

HARBOR COVE TIMESHARE OWNERS' ASSOCIATION

BOARD OF DIRECTORS

BOARD MEETING – MARCH 29, 2015

The meeting commenced at 1:05, and all members were "present" via conference call.

Steve's agenda was approved as presented.

Action Item List:

- The following items are still pending: Brad contacting owners regarding rental weeks, consideration regarding the possibility of employing a collection agency (to be discussed at the next Board meeting), a letter to owners regarding the switch in website to the Shutterfly site, and involvement with the Pure Michigan site.
- These items have been completed or will be discussed elsewhere in these minutes: "late fee letter," handling multi year delinquent owners, determination that Brad and Lora are bonded, Facebook page, and Brad and Lora's contract (merely waiting for signature)

Financial Update:

- Mark reported that there is an operating surplus of \$6,711, with \$109,181 in the two PNC accounts. Since he prepared the report, an additional \$2,300 has been collected, so the financial picture is improving.
- The important number is the Operating Surplus. If we collect everything we hope to collect, we would have an Operating Surplus of about \$15,000, and we would be able to use \$10,000 from this balance to pay for the two remaining kitchen renovations.

Update on Rental Bug:

- There have been 80 visits to the site, and 24 visits to our Shutterfly website as a result of having seen the listing on the Rental Bug website.
- There has been one phone call regarding renting a summer week, but we have no availability
- Since the weeks we have in inventory have already gone by or will very soon, the focus will be changing to promoting Getaway Weekends.
- There was discussion about charging owners who wish to rent their week \$10 to have their week posted on Rental Bug.

Discussion Regarding Delinquent Owners:

- Mr. F., who owns weeks 38 and 46, owes us \$3,000 and wants us to take back his owned weeks. He has offered to pay us \$2,000 of the \$3,000 he owes. The Board feels that this amount is unsatisfactory and feels we need \$2,400. On the other hand, he is willing to pay a good portion of what is owed, and his Week 38 could possibly be sold relatively easily. The Board decided that we should "push for" a minimum payment of \$2,200, but if necessary we would settle for \$2,000. We want to have this settled one way or the other by the end of April.
- The Association now owns a week formerly owned by Mr. H., after he made a satisfactory offer to the Board. This is an early April week.
- Mr. B. has agreed to pay his 2014 and 2015 maintenance fee, but he wants to have us take back the week he owns. This situation requires further discussion.

Burke Lewis Update:

- Lewis sent out 16 letters regarding placement of liens on weeks due to the owners not paying maintenance fees. He could not reach 5 of them, there has been no response from 7 of them, and he has had dealing with 4 of these owners. There are two deceased owners, and we will definitely get the deed back from one of these.
- The Board's feeling is that we should take these severely delinquent owners to Small Claims Court, as giving the deed back to us is not sufficient.

Amount to Charge for Association Owned Weeks:

- The Association presently owns fifteen weeks, which we would like to sell. It is difficult to determine a valid selling price because many of these weeks are not desirable due to the time of the year, either very early spring or very late fall.
- After a great deal of discussion, the Board decided that Steve would attempt to set some selling prices for these weeks and send his recommendations to Board members for review and comment.

Packaging Weeks through RCI:

- Ken had a suggestion that we could possibly package some of the weeks we own through RCI, completing a "Combine," as RCI calls it. Joe provided information about how the "Combine" works at RCI. This is a very complex issue because we're not sure if we as an Association can have the same ownership rights as individual owners. Joe was speaking to our RCI Account Rep who reported that two resorts she services are presently offering something similar to what Ken is proposing. Joe will contact our Account Rep to obtain copies of the existing agreements.
- The packaging proposal will be an agenda item at a future Board meeting.

On Line Feedback System:

- Ken suggested that we develop an on line feedback system where owners could provide feedback to the Board about their experience at Harbor Cove. Goggle has the framework to provide something like this, and we need to develop the questions. The Google option has advantages in that using Survey Monkey involves a cost.
- Joe pointed out it is essential that we at least report back to owners on the survey results or take action on some recommendations, if possible. He pointed out that owners had been surveyed twice in the past as part of the proxy card mailing, but nothing was done as a result of the surveys completed.
- Joe advised that RCI has in place an excellent on line survey which RCI members can complete when they exchange into a resort. Our results are available at rcicommentcardreports.com.
- Surveying owners and folks doing exchanges is an important task, and this requires further discussion.

Next Meeting: April 30, with the time to be determined.