.

- To ratify (approve) the 2020 Budget
- To reject the 2020 Budget

**Please sign and return your Ballot in the enclosed envelope by November 1, 2019**