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HARBOR COVE TIMESHARE OWNERS' ASSOCIATION – MEETING NOTES

Annual Meeting of the Association of November 18, 2023 at 10:00 am

The following was noted:

In attendance: C. Schmelzle, President, P. Beaudette, Vice President, D. Scheible, Secretary/Treasurer, N. Schmelzle, Board Member and H. Awdey, Board Member

Other owners in attendance: J. Korleski, L. Rowe, T. Murphy and S. Kyre

Property Management Staff in attendance: C. Dickson, NME and T. Minor, NME

1. With a quorum established, the President called the meeting to order at 11:05am.
2. The Minutes of 2022 Annual Meeting of Association, 11/22/2022, were distributed to all eligible owners. A motion by T. Murphy, seconded by D. Scheible to approve, as submitted, passed by unanimous vote.
3. C. Schmelzle, gave the President's Report:
 - a. Members are encouraged to visit the Association website for quarterly newsletters, updates, weeks for rent and sale, minutes of meetings and much more are available - harborcovetimeshare.com / password – HarborCove2018 (case sensitive).
 - b. The Community Center and pools construction is proceeding and is scheduled to be completed by Memorial Day 2024.
 - c. The Board had instituted a 3year Special Assessment to fund the renovation of the lower-level Bathrooms, replace furnaces, hot water heaters, air conditioning and other improvements and upgrades. 41% of the owners took advantage of prepaying the entire assessment. The second-year payment of \$110. was included in the 2024 Fees Invoice sent by Northern Michigan Escapes (NME), for those paying annually, and is due 12/31/2023.
 - d. The remainder of the Hot Water Heaters, Air Conditioning and Washer/Dryer units will be completed by the spring of 2024.
4. The Michigan Condominium laws require an annual independent audit, unless waived by a vote of the members. Historically, at the annual meetings, the members have voted to waive an audit. C. Schmelzle, a CPA herself, advised that she and the Treasurer, review financial reports, prepared by NME using Quickbooks software, on a monthly basis and a fee of \$5,000, or more, could be anticipated. Further, CPA fees would be better applied to an increase in attorney fees, facilitating title searches and gaining control of delinquent weeks. P. Beaudette recommended an independent audit be conducted, perhaps every 4 or 5 years. Discussion ensued. A motion by H. Awdey, seconded by J. Korleski, to waive an audit for 2023 passed by a vote of 8-1.

Northern Michigan Escapes Report

C. Dickson reported:

1. Each member in good standing received a ballot, by first-class mail, in the Agenda packet. 112 ballots were returned with 105 needed for a quorum.
2. H. Awdey was unanimously elected to the Board of Directors. C. Schmelzle reminded there were two open seats and encouraged owner's present to consider running and/or suggesting names of other owners who may be interested.
3. While our Association has promulgated policies which apply to occupancy, our owners and renters are also bound by the policies of the Harbor Cove Phase I Association and the Harbor Cove Community Properties Association. There have been issues with pets, smoking (both tobacco and marijuana) outdoors and on the unit deck and towels draped over the railings, all of which will likely result in fines, payable by the owner. Our Board periodically reviews and updates the policies, as

DRAFT

deemed necessary.

4. Owners are reminded to bring problems to NME's attention, as soon as possible, following check-in.

Doing so permits NME to expedite correcting the problem ASAP. Email Terri or Lauren at NME.

5. Many of our owners are members of Resort Condominiums International (RCI) which permits them to exchange their week(s) at other timeshare resorts. Recently, Harbor Cove was granted Silver Status indicating our units meet or exceed stringent metrics established by RCI. Our units aren't eligible for Gold Status, as there's no restaurant on site.

Treasurer's Report

1. D. Scheible, Treasurer reported that, although our Association has and continues to operate on tight budgets, 2023 is likely to end the fiscal year (December 31, 2023) with a light surplus.
2. NME now handles the rental of available weeks and the additional net income generated this year will be more than \$6,300.00.
3. The Association's 2024 Operating Budget, approved by the Board of Directors, includes a \$155.00/week increase in the Fees. This is due to anticipated increases in utilities, cleaning and housekeeping fees and a modest increase in NME's Management fee. In addition, it includes the previously announced Special Assessment fees for the completion of the new Community House & Pool.
4. The Harbor Cove Community Properties Board instituted an additional \$4,000/ week assessment for all units within Harbor Cove to fund the Community Center and pools, which was due 9/1/2023. Rather than go to our owners for the funds, the \$24,000 was paid from our Special Assessment fee and a portion of the Restricted Reserves. Michigan Condominium law requires a minimum reserve of 10% of an association's operating budget be held for emergencies and approximately 15% remains in that account.
5. Finally, to avoid repeated Special Assessments to fund continued upgrades to our 6 units, the balance of the \$850/week 2023 fees will be used to replenish and increase the Reserve Account. A copy of the 2024 Operating Budget was included in the Agenda packet.

Following a brief question and answer period and there being no further business, D. Scheible moved to adjourn, P. Beaudette seconded and the motion passed unanimously. Meeting adjourned at 11:18am.

D. Scheible, Secretary/Treasurer