

January 6, 2025

Sunrise Cove Association Board Members  
Attn: Dale Goodman, President  
Good Management  
771 Pilot House Drive  
Newport News, Virginia 23606

Hello,

This letter is on behalf of a number of owners that were in attendance at the Sunrise Cove annual owners meeting on December 19, 2024, as well as those that we have had ongoing conversations and correspondence with.

There were several items that were unable to be addressed at the meeting, and for purposes of clarity and consistency, we felt it best to submit a list of the outstanding or remaining questions in writing, and would ask that you send your response in writing so they can be clearly and consistently communicated across both these owners, and others that we are in contact with.

There was discussion around the relationship between Good Management and the Association. We would like to see a copy of the contract that stipulates the compensation arrangement as well as scope of services for Good Management and the Association. Please forward a copy of all invoices that have been invoiced to the association over the last twelve months.

Should these services be included in the items reported to Interval holders as "Administration" or "Management Consulting", please include the same documentation for the services that are being expensed under these categories.

Is the Good Management relationship subject to a competitive bidding process? What is the length of the agreement? Please send the request for proposal that has been submitted to any other competitive vendors for these services.

There was discussion that the Association pays a Recreation Services Fee to Village West for the facilities such as the tennis courts, swimming pool, and other common spaces of the resort. Please forward a copy of the agreement between the Association and Village West Resort, or any operating entity or entities that receive compensation from the Association for these expenses.

There was discussion around the process of pursuing owners that are delinquent in their dues. Please provide a complete summary of the action the Association is taking when an owner has unpaid dues.

Mr. Goodman and the other board members were unable to speak in any way to the number and balance of outstanding unpaid dues. Please provide a current summary of outstanding or unpaid dues as of December 19, 2024, and what their collection status is.

Please provide an official reporting of the final vote count for the open board position that was filled during the meeting.

Please provide the minutes from the December 19, 2024 meeting with your response. Considering each of the items addressed in this letter were discussed at the meeting, we would expect many of them to be detailed as follow up items in those minutes.

Please send a copy of all current governing documents of the association, and any amendments that have been made to those documents that are currently acting as part of those governing documents.

There was a request to adjust the timing of the annual meeting to be more convenient to allow for better attendance. The meeting was held on a Thursday afternoon in December. Members would like to be afforded an opportunity to meet with leadership during months with more favorable weather on a weekend, which would allow for greater flexibility and higher participation. Considering the 2024 meeting occurred on a date with a very dangerous snow and ice storm, we suspect the board would like to minimize the possibility that one of the association's members is seriously injured or worse attempting to travel to attend the annual meeting. We request that the 2025 annual meeting be held on the first or second Saturday in October, 2025 to minimize the potential for dangerous travel to attend the meeting.

There was also discussion around the notification of the meeting, as well as the distribution of ballots. It appears that all members are not receiving these documents. What is the process for notifying members, and are all co-owners of units being notified? This has not been our experience.

There was discussion around the concept of the developer's inventory. Mr. Hoepfner was unable to speak to the number of "intervals" in inventory as of the date of the meeting. Please provide the number of intervals in the inventory of the developer as of the date of December 19, 2024.

The developer said he is building out new units. What is the board's position that the developer is developing new units while maintenance is deferred or delinquent on the current units?

There was discussion around the commitment that was made at time of sale to refurbish the units every seven years. What is the board's plan to fulfill this commitment made to owners at the time of sale?

The disrepair of the steps near the swimming pool was discussed as a significant safety issue, including a near fall from an elderly visitor. Mr. Hoepfner said the supplies and materials are on site to make the repair. What is the timeline that the Association or Mr. Hoepfner is committing to in order to repair this safety issue?

What is the board's process for identifying other items that are either safety issues or in disrepair to be sure they are maintained properly?

What is the board's strategic plan to improve the financial health of the Association, and the revenue of the resort and association? If there is not a strategic plan, we would ask that you commit to presenting one at the annual meeting in 2025.

Was a 2025 budget approved during the meeting? We would expect that if so, this will be included with the meeting minutes provided.

Was there a description of the intentions for the special assessment? Please provide a summary of the intended use of these funds, as well as a detailed 2025 budget should that not be included with the minutes included in your reply.

Is there a written plan for maintenance and resort improvements for 2025? Please present this for transparency to the owners.

Mr. Hoepfner expressed that he invested \$425,000 of his own funds for improvements to the resort. He also said that if anyone would like to come to the table with \$425,000, he would like to talk to them. It appears he is soliciting equity investments in Iowa Resort Holdings, LLC, which then would apparently include input on maintenance, operational, and ownership decisions. We would like to understand the terms he is offering to potential equity investors, as some of our members may be interested in pursuing this.

Our members do not recall the vote in which Allison Waltman was voted to serve as a board member. Please provide the meeting minutes that reflect when this vote occurred, and what the vote total was for her as well as any other candidates.

Please describe your understanding of the fiduciary responsibilities the board members have to the members of the association.

Lastly, these members feel the conduct of Mr. Goodman and Mr. Hoepner was completely unprofessional, and unbecoming of someone that is soliciting annual membership dues from its members. Mr. Hoepner not only sat near the back of the room, he left the meeting prior to completion of the meeting during the owners forum. Mr. Goodman appeared to spend the last third of the meeting using his cellular phone. Ultimately the meeting ended without any formal movement for adjournment or second. Many of the attendees were surprised that the meeting was over when Mr. Goodman essentially walked out of the room himself. We would request that the Board of Directors commit to staying at annual meetings until its completion, and improving the transparency of the operations of the Association.

Please send your response via email to [SunriseCoveOwners@gmail.com](mailto:SunriseCoveOwners@gmail.com), and we can facilitate the forwarding to others that contributed to writing this letter.

We do not have contact information for Mr. Tom Underwood, or Mr. Kevin Conklin, so we would ask that you forward this to them on our behalf.

Respectfully,

Concerned Sunrise Cove Association Members

Cc: Michael Hoepner  
Allison Waltman