

Harbor Cove Timeshare Owners' Association

246 East Main Street, Harbor Springs, MI 49740

Phone 231-242-8093

www.nmesCAPES.com



Dear Harbor Cove Timeshare Owner,

I am pleased to share with you that fiscal year 2018 was a year of progress and incremental improvement for all 6 timeshare units (2, 5, 8, 11, 14, 19). In this annual letter, I will detail the progress of the Association, provide an invitation to join us for lunch at the annual meeting on Saturday, December 1st and share the 2019 maintenance fees. In addition, I ask that you return the proxy card to vote on your board membership for the coming year. Due to a board retirement, we are looking for one or two board members who are willing to share their energy and passion for a two-year term on the board. Details to follow.

State of the Association & 2019 Maintenance Fees

Your timeshare board maintained a conservative fiscal policy while initiating an action plan to upgrade each unit. During the past year, we purchased new large screen televisions, relocated the existing LED HDTV to the bedroom, purchased a new queen sofa sleeper for the living room and replaced the queen mattresses in the master bedrooms in each unit. Incidental replacements of a twin mattress, a hot water heater and a future replacement of the A/C unit were budgeted or planned during this fiscal cycle for an individual unit that required replacement.

The Board recently voted to replace the carpeting in the upstairs of all units as the budget allows with engineered hardwood/vinyl laminate and area rugs. We believe this will result in a brighter, more modern appearance while reducing future maintenance expenses for carpet cleaning. Bedroom carpeting will be evaluated for possible replacement in 2020.

Our management company, Northern Michigan Escapes (NME) has done a terrific job maintaining our units while providing quality customer service. As we head into 2019, we welcome a new Harbor Cove Timeshare relationship ambassador with Lauren MacNaughton.

The Board of Directors for Harbor Cove Owners Timeshare Association has approved a budget for the 2019 calendar year. Attached to this letter you will find a copy of the new budget along with a spending summary for 2018. We have also included a calendar showing week numbers and dates for 2019 – 2021. **The new Maintenance Fee for 2018 has been set at \$565/week owned and is due on or before December 31, 2017. Our treasurer has reported that the amount of property tax paid this year for Harbor Cove Timeshare units is \$49.70.** As a listed owner of one or more Harbor Cove Timeshare weeks, our records indicate that you are the owner(s) as registered with Emmet County. Please contact our property managers at Northern Michigan Escapes if you sold your property and retitled it. Your invoice is attached to this letter. Thank you in advance for your cooperation in remitting your Maintenance Fee payment by the due date.

From the financial summary attached you can see the timeshare association is at or under budget year to date in most areas. The maintenance fee increase from last year is due primarily to increased costs for Wi-Fi, TV, and phone services from Charter Spectrum. In addition, a large increase due to Phase 1 assessment is the primary driver for the increase in this year's maintenance fees.

Rentals and Friends and Family Program

Fred Humig is doing a wonderful job managing our Friends and Family/Rental program for Association owned weeks. If you would like to rent a week from the Association at a very reasonable rate, please visit our website maintained by Stephanie Ward at www.harborcovetimeshare.com or visit www.rentalbug.com for more information. (The password for the Association website, which is case sensitive, is HarborCove2018.) This is a new website and the Butterfly site will be discontinued in 2019 so please make note of the new site and feel free to offer any suggestions you have to ways to improve the site.

Annual Meeting

You are invited to join with other Harbor Cove Timeshare Owners for a light lunch at our annual meeting beginning at 11:30 am on December 1, 2018 at Paesano's Restaurant on 3411 Washtenaw, Ann Arbor, Michigan 48104. **PLEASE RSVP to Cindy Dickson at cindy@nmeescapes.com by November 15, 2018 so we may reserve a lunch for you!**

New Board Members and Owner Feedback Needed

As we enter the 2019 fiscal year, we are looking for 1-2 new board members. We only have a few meetings a year, many of which occur online to minimize travel time. Your passion, thoughts and involvement will help insure the future of our Association. Please email pride2@aol.com to share your interest. Thanks!

We welcome the feedback and suggestions from all owners. Feel free to pass along your ideas either in person at the annual meeting or through email at pride2@aol.com.

PROXY VOTE: RETURN TODAY

It is very important that we receive your proxy vote by November 15, 2018. Please return the proxy card today! According to our bylaws, we must have 35% of owners return the proxy card prior to holding our annual meeting. Thank you for your prompt attention to this important owner obligation.

Late Fees and Delinquency Procedures

While most owners pay their fees on time, the board does feel an obligation to point out the potential consequences if you should become delinquent. Pursuant to Articles V (D) and XII of the Declaration of Covenants for Use and Enjoyment of Condominium Interest, if your Maintenance Fee is unpaid by the due date you will not be entitled to occupy the unit during your period of use or at any other time, or authorize any other person to do so while any amounts remain unpaid. **The only exception is if you have made special arrangements with our property managers for delayed payments. In all cases your fees must be paid in full before using any Harbor Cove facilities.**

The following additional actions will also occur if the Maintenance Fee remains unpaid:

- RCI will be notified of the delinquent status of the owner's timeshare fees, and RCI exchange privileges will be suspended until all delinquent amounts are paid in full.
- For maintenance fees more than 30 days overdue, a \$100 late fee for each year delinquent will be assessed to your account in addition to any amounts you owe the Association. This amount is not refundable.
- The association has the right to and will attempt to rent the unit during your use period.
- A lien will be placed on the property for the amount due the Association. This will prevent you from selling the property or changing ownership until the lien has been paid.
- When maintenance fees have not been paid for an extended period, the association will seek a judgement through small claims court for the amount of delinquent dues and associated fees.
- The Association also has the right to foreclose on the property which can affect your credit rating.

The Board of Directors has an obligation to assure the continued financial health of the Harbor Cove Owners Timeshare Association and will take the necessary steps to do so. If you have questions on maintenance fees or need to work out alternate payment plans, please contact our property managers.

Thank you for your continued ownership and support of the Harbor Cove Timeshare Owners Association.

Ken

Ken Newbury, Ph.D., President on behalf of the Board of Directors
pride2@aol.com

**2019 Expense Budget
Harbor Cove Timeshares**

9/12/2018

Variable Exp. *	1	2	3	4	5	6	7	8	9	10	11	12	Total
Cleaning	\$ 1,275	\$ 1,275	\$ 1,275	\$ 1,275	\$ 1,500	\$ 2,250	\$ 1,800	\$ 2,250	\$ 1,800	\$ 1,425	\$ 1,125	\$ 1,125	\$ 18,375
Supplies			\$ 3,500										\$ 3,500
Laundry	\$ 425	\$ 425	\$ 425	\$ 425	\$ 500	\$ 750	\$ 600	\$ 750	\$ 600	\$ 475	\$ 375	\$ 375	\$ 6,125
Fixed Exp.													
Assoc. Dues			\$ 7,588			\$ 7,588			\$ 7,588			\$ 7,588	\$ 30,352
Board Exp.					200						400		600
TV-WiFi-Phone	\$ 971	\$ 971	\$ 971	\$ 971	\$ 971	\$ 971	\$ 971	\$ 971	\$ 971	\$ 971	\$ 971	\$ 971	\$ 11,652
Carpet Cl.				750							750		1,500
Electricity	\$ 400	\$ 500	\$ 400	\$ 400	\$ 400	\$ 350	\$ 500	\$ 600	\$ 500	\$ 500	\$ 500	\$ 504	\$ 5,554
Furn. Cleaning					400					400			800
Gas	\$ 800	\$ 800	\$ 800	\$ 600	\$ 500	\$ 300	\$ 250	\$ 250	\$ 300	\$ 350	\$ 500	\$ 600	\$ 6,050
Insurance	\$ 330	\$ 1,800	\$ 170	\$ 170	\$ 170	\$ 170	\$ 170	\$ 170	\$ 170	\$ 170	\$ 170	\$ 336	\$ 3,996
Legal Fees	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 600
Main. Wk. Cl.				1,080							1,080		2,160
Maintenance	\$ 525	\$ 525	\$ 525	\$ 800	\$ 700	\$ 525	\$ 525	\$ 525	\$ 525	\$ 800	\$ 525	\$ 508	\$ 7,008
Mgt. Fees	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 20,004
Print-Mailing	\$ 50	\$ 50	\$ 300	\$ 50	\$ 50	\$ 300	\$ 50	\$ 50	\$ 50	\$ 300	\$ 50	\$ 50	\$ 1,350
Replacements	\$ 1,250			\$ 1,250			\$ 1,250			\$ 1,290			\$ 5,040
Taxes	\$ 5,947							6,842					\$ 12,789
Long Term Imp.													
Capital Impr.	\$ -	\$ -	\$ -	\$ 3,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,500
													\$ -
													\$ -
Total Expenses	\$ 13,690	\$ 8,063	\$ 17,671	\$ 13,388	\$ 6,708	\$ 14,921	\$ 7,833	\$ 14,125	\$ 14,221	\$ 8,398	\$ 8,163	\$ 13,774	\$ 140,955

*Based upon 245 occupied weeks

Property Taxes budgeted the same as 2018

Breakeven on 2019 maintenance fees = \$137,455 / 245 = \$561. **2019 fees approved for \$565 per week.**

The Capital Improvements of \$3500 is the replacement of AC system in Unit 14, funded from carryover from 2018

MWard

**Harbor Cove Timeshare Owners' Association
2018 Annual Financial Report**

10/11/2018

Ward, M

	2018 YTD	2018 Projected	2018 Budget	% Budget	LN	2019 Budget
Revenue						
Maintenance Fees***	\$ 137,190.00	\$ 137,190.00	\$ 132,800.00	103%	1	\$ 138,425.00
Previous Year Carryover*	\$ 14,037.00	\$ 20,000.00	\$ 13,000.00	154%	3	\$ 20,000.00
Total Revenue less carryover	\$ 137,190.00	\$ 137,190.00	\$ 132,800.00	103%	4	\$ 138,425.00
Operating Expenses						
Association Dues	\$ 13,676.00	\$ 27,354.00	\$ 27,352.00	100%	5	\$ 30,352.00
Board Expenses	\$ -	\$ 500.00	\$ 800.00	63%	6	\$ 600.00
Cable (WiFi-TV-Phone)	\$ 7,862.00	\$ 11,436.00	\$ 11,436.00	100%	7	\$ 11,652.00
Carpet Cleaning	\$ 550.00	\$ 1,800.00	\$ 1,500.00	120%	8	\$ 1,500.00
Cleaning (weekly units)	\$ 9,300.00	\$ 16,000.00	\$ 18,375.00	87%	9	\$ 18,375.00
Electric	\$ 3,266.00	\$ 5,554.00	\$ 5,554.00	100%	10	\$ 5,554.00
Furniture Cleaning	\$ -	\$ 800.00	\$ 800.00	100%	11	\$ 800.00
Gas	\$ 3,839.00	\$ 5,350.00	\$ 5,350.00	100%	12	\$ 6,050.00
Insurance	\$ 2,424.00	\$ 4,000.00	\$ 3,996.00	100%	13	\$ 3,996.00
Laundry	\$ 3,772.00	\$ 6,000.00	\$ 6,125.00	98%	14	\$ 6,125.00
Legal	\$ -	\$ 500.00	\$ 600.00	83%	15	\$ 600.00
Maint. Week Cleaning	\$ 900.00	\$ 1,800.00	\$ 1,800.00	100%	16	\$ 2,160.00
Maintenance	\$ 8,394.00	\$ 9,000.00	\$ 7,008.00	128%	17	\$ 7,008.00
Management Fees	\$ 13,332.00	\$ 20,004.00	\$ 20,004.00	100%	18	\$ 20,004.00
Printing-Mailing	\$ 100.00	\$ 1,350.00	\$ 1,350.00	100%	19	\$ 1,350.00
Replacements****	\$ 14,060.00	\$ 15,000.00	\$ 5,040.00	298%	20	\$ 5,040.00
Taxes	\$ 6,842.00	\$ 12,789.00	\$ 12,789.00	100%	21	\$ 12,789.00
Unit Supplies	\$ -	\$ 3,500.00	\$ 3,500.00	100%	22	\$ 3,500.00
Total Operating Expenses	\$ 88,317.00	\$ 142,737.00	\$ 133,379.00	107%	23	\$ 137,455.00
Restricted Reserve Balance**	\$ 30,422.00	\$ 30,422.00	\$ 30,422.00		24	\$ 30,422.00

*Carryover of funds from general day to day operating budget from previous year -for future unit improvements.

**By laws require minimum Of 10% of operating budget for restricted reserves. Current amount is 22%.

***Includes current maintenace fees plus recouping of previous years unpaid fees through rentals

****Approximately \$13,000 was used from Year to Year Carryover to purchase mattresses, sofas, and TVs

2019 Maintenance fees = \$565 per week owned

Approximately \$16,000 will be used from year to year carryover fund in 2019 for major capital unit improvements

Amount paid for property taxes for each week owned in 2018= \$52.20

Note: Report is based upon actual 8 month results and best estimate of final 2018 numbers.

This report is a Treasurer's summary of the offical books kept by our property manager, Northern Michigan Escapes

TIMESHARE DATES - FRIDAY ARRIVAL

2019	
Week 1	01/04/19
Week 2	01/11/19
Week 3	01/18/19
Week 4	01/25/19
Week 5	02/01/19
Week 6	02/08/19
Week 7	02/15/19
Week 8	02/22/19
Week 9	03/01/19
Week 10	03/08/19
Week 11	03/15/19
Week 12	03/22/19
Week 13	03/29/19
Week 14	04/05/19
Week 15	04/12/19
Week 16	04/19/19
Week 17	04/26/19
Week 18	05/03/19
Week 19	05/10/19
Week 20	05/17/19
Week 21	05/24/19
Week 22	05/31/19
Week 23	06/07/19
Week 24	06/14/19
Week 25	06/21/19
Week 26	06/28/19
Week 27	07/05/19
Week 28	07/12/19
Week 29	07/19/19
Week 30	07/26/19
Week 31	08/02/19
Week 32	08/09/19
Week 33	08/16/19
Week 34	08/23/19
Week 35	08/30/19
Week 36	09/06/19
Week 37	09/13/19
Week 38	09/20/19
Week 39	09/27/19
Week 40	10/04/19
Week 41	10/11/19
Week 42	10/18/19
Week 43	10/25/19
Week 44	11/01/19
Week 45	11/08/19
Week 46	11/15/19
Week 47	11/22/19
Week 48	11/29/19
Week 49	12/06/19
Week 50	12/13/19
Week 51	12/20/19
Week 52	12/27/19
Week 53	01/03/20

2020	
Week 1	01/03/20
Week 2	01/10/20
Week 3	01/17/20
Week 4	01/24/20
Week 5	01/31/20
Week 6	02/07/20
Week 7	02/14/20
Week 8	02/21/20
Week 9	02/28/20
Week 10	03/06/20
Week 11	03/13/20
Week 12	03/20/20
Week 13	03/27/20
Week 14	04/03/20
Week 15	04/10/20
Week 16	04/17/20
Week 17	04/24/20
Week 18	05/01/20
Week 19	05/08/20
Week 20	05/15/20
Week 21	05/22/20
Week 22	05/29/20
Week 23	06/05/20
Week 24	06/12/20
Week 25	06/19/20
Week 26	06/26/20
Week 27	07/03/20
Week 28	07/10/20
Week 29	07/17/20
Week 30	07/24/20
Week 31	07/31/20
Week 32	08/07/20
Week 33	08/14/20
Week 34	08/21/20
Week 35	08/28/20
Week 36	09/04/20
Week 37	09/11/20
Week 38	09/18/20
Week 39	09/25/20
Week 40	10/02/20
Week 41	10/09/20
Week 42	10/16/20
Week 43	10/23/20
Week 44	10/30/20
Week 45	11/06/20
Week 46	11/13/20
Week 47	11/20/20
Week 48	11/27/20
Week 49	12/04/20
Week 50	12/11/20
Week 51	12/18/20
Week 52	12/25/20
Week 53	01/01/21

2021	
Week 1	01/01/21
Week 2	01/08/21
Week 3	01/15/21
Week 4	01/22/21
Week 5	01/29/21
Week 6	02/05/21
Week 7	02/12/21
Week 8	02/19/21
Week 9	02/26/21
Week 10	03/05/21
Week 11	03/12/21
Week 12	03/19/21
Week 13	03/26/21
Week 14	04/02/21
Week 15	04/09/21
Week 16	04/16/21
Week 17	04/23/21
Week 18	04/30/21
Week 19	05/07/21
Week 20	05/14/21
Week 21	05/21/21
Week 22	05/28/21
Week 23	06/04/21
Week 24	06/11/21
Week 25	06/18/21
Week 26	06/25/21
Week 27	07/02/21
Week 28	07/09/21
Week 29	07/16/21
Week 30	07/23/21
Week 31	07/30/21
Week 32	08/06/21
Week 33	08/13/21
Week 34	08/20/21
Week 35	08/27/21
Week 36	09/03/21
Week 37	09/10/21
Week 38	09/17/21
Week 39	09/24/21
Week 40	10/01/21
Week 41	10/08/21
Week 42	10/15/21
Week 43	10/22/21
Week 44	10/29/21
Week 45	11/05/21
Week 46	11/12/21
Week 47	11/19/21
Week 48	11/26/21
Week 49	12/03/21
Week 50	12/10/21
Week 51	12/17/21
Week 52	12/24/21
Week 53	12/31/21

**HARBOR COVE TIMESHARE OWNERS' ASSOCIATION
NOTICE OF ANNUAL MEETING AND PROXY STATEMENT
SATURDAY, DECEMBER 1, 2017: 11:30 AM**

Your Harbor Cove Timeshare Owners Association Board of Directors invites all our owners to our Annual Meeting to be held, December 1, 2018 at 11:30 AM at Paesano's Restaurant, 3411 Washtenaw, Ann Arbor, MI 48104. **PLEASE RSVP to Cindy Dickson at cindy@nmeescapes.com by November 15, 2018 so we may reserve a lunch for you.**

Those who are unable to attend in person may participate via online conference call. Directions for logging into the conference call are included in this letter. Please log into the meeting approximately 5 to 10 minutes prior to the start time. The Board members will be reviewing the 2018 year and sharing our view of the coming 2019 year. The following items will be covered along with any questions from owners in attendance.

- A) Review and approve 2017 annual meeting notes
- B) Verification of a meeting quorum and election of Board members
- C) Review 2018 association business, budget and maintenance fees. Please note 2019 maintenance fees have been set at \$565/unit week.
- D) Review 2019 budget.

If you plan to attend the Annual Meeting, please fill in the appropriate spaces on the proxy ballot so that we have an idea how many owners will be joining.

CANDIDATES FOR ELECTION TO THE HCTS BOARD OF DIRECTORS

The following Board members are on the election Ballot. Stephanie Ward is on the ballot as she was appointed by the Board earlier this year to fill Steve Sandor's seat when he resigned due to selling his timeshare week. Ken and Mark are on the ballot as their 2-year terms are up. Rich Terry has declined to run again, so there is one open seat for which we are accepting nominations.

1. **Stephanie Ward** and her husband Tom, have been involved with Harbor Cove for 5 years as an owner of two weeks. Stephanie is an aviation planner for Mead & Hunt, a national engineering and architectural firm, and is currently wrapping up her fifth year as a member of the board of directors for Mead & Hunt. She is an alum from Michigan State University with a BS in Urban Planning and Masters degree in Parks & Recreation Resources. Her she hopes to contribute to the HCTSA board by providing fiscally responsible decision making balanced with innovative ways to maintain and improve the facilities in each unit for the enjoyment of our owners.
2. **Ken Newbury** is serving his second term as President of the HCTSA. He is a long-time owner of two weeks at Harbor Cove. Ken is an adjunct assistant professor at Bowling Green State University. He is a retired elementary principal as well. Ken has a doctorate and BA from the University of Michigan in Psychology and also Education. He believes in fiscally conservative management while working to make incremental improvements in all units. He and his wife Nancy look forward to their annual vacation up north at Harbor Cove.
3. **Mark Ward** currently serves as Treasurer of the Association, and is a past President. He has enjoyed Harbor Cove since the late 1970's, first through a family member and then as a long-time owner. Mark is retired from the specialty chemical industry, and resides in Milford, Michigan.

4. **Open Board Seat** Please contact Ken Newbury or Cindy Dickson if you are interested in serving. There is also a write-in space on the ballot.

VALID PROXY FORM

In order to hold Board member elections, a quorum of at least **35% of all Association weeks need to be represented** at the meeting according to our by-laws. This is done either by voting at the meeting or by proxy vote using the enclosed form. The enclosed proxy ballot must be received **by November 25**. The ballot must be returned to our property manager at Northern Michigan Escapes. Please complete the proxy form including your signature. To return by email, scan the completed form and email the file to cindy@nmescapes.com.

You may also fax your proxy vote to 231-344-5924 or mail the completed the form to:

Harbor Cove Timeshare Owners Association
c/o Northern Michigan Escapes
246 E. Main Street #1
Harbor Springs, MI 49740

If your timeshare week(s) are owned by more than one person, only the designated voting representative needs to sign and date the proxy. To make your vote count, you must be an owner who is up to date with your maintenance fees. Proxies from delinquent owners will not be counted. **It is very important that you file this proxy vote form as we cannot elect Board members if we don't have sufficient participation from our owners.**

CURRENT BOARD MEMBER CONTACT INFORMATION

President:	Ken Newbury	429-885-7400	pride2@aol.com
Secretary:	Joe Gromala	248-474-9775	gromalajoe@gmail.com
Treasurer:	Mark Ward	810-599-7252	marknward@gmail.com
Director:	Cyndi Homeyer	586-247-0936	cndeh@sbcglobal.net
Director:	Rich Terry	248-656-5059	richterry65@gmail.com
Director:	Fred Humig	586-207-1812	fhjr27@comcast.com
Director:	Stephanie Ward	517-641-7280	stephandtomward@gmail.com

If you have comments, concerns, or suggestions please contact any of the Board members listed above.

Sincerely,

HARBOR COVE TIMESHARE OWNERS ASSOCIATION BOARD OF DIRECTORS

Ken Newbury, Ph.D., President on behalf of the Board of Directors
pride2@aol.com

**HARBOR COVE TIMESHARE OWNERS' ASSOCIATION
ANNUAL MEETING - DECEMBER 1, 2018
PROXY BALLOT**

This Proxy is solicited on behalf of the Board of Directors. The undersigned hereby appoints Ken Newbury, President Board of Directors, as Proxy with the power to appoint his substitute, and hereby authorizes him to represent and to vote, as designated hereafter, all votes which the undersigned is entitled to vote at the Annual meeting of the Harbor Cove Timeshare Owner's Association.

ELECTION OF DIRECTORS: VOTE BY CHECKING THE BOX NEXT TO up to 4 NAMES. If you check the "Write-in" box, you must write in a valid name for that vote to count. Only co-owners in good standing are eligible to serve on the Board.

Stephanie Ward
 Ken Newbury

Mark Ward
 Write-in: _____

Designated Rep. Signature

Print Name of Designated Rep.

Date

Week(s)/Units(s) Owned: _____

Yes, I will attend the annual meeting Email Address: _____

Please add any additional comments here:

Please complete and return this form to Harbor Cove Timeshare Owners Association c/o Northern Michigan Escapes. The form must be received on or before November 25, 2018.

You can scan the completed form and email it to cindy@nmescapes.com, or fax the completed form to 231-344-5924, or mail the completed form to:

Harbor Cove Timeshare Owners Association
c/o Northern Michigan Escapes
246 E. Main Street #1
Harbor Springs, MI 49740

**HARBOR COVE TIMESHARE OWNERS' ASSOCIATION
ANNUAL MEETING
CONFERENCE CALL INSTRUCTIONS
SATURDAY, DECEMBER 1, 2018, 11:30 AM**

Please follow the instructions below to join the Harbor Cove Timeshare Owners Association annual meeting on Saturday, December 1, 2018 at 11:30 AM. No software download is required, and this year we aren't planning to file share online, so audio participation is all that is necessary. Please call in approximately 10 minutes before the start of the meeting so that we may start on time.

From your personal computer or mobile device – supported browsers are Chrome, Firefox, Safari & Edge

- 1) Go to <http://virtualmeeting.8x8.com/join/?id=86414843>.
- 2) Click "Join from your browser" link.
- 3) If the Meeting ID field is blank enter the Host ID: 550 23 848. Enter your name in the Name field and click "Join meeting."
- 4) Once you have joined the meeting you will be able to hear and speak during the meeting. Please mute your computer/phone, if possible, to minimize disturbances.

From your mobile phone or land line

- 1) Call +1 231-242-8490 (not a toll free number).
- 2) When prompted, enter the meeting ID 550 23 848.
- 3) Once you have joined the meeting you will be able to hear and speak during the meeting. Please mute your phone, if possible, to minimize disturbances.

HARBOR COVE TIMESHARE OWNERS ASSOCIATION

ANNUAL MEETING --- DECEMBER 16, 2017

MINUTES

The meeting commenced at 11:07 as a virtual meeting, on line and on the telephone.

SECRETARY'S REPORT:

- The minutes from the 2016 Annual Meeting were approved without change.
- 139 proxies were received, well over the minimum quorum requirement.
- The four officers up for reelection, Steve Sandor, Fred Humig, Cindy Homeyer, and Joe Gromala were reelected unanimously.

TREASURER'S REPORT:

Note: There is a wealth of detailed information regarding the Association's financial status on the Association website, and the minutes will cover solely the highlights.

- There are three different accounts used, a CD and the deposit is for our restricted reserve, a checking account with a current balance of about \$23,000, and the money market account with a current balance of \$105,000.
- Mark expects that by calendar year end 2017 there will be a surplus of about \$3,000.
- Mark estimates that at present approximately 50% to 75% of the 2018 Maintenance Fees have been collected.
- Revenue for 2018 is projected to be about \$134,000, while expenses are estimated to be about \$133,300.
- Mark reports that 71% of our expenses are fixed; occurring whether or not a unit is occupied, 8% of semi variable, and 21% are variable. Examples of variable expenses are cleaning and laundry, as we incur those charges only when the unit is occupied.
- The number of paying week is a critical element in our Maintenance Fees. For example, if the number of paying weeks drops to 235, the Maintenance Fee will be \$562, while if we somehow able to have all 300 weeks on a paying basis, the Maintenance Fee would only be \$465.
- Foreclosing on unpaid weeks is a very expensive option, costing anywhere between \$600 and \$1,000, especially when many of these weeks are not desirable, being early spring or late fall.

MANAGER'S REPORT:

- Katie Smith joined NME in October, just before Maintenance Week, and her responsibilities involve principally working with our timeshares.
- With Katie on board, communications with both owners and RCI exchange people has increased.
- Cleaning is now being done by the same company that handles cleaning for all units that NME manages. The change seems to be a positive move.
- LED lighting has been added to all units, and a much improved entry lock system has replaced the old locks.
- New updated "smart televisions" were installed in all units during Maintenance Week, and the current flat screen TVs are now in the master bedroom.

PRESIDENT'S REPORT

- Steve reported that Phase I has completed a total reroofing project without the need for an assessment.
- We have had six or seven rentals, and several weeks have already been rented for 2018. Owner owned weeks have been added to our rental program.
- There is a new Board member, Stephanie Ward, who will be working on special projects including eventually a Facebook page.
- Steve reported that the condition of the units is not up to par. Our ratings from RCI are below the Silver Crown status we achieved previously.
- Some of the principal areas of concern are condition of the carpeting, mattresses in the master bedroom, furniture in the living room, need for painting and wall covering. It appears that a complete redo of the master bedroom may be necessary since we will probably be moving to a king sized.
- Steve reported on a long list of suggested improvements that were recommended by an experienced interior decorator employed by NME.
- Early in 2018 the Board will poll owners to determine their priorities regarding unit improvements.