

October 22, 2021

Dear Harbor Cove Timeshare Association Owner,

Please accept my heart-felt thank you for being part of a timeshare owner community that is both unique and wonderful. Whether you have owned for a year or 30+ years, we are grateful to count you as an important part of the up North legacy. In this mailing, I will invite you to our online Zoom annual meeting, provide you with a slate of board members up for reelection/election, ask you to complete a 3-minute survey and provide a quick update about our past year and upcoming plans for 2022. **We urge you to immediately send in your proxy card (email or snail mail) so we may meet our required quorum.**

As new board member Cheryl Schmelzle shared in her comprehensive and well written newsletter, your Association is making progress providing fiscally prudent upgrades to all 6 timeshare units. This includes a large number of upgrades from carpeting (downstairs), vinyl plank flooring (upstairs), twin mattresses (second bedroom), new TV-stands, glass top stoves and a schedule to upgrade all master bathrooms over the next 2 years. The upgrades were made possible by a somewhat larger maintenance fee in 2021 and years of conservative budgeting. **For 2022, there will be no increase in your maintenance fees of \$625.**

At the same time, we recognize the inflationary pressures presented by the Covid pandemic. Labor and material costs have jumped exponentially. In many cases, finding available labor for routine maintenance is a challenge delaying both routine maintenance and long-term installation. We are fortunate that our management company, Northern Michigan Escapes, is a very capable partner able to meet the challenge of the pandemic successfully.

As we look forward to 2022, I would like to encourage you to consider joining our volunteer board or perhaps a committee. One such owner, Norm Schmelzle, is playing an instrumental part in our bathroom renovations by serving on a committee. Owners are needed to join the board with multiple vacancies and committees anticipated in the near future. Bring your ideas and your computer to a future online board meeting. We promise to make your board experience meaningful as you influence the next generation of Harbor Cove Timeshare owner experiences. In the meantime, I hope you will join me in a hearty thank you to all board members for their passion, time and ideas to make Harbor Cove the best place to be up North.

If you love Harbor Cove and would like to add a week or two by renting an available week, please visit our website to check availability – <http://www.harborcovetimeshare.com>. Password for the Owner Resources page is **HarborCove2018**. Our rental program has brought in more than \$10,000 to be used to recoup costs and make needed upgrades possible. Many thanks to Fred Humig for his great work managing the rental programs and for Dom Gabrielli stepping forward to manage rentals in 2022. Special thanks to Mark Ward for years of financial leadership as treasurer, Cyndi Homeyer for her tireless work as secretary, Penny Cash for managing sales and other board contributions and Cheryl Schmelzle for her passion, ideas, newsletter and financial advice.

Finally, I would like to invite you to complete an anonymous online survey that should take less than 2 minutes. The survey will help inform your board's decisions about rental rates and future upgrades. A link follows:

Survey Link: <https://www.questionpro.com/t/AT4n3ZpR3a>

Zoom Meeting Link:

<https://us06web.zoom.us/j/83425598071?pwd=S0NmYUN6OHFMZINEcmtvL3NxNHo2Zz09>

Meeting ID: 834 2559 8071

Passcode: 151233

Wishing you and yours and healthy and enjoyable season,

Ken Newbury, Ph.D.

TIMESHARE DATES - FRIDAY ARRIVAL

2022	
Week 1	01/07/22
Week 2	01/14/22
Week 3	01/21/22
Week 4	01/28/22
Week 5	02/04/22
Week 6	02/11/22
Week 7	02/18/22
Week 8	02/25/22
Week 9	03/04/22
Week 10	03/11/22
Week 11	03/18/22
Week 12	03/25/22
Week 13	04/01/22
Week 14	04/08/22
Week 15	04/15/22
Week 16	04/22/22
Week 17	04/29/22
Week 18	05/06/22
Week 19	05/13/22
Week 20	05/20/22
Week 21	05/27/22
Week 22	06/03/22
Week 23	06/10/22
Week 24	06/17/22
Week 25	06/24/22
Week 26	07/01/22
Week 27	07/08/22
Week 28	07/15/22
Week 29	07/22/22
Week 30	07/29/22
Week 31	08/05/22
Week 32	08/12/22
Week 33	08/19/22
Week 34	08/26/22
Week 35	09/02/22
Week 36	09/09/22
Week 37	09/16/22
Week 38	09/23/22
Week 39	09/30/22
Week 40	10/07/22
Week 41	10/14/22
Week 42	10/21/22
Week 43	10/28/22
Week 44	11/04/22
Week 45	11/11/22
Week 46	11/18/22
Week 47	11/25/22
Week 48	12/02/22
Week 49	12/09/22
Week 50	12/16/22
Week 51	12/23/22
Week 52	12/30/22
Week 53	n/a

2023	
Week 1	1/6/23
Week 2	1/13/23
Week 3	1/20/23
Week 4	1/27/23
Week 5	2/3/23
Week 6	2/10/23
Week 7	2/17/23
Week 8	2/24/23
Week 9	3/3/23
Week 10	3/10/23
Week 11	3/17/23
Week 12	3/24/23
Week 13	3/31/23
Week 14	4/7/23
Week 15	4/14/23
Week 16	4/21/23
Week 17	4/28/23
Week 18	5/5/23
Week 19	5/12/23
Week 20	5/19/23
Week 21	5/26/23
Week 22	6/2/23
Week 23	6/9/23
Week 24	6/16/23
Week 25	6/23/23
Week 26	6/30/23
Week 27	7/7/23
Week 28	7/14/23
Week 29	7/21/23
Week 30	7/28/23
Week 31	8/4/23
Week 32	8/11/23
Week 33	8/18/23
Week 34	8/25/23
Week 35	9/1/23
Week 36	9/8/23
Week 37	9/15/23
Week 38	9/22/23
Week 39	9/29/23
Week 40	10/6/23
Week 41	10/13/23
Week 42	10/20/23
Week 43	10/27/23
Week 44	11/3/23
Week 45	11/10/23
Week 46	11/17/23
Week 47	11/24/23
Week 48	12/1/23
Week 49	12/8/23
Week 50	12/15/23
Week 51	12/22/23
Week 52	12/29/23
Week 53	n/a

2024	
Week 1	1/5/24
Week 2	1/12/24
Week 3	1/19/24
Week 4	1/26/24
Week 5	2/2/24
Week 6	2/9/24
Week 7	2/16/24
Week 8	2/23/24
Week 9	3/1/24
Week 10	3/8/24
Week 11	3/15/24
Week 12	3/22/24
Week 13	3/29/24
Week 14	4/5/24
Week 15	4/12/24
Week 16	4/19/24
Week 17	4/26/24
Week 18	5/3/24
Week 19	5/10/24
Week 20	5/17/24
Week 21	5/24/24
Week 22	5/31/24
Week 23	6/7/24
Week 24	6/14/24
Week 25	6/21/24
Week 26	6/28/24
Week 27	7/5/24
Week 28	7/12/24
Week 29	7/19/24
Week 30	7/26/24
Week 31	8/2/24
Week 32	8/9/24
Week 33	8/16/24
Week 34	8/23/24
Week 35	8/30/24
Week 36	9/6/24
Week 37	9/13/24
Week 38	9/20/24
Week 39	9/27/24
Week 40	10/4/24
Week 41	10/11/24
Week 42	10/18/24
Week 43	10/25/24
Week 44	11/1/24
Week 45	11/8/24
Week 46	11/15/24
Week 47	11/22/24
Week 48	11/29/24
Week 49	12/6/24
Week 50	12/13/24
Week 51	12/20/24
Week 52	12/27/24
Week 53	n/a

Harbor Cove Timeshare Owners' Association
2021 Annual Financial Report (revised to reflect 241 owner weeks)
2022 Projected Budget based on 241 owner weeks paying

Ward & Schmelzle 10/20/2021

			<i>Final - Approved</i>	
	<i>2021 YTD as of 8/31/2021</i>	<i>2021 Year End</i>	<i>2021 Budget</i>	<i>2022 Budget</i>
Revenue-Operations & Reserves				
Maintenance Fees-Operating	\$ 146,068.00	\$ 146,068.00	\$ 145,200.00	\$ 150,625.00
Late Fee Income	\$ 1,210.00	\$ 1,210.00	\$ -	\$ -
Additions to Reserve:				
Gifts Received	\$ 812.00	\$ 812.00	\$ -	\$ -
Maintenance Fees-Reserve addition (\$25 per week)	\$ 6,050.00	\$ 6,050.00	\$ 6,050.00	
Maintenance Fee Recoup-HCTSA weeks used	\$ 8,065.00	\$ 15,000.00	\$ 10,000.00	\$ 15,000.00
RCI Administrative Fee	\$ 750.00	\$ 1,000.00	\$ 2,100.00	\$ 990.00
interest Income on reserves	\$ 7.00	\$ 7.00	\$ 100.00	
Total Additions to Reserve	\$ 15,684.00	\$ 22,869.00	\$ 18,250.00	\$ 15,990.00
TOTAL REVENUE	\$ 162,962.00	\$ 170,147.00	\$ 163,450.00	\$ 166,615.00
Operating Expenses				
Board Expenses	\$ -	\$ -	\$ -	\$ -
Cable (WiFi-TV-Phone)	\$ 9,079.00	\$ 13,679.00	\$ 13,800.00	\$ 14,632.00
Carpet Cleaning	\$ 1,260.00	\$ 2,260.00	\$ 2,520.00	\$ 1,300.00
Cleaning (weekly units)	\$ 10,909.00	\$ 17,175.00	\$ 20,160.00	\$ 20,465.00
Collection & Professional fees	\$ 323.00			\$ 500.00
Electric	\$ 3,367.00	\$ 5,547.00	\$ 5,640.00	\$ 5,640.00
Fees (Phase 1 / Comm. Prop)	\$ 22,390.00	\$ 29,853.00	\$ 29,852.00	\$ 33,628.00
Furniture Cleaning	\$ -	\$ -	\$ 800.00	\$ 800.00
Gas	\$ 3,809.00	\$ 6,309.00	\$ 6,050.00	\$ 6,050.00
Insurance	\$ 3,220.00	\$ 3,220.00	\$ 3,200.00	\$ 3,296.00
Laundry	\$ 4,706.00	\$ 7,290.00	\$ 7,790.00	\$ 7,290.00
Legal	\$ -	\$ -	\$ 600.00	\$ 1,200.00
Maint. Week Cleaning	\$ 800.00	\$ 2,400.00	\$ 2,400.00	\$ 2,640.00
Maintenance & repairs	\$ 12,673.00	\$ 13,000.00	\$ 13,494.00	\$ 13,738.00
Management Fees	\$ 13,736.00	\$ 20,604.00	\$ 20,604.00	\$ 21,466.00
Printing-Mailing-Miscellaneous	\$ 566.00	\$ 900.00	\$ 1,350.00	\$ 900.00
Taxes and Filing Fees	\$ 13,662.00	\$ 13,644.00	\$ 13,460.00	\$ 13,600.00
Unit Supplies	\$ 1,563.00	\$ 2,723.00	\$ 3,480.00	\$ 3,480.00
Estimated expenses from 9/1-12/31 to be paid	\$ 36,541.00			
TOTAL OPERATING EXPENSES	\$ 138,604.00	\$ 138,604.00	\$ 145,200.00	\$ 150,625.00
Total Revenue less Operating expenses	\$ 24,358.00	\$ 31,543.00	\$ 18,250.00	\$ 15,990.00

Less collections added to Reserve for Replacement	\$ (15,684.00)	\$ (22,869.00)	\$ (18,250.00)	\$ (15,990.00)
Excess Operating revenue over operating expenses****	\$ 8,674.00	\$ 8,674.00	\$ -	\$ -
Analysis of Reserve for Replacement	As of 8/31/2021	Projected 12/31/2021.	Proof of cash balance 8/31/2021:	
Carryover Balance as of 12/31/2020	\$ 68,764.00	\$ 68,764.00	Cash Balance	\$ 120,474.00
Replacements incurred during the period **	\$ (45,293.00)	\$ (75,841.00)	less prepaid 2022 fees	\$ (5,570.00)
Additions during the period - above	\$ 15,684.00	\$ 22,869.00	less Restricted Reserves	\$ (31,000.00)
Excess during the period to carryover-above	\$ 8,674.00	\$ 8,674.00	less 9/1-12/31 expenses	\$ (36,541.00)
Adjustment to balance to cash on hand	\$ (466.00)	\$ (466.00)		\$ 47,363.00
Cash Balance in Replacement Reserve	\$ 47,363.00	\$ 24,000.00		
Restricted Reserve Balance***	\$ 31,000.00	\$ 31,000.00	\$ 31,000.00	\$ 31,000.00

2022 Maintenance fees = \$625 per week owned based on 241 paid weeks in 2021

* Reserve for Replacement/Painting carryover balance as of 12/31/2020 was \$68,764 per 2020 Annual Financial Report represents accumulation of funds for improvements planned that were not completed due to labor shortages and pandemic restrictions.

**Major improvements : New vinyl floors, new carpet, new stoves, new TV stands, new beds, new refrigerator; holding funds for main bathroom updates and floor projects.

***Bylaws require a minimum of 10% of annual budget to be held in restricted reserves.

****Any excess funds at year end will be used for future year capital improvements and added to the Reserves for Replacement/Painting.

Amount paid for property taxes for each week owned in 2021= \$56.61

Note: Report is based upon actual 8 month results and best estimate of final 2021 numbers.

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

HARBOR COVE TIMESHARE OWNERS' ASSOCIATION

Harbor Springs, MI 49740

Phone 231-242-8093 www.harborcovetimeshare.com

email: info@nmescares.com

FRIENDS & FAMILY RENTAL PROGRAM

In 2016, the Harbor Cove Timeshare Owners' Association introduced a unit rental program for owners, family, and friends of owners so they may further enjoy the great "Up North" Harbor Cove experience. This program recoups lost maintenance fees to the Association. The Board of Directors has continued to maintain the program and it's going strong into 2021. We want to encourage you and your friends and family to take advantage of this program!

INCENTIVE: As an added incentive, if you refer a friend or family member for a rental, you can receive a \$50 Amazon Gift Card as our way of saying thanks for helping us rent these open weeks.

Do your part to keep our association viable by renting these open weeks yourself, or getting your friends and family involved in Harbor Cove!

Here's how the Friends and Family Program works:

- Any week deemed available by the Board is currently available for rent.
- If you are an owner who wants to take advantage of this program, you must be in good standing with payment of your 2022 maintenance fee.
- You can also make this program available to any other family members or friends in which you may feel would enjoy the Harbor Cove experience. The registration process must be through your name, as an owner in good standing.
- Weeks available for this program can be found on the Association website. Visit www.harborcovetimeshare.com, and click on **For Sale & Rent**.
- If you find a week you are interested in, please contact Domenico Gabrielli by email at hctrentals@yahoo.com or 248-573-7113 to check availability and pricing and reserve your spot.
- You may be able to rent long weekends depending upon availability, so be sure to contact Domenico to see about available openings. If you have any questions about this program, feel free to contact us at any time.

Please feel free to share this with your family and friends so they can see what opportunities await them at Harbor Cove.

AVAILABLE WEEKS FOR RENT AS OF OCTOBER 25, 2020

Please contact Domenico Gabrielli at hctrentals@gmail.com or via phone at 248-573-7113 to rent a week. Also view www.harborcovetimeshare.com for additional information.

2021					
Arrival/Departure Date	Timeshare Week	Unit #	Arrival/Departure Date	Timeshare Week	Unit #
Nov 12 - Nov 19	46	19	Dec 03 - Dec 10	49	5 - 8 - 11
Nov 19 - Nov 26	47	8	Dec 10 - Dec 17	50	8
Nov 26 - Dec 03	48	11 - 19	Dec 31 - Jan 7	53	8 - 11
2022					
Arrival/Departure Date	Timeshare Week	Unit #	Arrival/Departure Date	Timeshare Week	Unit #
Jan 14 - Jan 21	2	8 - 19	Sep 09 - Sep 16	36	8
Jan 12 - Jan 28	3	2	Sep 16 - Sep 23	37	8 - 11
Jan 28 - Feb 04	4	5	Sep 30 - Oct 07	39	11
Feb 18 - Feb 25	7	14	Oct 07 - Oct 14	40	5 - 8
Feb 25 - Mar 04	8	11	Oct 21 - Oct 28	42	2
Mar 04 - Mar 11	9	5 - 14 - 19	Oct 28 - Nov 04	43	14 - 19
Mar 11 - Mar 18	10	8 - 11	Nov 11 - Nov 18	45	5 - 11 - 14 - 19
Mar 18 - Mar 25	11	5	Nov 18 - Nov 25	46	5 - 8 - 19
Mar 25 - Apr 01	12	5 - 8 - 14	Nov 25 - Dec 02	47	5 - 8
Apr 01 - Apr 08	13	8 - 11 - 14 - 19	Dec 02 - Dec 09	48	11 - 14 - 19
Apr 08 - Apr 15	15	2 - 8 - 14 - 19	Dec 09 - Dec 16	49	5 - 8 - 11
Apr 15 - Apr 22	16	5 - 8	Dec 16 - Dec 23	50	5 - 8 - 14
Apr 22 - Apr 29	17	5 - 8	Dec 30 - Jan 05	52	2
Apr 29 - May 06	18	8 - 14			
May 13 - May 20	20	11			

AVAILABLE WEEKS FOR SALE AS OF OCTOBER 25, 2020

Please contact Penny Cash at pennyjcash@gmail.com or via phone at 231-838-6072 if you are interested in purchasing a week. You can review the Harbor Cove Timeshare Owners Association website for specific details and contact information for each week that is for sale: www.harborcovetimeshare.com.

Week #	Unit(s)	2022 Dates
2	8	1/14 - 1/21
12	5 - 14	3/25 - 4/1
13	8 - 11	4/1 - 4/8
15	8 - 14 - 19	4/15 - 4/22
16	8	4/22 - 4/29
17	5	4/29 - 5/6
18	8	5/6 - 5/13
46	19	11/18 - 11/25
48	11 - 19	12/2 - 12/9
49	5 - 8 - 11	12/9 - 12/16

**HARBOR COVE TIMESHARE OWNERS' ASSOCIATION ANNUAL MEETING
NOVEMBER 16, 2021 PROXY BALLOT**

MUST BE RECEIVED BY SATURDAY, NOVEMBER 13, 2021

This Proxy is solicited on behalf of the Board of Directors. The undersigned hereby appoints Ken Newbury, President of the 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 Owners' Association.

ELECTION OF DIRECTORS: VOTE BY CHECKING THE BOX NEXT TO UP TO 4 NAMES.

If you mark the "write-in" option, you must write in a valid name of a current owner for that vote to count. Only owners in good standing (paid maintenance fees) are eligible to serve on the Board.

_____ **Ken Newbury** is a long-time Harbor Cove owner who has served on the board for many years including several as president. His tenure is marked by a fiscally conservative stance while encouraging upgrades like technology and flooring.

_____ **Fred Humig** has been a Harbor Cove Board Member on and off for many years. He and his wife Deb own four weeks, in three different units. A retired Ford Finance employee, he notes that he "enjoys spending his free time contributing to helping Harbor Cove owners." He was in charge of Timeshare rentals, until recently passing the torch to Dom Gabrielli, and built our rental revenue significantly.

_____ **Cyndi Homeyer** has been a Harbor Cove owner since 2003/2004 when she purchased her week to ensure an annual, week-long getaway trip north. Her ownership led to being appointed to the Board of Directors in 2009, serving in different capacities for the past 9 years, serving currently as Board Secretary.

_____ **Penny Cash** is a long-time owner, along with several of her family members, and is a licensed Realtor® in Boyne City. Penny is a very active board member, and is working diligently with the rest of the board to ensure that all of our units get the updates they deserve.

_____ **Write-in** _____

Signature of Designated Representative

Printed Name of Designated Representative

Week(s) / Unit(s) Owned

Date

_____ **Yes, I will be attending the meeting via ZOOM**

_____ **No, I will not be attending**

Please help us update our records by providing you email and current phone numbers:

Email: _____

Cell Phone: _____ **Home Phone:** _____

Please complete and return this form to on or before November 13, 2021.

Email: Scan & email to cindy@nmesCAPES.com

Fax: 231-344-5924

Mail: Harbor Cove Timeshare Owners Association, PO Box 581, Harbor Springs, MI 49740

Fold

Return Address

Affix Postage Here

Harbor Cove Timeshare Owners Association
Annual Proxy
PO Box 581
Harbor Springs, MI 49740

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