

2019



Newsletter

Rec'd
8/24

www.villagewestresort.com

E-Mail Address: fun@villagewestresort.com

2019

Sunrise Cove Board of Directors:

Mike Hoepfner, *President*

Dale Goodman, *Treasurer*

Rod Black, *Secretary*

Tom Underwood, *Vice President*
Term expires Fall 2021

Judy Belitz, *Vice President*
Term expires Fall 2019

Be sure to double check your arrival and departure date(s). A 2019 calendar is printed on this page for your convenience & 2020 is on the back page. 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 26, 2019 at 3:00 P.M. A dinner will follow.
Dinner Reservations: 712-337-3223 ext.257
Room Reservations: 712-337-3223 ext.451

Check-in Time

The Resort's check in is after 4:00 p.m.

OR

AS THE UNITS ARE CLEAN FOR YOUR USE.

| Week Number | Friday to Friday | Saturday to Saturday | Sunday to Sunday |
|-------------|------------------|----------------------|------------------|
| 1 | Jan.4-Jan.11 | Jan.5-Jan.12 | Jan.6-Jan.13 |
| 2 | Jan.11-Jan.18 | Jan.12-Jan.19 | Jan.13-Jan.20 |
| 3 | Jan.18-Jan.25 | Jan.19-Jan.26 | Jan.20-Jan.27 |
| 4 | Jan.25-Feb.1 | Jan.26-Feb.2 | Jan.27-Feb.3 |
| 5 | Feb.1-Feb.8 | Feb.2-Feb.9 | Feb.3-Feb.10 |
| 6 | Feb.8-Feb.15 | Feb.9-Feb.16 | Feb.10-Feb.17 |
| 7 | Feb.15-Feb.22 | Feb.16-Feb.23 | Feb.17-Feb.24 |
| 8 | Feb.22-Mar.1 | Feb.23-Mar.2 | Feb.24-Mar.3 |
| 9 | Mar.1-Mar.8 | Mar.2-Mar.9 | Mar.3-Mar.10 |
| 10 | Mar.8-Mar.15 | Mar.9-Mar.16 | Mar.10-Mar.17 |
| 11 | Mar.15-Mar.22 | Mar.16-Mar.23 | Mar.17-Mar.24 |
| 12 | Mar.22-Mar.29 | Mar.23-Mar.30 | Mar.24-Mar.31 |
| 13 | Mar.29-Apr.5 | Mar.30-Apr.6 | Mar.31-Apr.7 |
| 14 | Apr.5-Apr.12 | Apr.6-Apr.13 | Apr.7-Apr.14 |
| 15 | Apr.12-Apr.19 | Apr.13-Apr.20 | Apr.14-Apr.21 |
| 16 | Apr.19-Apr.26 | Apr.20-Apr.27 | Apr.21-Apr.28 |
| 17 | Apr.26-May 3 | Apr.27-May 4 | Apr.28-May 5 |
| 18 | May 3-May 10 | May 4-May 11 | May 5-May 12 |
| 19 | May 10-May 17 | May 11-May 18 | May 12-May 19 |
| 20 | May 17-May 24 | May 18-May 25 | May 19-May 26 |
| 21 | May 24-May 31 | May 25-Jun.1 | May 26-Jun.2 |
| 22 | May 31-Jun.7 | Jun.1-Jun.8 | Jun.2-Jun.9 |
| 23 | Jun.7-Jun.14 | Jun.8-Jun.15 | Jun.9-Jun.16 |
| 24 | Jun.14-Jun.21 | Jun.15-Jun.22 | Jun.16-Jun.23 |
| 25 | Jun.21-Jun.28 | Jun.22-Jun.29 | Jun.23-Jun.30 |
| 26 | Jun.28-Jul.5 | Jun.29-Jul.6 | Jun.30-Jul.7 |
| 27 | Jul.5-Jul.12 | Jul.6-Jul.13 | Jul.7-Jul.14 |
| 28 | Jul.12-Jul.19 | Jul.13-Jul.20 | Jul.14-Jul.21 |
| 29 | Jul.19-Jul.26 | Jul.20-Jul.27 | Jul.21-Jul.28 |
| 30 | Jul.26-Aug.2 | Jul.27-Aug.3 | Jul.28-Aug.4 |
| 31 | Aug.2-Aug.9 | Aug.3-Aug.10 | Aug.4-Aug.11 |
| 32 | Aug.9-Aug.16 | Aug.10-Aug.17 | Aug.11-Aug.18 |
| 33 | Aug.16-Aug.23 | Aug.17-Aug.24 | Aug.18-Aug.25 |
| 34 | Aug.23-Aug.30 | Aug.24-Aug.31 | Aug.25-Sep.1 |
| 35 | Aug.30-Sep.6 | Aug.31-Sep.7 | Sep.1-Sep.8 |
| 36 | Sep.6-Sep.13 | Sep.7-Sep.14 | Sep.8-Sep.15 |
| 37 | Sep.13-Sep.20 | Sep.14-Sep.21 | Sep.15-Sep.22 |
| 38 | Sep.20-Sep.27 | Sep.21-Sep.28 | Sep.22-Sep.29 |
| 39 | Sep.27-Oct.4 | Sep.28-Oct.5 | Sep.29-Oct.6 |
| 40 | Oct.4-Oct.11 | Oct.5-Oct.12 | Oct.6-Oct.13 |
| 41 | Oct.11-Oct.18 | Oct.12-Oct.19 | Oct.13-Oct.20 |
| 42 | Oct.18-Oct.25 | Oct.19-Oct.26 | Oct.20-Oct.27 |
| 43 | Oct.25-Nov.1 | Oct.26-Nov.2 | Oct.27-Nov.3 |
| 44 | Nov.1-Nov.8 | Nov.2-Nov.9 | Nov.3-Nov.10 |
| 45 | Nov.8-Nov.15 | Nov.9-Nov.16 | Nov.10-Nov.17 |
| 46 | Nov.15-Nov.22 | Nov.16-Nov.23 | Nov.17-Nov.24 |
| 47 | Nov.22-Nov.29 | Nov.23-Nov.30 | Nov.24-Dec.1 |
| 48 | Nov.29-Dec.6 | Nov.30-Dec.7 | Dec.1-Dec.8 |
| 49 | Dec.6-Dec.13 | Dec.7-Dec.14 | Dec.8-Dec.15 |
| 50 | Dec.13-Dec.20 | Dec.14-Dec.21 | Dec.15-Dec.22 |
| 51 | Dec.20-Dec.27 | Dec.21-Dec.28 | Dec.22-Dec.29 |
| 52 | Dec.27-Jan.3 | Dec.28-Jan.4 | Dec.29-Jan.5 |
| 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 2019

There will be a seat election on the Sunrise Cove Board of Directors in 2019.

*All Candidate Profiles MUST be received before **August 30, 2019.***

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 27th day of October, 2018. The meeting was called to order by Michael Hoepfner at 3:05 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. Karren Stephens | 10. Jeff Hoel | 19. Mark & Barb Picht |
| 2. Clarence & Pauline Stubbe | 11. Kevin & Twila Conklin | 20. Marj Wellendorf |
| 3. Fred & Cindy Brough | 12. Kenny & Joann Dubois | 21. Sarah Birdwell |
| 4. Rodger Bosshart | 13. Jack & Brenda Hayne | 22. Bruce & Terri Thomas |
| 5. Glen & Joyce Metzger | 14. Ron & Joyce Bettin | 23. Norma Tvedte |
| 6. Beulah Imming | 15. Sandy & Lori Fetterman | 24. Chuck & Kim Heck |
| 7. Roxanne & Roger Kasa | 16. Robert & Gayle Petersen | 25. Greg & Gayla Place |
| 8. Dale Axtell | 17. Jeff & Barb Monster | 26. John & Betty Lou Ratzloff |
| 9. Robert Beck | 18. Roger & Deb Meyer | 27. Steve & Suzie Rodriguez |

Proof of notice of the meeting was submitted by Mr. Hoepfner. Mrs. Stephens confirmed that the notice of meeting was distributed on or around July 30, 2018 by First Class Mail. Mrs. Stephens also certified that she received notice on or about August 3, 2018. Proof of quorum was also submitted by Mr. Hoepfner.

Mr. Hoepfner reported that the 2017 Annual Meeting minutes were submitted in the newsletter. Mr. Hoel made the motion to waive readings of the minutes from the Annual Meeting held on the 28th day of October, 2017, and approve them as written. Motion seconded; all "ayes." Everyone in favor; motion carried.

Mr. Hoepfner announced there were 3 parties (Tom Underwood, Roger Meyer and Roxanne Kasa) running for one seat on the Sunrise Cove Board of Directors. Rules of the election were provided in the handout as well as candidate profiles. Two members, Bruce Thomas and Fred Brough were approved as volunteer inspectors of the election and stepped out of the meeting, momentarily, to count all the valid proxies.

Continuing and New Business:

Mr. Hoepfner wanted to let the members know from last year's meeting, that RCI is a part of the Wyndham Destination Network and the Wyndham Worldwide family of brands. He also wanted to note that RCI is a timeshare broker that does not sell or develop timeshares; that this falls within the province of RCI's sister-Wyndham Worldwide's subsidiary Wyndham Vacation Ownership. Along with the RCI discussion, Mr. Hoepfner reminded the members that once an owner deposits their week with RCI, Sunrise Cove cannot touch it to rent it out! That is why units are sometimes empty during busy times of the year. Wyndham has been using some very unfavorable tactics to rent out weeks to non-RCI members who are Wyndham members and mistreating RCI members. Mr. Hoepfner raised the concern that Wyndham should treat Sunrise Cove better, considering it is the last of only 2 RCI resorts in the state of Iowa.

A member wanted it explained what he (member) owns and what Mr. Hoepfner owns. Mr. Hoepfner clarified that each member owns a week of time in a particular unit and that he (Mr. Hoepfner's Company) owns everything else, including all the land and real estate. He bought the property when it was in bad shape and broke, and knew it was going to take some TLC to bring the resort back up to the level it is today. He also does not intend to sell it as long as the association appreciates what he is doing here.

Mr. Hoepfner informed the association that with the help of another member he has found the equipment to have Wi-Fi possibly available throughout the whole resort. The cost is significantly less, compared to the previous bid of \$150,000; coming in at approximately \$7,000. As Mr. Hoepfner is been the one here every night rather than pay for security he will continue to do to save the money for the internet. Mr. Hoepfner did want it to be known that the provider, Mediacom, only has one line that services us so if all 1,580 people (full capacity) are using the wi-fi, it is not going to be very fast. One way this will not get slowed down is by not streaming video services or playing online live games on Village West's Wi-Fi connection. These types of things will be restricted when the system is set up. Mr. Hoepfner reminded the members that Mediacom is not only the internet provider, but the cable provider as well. So, if there is in outage or disruption, both cable and internet will be down. A motion was made to spend the approximately \$7,000 for equipment and set up for Wi-Fi throughout the resort. All were in favor, none were opposed so the motion was carried.

Mr. Hoepfner asked everyone to find the handout that explained 3 items that present association members needed to determine. First was in reference to the turning off and on of fireplaces during the summer. For the past few years, maintenance has shut off the gas to fireplaces during these months, but this past summer there were complaints when members were unable to use the fireplace in the summer. The problem when they are not shut off is that the A/C units freeze up because both are being run at the same time. A motion was made, by a member, to turn the gas off approximately a week before Memorial Day and turn it back on approximately a week after Labor Day. All were in favor with none opposed, so the motion was carried. Secondly, to catch people's attention and deter damage to units, Mr. Hoepfner proposed increasing fees for not following checkout procedures from \$20 to \$50. All members that spoke up on this idea were in agreement. A motion was made to increase the fee to \$50. All "ayes"; motion carried. Lastly, Mr. Hoepfner proposed changing out the over-the-stove microwave/fan units to a simple plug-in freestanding microwave with an above stove cabinet or something safe. The reasons for this are: 1. Owners/guests are not notifying the front desk that they're broken until check out on the weekend when there is only potentially one maintenance person on duty and it takes two people to change out the current models. Because of this, the next guests have to wait until Monday to get a new one replaced and have a temporary one set on the counter taking up space until then. 2. The brackets for the current models keep changing so when they do get replaced, maintenance has to uninstall the old brackets and install new ones, which takes even longer. 3. The current model that's being used costs approximately \$155 and the proposed new ones would be half that cost. Mr. Hoepfner explained that he would try to have a cabinet maker build the cabinet to fit where the old unit was and he would always have a few on hand. These microwaves and cabinets would only be changed out as the old units go bad. There was a motion made by a member to change out the old units as they go bad with a cabinet and simple plug-in freestanding microwave. Motion seconded, all "ayes," so the motion was carried.

Mr. Hoepfner wanted to let the member know that if the electricity were to go off for an extended period of time during the winter, many of the units here will be okay. All the units with fireplaces can be turned on to keep them from freezing and the hotel across from the lobby has in-floor heating with wiring for a generator. The main building of the resort is not so simple! Mr. Hoepfner was under the impression that when a problem arose, the whole heating system could be back drained to the main boiler and there would be no problem with frozen pipes. Unfortunately, after a small disaster this past winter, he found out that it's not so simple because some of the valves are electric. He also wanted to remind the association that Alliant Energy is the supplier of our electricity and there isn't much we can do if it goes out.

Mr. Hoepfner asked the members if they remembered having the extra remote and cable boxes on the televisions here a few years ago and how nice it was to be rid of them. He was promised by Mediacom that we would never need those again after they were taken off recently. Mr. Hoepfner has now been informed that we may have to get something similar put back on each TV because somehow pirates have gotten into the cable system and this would be an extra security with encrypted signals to deter that from happening.

Mr. Hoepfner reminded everyone that the once again, trailer parking is getting better with people parking where they should, but there is always a few that block important roadways. Ambulances and emergency vehicles have to be able to get to each unit, as well as all the buildings and beach.

Mr. Hoepfner reiterated to members that the dumpsters on property are for the garbage from your units, while you are here. DO NOT bring garbage from home. There are many days where the amount of garbage on property is a problem already and bringing additional garbage makes it worse.

Mr. Hoepfner noted that the reason the front desk needs to know who is in every unit is not only for security reasons, but safety reasons as well. If a person cannot prove that they belong to a unit they will not be given access and will be asked to leave.

Mr. Hoepfner reminded everyone, because there were lots of complaints this summer, that because of all the rain we got, there were also a lot of bugs at night.

A member wanted the policy on dock parking explained, so Mr. Hoepfner reported that there is no parking at the dock overnight and to try to use the docks only as drop off and pick up areas. If a post or plank is broken, the boat owner will pay full price for replacement.

Mr. Hoepfner let it be known, again, that the state of Iowa has mandated that anyone under the age of 12 must be accompanied by an adult in the swimming pool area. This is a state code and if children are found without supervision, they will be kicked out. According to the state of Iowa, an adult is anyone over the age of 18.

Mr. Hoepfner reported that there are many ongoing projects at Sunrise Cove. 80% of the units have had their decks refinished with the composite decking. The siding on the units is made of cement board and Mr. Hoepfner explained that 16 years ago he had the paint heat baked on. Now, it needs to be repainted, so he asked if anyone knows of a painting company or individuals that want to paint, to have them get a hold of the resort. He also told the members that all inside units, the Mansion, E, F, G, H and I rows have all been stripped of wallpaper, textured and painted. We are now moving on the remaining units of J, K and the older L-Row units. There were some things that didn't get attention this summer due to the amount of rain we received. Mr. Hoepfner had loads of sand brought in for the beach that mostly got washed into the lake after a flooding rain in June. The stairs to the north dock were washed out 3 times. L-row had some units with 6-8" of water in the crawl spaces and 8 water heaters ruined. Mr. Hoepfner plans on trying to build some kind of waterway to avert the run off in case of flood waters again away from these L- row units. Finally, Mr. Hoepfner stated the bedding and mattresses are getting changed from north to south and all units got new pots and pans this past winter.

Mr. Hoepfner explained that one of the main concerns for the upcoming year will be replacing the door locks on each unit. They are no longer making parts for the current system we have in place and we are down to the last spare sets. He said that he has looked at several options and has had people come and take a look at what we have and what we would need.

A member asked Mr. Hoepfner what he does with all the old mattresses, TV's and appliances. Mr. Hoepfner said that he has a guy that comes and gets all the TV's and another guy that comes and gets all the appliances. As far as the mattresses are concerned, they do get thrown in the dumpster. He did state that if someone wanted them, he would gladly load them on their trailer, but otherwise he gets rid of all the junk and old/broken items.

Mr. Hoepfner let the association know that down the road sometime, the smaller dishwashers and dorm sized fridges he would like to be gone. Full size ones are a lot more cost effective, but we'll have to figure out a way to work them into the existing cabinetry and kitchens.

An association member wondered why there are so many bad reviews of Sunrise Cove and Village West. Mr. Hoepfner said that many of them are written by guests who have gotten in trouble because of something they did or broke while they were staying here. He reminded everyone that we can't afford to have those kinds of people here especially when there are around 80,000 people per year going through here and only a small staff to keep things together. Mr. Hoepfner said that when things get destroyed over the summer that takes away from new projects being started during the winter months.

Mr. Hoepfner also stated, after a member commented on it, that we are lucky to have the same, long-term staff that is here year after year. A lot of the resorts in the area turn over staff all the time and we can be thankful for caring people that work here.

The election results were reported: Tom Underwood was re-elected for a 2 year term on the board of directors.

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 2018 Annual Meeting of the Membership was adjourned at 5:09 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

2019 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. 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.
5. Individuals must be twenty-one (21) to check-in and stay. The person checking in must be staying for the entire visit.
6. **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.
7. Bonus time requests, member inquiry or bonus pooling call ext. 451.
8. The number of persons in each unit cannot exceed the maximum occupancy due to fire and safety codes.
9. Resort policy does not allow any pets on property. Guests in violation will be charged and pet must be removed immediately.
10. 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.
11. **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!
12. 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.
13. 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.

2019 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 | \$71.72 | \$71.72 | \$71.72 | \$71.72 | \$71.72 | \$71.72 | \$71.72 | \$71.72 | \$71.72 | \$71.72 | \$71.72 |
| Maintenance Materials | \$74.62 | \$111.48 | \$99.29 | \$119.53 | \$76.49 | \$106.62 | \$147.38 | \$185.20 | \$183.22 | \$100.84 | \$132.16 |
| Recreation Services | \$14.11 | \$14.11 | \$14.11 | \$14.11 | \$14.11 | \$14.11 | \$14.11 | \$14.11 | \$14.11 | \$14.11 | \$14.11 |
| Recreation License | \$44.00 | \$44.00 | \$44.00 | \$44.00 | \$44.00 | \$44.00 | \$44.00 | \$44.00 | \$44.00 | \$44.00 | \$44.00 |
| Insurance | \$23.22 | \$23.22 | \$23.22 | \$23.22 | \$23.22 | \$23.22 | \$23.22 | \$23.22 | \$23.22 | \$23.22 | \$23.22 |
| Utilities | \$74.62 | \$122.17 | \$118.13 | \$136.39 | \$78.51 | \$119.28 | \$168.34 | \$189.93 | \$186.38 | \$129.02 | \$233.84 |
| Front Desk | \$63.81 | \$63.81 | \$63.81 | \$63.81 | \$63.81 | \$63.81 | \$63.81 | \$63.81 | \$63.81 | \$120.22 | \$120.22 |
| Housekeeping/Laundry | \$54.99 | \$102.51 | \$98.71 | \$129.49 | \$77.34 | \$109.18 | \$158.87 | \$191.06 | \$177.92 | \$119.01 | \$259.30 |
| Annual Audit | \$2.26 | \$2.26 | \$2.26 | \$2.26 | \$2.26 | \$2.26 | \$2.26 | \$2.26 | \$2.26 | \$2.26 | \$2.26 |
| Contract Labor | \$24.10 | \$47.18 | \$45.37 | \$53.85 | \$36.43 | \$51.39 | \$60.34 | \$77.41 | \$81.73 | \$54.94 | \$92.77 |
| Bad Debt | \$25.00 | \$25.00 | \$25.00 | \$25.00 | \$25.00 | \$25.00 | \$25.00 | \$25.00 | \$25.00 | \$25.00 | \$25.00 |
| Replacements & Repairs | \$17.19 | \$35.75 | \$33.79 | \$42.58 | \$22.47 | \$36.77 | \$50.03 | \$135.66 | \$133.53 | \$43.92 | \$81.48 |
| Management 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 Taxes | \$26.95 | \$53.46 | \$50.80 | \$63.23 | \$37.71 | \$59.69 | \$72.74 | \$106.51 | \$104.09 | \$64.82 | \$119.91 |
| Maintenance Fees** | \$535.44 | \$743.24 | \$716.00 | \$818.60 | \$593.94 | \$753.72 | \$934.00 | \$1171.90 | \$1152.30 | \$842.95 | \$1266.70 |

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

*****Maintenance fees are subject to change.**

Account Changes

If you have a new phone number, address or email, please notify the Sunrise Cove Sales Office at:
712-337-3223 ext.875 or sales@villagewestresort.com

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.
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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 11). 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. We do however have a list of 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. 875.

Resorts' 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, siblings, 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

A reservationist is available to take Member calls between business hours.
Any voicemail messages you leave will be returned in the order received.
No messages are taken after hours.

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

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

June 21, 2019 - August 19, 2019

June 19, 2020 - August 24, 2020

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 20, 2019 - June 18, 2020

August 25, 2020 - June 17, 2021

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

2 Night Minimum required *(June 26, 2020-July 31, 2020)*

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 before 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 Iowa Law

The Iowa House passed a bill using service animals in the state. Lawmakers voted in favor of
Senate File 341, called the Iowa Service Animal Bill. Service animal owners would be liable
for any damage done to a dwelling. In addition, if a person intentionally misrepresents an
animal as a service animal, then they could be found guilty of a simple misdemeanor.

| | |
|--|---|
| <p>Village West Boat House (712) 337-3223 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) 337-3223 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) 337-3223 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) 337-3223 ext. 331</p> <p>Come enjoy the beautiful view of West Lake Offering: Breakfast, Lunch, Ice Cream Treats, baked goodies & fresh coffee!</p> <p>Open: On Season</p> |
| <p>Betsy's Diner (712) 337-3223 ext. 444</p> <p>Breakfast, Lunch & Daily Specials! Regular Menu Available</p> <p>Open: OFF Season</p> | <p>Main Event Bar & Eatery (712) 337-3223 ext. 223 Open Year Round</p> <p>Enjoy our Friday & Saturday specials! Serving food from 5 P.M. to close.</p> <p>Eat in or carry out!</p> |

Checkout Procedures

We appreciate everyone that follows the Sunrise Cove Check-out procedures. 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.

Enforced Check-in Requirements

For security reasons and your safety, 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 | \$1159.00 |
| 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, 2016

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, 2016, 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, 2016, 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

May 23, 2017

Sunrise Cove Time Share Association, Inc.
West Lake Okoboji, Iowa
BALANCE SHEET
December 31, 2016

| | Operating Fund | Replacement Fund | Total |
|-------------------------------------|---------------------|---------------------|-------------------|
| ASSETS | | | |
| CURRENT ASSETS: | | | |
| Cash | \$ 69,576 | \$ 26,584 | \$ 96,160 |
| Certificate of deposit | - | 104,390 | 104,390 |
| Certificate of deposit - restricted | - | 441,905 | 441,905 |
| Maintenance fees receivable - net | - | - | - |
| Prepaid expenses | 35,996 | - | 35,996 |
| Building - net | 252,220 | - | 252,220 |
| Interfund balances | (1,022,778) | 1,022,778 | - |
| TOTAL ASSETS | \$ (664,986) | \$ 1,595,657 | \$ 930,671 |

LIABILITIES AND FUND BALANCES

| | | | |
|--|---------------------|---------------------|-------------------|
| CURRENT LIABILITIES: | | | |
| Accounts payable and accrued expenses | \$ 415,051 | \$ - | \$ 415,051 |
| Deferred maintenance fees | 107,308 | - | 107,308 |
| Income taxes payable | 7,936 | - | 7,936 |
| Current portion - long-term debt | 37,406 | - | 37,406 |
| TOTAL LIABILITIES | \$ 567,701 | \$ - | \$ 567,701 |
| FUND BALANCES: | | | |
| Fund balances (deficit) | (1,232,687) | 1,595,657 | 362,970 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ (664,986) | \$ 1,595,657 | \$ 930,671 |

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, 2016

Sunrise Cove Time Share Association, Inc.
West Lake Okoboji, Iowa
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2016

| | Operating Fund | Replacement Fund | Total |
|--|-----------------------|---------------------|---------------------|
| REVENUES: | | | |
| Maintenance fee assessed and billed | \$ 2,792,469 | \$ 242,823 | \$ 3,035,292 |
| Finance charges | 55,735 | - | 55,735 |
| Other income | 7,077 | - | 7,077 |
| Total Revenues | \$ 2,855,281 | \$ 242,823 | \$ 3,098,104 |
| OPERATING EXPENSES: | | | |
| Housekeeping and guest supplies | \$ 787,027 | - | \$ 787,027 |
| Utilities | 387,869 | - | 387,869 |
| Repairs and maintenance | 376,196 | - | 376,196 |
| Bad debt | 453,822 | 39,463 | 493,285 |
| Recreation | 230,890 | - | 230,890 |
| Replacement fund expenses | - | 179,010 | 179,010 |
| Management and consulting fees | 150,348 | - | 150,348 |
| Administrative and general | 182,202 | - | 182,202 |
| Real estate taxes | 165,615 | - | 165,615 |
| Insurance | 66,831 | - | 66,831 |
| Telephone | 25,464 | - | 25,464 |
| Total Operating Expenses | \$ 2,826,254 | \$ 218,473 | \$ 3,044,737 |
| EXCESS OF REVENUES OVER EXPENSES BEFORE OTHER INCOME (EXPENSES) | \$ 29,017 | \$ 24,350 | \$ 53,367 |
| OTHER INCOME (EXPENSES): | | | |
| Interest income | - | 5,559 | 5,559 |
| Depreciation | (18,069) | - | (18,069) |
| Interest expense | (1,642) | - | (1,642) |
| Total Other Income (Expenses) | \$ (19,711) | \$ 5,559 | \$ (14,152) |
| EXCESS OF REVENUES OVER EXPENSES BEFORE INCOME TAXES | \$ 9,306 | \$ 29,909 | \$ 39,215 |
| PROVISION FOR INCOME TAXES | (7,936) | - | (7,936) |
| EXCESS OF REVENUES OVER EXPENSES | \$ 1,370 | \$ 29,909 | \$ 31,279 |
| FUND BALANCE (DEFICIT) - BEGINNING OF YEAR | (1,234,057) | 1,585,748 | 247,036 |
| FUND BALANCE (DEFICIT) - END OF YEAR | \$ (1,232,687) | \$ 1,595,657 | \$ 278,315 |

| | Operating Fund | Replacement Fund | Total |
|---|--------------------|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Excess of revenue over expenses | \$ 9,306 | \$ 29,909 | \$ 39,215 |
| Adjustments to reconcile to net cash from operating activities: | | | |
| Depreciation | 18,069 | - | 18,069 |
| Change in: | | | |
| Maintenance fees receivable | - | - | - |
| Accounts receivable - other | - | - | - |
| Prepaid expenses | (18,413) | - | (18,413) |
| Interfund balances | 108,349 | (108,349) | - |
| Accounts payable and accrued expenses | (39,313) | - | (39,313) |
| Deferred maintenance fees | (92,539) | - | (92,539) |
| Income taxes payable | (8) | - | (8) |
| NET CASH FROM OPERATING ACTIVITIES | \$ (14,549) | \$ (78,440) | \$ (92,989) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Reinvestment in certificates of deposit | - | (4,773) | (4,773) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Principal payments on note payable | (52,233) | - | (52,233) |
| NET CHANGE IN CASH | \$ (66,782) | \$ (83,213) | \$ (149,995) |
| CASH - BEGINNING OF YEAR | 136,358 | 109,797 | 246,155 |
| CASH - END OF YEAR | \$ 69,576 | \$ 26,584 | \$ 96,160 |
| Supplemental disclosure of cash flow information: | | | |
| Interest paid in cash | | | \$ 3,005 |

Sunrise Cove Time Share Association, Inc.
West Lake Okoboji, Iowa
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

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 have 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, 2016, 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 8 and 9.

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 9.

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, 2016 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)

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, 6 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 \$165,956 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 \$2,569,938 less the allowance for doubtful accounts of \$2,569,938. The Association has developed a policy that receivables greater than 120 days old are uncollectible. For the year ended December 31, 2016, the Association estimated the allowance for doubtful accounts balance, since its inception in 1989 to be \$2,569,938. The Association's management will continue efforts to collect all receivable balances until all means have been exhausted.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates (Continued)

For the year ended December 31, 2016, of the total Maintenance fees assessed and billed and total bad debt expense incurred, the Association has allocated \$242,823 and \$39,463, respectively, to the Replacement Fund. Based on management assumptions, this allocation was determined to be 8% of the respective account balance.

Income Taxes

For 2016, 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 2016, the Association had federal and state income tax expense of \$5,520 and \$2,416, respectively. The Association has determined that it does not have any material unrecognized tax benefits or obligations as of December 31, 2016. Fiscal years ending on or after December 31, 2013 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 | \$ (5,520) |
| State income tax expense | (2,416) |
| Total provision for income taxes | \$ (7,936) |

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, 2016, the financial institution's collected funds exceeded the FDIC limit by \$392,456.

NOTE 4: SUBSEQUENT EVENTS

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through May 23, 2017, the date the financial statements were available to be issued.

NOTE 5: CERTIFICATE OF DEPOSIT

In 2009, the Association invested in two certificates of deposit with a local financial institution, both earning interest at 65%. Both certificates of deposit matured on February 5, 2010, but have not been redeemed at December 31, 2016. One of the certificates is collateralizing the note payable as described in Note 7.

NOTE 6: BUILDING

Building consists of the following:

| | |
|--------------------------------|-------------------|
| One timeshare unit | \$ 496,910 |
| Less: Accumulated depreciation | (244,691) |
| Total | \$ 252,219 |

NOTE 7: NOTE PAYABLE

The note payable is due to United Community Bank, which requires minimum scheduled payments of principal and interest of \$4,500 per month, with interest accruing at a variable rate. At December 31, 2016, the variable interest rate was 2.65%. The note matures in September 2017 and bears interest at 2% above the bank's 12-month certificate of deposit rate. The interest rate will be adjusted annually. The note is due on demand, but if no demand is made, then monthly payments of \$4,500 are due, with a final payment due on September 5, 2017. The note is secured by one of the Association's certificates of deposit with the Bank. The note is reported as long-term as it was refinanced subsequent to the balance sheet date.

Future minimum principal payments required under the note are as follows:

| | |
|------|------------------|
| 2017 | \$ 37,406 |
| 2018 | - |
| | <u>\$ 37,406</u> |

Interest expense on this note payable was \$1,642 in 2016.

NOTE 8: 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 9: 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 \$12,805 are included in accounts payable and accrued expenses on the Balance Sheet at December 31, 2016. 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.

As disclosed in Note 8, 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 \$13,224 are included in accounts payable and accrued expenses on the Balance Sheet at December 31, 2016. The Association paid the Developer \$292,838 for maintenance of recreation facilities, common area amenities, and contracted labor, and \$193,233 for housekeeping and other administrative expenses 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 10: 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 2016, \$179,010 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.



Sunrise Cove at Village West Resort
 20785 170th Street
 Spirit Lake, IA 51360

2020

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

JUN 23-26, 2020

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