

HARBOR COVE TIMESHARE OWNERS' ASSOCIATION

BOARD OF DIRECTORS

BOARD MEETING –APRIL 28, 2012

The meeting commenced at 11:00 AM, and all Board members were present, except for Steven Sandor, who had forwarded the financial report to Ken earlier. .

PRESIDENT'S REPORT:

- Ken reported that our expenses on an annual basis may increase by as much as \$4,000 to \$5,000 because our "guarantee period" with the cable company is expiring, and they will be increasing rates.
- Ken requested and Board members agreed to take a vow that we will not support an increase in maintenance fees for 2013.
- Even with an increase in maintenance fees for 2012, we will in 2012 still collect less in maintenance fee income than we collected in 2011. The shortfall is due to an increase in delinquencies, owners not paying their maintenance fees.
- There was a discussion regarding how we can get some sort of revenue from the weeks the Association owns. Joe offered to contact our Account Rep at RCI to attempt to learn what other resorts are doing regarding their inventory of unsold weeks. Board members commented that most of the Association owned weeks are Blue weeks. Joe pointed out that RCI has assigned a point value, ranging from low single figures to over forty, for each week available at Harbor Cove. He will attempt to obtain the point value of each week from the RCI Rep.
- There was also discussion about owners who have been referred to the collection agency, Collections Unlimited. Are we able to get the weeks back from the collection Agency if the collection process does not "work?" Joe offered to contact the person at the collection agency he worked with to implement t our current arrangement.

- Ken introduced the concept of accruals, setting aside funds every year to fund on a gradual basis more costly items.

PLAN FOR CAPITAL ITEMS (>\$500) IN EXPENSES:

ITEM	COST ESTIMATE	YEARLY ALLOCATION
Carpet	\$1,800 per unit	\$2,000
Appliances (stove, refrigerator, washer / dryer, dishwasher, hot water heater, dehumidifier, television		\$750
Furniture – dining room		\$1,000
Kitchen Upgrade*		\$3,000 on two year cycle = \$6,000
Bathroom – tub, shower, & vanities		Not at this time
Storm doors & fireplace doors**		\$300
Painting		Not at this time
Closet doors		\$2,000 per year, 3 year cycle
Programmable thermostat & CO2 detectors		< \$200
Furnaces		\$800

* After a great deal of discussion, Rich's proposal to provide a complete upgrade, cabinets, countertops, sink, and faucet, was scaled back to only have new countertops, sinks, and faucets, using

Postform for the countertops, provided the countertops, once installed, can be removed if at a later date we decide to replace the cabinets. Estimated cost is about \$1,000 per unit

** Fireplace doors are not "code," so this is only for storm doors.

A new TV stand, estimated cost of about \$150, will be purchased soon for Unit 5.

Lora reported that some progress has been made regarding a procedure to have RCI exchange people provide a credit card so that an imprint can be taken at time of check in. The difficulty is ensuring that the RCI guest knows a credit card is required at check in. We need to develop a procedure to implement all this, and a possibility might be to call the charge for getting the credit card information a "utility charge."