

Resort Sixty Six

2016 Executive Summary

Resort Sixty Six was founded in 1969 and was originally sold as fixed week units. In 1987, the introduction of the timeshare ownership was developed. Today the fixed week ownership makes up approximately 681 intervals and the vacation club consists of 642 intervals.

The association consists of 27 Guest Units located in 1 Building. The resort is comprised of 22 One Bedroom Standard Units, Four Studio Units, and One – One Bedroom Two Bathroom Unit.

The 2016 proposed budget represents an increase in maintenance fees over 2015 maintenance fees of variable amounts due to the allocation being based on association documents. The increases per unit configurations are as follows:

- Studio units will increase 13.45% or \$81.35. Overall increase consists of a 12.35% increase in Operating Expenses, a 35% increase in Reserve Funding, and a 25.47% decrease in Property Taxes. The increase results in a 2016 maintenance fee of \$686.12.
- One Bedroom Standard units will increase 13.45% or 481.35. Overall increase consists of a 12.35% increase in Operating Expenses, a 35% increase in Reserve Funding, and a 25.47% decrease in Property Taxes. The increase results in a 2016 maintenance fee of \$686.12.

Below is an outlined summary of the makeup of 2016's proposed maintenance fees:

Reserves

- 35% increase in budgeted Reserve Funding or \$57,366.94 over 2015 contributions.

Property Tax

- -3.22% decrease in Property Tax over 2015 contributions.

Total Operating Expenses

- Total Net Operating is increased by \$67,266.11 or 11.15% over 2015 budget.

Resort Sixty Six

2016 Executive Summary of Operations

Front Desk

- 23.69% increase or \$14,183.97 in costs over 2015 forecast that includes increase in payroll of \$5,758.39 due to increased desk coverage on Saturdays. Increased to 2 full time employees from 1.75. Taxes and Benefits increasing 59.67% or \$8,967.03 over 2015 forecast due to additional staff. Operational expenses remaining flat over 2015.

Housekeeping

- Revenue decreasing \$191.28 or 1.53% due to less double stays over 2015 budget. Total Operational expenses increasing \$2,514.10 or 7.46% over 2015 forecast. Primary increase includes one and a half par replacement of linens. Guest Supplies and Housewares remaining basically flat over 2015 forecast and 2015 budget.

Maintenance

- Decrease of 8.94% over 2015 forecast. This is primarily due to landscaping/grounds being maintained by our maintenance technicians.

Utilities

- Overall increase of \$16,301.28 or 17.49% which includes increase of \$7,225.25 or 179.65% in internet service. Increase in cable of \$3,931.64 or 40.09% due to upgrading service with Bright House in July of 2015, includes HBO and HD. Increase offset by decrease in telephone.

Security

- Decrease of \$5861.53 or 15.63% due to Contract with Universal Services. Projecting 3% increase over 2015 forecast.

Telephone

- Decrease of \$14735.04 or 97.91% below 2015 budget. New contract with Bright House July 15, 2015. Offsets increase to cable and internet.

General and Administrative

- Increase of \$36,936.38 or 20.45% over 2015 forecast which includes an increase in Employee Relations of \$585.55 or 65.46% to provide employee recognition program. Increase in Association Mailing \$796.25 or 49.84%. Increase in payroll taxes and benefits of \$7,437.41 or 14.16% due to management bonus not fully loaded for 2015 forecast and did not include ARM.
- Bad Debt is budgeted to increase 211.48% or \$24,781.71 over 2015 forecasts.

Resorts 66
History of Fees

Reporting Unit N			Per Unit - Operating Expenses	Per Unit - Property Taxes	Per Unit - Reserves	Per Unit - Total Maint Fees	Var \$ - Total Maint Fees	Var % - Total Maint Fees	Var \$ - Operating Expenses	Var \$ - Reserves	Var \$ - Property Taxes	Var % - Operating Expenses	Var % - Reserves	Var % - Property Taxes
Studio	2016		\$485.39	\$40.04	\$160.69	\$686.12	\$81.35	13.45%	\$53.37	\$41.66	(\$13.68)	12.35%	35.00%	-25.47%
	2015		\$432.02	\$53.72	\$119.03	\$604.77	\$27.18	4.71%	\$21.26	\$10.82	(\$4.90)	5.18%	10.00%	-8.36%
	2014		\$410.76	\$58.62	\$108.21	\$577.59	\$19.49	3.49%	\$4.61	\$1.98	\$12.90	1.14%	1.87%	28.21%
	2013		\$406.15	\$45.72	\$106.22	\$558.10	\$14.10	2.59%	\$26.40	(\$11.65)	(\$.66)	6.95%	-9.88%	-1.41%
	2012		\$379.75	\$46.38	\$117.87	\$544.00	\$14.13	2.67%	\$2.51	\$13.35	(\$1.73)	0.67%	12.77%	-3.60%
	2011		\$377.24	\$48.11	\$104.52	\$529.87	\$9.41	1.81%	\$1.29	\$11.41	(\$3.29)	0.34%	12.25%	-6.40%
	2010		\$375.95	\$51.40	\$93.11	\$520.46	\$520.46	0.00%	\$375.95	\$93.11	\$51.40	0.00%	0.00%	0.00%
1 BR	2016		\$485.39	\$40.04	\$160.69	\$686.12	\$81.35	13.45%	\$53.37	\$41.66	(\$13.68)	12.35%	35.00%	-25.47%
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	2010		\$375.95	\$51.40	\$93.11	\$520.46	\$520.46	0.00%	\$375.95	\$93.11	\$51.40	0.00%	0.00%	0.00%
2 BR	2016		\$485.39	\$40.04	\$160.69	\$686.12	\$81.35	13.45%	\$53.37	\$41.66	(\$13.68)	12.35%	35.00%	-25.47%
	2015		\$432.02	\$53.72	\$119.03	\$604.77	\$27.18	4.71%	\$21.26	\$10.82	(\$4.90)	5.18%	10.00%	-8.36%
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	2010		\$375.95	\$51.40	\$93.11	\$520.46	\$520.46	0.00%	\$375.95	\$93.11	\$51.40	0.00%	0.00%	0.00%

Resorts 66
Reg Summary

	2016 Budget	2015 Budget	Variance \$ PY Bud	Variance % PY Bud	2015 Forecast	Variance \$ PY Fcst	Variance % PY Fcst	Studio	1 BR	2 BR
Total Intervals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	204.00	1,122.00	51.00
Maintenance Fees	668,384.16	594,894.48	73,489.68	0.12	594,891.60	73,492.56	0.12	485.39	485.39	485.39
Property Tax Revenue	55,133.94	73,977.56	(18,843.62)	(0.25)	56,966.06	(1,832.12)	(0.03)	40.04	40.04	40.04
Reserve Revenue	221,266.78	163,899.84	57,366.94	0.35	164,067.41	57,199.37	0.35	160.69	160.69	160.69
TOTAL REVENUE	944,784.89	832,771.88	112,013.01	0.13	815,925.07	128,859.82	0.16	686.12	686.12	686.12
Operational Revenue	12,325.20	12,726.11	(400.91)	(0.03)	13,199.18	(873.98)	(0.07)	8.95	8.95	8.95
Rental Revenue	12,000.00	11,999.96	0.04	0.00	12,926.21	(926.21)	(0.07)	8.71	8.71	8.71
Other Income	3,000.00	7,249.96	(4,249.96)	(0.59)	6,988.01	(3,988.01)	(0.57)	2.18	2.18	2.18
TOTAL OTHER INCOME	27,325.20	31,976.03	(4,650.83)	(0.15)	33,113.40	(5,788.20)	(0.17)	19.84	19.84	19.84
Administrative Expenses	14,230.92	8,807.50	5,423.42	0.62	14,483.21	(252.29)	(0.02)	10.33	10.33	10.33
Audit	5,000.00	5,199.96	(199.96)	(0.04)	5,000.00	0.00	0.00	3.63	3.63	3.63
Bad Debt Expense	13,053.00	11,079.18	1,973.82	0.18	13,102.55	(49.55)	(0.00)	9.48	9.48	9.48
Bank Charges/Collections	5,228.54	4,626.11	602.43	0.13	4,956.29	272.25	0.05	3.80	3.80	3.80
Division Fees	2,754.00	2,754.00	0.00	0.00	2,754.00	0.00	0.00	2.00	2.00	2.00
Education & Training	2,540.00	1,250.00	1,290.00	1.03	4,295.53	(1,755.53)	(0.41)	1.84	1.84	1.84
Financial Services/Accounting	7,422.03	7,422.00	0.03	0.00	7,422.00	0.03	0.00	5.39	5.39	5.39
Management Fees	44,064.00	44,064.00	0.00	0.00	44,064.00	0.00	0.00	32.00	32.00	32.00
Owner Relations	2,450.00	1,631.96	818.04	0.50	2,464.16	(14.16)	(0.01)	1.78	1.78	1.78
Postage	225.00	234.00	(9.00)	(0.04)	337.20	(112.20)	(0.33)	0.16	0.16	0.16
Printing	1,900.00	2,198.00	(298.00)	(0.14)	651.57	1,248.43	1.92	1.38	1.38	1.38
Telephone	315.00	15,050.04	(14,735.04)	(0.98)	14,954.69	(14,639.69)	(0.98)	0.23	0.23	0.23
Travel	2,852.46	1,966.00	886.46	0.45	797.23	2,055.23	2.58	2.07	2.07	2.07
TOTAL ADMINISTRATIVE EXPENSES	102,034.95	106,282.75	(4,247.80)	(0.04)	115,282.43	(13,247.48)	(0.11)	74.10	74.10	74.10
Management Salaries/Taxes/Benefits	75,631.73	72,781.96	2,849.77	0.04	66,543.16	9,088.57	0.14	54.92	54.92	54.92
Front Desk Salaries/Taxes/Benefits	69,963.85	45,555.75	24,408.10	0.54	56,006.76	13,957.09	0.25	50.81	50.81	50.81
Housekeeping Salaries/Taxes/Benefits	69,621.09	59,331.56	10,289.53	0.17	73,452.61	(3,831.52)	(0.05)	50.56	50.56	50.56
Housekeeping Supplies/Replacements	27,225.18	26,556.22	668.96	0.03	26,951.90	273.28	0.01	19.77	19.77	19.77
Linen Replacement	9,000.00	8,600.00	400.00	0.05	9,446.39	(446.39)	(0.05)	6.54	6.54	6.54
Uniforms	2,730.00	2,084.00	646.00	0.31	1,740.83	989.17	0.57	1.98	1.98	1.98
TOTAL OPERATING EXPENSES	254,171.84	214,909.49	39,262.35	0.18	234,141.65	20,030.19	0.09	184.58	184.58	184.58
Electric	31,744.00	29,418.96	2,325.04	0.08	31,231.00	513.00	0.02	23.05	23.05	23.05
Gas	12,459.52	11,943.96	515.56	0.04	9,241.72	3,217.80	0.35	9.05	9.05	9.05
Internet/Cable	24,341.40	13,062.00	11,279.40	0.86	13,513.84	10,827.56	0.80	17.68	17.68	17.68

Resorts 66
Reg Summary

	2016 Budget	2015 Budget	Variance \$ PY Bud	Variance % PY Bud	2015 Forecast	Variance \$ PY Fcst	Variance % PY Fcst	Studio	1 BR	2 BR
Water, Sewer, & Waste Disposal	40,949.76	39,328.08	1,621.68	0.04	37,792.27	3,157.49	0.08	29.74	29.74	29.74
TOTAL UTILITY EXPENSES	109,494.68	93,753.00	15,741.68	0.17	91,778.83	17,715.85	0.19	79.52	79.52	79.52
Maintenance Salaries/Taxes/Benefits	70,889.56	75,486.81	(4,597.25)	(0.06)	71,777.10	(887.54)	(0.01)	51.48	51.48	51.48
Building Equipment/Supplies	24,764.34	24,043.05	721.29	0.03	31,328.80	(6,564.46)	(0.21)	17.98	17.98	17.98
Contract Services	81,511.07	83,381.00	(1,869.93)	(0.02)	76,792.99	4,718.08	0.06	59.19	59.19	59.19
Repairs & Maintenance	9,268.22	8,331.00	937.22	0.11	10,487.08	(1,218.86)	(0.12)	6.73	6.73	6.73
TOTAL MAINTENANCE EXPENSES	186,433.19	191,241.86	(4,808.67)	(0.03)	190,385.97	(3,952.78)	(0.02)	135.39	135.39	135.39
Real Estate Taxes	55,134.00	73,977.63	(18,843.63)	(0.25)	56,966.06	(1,832.06)	(0.03)	40.04	40.04	40.04
Prior Year Deficit	23,447.00	0.00	23,447.00	0.00	0.00	23,447.00	0.00	17.03	17.03	17.03
TOTAL OTHER EXPENSES	78,581.00	73,977.63	4,603.37	0.06	56,966.06	21,614.94	0.38	57.07	57.07	57.07
Operating Insurance	20,128.37	20,683.91	(555.54)	(0.03)	19,590.37	538.00	0.03	14.62	14.62	14.62
TOTAL INSURANCES & TAXES	20,128.37	20,683.91	(555.54)	(0.03)	19,590.37	538.00	0.03	14.62	14.62	14.62
Reserves Subsidy	221,267.00	163,899.84	57,367.16	0.35	164,067.57	57,199.43	0.35	160.69	160.69	160.69
TOTAL EXPENSES	972,111.03	864,748.48	107,362.55	0.12	872,212.88	99,898.15	0.11	705.96	705.96	705.96
OPERATING PROFIT/(LOSS)	(0.94)	(0.57)	(0.37)	0.66	(23,174.41)	23,173.47	(1.00)	(0.00)	(0.00)	(0.00)
RESERVES ANALYSIS:										
Reserve Revenue	221,266.78	163,899.84	57,366.94	0.35	164,067.41	57,199.37	0.35	160.69	160.69	160.69
Capital Improvements	93,724.00	0.00	93,724.00	0.00	0.00	93,724.00	0.00	68.06	68.06	68.06
Interior	121,894.00	0.00	121,894.00	0.00	0.00	121,894.00	0.00	88.52	88.52	88.52
Painting	2,462.00	0.00	2,462.00	0.00	0.00	2,462.00	0.00	1.79	1.79	1.79
Pavement	477.00	0.00	477.00	0.00	0.00	477.00	0.00	0.35	0.35	0.35
Roofing	2,710.00	0.00	2,710.00	0.00	0.00	2,710.00	0.00	1.97	1.97	1.97
Deferred Expenditures	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL RESERVE EXPENSES	221,267.00	0.00	221,267.00	0.00	0.00	221,267.00	0.00	160.69	160.69	160.69

The following is the Assessment Billing and Collection Policy for Resort Sixty-Six Association as adopted by the Board of Directors.

November

The annual maintenance fee bill for the 2016 calendar year is mailed.

January 1

Payment is due.

Account is delinquent if payment is not received by this date.

A maintenance fee billing notice including all penalties, fees, and interest will be mailed.

The following charges are added:

- A Late Fee of \$25.00 is charged to delinquent accounts.
- Interest of 1.5% per month beginning January 1.

February 1

Lock Out with Intent to Rent Letter is sent to delinquent owners.

A statement will be sent detailing all charges and fees that have been added and what further actions will be taken to collect the debt owed.

The following charges are added:

- A lock out fee of \$15 or 5% of the total delinquency, whichever is less, is charged to delinquent accounts.
 - Reservations are cancelled until the account is brought current.
 - Exchange requests will not be confirmed until account is brought current.
 - Confirmed exchanges will be blocked.
 - All charges must be paid in full to have occupancy rights reinstated.

March 1

A letter is sent to delinquent owners notifying them they will be sent to an outside collection agency and are liable for any fees imposed by the outside collection agency.

A statement will be sent detailing all charges and fees that have been added to the account.

April 1

Delinquent accounts are turned over to an outside collection agency. The additional charges will be the sole responsibility of the owner.

The Board of Directors may, at its discretion, take the following additional steps to collect the unpaid debt owed to the Association, as well as any other remedy as permitted by the governing documents and current state statutes:

- Submit delinquent accounts to an attorney for formal notification of default, and demand payment (Legal Notice). Cost of a Legal Notice will be added to your account.
- File a Claim of Assessment Lien.
- Foreclose on the Claim of Assessment Lien.
- Institute a Small Claims suit or other legal action.

NOTE: A \$35.00 charge will be added to your account for any payment that is not honored (bad check, insufficient funds, etc.). If the first payment is not honored for any reason, subsequent payment(s) must be made by secured funds (money order, cashier check).

Dear Resort Sixty-Six Owner:

Enclosed is the billing statement for your 2016 Maintenance Fees. Your 2016 billing covers the projected operational cost for the following fiscal year. Please note your maintenance fee billing is broken down as follows: The Maintenance Fee is used to pay for day-to-day costs such as administration, pool care, landscaping, etc. The Reserve Fee is used for costs incurred for the replacement of items such as furniture, appliances, painting, etc. The Real Estate Tax represents your portion of the total tax charged to the Association. The ARDA-ROC-PAC Dues are voluntary and go to protect your ownership rights on an industry wide level. If you elect not to contribute to this fund please deduct \$5.00 per account from your billing statement.

Please be sure to read the Assessment Billing and Collection Policy that outlines the policy on late payment penalties. You may pay your fees online at www.bluegreenvacations.com or contact us at 877-688-9889 for any questions you may have. Our hours of operation are Monday through Friday from 8:00 a.m. to 9:00 p.m. and Saturday 9:00 a.m. to 5:30 p.m. E.T. Remember, the continued success of your resort depends upon the timely payment of your annual fees.

VOLUNTARY ARDA-ROC-PAC CONTRIBUTION

ARDA (American Resort Development Association) is a 40-year-old Washington, D.C. based industry trade association representing the resort industry through lobbying, consumer advocacy, and a unique organization called ARDA-Resort Owners Coalition-Political Action Committee (ARDA-ROC-PAC). This is the first line of defense against legislation that may negatively impact timeshare owners and their well-being. ARDA-ROC-PAC contributions are political contributions not deductible for federal income tax purposes. You may refuse to contribute more or less without reprisal or otherwise affecting our membership. Only U.S. citizens or permanent resident aliens (green card holders) may contribute to ARDA-ROC-PAC.

The ARDA-ROC-PAC concept is simple – owners across the country join together to gain collectively what they are unable to achieve individually. The ARDA-ROC-PAC coalition is comprised of hundreds and thousands of timeshare owners. The organization is funded solely through voluntary contributions. The funds are collected by your Association in conjunction with your annual maintenance fee assessment and sent to ARDA-ROC-PAC headquarters in Washington, D.C. ARDA-ROC-PAC utilizes its contributions to hire consultants and experts to work with ARDA staff to track and follow legislative and regulatory activity in the White House, regulatory agencies, the U.S Congress, and on state and local levels.

Year after year, federal, state and local lawmakers search for various ways to raise revenue by taxing owners at resort properties. One state's actions can set dangerous precedent and spread to other states if not dealt with effectively. ARDA-ROC-PAC strives to safeguard and improve vacation ownership for the future by defending owners on so many issues.

Funds contributed to ARDA-ROC-PAC possess maximum flexibility. They can be used to engage attorneys and lobbyists to pay for research to defend owners' legislative positions, and contribute to elected officials at the state and federal levels who are supportive of owners' legislative positions. For more information please visit their website: www.arda.org.

Please join your fellow timeshare owners by contributing only \$5.00 a year (42 cents a month). Your support will enable ARDA-ROC-PAC to protect your interests as a timeshare owner.