

Harbor Cove Timeshare Maintenance Fees for 2017

The Board of Directors for Harbor Cove Owners Timeshare Association has approved a budget for the 2017 calendar year. Attached to this letter you will find a copy of the new budget along with a spending summary for 2016 and a calendar showing week number and dates for 2017 - 2019. **The new Maintenance Fee has been set at \$530/week owned and is due on or before December 31, 2016. Our treasurer has reported that the amount of property tax paid this year for Harbor Cove Timeshare units is \$47.23.** Thank you in advance for your cooperation in remitting your Maintenance Fee payment by the due date.

The fee increase is due to a projected increase in property taxes, and an increase in dues owed for Community Property. The majority of the increase is due increases from community property. This is the first time in the last 18 years that community property dues have increased. Over the past few years major improvements have been made to community property including updating of both locker rooms in the community building, rebuilding of the deck outside of the beach house, residing of the beach house, new roofing, etc.

When you became an owner of a timeshare week (weeks) at Harbor Cove, you took on a legal responsibility to remit your Maintenance Fees in a timely fashion. There are a set of legal documents which govern the use of Harbor Cove Timeshares called the Covenants for Use and Enjoyment of Condominium Interest. This document is available from the Emmet County Registrar's office and is also available on our owners' web site if you are unfamiliar with it. 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 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.
- For instances where 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 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 or one of our board members for assistance immediately.

I would like to end this letter on a positive note and bring everyone up to date on some of the good things that are happening at Harbor Cove. Last year at this time we kicked off our rental program using Rental Bug.com web site. This year we introduced our Friends and Family program to encourage our owners and their friends to rent available weeks at a substantial discount. I am happy to report that the program has been a great success and we were able to rent out 12 weeks through the program. Through this program we were also able to assist several owners by advertise their weeks for rent at no cost to them. If you have questions about our rental program, please contact me at using the contact information below.

The board tried something new this year with a “virtual” annual meeting. The meeting was held as a conference call with file sharing over the internet. We had several positive comments from those owners who attended. The association was also able to save quite a bit of money using the virtual conferencing technology.

As reported at our annual meeting, our property manager Lora Backus has resigned and the board has chosen Northern Michigan Escapes as our new property manager. The transition to the new property manager will take place starting now through the end of the year. More information will be sent to you regarding new contact information for our property manager in a few weeks. For now, continue to contact Lora Backus if you have questions.

A portion of your maintenance fees go towards upkeep of the Phase I buildings and Harbor Cove amenities such as the beach house and pools in addition to paying for expenses associated with the timeshare units (see line item in budget below titled Association Dues). Phase I of Harbor Cove has started on a project to replace the roofs on all 42 units including the 6 timeshare units. 24 of the 42 units now have new roofs with the remainder to be done next spring. This project will be accomplished without the need for any special assessments. Phase I has also started a program of tree maintenance and improving the paved walkways. This will be a multi-year program which will remove dead trees, trim trees back to keep them off the new roofs, and remove potential tripping hazards from the walkways. We hope that you will continue to enjoy Harbor Cove and continue to support the timeshare association.

As always, you can use our association web site at www.harborcoveassociation.shutterfly.com to find important information such as board contact info, association calendars, tax information, 2016 annual meeting minutes, and useful links for the Harbor Springs and Petoskey area. If you have comments or questions, please feel free to contact any of our board members.

Harbor Cove Timeshare Board of Directors
Steven Sandor
President
Email steven.sandor@charter.net

**Harbor Cove Timeshare Owners' Association
2016 Annual Financial Report**

10/27/2016

Ward

	2016 YTD	2016 Projected	2016 Budget	% Budget	LN	2017 Budget
Revenue						
Maintenance Fees (246 wks)	\$ 127,985.00	\$ 128,715.00	\$ 131,600.00	98%	1	\$ 130,380.00
Recoup Owed Fees	\$ 1,900.00	\$ 3,100.00	\$ -		2	\$ 2,950.00
Previous Year Carryover*	\$ 12,149.00	\$ 12,149.00	\$ 12,149.00	100%	3	\$ 13,000.00
Total Revenue less carryover	\$ 129,885.00	\$ 131,815.00	\$ 131,600.00	100%	4	\$ 133,330.00
Operating Expenses						
Association Dues	\$ 19,144.00	\$ 25,975.00	\$ 25,550.00	102%	5	\$ 27,352.00
Board Expenses	\$ -	\$ 200.00	\$ 850.00	24%	6	\$ 800.00
Cable (WiFi-TV-Phone)	\$ 6,898.00	\$ 9,800.00	\$ 8,800.00	111%	7	\$ 9,432.00
Carpet Cleaning	\$ 510.00	\$ 1,500.00	\$ 1,500.00	100%	8	\$ 1,500.00
Cleaning (weekly units)	\$ 10,688.00	\$ 16,463.00	\$ 19,125.00	86%	9	\$ 18,825.00
Electric	\$ 3,006.00	\$ 5,200.00	\$ 6,504.00	80%	10	\$ 5,554.00
Furniture Cleaning	\$ 900.00	\$ 1,000.00	\$ 600.00	167%	11	\$ 600.00
Gas	\$ 3,119.00	\$ 4,900.00	\$ 6,000.00	82%	12	\$ 5,350.00
Insurance	\$ 2,923.00	\$ 4,000.00	\$ 4,000.00	100%	13	\$ 3,996.00
Laundry	\$ 3,998.00	\$ 6,300.00	\$ 8,000.00	79%	14	\$ 6,275.00
Legal	\$ 208.00	\$ 500.00	\$ 1,200.00	42%	15	\$ 600.00
Maint. Week Cleaning	\$ 1,763.00	\$ 2,763.00	\$ 2,000.00	138%	16	\$ 2,000.00
Maintenance	\$ 6,115.00	\$ 8,200.00	\$ 7,000.00	117%	17	\$ 7,008.00
Management Fee***	\$ 12,785.00	\$ 22,200.00	\$ 19,200.00	116%	18	\$ 20,004.00
Printing-Mailing	\$ 562.00	\$ 1,100.00	\$ 1,000.00	110%	19	\$ 1,350.00
Replacements	\$ 3,909.00	\$ 6,000.00	\$ 5,000.00	120%	20	\$ 5,040.00
Taxes	\$ 5,548.00	\$ 11,873.00	\$ 12,000.00	99%	21	\$ 12,853.00
Unit Supplies	\$ 3,800.00	\$ 3,800.00	\$ 3,800.00	100%	22	\$ 3,263.00
Total Operating Expenses	\$ 85,876.00	\$ 131,774.00	\$ 132,129.00	100%	23	\$ 131,802.00
Restricted Reserve Balance**	\$ 30,228.00	\$ 30,300.00	\$ 30,300.00		24	\$ 30,400.00

*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 23%.

***Includes estimated additional \$3000 costs to account for changeover in management companies

2017 Maintenance fees = \$530 per week owned

Amount paid for property taxes for each week owned in 2016= \$47.23

Note: Report is based upon actual 8 month results and best estimate of final 2016 numbers.

Harbor Cove Timeshare Owners Association

2017 - 2019 Unit Weeks Calendar

2017 Calendar			2018 Calendar			2019 Calendar		
Week #	Friday-	Friday	Week #	Friday-	Friday	Week #	Friday-	Friday
1	1/6/2017	1/13/2017	1	1/5/2018	1/12/2018	1	1/4/2019	1/11/2019
2	1/13/2017	1/20/2017	2	1/12/2018	1/19/2018	2	1/11/2019	1/18/2019
3	1/20/2017	1/27/2017	3	1/19/2018	1/26/2018	3	1/18/2019	1/25/2019
4	1/27/2017	2/3/2017	4	1/26/2018	2/2/2018	4	1/25/2019	2/1/2019
5	2/3/2017	2/10/2017	5	2/2/2018	2/9/2018	5	2/1/2019	2/8/2019
6	2/10/2017	2/17/2017	6	2/9/2018	2/16/2018	6	2/8/2019	2/15/2019
7	2/17/2017	2/24/2017	7	2/16/2018	2/23/2018	7	2/15/2019	2/22/2019
8	2/24/2017	3/3/2017	8	2/23/2018	3/2/2018	8	2/22/2019	3/1/2019
9	3/3/2017	3/10/2017	9	3/2/2018	3/9/2018	9	3/1/2019	3/8/2019
10	3/10/2017	3/17/2017	10	3/9/2018	3/16/2018	10	3/8/2019	3/15/2019
11	3/17/2017	3/24/2017	11	3/16/2018	3/23/2018	11	3/15/2019	3/22/2019
12	3/24/2017	3/31/2017	12	3/23/2018	3/30/2018	12	3/22/2019	3/29/2019
13	3/31/2017	4/7/2017	13	3/30/2018	4/6/2018	13	3/29/2019	4/5/2019
14	4/7/2017	4/14/2017	14	4/6/2018	4/13/2018	14	4/5/2019	4/12/2019
15	4/14/2017	4/21/2017	15	4/13/2018	4/20/2018	15	4/12/2019	4/19/2019
16	4/21/2017	4/28/2017	16	4/20/2018	4/27/2018	16	4/19/2019	4/26/2019
17	4/28/2017	5/5/2017	17	4/27/2018	5/4/2018	17	4/26/2019	5/3/2019
18	5/5/2017	5/12/2017	18	5/4/2018	5/11/2018	18	5/3/2019	5/10/2019
19	5/12/2017	5/19/2017	19	5/11/2018	5/18/2018	19	5/10/2019	5/17/2019
20	5/19/2017	5/26/2017	20	5/18/2018	5/25/2018	20	5/17/2019	5/24/2019
21	5/26/2017	6/2/2017	21	5/25/2018	6/1/2018	21	5/24/2019	5/31/2019
22	6/2/2017	6/9/2017	22	6/1/2018	6/8/2018	22	5/31/2019	6/7/2019
23	6/9/2017	6/16/2017	23	6/8/2018	6/15/2018	23	6/7/2019	6/14/2019
24	6/16/2017	6/23/2017	24	6/15/2018	6/22/2018	24	6/14/2019	6/21/2019
25	6/23/2017	6/30/2017	25	6/22/2018	6/29/2018	25	6/21/2019	6/28/2019
26	6/30/2017	7/7/2017	26	6/29/2018	7/6/2018	26	6/28/2019	7/5/2019
27	7/7/2017	7/14/2017	27	7/6/2018	7/13/2018	27	7/5/2019	7/12/2019
28	7/14/2017	7/21/2017	28	7/13/2018	7/20/2018	28	7/12/2019	7/19/2019
29	7/21/2017	7/28/2017	29	7/20/2018	7/27/2018	29	7/19/2019	7/26/2019
30	7/28/2017	8/4/2017	30	7/27/2018	8/3/2018	30	7/26/2019	8/2/2019
31	8/4/2017	8/11/2017	31	8/3/2018	8/10/2018	31	8/2/2019	8/9/2019
32	8/11/2017	8/18/2017	32	8/10/2018	8/17/2018	32	8/9/2019	8/16/2019
33	8/18/2017	8/25/2017	33	8/17/2018	8/24/2018	33	8/16/2019	8/23/2019
34	8/25/2017	9/1/2017	34	8/24/2018	8/31/2018	34	8/23/2019	8/30/2019
35	9/1/2017	9/8/2017	35	8/31/2018	9/7/2018	35	8/30/2019	9/6/2019
36	9/8/2017	9/15/2017	36	9/7/2018	9/14/2018	36	9/6/2019	9/13/2019
37	9/15/2017	9/22/2017	37	9/14/2018	9/21/2018	37	9/13/2019	9/20/2019
38	9/22/2017	9/29/2017	38	9/21/2018	9/28/2018	38	9/20/2019	9/27/2019
39	9/29/2017	10/6/2017	39	9/28/2018	10/5/2018	39	9/27/2019	10/4/2019
40	10/6/2017	10/13/2017	40	10/5/2018	10/12/2018	40	10/4/2019	10/11/2019
41	10/13/2017	10/20/2017	41	10/12/2018	10/19/2018	41	10/11/2019	10/18/2019
42	10/20/2017	10/27/2017	42	10/19/2018	10/26/2018	42	10/18/2019	10/25/2019
43	10/27/2017	11/3/2017	43	10/26/2018	11/2/2018	43	10/25/2019	11/1/2019
44	11/3/2017	11/10/2017	44	11/2/2018	11/9/2018	44	11/1/2019	11/8/2019
45	11/10/2017	11/17/2017	45	11/9/2018	11/16/2018	45	11/8/2019	11/15/2019
46	11/17/2017	11/24/2017	46	11/16/2018	11/23/2018	46	11/15/2019	11/22/2019
47	11/24/2017	12/1/2017	47	11/23/2018	11/30/2018	47	11/22/2019	11/29/2019
48	12/1/2017	12/8/2017	48	11/30/2018	12/7/2018	48	11/29/2019	12/6/2019
49	12/8/2017	12/15/2017	49	12/7/2018	12/14/2018	49	12/6/2019	12/13/2019
50	12/15/2017	12/22/2017	50	12/14/2018	12/21/2018	50	12/13/2019	12/20/2019
51	12/22/2017	12/29/2017	51	12/21/2018	12/28/2018	51	12/20/2019	12/27/2019
52	12/29/2017	1/5/2018	52	12/28/2018	1/4/2019	52	12/27/2019	1/3/2020

Note: week 14 and 44 are annual maintenance weeks