

LAGO VISTA CONDOMINIUM ASSOCIATION, INC.
ADOPTED OPERATING BUDGET FOR 2016
January 1, 2016- December 31, 2016

40 Timeshare Units 2,040 Timeshare Periods

| ITEM | TOTAL | COST PER WEEK | ITEM | TOTAL | COST PER WEEK |
|----------------------------|----------------------|------------------|--------------------------------|----------------------|------------------|
| INCOME | | | D. Utilities | | |
| Maintenance Assessments | \$ 851,190.00 | \$ 417.25 | Electricity | \$ 73,000.00 | \$ 35.78 |
| Reserve Assessments | \$ 56,602.60 | \$ 27.75 | Water and Sewer | \$ 29,000.00 | \$ 14.22 |
| TOTAL ASSESSMENT | \$ 907,792.60 | \$ 445.00 | Cable TV | \$ 6,800.00 | \$ 3.33 |
| Interest Income | \$ 1,000.00 | \$ 0.49 | WiFi | \$ 5,000.00 | \$ 2.45 |
| Other Income | \$ 15,000.00 | \$ 7.35 | Gas | \$ 4,000.00 | \$ 1.96 |
| TOTAL INCOME | \$ 923,792.60 | \$ 452.84 | Waste Removal | \$ 5,600.00 | \$ 2.75 |
| EXPENSES | | | D. SUB-TOTAL | \$ 123,400.00 | \$ 60.49 |
| A. Admin/Management | | | E. Other Expenses | | |
| Telephone-Admin | \$ 13,000.00 | \$ 6.37 | Rent for Recreation Facilities | \$ 4,700.00 | \$ 2.30 |
| Office Supplies | \$ 3,600.00 | \$ 1.76 | Insurance | \$ 60,000.00 | \$ 29.41 |
| Postage/Printing | \$ 7,000.00 | \$ 3.43 | Travel/Auto | \$ 7,000.00 | \$ 3.43 |
| Office Equipment/Maint. | \$ 2,930.00 | \$ 1.44 | Legal Fees | \$ 8,000.00 | \$ 3.92 |
| Required Annual Audit | \$ 9,000.00 | \$ 4.41 | Advertising | \$ 1,500.00 | \$ 0.74 |
| Salary-Management | \$ 40,000.00 | \$ 19.61 | Collection Fees | \$ 1,500.00 | \$ 0.74 |
| Salary-Office | \$ 77,000.00 | \$ 37.75 | Interest Expenses | \$ 400.00 | \$ 0.20 |
| Payroll Taxes | \$ 25,000.00 | \$ 12.25 | Fees Payable to Division | \$ 5,000.00 | \$ 2.45 |
| Workman's Compensation | \$ 7,800.00 | \$ 3.82 | Other Expenses | \$ 34,360.00 | \$ 16.84 |
| Health Insurance | \$ 38,000.00 | \$ 18.63 | * Bad Debt | \$ 100,000.00 | \$ 49.02 |
| Management Fee | \$ 32,000.00 | \$ 15.69 | Timeshare Property Taxes | N/A | N/A |
| A. SUB-TOTAL | \$ 255,330.00 | \$ 125.16 | Leased Area Taxes | N/A | N/A |
| B. Maintenance | | | Operating Capital | N/A | N/A |
| Salary-Maint./Grounds | \$ 65,000.00 | \$ 31.86 | E. SUB-TOTAL | \$ 222,460.00 | \$ 109.05 |
| Maint. Repairs & Replace | \$ 30,000.00 | \$ 14.71 | TOTAL W/O RESERVES | \$ 867,190.00 | \$ 425.09 |
| Equipment-Repair/Maint. | \$ 3,500.00 | \$ 1.72 | F. Reserve Items | | |
| Tools | \$ 1,500.00 | \$ 0.74 | Roof Replacement | \$ 7,341.21 | \$ 3.60 |
| Ext./Pest Control | \$ 3,000.00 | \$ 1.47 | Building Painting | \$ 3,551.02 | \$ 1.74 |
| Groundskeeping | \$ 16,000.00 | \$ 7.84 | Pavement Resurfacing | \$ - | \$ - |
| Pool | \$ 16,000.00 | \$ 7.84 | Unit Furnishings | \$ 38,710.37 | \$ 18.98 |
| B. SUB-TOTAL | \$ 135,000.00 | \$ 66.18 | *Storm/Contingency | \$ 7,000.00 | \$ 3.43 |
| C. Housekeeping | | | F. SUB-TOTAL | \$ 56,602.60 | \$ 27.75 |
| Salary-Housekeeping | \$ 46,000.00 | \$ 22.55 | TOTAL WITH RESERVES | \$ 923,792.60 | \$ 452.84 |
| Housekeeping/Unit Care | \$ 45,000.00 | \$ 22.06 | | | |
| Housekeeping Supplies | \$ 22,500.00 | \$ 11.03 | | | |
| Housewares | \$ 9,000.00 | \$ 4.41 | | | |
| Linens | \$ 8,500.00 | \$ 4.17 | | | |
| C. TOTAL | \$ 131,000.00 | \$ 64.22 | | | |

This Budget is based on the existing 40 units; 10 additional unbuilt units are no longer being considered part of the Timeshare Plan.

*Bad debt includes estimated amounts not billed on unit weeks which the Association holds in inventory for sale.

*Storm Reserve is to pay expenses not covered by insurance due to high windstorm deductible.

RELATED PARTY: The Association has contracted with Interval Management Corporation, a related party by common ownership

interest, to provide exchange services for the owners of unit weeks at Lago Vista Condominium Association, Inc.

As of December 31, 2014, there were no outstanding balances due either company.

**SCHEDULE
OF
RESERVES**

| | FUNDING FOR 2015 | PAID OUTS | ACCOUNT BALANCE | TOTAL REPLACEMENT | 2016 BALANCE STILL TO FUND | LIFE EXPECTANCY | REMAINING YRS OF LIFE | ANNUAL REQUIREMENT | PER UNIT WEEK |
|----------------------|---------------------|------------------|--------------------|----------------------|-------------------------------------|--------------------|--------------------------|-----------------------|------------------|
| Roof Replacement | 7404.24 | | 36866.18 | 103000.00 | 66133.82 | 20 | 1-15 | 6095.28 | 2.99 |
| Building Painting | 4142.86 | | 10142.86 | 35000.00 | 24857.14 | 10 | 7 | 3551.02 | 1.74 |
| Pavement Resurfacing | 0.00 | | 39350.00 | 39350.00 | 0.00 | 8 | 2 | 0.00 | 0.00 |
| Unit Furnishing | 33245.23 | 162819.87 | 173250.00 | 542050.00 | 368800.00 | 1-15 | 1-15 | 39954.24 | 19.59 |
| Storm Contingency | 7000.00 | | 72192.00 | | | | | 7000.00 | 3.43 |
| TOTALS | 51792.33 | 162819.87 | 331801.04 | 719400.00 | 459790.96 | | | 56600.54 | 27.75 |