

Summer
2018



Newsletter

www.villagewestresort.com
E-Mail Address: fun@villagewestresort.com

Sunrise Cove Board of Directors:

Mike Hoepner, *President*

Dale Goodman, *Treasurer*

Rod Black, *Secretary*

Tom Underwood, *Vice President*

Term expires 2018

Judy Belitz, *Vice President*

Term expires 2019

Be sure to double check your arrival and departure date(s). A 2018 calendar is printed on this page for your convenience. If you like, call the Reservations Department to confirm your dates at 712-337-3223 ext. 451.

Annual Meeting Notice

We hereby notify all members that the Annual Meeting of the Members will be held on Saturday, October 27, 2018 at 3:00 P.M. A dinner will follow.

Dinner Reservations: 712-337-3223 ext.257

Room Reservations: 712-337-3223 ext.451

Account Changes

If you have a new phone number, address or email, Please notify the Sales Office at 712-337-3223 Ext.884 or email us at sales@villagewestresort.com.

2018

Week Number	Friday to Friday	Saturday to Saturday	Sunday to Sunday
1	Jan. 5-Jan. 12	Jan. 6-Jan. 13	Jan. 7-Jan. 14
2	Jan. 12-Jan. 19	Jan. 13-Jan. 20	Jan. 14-Jan. 21
3	Jan. 19-Jan. 26	Jan. 20-Jan. 27	Jan. 21-Jan. 28
4	Jan. 26-Feb. 2	Jan. 27-Feb. 3	Jan. 28-Feb. 4
5	Feb. 2-Feb. 9	Feb. 3-Feb. 10	Feb. 4-Feb. 11
6	Feb. 9-Feb. 16	Feb. 10-Feb. 17	Feb. 11-Feb. 18
7	Feb. 16-Feb. 23	Feb. 17-Feb. 24	Feb. 18-Feb. 25
8	Feb. 23-Mar. 2	Feb. 24-Mar. 3	Feb. 25-Mar. 4
9	Mar. 2-Mar. 9	Mar. 3-Mar. 10	Mar. 4-Mar. 11
10	Mar. 9-Mar. 16	Mar. 10-Mar. 17	Mar. 11-Mar. 18
11	Mar. 16-Mar. 23	Mar. 17-Mar. 24	Mar. 18-Mar. 25
12	Mar. 23-Mar. 30	Mar. 24-Mar. 31	Mar. 25-Apr. 1
13	Mar. 30-Apr. 6	Mar. 31-Apr. 7	Apr. 1-Apr. 8
14	Apr. 6-Apr. 13	Apr. 7-Apr. 14	Apr. 8-Apr. 15
15	Apr. 13-Apr. 20	Apr. 14-Apr. 21	Apr. 15-Apr. 22
16	Apr. 20-Apr. 27	Apr. 21-Apr. 28	Apr. 22-Apr. 29
17	Apr. 27-May 4	Apr. 28-May 5	Apr. 29-May 6
18	May 4-May 11	May 5-May 12	May 6-May 13
19	May 11-May 18	May 12-May 19	May 13-May 20
20	May 18-May 25	May 19-May 26	May 20-May 27
21	May 25-Jun. 1	May 26-Jun. 2	May 27-Jun. 3
22	Jun. 1-Jun. 8	Jun. 2-Jun. 9	Jun. 3-Jun. 10
23	Jun. 8-Jun. 15	Jun. 9-Jun. 16	Jun. 10-Jun. 17
24	Jun. 15-Jun. 22	Jun. 16-Jun. 23	Jun. 17-Jun. 24
25	Jun. 22-Jun. 29	Jun. 23-Jun. 30	Jun. 24-Jul. 1
26	Jun. 29-Jul. 6	Jun. 30-Jul. 7	Jul. 1-Jul. 8
27	Jul. 6-Jul. 13	Jul. 7-Jul. 14	Jul. 8-Jul. 15
28	Jul. 13-Jul. 20	Jul. 14-Jul. 21	Jul. 15-Jul. 22
29	Jul. 20-Jul. 27	Jul. 21-Jul. 28	Jul. 22-Jul. 29
30	Jul. 27-Aug. 3	Jul. 28-Aug. 4	Jul. 29-Aug. 5
31	Aug. 3-Aug. 10	Aug. 4-Aug. 11	Aug. 5-Aug. 12
32	Aug. 10-Aug. 17	Aug. 11-Aug. 18	Aug. 12-Aug. 19
33	Aug. 17-Aug. 24	Aug. 18-Aug. 25	Aug. 19-Aug. 26
34	Aug. 24-Aug. 31	Aug. 25-Sep. 1	Aug. 26-Sep. 2
35	Aug. 31-Sep. 7	Sep. 1-Sep. 8	Sep. 2-Sep. 9
36	Sep. 7-Sep. 14	Sep. 8-Sep. 15	Sep. 9-Sep. 16
37	Sep. 14-Sep. 21	Sep. 15-Sep. 22	Sep. 16-Sep. 23
38	Sep. 21-Sep. 28	Sep. 22-Sep. 29	Sep. 23-Sep. 30
39	Sep. 28-Oct. 5	Sep. 29-Oct. 6	Sep. 30-Oct. 7
40	Oct. 5-Oct. 12	Oct. 6-Oct. 13	Oct. 7-Oct. 14
41	Oct. 12-Oct. 19	Oct. 13-Oct. 20	Oct. 14-Oct. 21
42	Oct. 19-Oct. 26	Oct. 20-Oct. 27	Oct. 21-Oct. 28
43	Oct. 26-Nov. 2	Oct. 27-Nov. 3	Oct. 28-Nov. 4
44	Nov. 2-Nov. 9	Nov. 3-Nov. 10	Nov. 4-Nov. 11
45	Nov. 9-Nov. 16	Nov. 10-Nov. 17	Nov. 11-Nov. 18
46	Nov. 16-Nov. 23	Nov. 17-Nov. 24	Nov. 18-Nov. 25
47	Nov. 23-Nov. 30	Nov. 24-Dec. 1	Nov. 25-Dec. 2
48	Nov. 30-Dec. 7	Dec. 1-Dec. 8	Dec. 2-Dec. 9
49	Dec. 7-Dec. 14	Dec. 8-Dec. 15	Dec. 9-Dec. 16
50	Dec. 14-Dec. 21	Dec. 15-Dec. 22	Dec. 16-Dec. 23
51	Dec. 21-Dec. 28	Dec. 22-Dec. 29	Dec. 23-Dec. 30
52	Dec. 28-Jan. 4	Dec. 29-Jan. 5	Dec. 30-Jan. 6
53	—	—	—

Resort Reminders for Sunrise Cove Members:

1. You are responsible for your guests and renters.
2. The Resort quiet time begins at 11:00 p.m. and the Resort curfew of 11:00 p.m. is still in effect for those under the age of 18.
3. There are no fires on the beach unless it's a supervised activity by the Resort staff.
4. Due to zoning, there are no tents allowed or occupied campers.
5. All trailers are to be parked in the West Boat & Trailer parking lot.
6. Docks are private docks; some are dedicated to the tenant at the Boat House; do not park behind hoists.
7. Overnight boats tied up to docks are not permitted. Any boats in violation may be untied or fined.
8. No gas cans on the docks or next to units.
9. Please do not enter another person's boat unless invited.
10. Our docks are meant for drop off or pick up only.
11. No bikes or skateboards on the docks.
12. Check in is after 4:00 p.m. or as the units are cleaned for your use.
13. Yelling, screaming or simply being rude will not be tolerated. You will be removed and your check in packet will be brought to you outside.
14. Good employees are hard to find, so please be respectful!
15. Do not damage or destroy property.

BOARD SEAT ELECTION FOR 2018

*There will be a seat election on the Sunrise Cove Board of Directors in 2018. All Candidate Profiles MUST be received before **August 30, 2018.***

Please send profile to:
Village West Resort & Hotel
20785 170th Street
Spirit Lake, Iowa 51360
Attn: **Candidate Profile**

ALL Sunrise Cove units are designated NON-SMOKING

MINUTES OF THE ANNUAL MEETING
OF THE MEMBERSHIP OF SUNRISE COVE
TIME-SHARE ASSOCIATION, INC.

The Annual Meeting of the Membership of the Sunrise Cove Time-Share Association, Inc., an Iowa non-profit corporation, was held on the 28th day of October, 2017. The meeting was called to order by Michael Hoepfner at 3:04 p.m. in the Sales Meeting Room at Village West Resort & Hotel in Spirit Lake, Iowa.

Mr. Hoepfner introduced himself as President of the Association, Presiding Officer and acting Chairperson of the Annual Meeting of the Membership.

Mr. Hoepfner delivered the quorum report.

The presence of the following members in combination with the Developer's interests constituted a quorum, as required by the Association by-laws in order to conduct further business:

1. Karen Stephens
2. Gary & Mary Jo Coplan
3. Fred Brough
4. Rodger Bosshart
5. Tony & Peggy Staup
6. Roger & Janelle Kooiker
7. Roxanne & Roger Kasa
8. Dale Axtell
9. Lisa Lode
10. Norm and Marilyn Andersen
11. Jim & Dorothy Gmyrek
12. Steve Rome
13. Earlyn Pengelly
14. Ken & Darlene Brummond
15. Sandy & Lori Fetterman
16. Robert & Gayle Petersen
17. Russ Holst
18. Roger & Deb Meyer

Proof of notice of the meeting was submitted by Mr. Hoepfner. Mrs. Waltman confirmed that the notice of meeting was distributed on or around June 22, 2017 by First Class Mail. Mrs. Stephens certified that she received notice on or about June 29th, 2017. Proof of quorum was also submitted by Mr. Hoepfner.

Mr. Hoepfner reported that the 2016 Annual Meeting minutes were submitted in the newsletter. Mr. Meyer made the motion to waive readings of the minutes from the Annual Meeting held on the 29th day of October, 2016, and approve them as written. Motion seconded. All Ayes. Everyone in favor; motion carried.

Continuing and New Business:

Mr. Hoepfner stated that Internet is provided in the lobby and that a member from last year wanted a bid to be pursued for discussion at this year's meeting in regards to increasing Wi-Fi. The bid came back at \$150,953.00 for equipment ONLY to expand the Wi-Fi throughout the resort. This does not include what the monthly charge would be. A few owners brought up the concern that this issue needs to be explored more to see how much each unit owner would need to initially pay for set up and what the monthly charges would be. A motion was made to table the matter until all are in favor of this major expense.

Mr. Hoepfner brought up the idea of getting a wireless printer in the lobby for members to use. The printer would be located behind the front desk to deter abuse and paper waste. He posed the question of how many pages would be free or what price to charge per page. A discussion ensued between owners. A motion was made that the first 5 pages (color or black and white) are free and each additional page is \$0.25. All in favor; motion approved. Mr. Hoepfner explained that Alliant Energy who is the electricity provider for Village West and Sunrise Cove has been replacing wires that have been going bad from 25 years ago. They started in E-row and F-Row last summer and got to G-row this summer. New laws have been passed about the shut offs for power and the association will have to pay to replace them with the new ones. Mr. Hoepfner stated that if you see heavy equipment digging in the yards; that is what they are doing. Power outages will be quick and between the hours of 8 AM and 4 PM.

Mr. Hoepfner reported that because of the large employee turnover rate at the TV cable company, we are continuing to get the very cheap rate for cable, without an increase, so far.

Mr. Hoepfner noted the 3 acres of trailer parking is still getting better. There was only one incident this summer where someone from the condos next door left a trailer; and after a short phone call, they moved it immediately. Mr. Hoepfner stated that only one time this summer did someone try to check into a unit using a fake ID and the front desk caught it immediately. He said that word has gotten out that this is not a place to drop off your kids so they can party.

Once again, Mr. Hoepfner explained that those who damage units will be charged and as long as everyone is still on board with this policy it will continue to be implemented. Before Mr. Hoepfner was here, the association just ate all those costs and paid for them. Since then, each individual member who is responsible for that week and unit pays for destruction. All were still in favor of this policy.

Mr. Hoepfner reminded owners to tell those individuals that are staying in their units of the resort's rules and policies. It can alleviate simple problems before they even arise. Everyone can come and stay and have a great time but ridiculous actions and behaviors will not be put up with. He also wanted it to be known to all members that you as an owner are responsible for yourself, your guests and family AND your/their actions.

Mr. Hoepfner, again, began discussing the dumpster issue. He reminded everyone that there are 4 doors to each dumpster and if one is full, please check another door. Also, put your garbage IN the dumpster so vermin don't get into it! There are 11 dumpsters on property and the garbage company comes twice a week. Several times this summer we had to haul garbage from those dumpsters to the compactor because of the large amount of it. He also stated that neighbors in the area have been caught bringing garbage over to our property to dispose of and have been met by the police shortly afterwards. An owner raised the question of recycling and Mr. Hoepfner explained that as an association we have tried it before. The problem is that there is no one in the area that will pick it up.

Mr. Hoepfner brought up security in and around the resort. During the summer, he said he knows about 85% of the people staying here, but the other 15% he does not. Registering all your guests with the front desk can help out staff if a problem were to arise. With the way of the world today, you just never know how people will react in certain circumstances. An owner asked if there was any kind of policy for the resort in regards to firearms. Mr. Hoepfner stated there is not and should not be. If guests have a legal permit to carry a gun, there is nothing that can be done against it.

Mr. Hoepfner let it be known that the state of Iowa has mandated that anyone under the age of 12 must be accompanied by a parent in the swimming pool area. If children are found without supervision, they will be kicked out. Mr. Hoepfner noted that wildlife that may be in or around the resort area cannot be shot, trapped or moved according to the Iowa DNR. There was a family of mink that were down by the lake all summer long and some guests and owners were very concerned. He suggested to just stay away from the wildlife and they will be of no concern.

A guest was concerned about all the boats being tied to the docks. Mr. Hoepfner reminded everyone that during the day they are allowed to do that and if a post gets busted those boat owners will pay \$135 to replace the post. Boats are not allowed to be tied up overnight. He also reminded owners that swimming to the buoy is not a good idea because of the high boat traffic from the gas dock.

Mr. Hoepfner explained that new signs will be hung at the outdoor swimming pools that state if anyone caught in the pools overnight they will be charged with trespassing. Most of the top rails on the fences around the pools are bent from people sneaking in after hours.

Mr. Hoepfner let it be known that the reason Betsy's Diner is no longer open during the summer (for food, ice cream and convenience items) is because it was not making money or even breaking even. When he bought the resort 17 years ago, he told the association that everything would stay open as long as it was making money or breaking even. Once it started to cost Mr. Hoepfner money, he would close them unless the owners wanted to subsidize.

The association did not want to do this. An owner wondered why there was such a problem hiring staff for the resort in general. Mr. Hoepfner explained that when he first hired J-1 Visa students to help in the summer, there were only 20 students working in the area. This summer the Iowa Great Lakes area had around 350 students here working; which proves the point that people in this area don't want to work and every business is looking for help.

After an owner brought up the concern of Sunrise Cove's RCI rating, Mr. Hoepfner stated that he believes the only way to increase our rating is to quit charging those who damage units. He said that those are usually people who will leave a bad review and then our rating decreases. If we didn't charge for damages then the association would have to incur those costs. It's a broken system and he's not sure why.

Mr. Hoepfner stated that this winter a lot of the units will be getting new pots, pans, silverware and etc. He also reminded everyone that updating is an ongoing process always. One member was concerned about the mini putt courses looking run down. Mr. Hoepfner said that all the materials are here for the indoor course, and that repairs have to be done in the winter which is his plan to start that soon.

Mr. Hoepfner wanted to thank everyone for using the green and yellow bags for dirty laundry. It has been very helpful and saved so much time when cleaning the units for the next week's owners.

Mr. Hoepfner, again, reminded everyone that there should be someone on staff here until 10 PM every night. On Fridays, Saturdays and Sundays there is two times the work with check outs and check ins and half the staff because it's the weekend. Are there things that get missed occasionally, yes. But, if you need something, just call and someone will be there to help. On weekends it may take a little longer if there is call that has priority over another request.

A motion was made to adjourn the meeting and then head up to the Queen's room for dinner. Motion was seconded. All ayes. Everyone in favor; Motion approved.

There being no further business the 2017 Annual Meeting of the Membership was adjourned at 5:14 p.m.

Door Prize Drawing and Dinner to follow in the Queen's Room at Village West Resort & Hotel.

Submitted by Allison Waltman, Recording Secretary

Approved by Michael Hoepfner, President

2018 Member Reminders & Updates

1. If you are unsure of your arrival and departure dates, please call ahead to verify your week with the Reservations Department.
2. The Reservations Department requires at least a two (2) week notification to Bonus Pool your week(s). We do not allow LATE BANKINGS! Deadline to Bonus Pool is fourteen (14) days prior to arrival date of member week.
3. Maintenance Fees must be paid in full prior to usage or bonus pooling.
4. Maintenance fees must be paid by due date or any weeks that have been previously bonus pooled will be removed from the members account. Credits will not be reinstated for any reason.
5. No private party will be allowed to check-in under the members account unless the member has made arrangements prior to arrival date. You must contact the Reservations Department for confirmation.
6. Individuals must be twenty-one (21) to check-in and stay. The person checking in must be staying for the entire visit.
7. **A PHOTO ID and credit card are required to check-in.** Photo ID must match the name on the Reservation. If it does not, you will not be able to check in.
8. Bonus time requests, member inquiry or bonus pooling call ext. 451.
9. The number of persons in each unit cannot exceed the maximum occupancy due to fire and safety codes.
10. Resort policy does not allow any pets on property. Guests in violation will be charged and pet must be removed immediately.
11. Check-out procedures are posted on the front of your check-in envelope as well as in your Guest Directory. Please follow the procedures to avoid additional charges. Any charges due to excessive disarray, stains and late check-outs will be billed directly to your account.
12. **Check-out time is at 10:00 a.m.** All persons and belongings must be out of unit at this time. We do not permit any late check-outs!
13. When using credits in the hotel, bookings can be made only fourteen (14) days in advance. Paying discounted member rate in hotel may be booked several months in advance.
14. For your safety, a credit card will be required every time you make a reservation. Sorry, we are no longer able to keep past credit card numbers on file. This is to protect you.

2018 Sunrise Cove Maintenance Fee Schedule

	Studio	1 Bed	1 Bed Spa	Townhse	Lockout 1 Bed B	Lockout 1 Bed A	Lockout AB	Rustic	Mansion	Lockout 2 Bed AorB	Lockout 4 Bed AB
Administration	\$71.27	\$71.27	\$71.27	\$71.27	\$71.27	\$71.27	\$71.27	\$71.27	\$71.27	\$71.27	\$71.27
Maintenance	\$74.62	\$111.47	\$99.28	\$119.51	\$76.49	\$106.60	\$147.36	\$175.19	\$173.20	\$100.83	\$132.14
Recreation	\$14.03	\$14.03	\$14.03	\$14.03	\$14.03	\$14.03	\$14.03	\$14.03	\$14.03	\$14.03	\$14.03
Recreation License	\$43.78	\$43.78	\$43.78	\$43.78	\$43.78	\$43.78	\$43.78	\$43.78	\$43.78	\$43.78	\$43.78
Insurance	\$21.97	\$21.97	\$21.97	\$21.97	\$21.97	\$21.97	\$21.97	\$21.97	\$21.97	\$21.97	\$21.97
Utilities	\$74.62	\$122.17	\$118.13	\$136.39	\$78.51	\$119.29	\$168.34	\$199.93	\$196.38	\$129.02	\$233.84
Front Desk	\$62.97	\$62.97	\$62.97	\$62.97	\$62.97	\$62.97	\$62.97	\$62.97	\$62.97	\$119.38	\$119.38
Housekeeping	\$54.99	\$102.51	\$98.71	\$129.49	\$77.34	\$109.18	\$158.87	\$191.06	\$177.92	\$119.01	\$259.30
Annual Audit	\$2.32	\$2.32	\$2.32	\$2.32	\$2.32	\$2.32	\$2.32	\$2.32	\$2.32	\$2.32	\$2.32
Contract Labor	\$19.88	\$42.97	\$41.16	\$49.64	\$32.21	\$47.19	\$56.14	\$73.19	\$77.53	\$50.73	\$88.57
Bad Debt	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00
Repairs/Replacement	\$17.19	\$35.75	\$33.79	\$42.58	\$22.47	\$36.77	\$50.03	\$117.51	\$115.77	\$43.92	\$81.48
Consulting Fee	\$16.48	\$24.20	\$23.42	\$27.04	\$18.50	\$24.30	\$29.81	\$39.64	\$38.94	\$27.50	\$44.34
Security	\$2.37	\$2.37	\$2.37	\$2.37	\$2.37	\$2.37	\$2.37	\$2.37	\$2.37	\$2.37	\$2.37
Real Estate Tax	\$26.95	\$53.46	\$50.80	\$63.23	\$37.71	\$59.69	\$72.74	\$106.51	\$104.09	\$64.82	\$119.91
Maintenance Fee	\$528.44	\$736.24	\$709.00	\$811.60	\$586.94	\$746.72	\$927.00	\$1164.90	\$1145.30	\$835.95	\$1259.70

Statements for all accounts are mailed in December and due by January 30.

GOLD CARD USAGE & REGULATIONS

The Gold Card can be revoked at anytime

1. Gold card usage & benefits are limited to: Sunrise Cove Members & Immediate Family (Registered names on Family Usage Card at resort)
 2. Gold Card holders receive discounts on a year-round basis, however usage may be limited.
 3. Gold Card discounts are not available on alcoholic beverages.
 4. For all discounts, Gold Cards **MUST** be shown at time of purchase.
 5. Discounts will not be applied at check-out.
 6. All Gold Card members are required to comply with Resort rules.
-

Is Your Family Growing?

Courtesy Tours and/or purchases of Sunrise Cove Timeshare units are available. If you are interested in receiving more information regarding either, please contact us at 712-337-3223 ext. 250.

Renting your Timeshare

The Resort offers a Rental Program for those who are unable to use their unit. Please let us know as soon as possible if you are interested in having your unit rented out for you. The rental prices are enclosed in the newsletter (page 5). For rental information, please call 712-337-3223 ext. 250.

Selling Your Timeshare

There are many companies in this market claiming they will sell your timeshare for you. Please do your research prior to committing. The majority of these companies will not only take your money, but also fail to complete the closing process. Sunrise Cove does not offer a re-sale program or real estate advice however, will list your unit on our private sale listing located in the sales office. We also have additional information to help you. You can find that information on our website (www.villagewestresort.com) under Sunrise Cove Member Information. Your loan and **maintenance fees need to be paid in full** prior to selling. If you have any questions, please call 712-337-3223 ext. 250.

NO PET POLICY

Please be reminded that the rules and regulations for the Association state that "no bird, reptile, animal or pet of any kind shall be kept or harbored in the unit or on the Timeshare or Resort property unless the same, in each instance, be expressly permitted in writing by the Association." The Board of Directors have put in place a financial penalty for any violation of this policy. If you have a pet, call us and we will be happy to refer you to a nearby facility to house your pet during your stay at Village West Resort & Hotel.

Reservations
712-337-3223 ext. 451

Any member of Sunrise Cove that is NOT checking in MUST inform the Reservations Department of who their guest will be. This would include any Bonus Time Reservation or Members week. *If this information is not provided* your guest will not be permitted to check in. Any internal RCI Exchange requires a "Guest Certificate" if someone other than the RCI Member will be checking in and/or staying in that unit.

When using credits in the Village West Hotel you may book *two (2) weeks prior* to your requested arrival date. If a Member is paying the discounted rate in the Hotel, then this may be booked well in advance.

BONUS TIME GUIDELINES

Bonus Time is a benefit allowing Sunrise Cove Members to rent timeshare units from the Homeowners' Association at reduced rates for usage in addition to any week(s) owned. The following guidelines govern the Bonus Time Program:

Usage

Bonus Time is for Gold Card Members in good standing (current on maintenance fees and loan payments) and/or their immediate family (including spouses, children, parents, grandparents and grandchildren). It does NOT include aunts, uncles, nieces, nephews, cousins or friends. Person(s) checking in and staying must be at least 21 years old.

Availability

Bonus Time is based on usage of "Designated Weeks" (seven blue weeks from each unit), and/or Weeks or Days deposited in the Bonus Time Pool by Members. Bonus Time availability is NOT guaranteed.

Requests

Only Members may request Bonus Time. Only one (1) request *per member account* may be pending at a time. Bonus Time requests are taken no sooner than two (2) weeks (1-14 days) prior to usage. Requests are satisfied on a first come, first serve or space available basis. Requests for multiple units are satisfied upon availability ten days prior to arrival date. Bonus Time Reservations MUST be made during reservations hours –No bonus time will be used unless the reservation is made during these hours.

Confirmations

The reservation must be guaranteed by a credit card at the time the request is made to receive a reservation number. The Reservationist will now require a credit card each time you make a reservation. We are no longer able to keep past credit card numbers on file. **Any confirmed reservations (one or more nights) must be cancelled 72 hours prior to date of arrival.** If a reservation is cancelled after the 72-hour deadline, they will incur a charge, equal to bonus time nightly rate for the unit type reserved and/or bonus time credits will be lost. Also, please keep in mind that one CANNOT change the original bonus time reservation arrival date if it was booked 14 days prior to arrival. A member can make changes at the end of a bonus time reservation but not at the beginning. If one needs to change the arrival date, a new reservation will have to be made according to the "first come, first serve" policy. If members are on a wait list, they will be called first when cancellation occurs. Any other changes such as converting credits to bonus time rate or vice versa, need to be changed prior to date of arrival with the Reservations Department. They cannot be changed at the Front Desk upon check-in or check-out.

Bonus Time Rates (State Tax Included) As of July 1, 2017

Studio Suite	\$70/night	L Row B Studio	\$70/night
Executive Studio	\$90/night	L Row B One Bdrm	\$85/night
Studio Spa Suite	\$90/night	L Row B Two Bdrm	\$115/night
One Bdrm Suite	\$85/night	L Row A One Bdrm	\$85/night
One Bdrm Spa	\$100/night	L Row A Two Bdrm	\$115/night
Two Bed TH	\$95/night	L Row AB Two Bdrm	\$115/night
Three Bd TH	\$125/night	L Row AB Four Bdrm	\$195/night
Mansion	\$140/night	Rustic	\$150/night

Payments

Advance payments by credit card, check or money order is accepted but not required. Advance payments are refunded if reservations are cancelled 72 hours prior to check-in. Total lodging charges are not reduced upon early departure. Full payment is required at check-out. Gold Card lodging discounts DO NOT apply to Bonus Time usage.

SPLIT WEEK GUIDELINES

Split week usage is a Gold Card benefit which allows members to take their week or weeks and split them into several vacations at Sunrise Cove. The following guidelines govern the split week option for members in good standing.

Split Week Pooling

Members in good standing may deposit 1 to 7 days of their week or weeks in the bonus time pool in exchange for credit to be used at a different time, *subject to availability*. Bonus pooled credits are good for two years starting from the year they were pooled and will expire on the day before your week begins. Example- If the week pooled was 2007, they would expire in 2009. If you have a week 16 and it starts on April 18 in 2009, your 2007 credits would expire on April 17, 2009 (the day before you would check-in).

Split and pooled time must be done *no later* than 2 weeks prior to the start of your week. This time may be used by family members or friends. Also, the reservation can **ONLY** be made by the **OWNER** of the timeshare.

Credits are redeemed at the rental rate of the size of the unit deposited (or smaller) and applied to the rental rate of the unit reserved. Reserving larger units than what is deposited require upgrade costs per night (the difference between the sizes of the units). No refunds are granted when credits are redeemed in a smaller unit than what is deposited.

The maintenance fee you pay per year allows you one complete cleaning of your unit. If you split your week, your first usage is a part of your annual maintenance fee. Your second or third visit will have a modest cleaning fee per stay (not per night) to compensate your Member's Association for the additional cleans.

Split Week Cleaning Fees: (State Tax Included) As of January 1, 2015.

Studio	\$41.75	L Row B Studio	\$41.75
Executive Studio	\$47.25	L Row B One Bedroom	\$56.50
Studio Spa	\$50.00	L Row B Two Bedroom	\$71.00
One Bedroom	\$56.50	L Row A One Bedroom	\$56.50
One Bedroom Spa	\$59.50	L Row A Two Bedroom	\$71.00
2 Bedroom TH	\$66.00	L Row AB Two Bedroom	\$90.00
3 Bedroom TH	\$75.00	L Row AB Four Bedroom	\$115.00
Mansion/Rustic	\$98.50		

Sunrise Cove Reservation Hours

Phone Number: 712-337-3223 ext. 451

Monday - Friday: 8am to 3pm
Saturday & Sunday: Closed

Current Policy on using Sunrise Cove Credits in Village West Hotel rooms

June 22nd - August 20th, 2018:

Sunrise Cove Members will be able to use Bonus Time Credits in the hotel on
MONDAY, TUESDAY, WEDNESDAY AND THURSDAY evenings.

**No Bonus Time Credits are able to be used in the hotel on
FRIDAY, SATURDAY OR SUNDAY evenings.**

4th of July:

Bonus Time Credits will not be able to be used on this holiday.

August 21st, 2018 – June 20th, 2019:

Sunrise Cove Members are able to use Bonus Time Credits in the hotel any day of the
week.

2 Night Minimum required

During the month of July, there will be a 2-night minimum requirement when booking a
hotel room during the weekends (Friday & Saturday).

Notice to Members renting out their unit privately

*If you have rented out your timeshare unit, prior arrangements
MUST be made prior to the day of check in.*

The Member is required to contact the Reservations department with the renter(s) name. If you
have not done so, your renter will not be able to check in! Also, the Member is responsible to
inform their renter of the Resort policies and procedures to avoid additional charges for
excessive disarray, stains and damages or stolen property. If this occurs, the Member will be
charged accordingly.

****NEW check in process****

For security reasons and your safety, our check in process will take an additional moment.

Upon check in, you must be 21 years of age and a photo ID along with a credit card for
authorization is required. The photo ID and credit card must match the name on the reservation.
If it does not, then you will not be able to check in. If you or your guests have multiple cars, all
plate numbers must be recorded at the Front Desk.

Thank you in advance for your patience.

<p>Village West Boat House (712) 331-3223 ext. 239</p> <p>Daily & Weekly Boat Hoist Rentals 24-Hour Gas Dock</p> <p>Snacks, Ice & Beverages available here!</p>	<p>Make-A-Wake Watersports (712) 331-3223 ext. 238</p> <p>Boat & Jet Ski Rentals <i>*ask about our 8-hour special!</i></p> <p>Along with wakeboards, skis, kneeboards, Paddle Boat & Kayak Rentals! Maui Mat Rentals</p>
<p>Stone's Throw Gift Shop (712) 331-3223 ext. 297 Open Year Round</p> <p>We have something for everyone! Okoboji souvenirs Home Décor Shoes/Clothing for him & her</p>	<p>Boathouse Bakery (712) 331-3223 ext. 331</p> <p><i>Come enjoy the beautiful view of West Lake Offering: Breakfast, Lunch, Ice Cream Treats, baked goodies & fresh coffee!</i></p> <p><i>Open: On Season</i></p>
<p>Betsy's Diner (712) 331-3223 ext. 444</p> <p>Breakfast, Lunch & Daily Specials! Regular Menu Available</p> <p><i>Open: OFF Season</i></p>	<p>Main Event Bar & Eatery (712) 331-3223 ext.223</p> <p>Enjoy our Friday & Saturday specials! Serving food from 5 P.M. to close.</p> <p>Eat in or carry out!</p>

Change to the Checkout Procedures

We appreciate everyone that follows the Sunrise Cove Check-out procedures. By you completing a few tasks, it speeds up the process for the next Members to get checked in as soon as possible. Now, instead of placing the loose linens in the bathtub we have provided each unit with 2 bags, one green and the other yellow. Upon your departure, place the dirty bathroom and kitchen towels in the green bag and the dirty sheets and pillowcases go into the yellow bag. Once filled, put the bags in the downstairs bathroom. Thank you in advance!

Reminder

We do not supply any Sunrise Cove unit with extra: Paper towels, Kleenex, toilet paper or linens. Each unit is stocked to the occupancy upon arrival. If you require extra, you will need to supply your own.

Check-in Requirements

We have taken extra precautionary measures to ensure your security.
The following will be required upon check in:

- Photo ID or Driver's License
- Credit Card for authorization (MasterCard, Visa, Discover or Amex)
- Name on Reservation MUST match the photo ID
- License Plate numbers for ALL vehicles on property
- Must be 21 years of age to check-in

Interested in Additional Timeshare units?

The Resort has available units, as well as a list of private/member units for sale.
Please call 712-337-3223 ext. 250 or email marne@villagewestresort.com.

Rental Rates for Timeshare Units

Contact us at 712-337-3223 ext. 250
if you would like to submit your unit into the Rental Program.

Red Weeks (21-39) May through September/25 – 33 (preferred & most rentable)

<u>Unit</u>	<u>Weekly Rental</u>	<u>Owner Amount</u>
Mansion	\$3175.00 (+10% IA tax) = \$3492.50	\$2143.00
Rustic	\$3300.00 (+10% IA tax) = \$3630.00	\$2227.00
4 BD Lockout	\$4225.00 (+10% IA tax) = \$4647.50	\$2851.00
2 BD Lockout	\$2550.00 (+10% IA tax) = \$2805.00	\$1721.00
2&3 BD Townhouse	\$2300.00 (+10% IA tax) = \$2530.00	\$1552.00
One Bedroom	\$1500.00 (+10% IA tax) = \$1650.00	\$1012.00
Spa Studio	\$1350.00 (+10% IA tax) = \$1485.00	\$ 911.00
Studio	\$1175.00 (+10% IA tax) = \$1292.50	\$ 793.00

White/Blue Weeks (1-20 & 40-52) Sept. – May/Off Season (weeks more difficult to rent)

<u>Unit</u>	<u>Weekly Rental</u>	<u>Owner Amount</u>
Mansion	\$1670.00 (+10% IA tax) = \$1837.00	\$1169.00
Rustic	\$1735.00 (+10% IA tax) = \$1908.50	\$1214.50
4 BD Lockout	\$2200.00 (+10% IA tax) = \$2420.00	\$1540.00
2 BD Lockout	\$1335.00 (+10% IA tax) = \$1468.50	\$ 934.50
2&3 BD Townhouse	\$1200.00 (+10% IA tax) = \$1320.00	\$ 840.00
One Bedroom	\$ 770.00 (+10% IA tax) = \$ 847.00	\$ 539.00
Spa Studio	\$ 700.00(+10% IA tax) = \$ 770.00	\$ 490.00
Studio	\$ 600.00(+10% IA tax) = \$ 660.00	\$ 420.00

SUNRISE COVE TIME SHARE
ASSOCIATION, INC.
WEST LAKE OKOBOJI, IOWA
AUDITED
FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

ROBB SCOTT
BRADSHAW & RAWLS, PC

Phone: (757) 539-3446 • Fax: (757) 539-4278

CERTIFIED PUBLIC ACCOUNTANTS

1426 Holland Road • Suffolk, VA 23434

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Sunrise Cove Time Share Association, Inc.
West Lake Okoboji, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of Sunrise Cove Time Share Association, Inc. which comprise the balance sheet as of December 31, 2017, and the related statements of revenues, expenses and changes in fund balances and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sunrise Cove Time Share Association, Inc. as of December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

ROBB SCOTT BRADSHAW & RAWLS, PC

Robb Scott Bradshaw & Rawls, PC

Certified Public Accountants

June 25, 2018

Sunrise Cove Time Share Association, Inc.
West Lake Okoboji, Iowa
BALANCE SHEET
December 31, 2017

	Operating Fund	Replacement Fund	Total
ASSETS			
CURRENT ASSETS:			
Cash	\$ 18,036	\$ 44,282	\$ 62,318
Certificate of deposit	-	105,476	105,476
Certificate of deposit - restricted	-	446,500	446,500
Maintenance fees receivable - net	-	-	-
Prepaid expenses	37,045	-	37,045
Building - net	234,150	-	234,150
Interfund balances	(1,018,483)	1,018,483	-
TOTAL ASSETS	\$ (729,252)	\$ 1,614,741	\$ 885,489
LIABILITIES AND FUND BALANCES			
CURRENT LIABILITIES:			
Accounts payable and accrued expenses	\$ 406,323	\$ -	\$ 406,323
Deferred maintenance fees	24,228	-	24,228
Income taxes payable	18,705	4,898	23,603
TOTAL LIABILITIES	\$ 449,256	\$ 4,898	\$ 454,154
FUND BALANCES:			
Fund balances (deficit)	(1,178,508)	1,609,843	431,335
TOTAL LIABILITIES AND FUND BALANCES	\$ (729,252)	\$ 1,614,741	\$ 885,489

Sunrise Cove Time Share Association, Inc.
West Lake Okoboji, Iowa
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
For the Year Ended December 31, 2017

	Operating Fund	Replacement Fund	Total
REVENUES:			
Maintenance fee assessed and billed	\$ 2,836,852	\$ 246,893	\$ 3,083,535
Finance charges	56,807	-	56,807
Other income	4,551	-	4,551
Total Revenues	\$ 2,898,210	\$ 246,893	\$ 3,144,893
OPERATING EXPENSES:			
Housekeeping and guest supplies	\$ 760,809	-	\$ 760,809
Utilities	378,846	-	378,846
Repairs and maintenance	389,621	-	389,621
Bad debt	467,990	40,695	508,685
Recreation	230,021	-	230,021
Replacement fund expenses	-	193,282	193,282
Management and consulting fees	150,348	-	150,348
Administrative and general	188,434	-	188,434
Real estate taxes	165,404	-	165,404
Insurance	74,617	-	74,617
Telephone	25,810	-	25,810
Total Operating Expenses	\$ 2,806,900	\$ 233,977	\$ 3,040,877
EXCESS OF REVENUES OVER EXPENSES BEFORE OTHER INCOME (EXPENSES)	\$ 91,310	\$ 12,706	\$ 104,016
OTHER INCOME (EXPENSES):			
Interest income	-	6,378	6,378
Depreciation	(18,069)	-	(18,069)
Penalties	(45)	-	(45)
Interest expense	(312)	-	(312)
Total Other Income (Expenses)	\$ (18,426)	\$ 6,378	\$ (12,048)
EXCESS OF REVENUES OVER EXPENSES BEFORE INCOME TAXES	\$ 72,884	\$ 19,084	\$ 91,968
PROVISION FOR INCOME TAXES	(18,705)	(4,898)	(23,603)
EXCESS OF REVENUES OVER EXPENSES	\$ 54,179	\$ 14,186	\$ 68,365
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(1,232,887)	1,595,657	362,970
FUND BALANCE (DEFICIT) - END OF YEAR	\$ (1,178,508)	\$ 1,609,843	\$ 431,335

Sunrise Cove Time Share Association, Inc.
West Lake Okoboji, Iowa
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2017

	Operating Fund	Replacement Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Excess of revenue over expenses	\$ 54,179	\$ 14,186	\$ 68,365
Adjustments to reconcile to net cash from operating activities:			
Depreciation	18,069	-	18,069
Change in:			
Maintenance fees receivable	-	-	-
Prepaid expenses	(1,048)	-	(1,048)
Interfund balances	(4,295)	4,295	-
Accounts payable and accrued expenses	(8,728)	-	(8,728)
Deferred maintenance fees	(83,080)	-	(83,080)
Income taxes payable	10,769	4,898	15,667
NET CASH FROM OPERATING ACTIVITIES	\$ (14,134)	\$ 23,379	\$ 9,245
CASH FLOWS FROM INVESTING ACTIVITIES:			
Reinvestment in certificates of deposit	-	(5,681)	(5,681)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Principal payments on note payable	(37,406)	-	(37,406)
NET CHANGE IN CASH	\$ (51,540)	\$ 17,698	\$ (33,842)
CASH - BEGINNING OF YEAR	69,576	26,584	96,160
CASH - END OF YEAR	\$ 18,036	\$ 44,282	\$ 62,318
Supplemental disclosure of cash flow information:			
Interest paid in cash			\$ 312

NOTE 1: DESCRIPTION OF THE ASSOCIATION AND RELATED PARTIES

The Association

Sunrise Cove Time Share Association, Inc. (Association) is a not-for-profit Iowa Corporation organized to operate, govern, administer and manage the property and affairs of the Sunrise Cove Time Share Association at Village West Resort (Resort).

The Association is organized to act as the governing association, within the meaning of the Iowa Timeshare Act (Chapter 557A, Iowa Code, (1988)), for the Sunrise Cove at Village West Resort, located on West Lake Okoboji, Iowa. The Association is incorporated in the State of Iowa under the provisions of the Iowa Nonprofit Corporation Act (Chapter 504A, Iowa Code, (1988)) and, therefore, shall not be operated for profit and shall make no distribution of income to its members, directors or officers.

The members of the Association are the owners of the unit weeks committed to interval ownership. Each unit week shall be entitled to one vote in voting by the membership.

The majority of the members of the Board of Directors shall be elected by the Developer (as hereinafter defined) until three months after 85% of the timeshare estate that has been, or ultimately could be, operated by the Association has been conveyed to purchasers of the unit weeks. The remaining directors shall be elected to the Board of Directors by the membership in accordance with the Association's Articles of Incorporation and By-Laws. At December 31, 2017, the Developer had not turned over control of the Association's Board of Directors to the unit week owners.

The Resort

Located on the Resort are free standing and multi-unit timeshare buildings and timeshare units that were converted from hotel rooms. The Developer has committed several phases comprising 129 units (and representing 5,805 unit weeks). The existing units are configured as studios, executive style suites, and one, two and three bedrooms. Each unit is subdivided into 45 use periods and seven bonus weeks. All sales to date have been sold on a fixed-time use basis. The Developer may add additional units on adjacent property.

The Developer

Iowa Resort Holding, L.L.C. (Developer), an Iowa limited liability corporation, is the owner and Developer of the Resort. The Developer maintains recreation facilities and common area amenities, and marketing and sales facilities on-site. The Developer holds title to all real estate on which all the existing units are built. The type of units added in any expansion will be at the discretion of the Developer. The timeshare program may be terminated or amended at any time at the sole discretion of the Developer. See discussion regarding this relationship and related transactions and balances in Notes 7 and 8.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Real Property and Equipment (Continued)

The Association's timeshare program with the Developer consists of the use of 52 weeks of a single timeshare unit. Those weeks are broken down into 45 regular weeks, 5 bonus weeks, and 1 maintenance week. Depreciation is applied on a straight line basis over the estimated useful life of 27.5 years.

Revenue and Deferred Maintenance Fees

The Association assesses an annual maintenance fee based on the annual budget as determined from prior year costs approved by the Board of Directors. Each Association member is a unit week owner and a proportionate amount of the maintenance fees is assessed for each unit week. Members are billed in November of each year for the succeeding year's fees. Any such billings collected prior to the beginning of the succeeding year are included in deferred maintenance fees on the Balance Sheet.

Expense Allocations

With the exception of consulting fees, all expenses, including real estate taxes, are allocated to the Association from the Consultant and the Developer based on invoices received for the entire resort. These allocations vary based on the type of expense.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

Real estate taxes accrued of \$165,404 are included in accounts payable and accrued expenses on the accompanying Balance Sheet. This accrual was estimated based on prior real estate tax bills.

The accounts receivable balance has carried forward from prior years. The allowance for doubtful accounts is a provision for probable uncollectible accounts within the accounts receivable balance. The accounts receivable balance as presented on the Balance Sheet of \$0 represents gross receivables of \$1,411,542 less the allowance for doubtful accounts of \$1,411,542. The Association has developed a policy that receivables greater than 120 days old are uncollectible. For the year ended December 31, 2017, the Association estimated the allowance for doubtful accounts balance, since its inception in 1989 to be \$1,411,542. The Association's management will continue efforts to collect all receivable balances until all means have been exhausted.

NOTE 1: DESCRIPTION OF THE ASSOCIATION AND RELATED PARTIES (Continued)

The Consultant

Goodmanagement, L.L.C. (Consultant) is a Virginia limited liability company. The Consultant provides supervision, management and operational support for the timeshare program and provides the necessary accounting services for the Association. The consulting and accounting agreement provides for automatic one-year renewals. See additional discussion regarding this relationship and related transactions and balances in Note 8.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Association prepares its financial statements on the accrual basis of accounting. Separate fund balances are maintained for the Operating Fund and Replacement Fund based on different funding and statutory policies.

The Operating Fund reflects the operating assessments paid by unit week owners to meet the regular, recurring costs of operations. Expenditures from this fund are for those items connected with the Association's day-to-day activities and for real estate property taxes.

The Replacement Fund is comprised of all assessments paid by unit week owners to fund the future replacement, major repair and purchase of commonly owned assets. Expenditures from this fund are designated to those items for which assessments were paid.

Maintenance fees receivable at December 31, 2017 represents member assessments outstanding, including weeks in collections, related to unit weeks sold. This receivable is collateralized by a warranty deed on the unit week.

Cash Equivalents

The Association considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Real Property and Equipment

As stated in the timeshare ownership documents, real property and common areas and related improvements to such property are not recorded in the Association's financial statements because interests in these properties are conveyed to the individual unit week owners in common, and not to the Association. Additions to these assets are accounted for as expenditures in the Replacement Fund.

In accordance with prevailing industry standards and practices, personal property acquired by the Association, to which it has title, has not been capitalized in the accompanying financial statements. Accordingly, there is no provision for depreciation for these items in the Association's financial statements.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates (Continued)

For the year ended December 31, 2017, of the total Maintenance fees assessed and billed and total bad debt expense incurred, the Association has allocated \$248,683 and \$40,695, respectively, to the Replacement Fund. Based on management assumptions, this allocation was determined to be 8% of the respective account balance.

Income Taxes

For 2017, the Association filed its federal income tax return as a regular corporation. As a regular corporation, in determining taxable income, nonmembership income, net of related expenses, is taxed at regular corporate rates. Maintenance fee expenses are deducted from maintenance fee revenues, and reserve assessments for future replacements are not treated as taxable income in accordance with revenue rulings issued by the Internal Revenue Service. For 2017, the Association had federal and state income tax expense of \$17,439 and \$6,164, respectively. The provision for income taxes has been allocated between the operating fund and replacement fund based on the excess of revenue over expenses. For 2017, the allocation to the operating fund and replacement fund was \$18,705 and \$4,898, respectively. The Association has determined that it does not have any material unrecognized tax benefits or obligations as of December 31, 2017. Fiscal years ending on or after December 31, 2014 remain subject to examination by federal and state tax authorities.

The following is a reconciliation of the federal statutory income tax amount on income to the provision for income taxes:

Federal income tax expense	\$	(17,439)
State income tax expense		(6,164)
Total provision for income taxes	\$	<u>(23,603)</u>

NOTE 3: CREDIT RISK

Financial instruments that potentially subject the Association to concentrations of credit risk consist principally of interest-bearing cash on deposit with a financial institution. Interest-bearing accounts at this financial institution are insured by Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2017, the financial institution's collected funds exceeded the FDIC limit by \$364,294.

NOTE 4: SUBSEQUENT EVENTS

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through June 25, 2018, the date the financial statements were available to be issued.

Sunrise Cove Time Share Association, Inc.
West Lake Okoboji, Iowa
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5: CERTIFICATE OF DEPOSIT

In 2009, the Association invested in two certificates of deposit with a local financial institution, both earning interest at 1.05%. Both certificates of deposit matured on February 5, 2010, but have not been redeemed at December 31, 2017.

NOTE 6: BUILDING

Building consists of the following:

One timeshare unit	\$ 496,910
Less: Accumulated depreciation	<u>(262,760)</u>
Total	<u>\$ 234,150</u>

NOTE 7: RECREATIONAL LICENSE AND RELATED FEES

The Association has entered into a recreational license with the Developer. The Developer owns the Resort, which includes recreational facilities and meeting space, as well as all real estate and common areas on which the existing units are built. A fee is paid by timeshare owners for the use of existing recreational facilities at Village West Resort and collected through the maintenance assessment. The fee is determined by the cost incurred by the Developer. These amenities include an indoor 9-hole miniature golf course, an outdoor 9-hole miniature golf course, docks, one tennis court, three swimming pools, a health club, beach and other common recreational space.

NOTE 8: RELATED PARTY AGREEMENTS, TRANSACTIONS AND BALANCES

As disclosed in Note 1, Goodmanagement, L.L.C. (Consultant), a related party, due to the fact that the President and majority owner of the Consultant is also a member of the Board of Directors, provides supervision and consulting as well as the necessary accounting services for the Association. Under the terms of the consulting management agreement, the Consultant was granted the authority to provide consulting services to the Association, through employees and experts retained by it, incidental to the consulting and operations of the Resort. The fees paid to the Consultant under this agreement are made up of two components; a consulting fee, which equals 7% of all funds the Consultant is required to collect pursuant to the budget, and a financial services fee of \$1,547 per month, plus out of pocket expenses, which is in consideration for information, services, and financial reports. Amounts due to the Consultant of \$26,471 are included in accounts payable and accrued expenses on the Balance Sheet at December 31, 2017. The Association paid the Consultant \$131,148 for consulting fees and \$19,200 for financial services fees, and such fees are included in management and consulting fees on the Statement of Revenues, Expenses and Changes in Fund Balances.

Sunrise Cove Time Share Association, Inc.
West Lake Okoboji, Iowa
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017

NOTE 8: RELATED PARTY AGREEMENTS, TRANSACTIONS AND BALANCES (Continued)

As disclosed in Note 7, the Association has entered into a recreational license with the Developer, a related party. The Association also contracts a third party owned by the Developer, whose employees provide services and maintenance for the members. Amounts due to the Developer of \$17,725 are included in accounts payable and accrued expenses on the Balance Sheet at December 31, 2017. The Association paid the Developer \$277,259 for maintenance of recreation facilities, common area amenities, and contracted labor, and \$162,406 for housekeeping and other administrative expense included in repairs and maintenance, recreation, administrative and general, and throughout other expense accounts on the Statement of Revenues, Expenses and Changes in Fund Balances.

NOTE 9: FUTURE REPAIRS AND REPLACEMENTS

The Association has established a Replacement Fund for future repairs and replacements. The cash in the Fund is maintained in a nonoperating account with a bank. It is the Association's policy to retain interest earned on such funds in the Replacement Fund.

In 2017, \$193,282 was expended by the Replacement Fund. This amount was approved by the Board of Directors. In the event that a replacement or major repair is necessary, the Association has the authority to assess unit owners for the cost of such expenditures at the time the expenditures are made. Actual expenditures may vary from estimated future expenditures, and variations may be material.

