

October 5, 2018

Dear Marriott's Willow Ridge Lodge Owner:

At the Board of Directors Meeting held on September 26, 2018, your Board adopted the 2019 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 2019 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 2, 2018.**

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

- 2019 Adopted Budget
- Ballot (for you to consider the 2019 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.**

2019 Estimated Operating Budget

(132 TIMESHARE UNITS - 6,798 UNIT WEEKS)

For The Period Beginning January 1, 2019 And Ending December 31, 2019

	2018 BUDGETED EXPENSES 6,798 UNIT WEEKS (PER UNIT WEEK)	2019 APPROVED BUDGET 6,798 UNIT WEEKS (PER UNIT WEEK)	2018 BUDGET VS 2019 BUDGET INCREASE/(DECREASE)		2019 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					32,860	15,049	14,687	536	2,588	
Maintenance Fee	1,195.24	1,237.50	42.26	3.5%	8,412,500	-	-	-	-	
Bank/Investment Interest	1.01	4.12	3.11	307.9%	28,018	-	-	-	-	
Late Fees	4.47	4.01	(0.46)	(10.3%)	27,275	-	-	-	-	
Maintenance Fee Interest Income	8.07	6.57	(1.50)	(18.6%)	44,681	-	-	-	-	
<b>Total Maintenance Fee Revenue</b>	<b>1,208.79</b>	<b>1,252.20</b>	<b>43.41</b>	<b>3.6%</b>	<b>8,545,334</b>	<b>15,049</b>	<b>14,687</b>	<b>536</b>	<b>2,588</b>	
<b>Expenses</b>										
Accounting	32.04	32.83	0.79	2.5%	223,202	-	-	-	-	
Activities	39.14	39.95	0.81	2.1%	271,547	-	-	-	-	
Administration	50.84	51.80	0.96	1.9%	352,162	-	-	-	-	
Bad Debt Expense	11.49	6.30	(5.19)	(45.2%)	42,803	-	-	-	-	
Billing and Collections	10.38	10.38	0.00	0.0%	70,563	-	-	-	-	
Cable Television	4.51	4.78	0.27	6.0%	32,472	-	-	-	-	
Common Assessment	129.56	135.83	6.27	4.8%	955,106	14,521	14,172	517	2,497	
Credit Card Fee	10.43	8.30	(2.13)	(20.4%)	56,443	-	-	-	-	
Electricity	34.68	37.25	2.57	7.4%	253,259	-	-	-	-	
Front Desk	99.02	102.73	3.71	3.7%	698,365	-	-	-	-	
Gas	6.16	6.07	(0.09)	(1.5%)	41,291	-	-	-	-	
High Speed Internet	5.11	5.10	(0.01)	(0.2%)	34,636	-	-	-	-	
Housekeeping	183.27	188.95	5.68	3.1%	1,284,495	-	-	-	-	
Human Resources	20.19	21.79	1.60	7.9%	148,137	-	-	-	-	
Income Tax	0.38	1.57	1.19	313.2%	10,646	-	-	-	-	
Insurance	6.21	6.70	0.49	7.9%	45,513	-	-	-	-	
Lease	2.11	2.21	0.10	4.7%	15,049	-	-	-	-	
Maintenance	63.93	71.93	8.00	12.5%	488,956	-	-	-	-	
Management Fee	96.45	99.70	3.25	3.4%	677,775	-	-	-	-	
Owner Services**	43.58	44.89	1.31	3.0%	305,162	-	-	-	-	
Pool Maintenance	18.21	18.68	0.47	2.6%	126,971	-	-	-	-	
Postage and Printing	4.28	4.41	0.13	3.0%	30,006	-	-	-	-	
Property Taxes***	18.79	18.83	0.04	0.2%	127,978	-	-	-	-	
Telephone	4.50	4.50	0.00	0.0%	30,591	-	-	-	-	
Water and Sewer	6.67	7.58	0.91	13.6%	51,557	-	-	-	-	
<b>Operating Fee</b>	<b>901.93</b>	<b>933.06</b>	<b>31.13</b>	<b>3.5%</b>	<b>6,374,685</b>	<b>14,521</b>	<b>14,172</b>	<b>517</b>	<b>2,497</b>	
Reserve Fee - Timeshare****	302.11	314.20	12.09	4.0%	2,135,919	-	-	-	-	
Reserve Fee - Common****	4.75	4.94	0.19	4.0%	34,730	528	515	19	91	
<b>Operating And Reserve Fee</b>	<b>1,208.79</b>	<b>1,252.20</b>	<b>43.41</b>	<b>3.6%</b>	<b>8,545,334</b>	<b>15,049</b>	<b>14,687</b>	<b>536</b>	<b>2,588</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 2019, 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.**  
**2019 Estimated Condominium Common Expense Budget**  
**For The Period Beginning January 1, 2019 And Ending December 31, 2019**

	<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	\$ 989,836	\$ 956,976	\$ 15,049	\$ 14,687	\$ 536	\$ 2,588
Bank/Investment Interest	5,049	4,881	77	75	3	13
<b>Total Maintenance Fee Revenue</b>	<b><u>\$ 994,886</u></b>	<b><u>\$ 961,858</u></b>	<b><u>\$ 15,126</u></b>	<b><u>\$ 14,762</u></b>	<b><u>\$ 539</u></b>	<b><u>\$ 2,601</u></b>
<b>Expenses</b>						
Accounting	24,800	23,977	377	368	13	65
Administration	39,129	37,830	595	581	21	102
Audit Fee	12,850	12,423	195	191	7	34
Board of Directors	5,366	5,187	82	80	3	14
Electricity	151,955	146,911	2,310	2,255	82	397
Housekeeping	74,471	71,999	1,132	1,105	40	195
Human Resources	18,590	17,972	283	276	10	49
Income Tax	1,919	1,856	29	28	1	5
Insurance	73,264	70,831	1,114	1,087	40	192
Landscape / Grounds	133,848	129,404	2,035	1,986	73	350
Loss Prevention / Security	150,995	145,982	2,296	2,240	82	395
Maintenance	54,328	52,525	826	806	29	142
Management Fee	89,985	86,998	1,368	1,335	49	235
Pest Control	10,832	10,472	165	161	6	28
Property Taxes	20,810	20,120	316	309	11	54
Refuse Collection	32,972	31,878	501	489	18	86
Water and Sewer	64,041	61,915	974	950	35	167
<b>Operating Fee</b>	<b><u>\$ 960,156</u></b>	<b><u>\$ 928,281</u></b>	<b><u>\$ 14,598</u></b>	<b><u>\$ 14,247</u></b>	<b><u>\$ 520</u></b>	<b><u>\$ 2,510</u></b>
Reserve Fee - Common	\$ 34,730	\$ 33,577	528	515	19	91
<b>Operating And Reserve Fee</b>	<b><u>\$ 994,886</u></b>	<b><u>\$ 961,858</u></b>	<b><u>\$ 15,126</u></b>	<b><u>\$ 14,762</u></b>	<b><u>\$ 539</u></b>	<b><u>\$ 2,601</u></b>
<b>Total Maintenance Fee</b>	<b><u>\$ 989,836</u></b>	<b><u>\$ 956,976</u></b>	<b><u>\$ 15,049</u></b>	<b><u>\$ 14,687</u></b>	<b><u>\$ 536</u></b>	<b><u>\$ 2,588</u></b>

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## BALLOT

**HAB Condominium Association, Inc.  
2018 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 2019 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 2019 Budget
- To reject the 2019 Budget

**Please sign and return your Ballot in the enclosed envelope by November 2, 2018**