

Fall 2000

Newsletter



Dear Sunrise Cove Owner:

Pursuant to the Bylaws of the Sunrise Cove Time-Share Association, Inc., notice is hereby given of the Annual Meeting of the Membership to be held on Friday, November 3, 2000, at 9:00 a.m. at the Village West Resort, located at 16010 Highway 86, Spirit Lake, Iowa. At this meeting of the membership, we will elect two (2) members (other than the Directors appointed by the Developer) to the Association's Board of Directors and will conduct such other business as may be properly brought before the meeting.

The following Annual Meeting materials are included with this newsletter for your review and/or action: *Revocable Proxy* (allowing you to be represented at the meeting if you cannot attend); *Board of Director Candidate Profiles*.

A *Certificate Designating Official Voting Member* should be requested from the Association and submitted to the Association Secretary to cover the following circumstances:

- 1) If a Unit is owned by more than one (1) person, the person entitled to cast the vote for the Unit shall be designated in this certificate which must be signed by all of the recorded owners of the Unit, or
- 2) If a Unit is owned by other than a real person, e.g., a corporation or partnership, the officer, employee, or other individual thereof entitled to cast the vote of the Unit for such legal entity shall be designated in this certificate which must be signed by the President or Vice-President, attested by the Secretary or Assistant Secretary in the case of a corporation or a general partner in the case of a general or limited partnership, or by the managing member in the case of a limited liability corporation.

(In the case where ownership is held by a husband and wife, one may sign as though he or she owns the unit individually without any need to establish the concurrence of the absent signature/person.)

Please contact Sunrise Cove at (712)337-3223 extension 257 and request a *Certificate of Designating Official Voting Member* to be mailed. Remember, the certificate must be returned no later than 48 hours prior to the election.

We look forward to seeing you at the Annual Meeting on November 3, 2000. If you will be unable to attend, please return your pre-addressed and postage paid proxy card.

Sincerely,

Michael D. Hoepfner

Michael D. Hoepfner
President
Sunrise Cove Time-Share Association, Inc.

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Proxy Card Insert

Village West Resort and Sunrise Cove Time-Share Owner's Association

Switchboard	712-337-3223
Ellie Albrecht, General Manager	Ext. 530
Angela DelDotto, Guest Relations	Ext. 294
Deb Taylor, Executive Assistant	Ext. 257
Marilyn Grice, Accounting	Ext. 255
Ron Carson, Maintenance Manager	Ext. 463
Lois Jacobsen, Executive Housekeeper	Ext. 284
Lee Schmidt, Front Desk Manager	Ext. 866
Kelly Zinnel, Betsy's Manager	Ext. 231
Jaye Stone, Stone's Throw Manager	Ext. 299

Office Hours

The Sunrise Cove Accounting Office is open Monday through Friday from 8:00 am to 4:30 pm. If you have any questions regarding maintenance fees, please call 712-337-3223, extension 255 during these hours.

ALL MAINTENANCE FEES should be sent to:

Sunrise Cove Time-Share Association
P.O. Box OR
Spirit Lake, IA 51360

Sunrise Cove Wants You!

Willing workers sought for committee seats

Sunrise Cove is now seeking applicants for vacancies on committees. Committee openings for 2001 include positions on the Budget Committee, and on the Operations & Maintenance Committee.

Owners interested in serving on either of these committees should send a letter to:

Ellie Albrecht, General Manager
Village West Resort
P.O. Box OR
Spirit Lake, IA 51360

Check In and Check Out Times

Check In Time: 4:00 pm
Check Out Time: 10:00 am

Candidate Profiles

John F. Belitz, D.D.S. - Omaha, NE

Occupation: Dentist

Experience: Practicing dentist in Omaha, NE; Annual vacationer at Vacation Village/Village West and a time-share owner; Have visited the lakes area annually since 1967.

Goals & Objectives: This family experience has been so tremendous, I am deeply interested in promoting this healthy environment for the future of many families. Make responsible long range planning to reflect concerns and needs of all owners, while protecting resources/funds to maintain up-to-date vacation opportunities for owners and children.

Phil Karpuk - Sioux City, Iowa

Occupation: ByeByeNow.com Travel Store

Experience: High School/College Educator; High School/University Athletic Coach; Owner and C.E.O. of ByeByeNow.com Travel Store; Owner of Corn Belt Real Estate Development Company.

Goals & Objectives: Help Village West and Sunrise Cove maintain and improve the high level of family vacation activity it presently offers. Hope to improve the quality of our vacation time at Village West for our own and future family and all members of the Village West Family.

Rich Kielman - Brandon, SD

Occupation: Retired

Experience: School Teacher in South Dakota for 5 years; Principal and Superintendent of School in Minnesota for 13 years; District Manager and Agent for Farmers Inc. Group for 6 years; Sales Rep for IDS and Lincoln Financial; Owner and operator of Heartland Consulting for past 10 years.

Goals & Objectives: As owner and operator of a business and Superintendent of Schools with 150 employees along with a degree in Business, I feel I have a strong financial background and a knowledge of working with people. The business I built required selling a new concept to tax preparers and their farm and small business clients. I have 23 years of sales and marketing experience. My goal is to work with the people at Village West to make it as successful as possible for both the investors and the owners.

Robert Lamm - Altoona, IA

Occupation: Retired

Experience: Currently serving on the Board of Directors of Sunrise Cove; Past board member and President of Townhome Association; Twenty-eight years experience in insurance business as an agent, district manager and home office management; Owner of six weeks at Sunrise Cove and seven weeks at other resorts; Spend 15 to 16 weeks per year at time-shares throughout the United States; Own and Manage over 700 acres of farmland in Iowa and Nebraska; Member of Timeshare User Group, a valuable resource of timesharing information.

Goals & Objectives: Continue to represent you, the owners, in protecting and enhancing your interest in our resort. Communicate to Owners, the budget, expenditures verses budget and adequacy of replacement reserves that set our yearly maintenance fees. Obtain Gold Crown status. Enhance trading value.

Promote Sunrise Cove within the Timeshare Industry. More timely communication to Owners of what is happening at Sunrise Cove. Strive to make Sunrise Cove one of the best resort in the Midwest.

Tom Underwood - Spirit Lake, IA

Occupation: Owner of Cornell Abstract Company

Experience: Currently serving on the Board of Directors of Sunrise Cove; Member of Iowa Land Title Association, being regional vice-president from 1994-1995; Member of Spirit Lake Kiwanis Club; Board member of the Farmers Cooperative Elevator and a past president; Member on the Community Council for Northwest Federal Savings Bank.

Goals & Objectives: To work diligently on behalf of the Association to ensure that your needs are met and that Sunrise Cove remains a well managed time-share property. Respond to concerns of members. Keep maintenance fees reasonable by providing positive input into the budget. I believe I can bring local knowledge to the position as well as experience and enthusiasm.

Voting in Sunrise Cove Elections

Who Gets to Vote?

There is one vote per timeshare week owned. Owners must be listed in the records 45 days in advance and be current in payment of all accounts due the Association.

What if there is more than one owner?

If the week is owned by husband and wife, either (but not both) may cast a vote in person. If husband and wife wish to vote by proxy they must:

1. Both sign the proxy or
2. Both sign a Certificate of Designated Voting Member Card, file it with the Association and have the designated individual sign the proxy.

How can a Certificate of Designated Voting Member Card be obtained?

Call Sunrise Cove at (712) 337-3223 extension 257 and request one to be mailed. Remember, the certificate must be returned no later than 48 hours prior to the election.

Corporations or Ownership by Multiple Individuals?

All individuals who own the unit/week must sign the proxy or have a Certificate of Designated Voting Member Card on file with signatures of all owners and the designated individual must sign the proxy. Corporations must designate an employee or officer of the corporation and the Certificate of Designated Voter card must be signed by the President or Vice President and be attested to by the Corporate Secretary.

Any questions on voting your proxy, please call Sunrise Cove at (712) 337-3223 extension 257.

The Resort

After several years of the Resort being for sale, Village West has a new owner. Iowa Resort Holdings L.L.C., a locally owned Development Company has purchased the Resort. The new owner has had some type of involvement in many of the developments you currently see around the Lakes Area today. One of which was the original Vacation Village now Village West Resorts. Iowa Resorts spent 18 months assessing the past, current and future of the Village West project. The company felt with the right management team, responsible growth and efficient operations there was a future for success. Since the sale, the new owner has reviewed concerns, complaints and suggestions from Sunrise Cove owners. They have visited with many of you on the property and look forward to your ideas. Together with Lane Hospitality the plan is to address the known problems over the winter season. It is Iowa Resorts intent to make Village West Resort the place to be at the Iowa Great Lakes. As they address one issue at a time Iowa Resorts would like your input. To date several of the issues brought to their attention are:

1. For years many have not been happy with the current Marina operator
2. The cleanliness of the resort
3. A wading pool for the small children
4. A kids menus in Betsy's
5. Better communication with Resort manager
6. An area to clean fish and game at the resort
7. The fitness center in a better location

The Marina lease will not be renewed with Parks Marina in 2001. With the loss of the tenant, we will have to make new arrangements for trailer storage and launching. The staff at the resort is currently working hard to clean the areas that may have been neglected in the past. The wading pool for the kids is being investigated and a kids menu has been added at Betsy's. A new Resort manager is in place. The game cleaning area and relocating the fitness center are on the drawing board. Below is a questionnaire and comment form. By filling the form out and returning it, you will help the new owners in planning for the future. The new owners look forward to meeting all of you.

We have no idea of the level of the demand for marina rentals, your input is important to us.

Which of the following items have you rented in the past.

Fishing boat Speed boat Water craft Pontoon boat
 Water craft hoist Boat hoist Jet ski week Unit #

Name: _____

Mailing Address: _____

City, State, Zip Code: _____

(Name and Address is optional if a boat hoist is not needed for the 2001 season)

Mail to: Sunrise Cove
P.O. Box OR
Spirit Lake, IA 51360

Comments and Suggestions:

***SUNRISE COVE TIME-SHARE
ASSOCIATION, INC.***

**FINANCIAL STATEMENTS AND SUPPLEMENTARY
INFORMATION**

Year Ended December 31, 1999

SUNRISE COVE TIME-SHARE ASSOCIATION, INC.

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The Board of Directors
Sunrise Cove Time-Share Association, Inc.

We have audited the accompanying balance sheet of *Sunrise Cove Time-Share Association, Inc.* as of December 31, 1999, and the related statements of revenues, expenses and changes in fund balances, and cash flows for the year then ended. These financial statements are the responsibility of the association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 1999, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

The supplementary information on future major repairs and replacements on page 10 is not a required part of the basic financial statements, and we did not audit and do not express an opinion on such information. However, we have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. As a result of such limited procedures, we believe that the supplementary information on future major repairs and replacements is presented in conformity with guidelines established by the American Institute of Certified Public Accountants except it does not present estimates of the rate of return on investment of replacement funds or an assumed rate of inflation.

Goodman & Company, L.L.P.

Hampton, Virginia
 May 22, 2000

7 West Queens Way
 Hampton, VA 23669
 757 722.6336 www.goodmanco.com Fax 757 727.9268

Member Summit International Associated Offices Members American Institute of Certified Public Accountants

SUNRISE COVE TIME-SHARE ASSOCIATION, INC.

BALANCE SHEET

December 31, 1999

ASSETS	Operating Fund	Replacement Fund	Total
Assets			
Cash	\$ 1,296,989	\$ 277,087	\$ 1,574,076
Certificate of deposit	34,715	-	34,715
Maintenance fees receivable, net of allowance for doubtful accounts of \$25,805	38,376	-	38,376
Due to replacement fund	(782,464)	-	(782,464)
Due from operating fund	-	782,464	782,464
Total assets	\$ 587,616	\$ 1,059,551	\$ 1,647,167
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accrued expenses	\$ 250,124	\$ -	\$ 250,124
Deferred maintenance fees	209,242	-	209,242
Due to developer	69,305	-	69,305
Due to manager	21,506	-	21,506
Total liabilities	550,177	-	550,177
Fund balances	\$ 37,439	\$ 1,059,551	\$ 1,096,990
Total liabilities and fund balances	\$ 587,616	\$ 1,059,551	\$ 1,647,167

The accompanying notes are an integral part of the financial statements

SUNRISE COVE TIME-SHARE ASSOCIATION, INC.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES

Year Ended December 31, 1999

	Operating Fund	Replacement Fund	Total
Revenue			
Maintenance fee assessments	\$ 1,388,258	\$ 88,435	\$ 1,476,693
Bonus time revenue	60,193	-	60,193
Rental income	43,126	-	43,126
Interest income	105,856	-	105,856
Village princess	14,055	-	14,055
Other income	35,791	-	35,791
Total revenue	1,647,279	88,435	1,735,714
Expenses			
Administrative and general	286,721	-	286,721
Repairs and maintenance	284,683	-	284,683
Housekeeping and rooms	243,651	-	243,651
Utilities	280,951	-	280,951
Security and activities	96,508	-	96,508
Management fees	138,278	-	138,278
Real estate taxes	229,363	-	229,363
Insurance	33,678	-	33,678
Telephone	23,577	-	23,577
Village princess	29,869	-	29,869
Property and equipment expenditures	-	155,218	155,218
Total expenses	1,647,279	155,218	1,802,497
Deficiency of revenue over expenses	-	(66,783)	(66,783)
Fund balances - beginning of year	37,439	1,126,334	1,163,773
Fund balances - end of year	\$ 37,439	\$ 1,059,551	\$ 1,096,990

The accompanying notes are an integral part of the financial statements

STATEMENT OF CASH FLOWS

Year Ended December 31, 1999

	Operating Fund	Replacement Fund	Total
Cash flows from operating activities			
Deficiency of revenue over expenses	\$ -	\$ (66,783)	\$ (66,783)
Adjustments to reconcile excess of revenue over expenses to net cash provided by operating activities			
Decrease in allowance for doubtful accounts	(1,942)	-	(1,942)
Changes in:			
Certificate of deposit	(1,592)	-	(1,592)
Maintenance fees receivable	(4,397)	-	(4,397)
Accounts payable and accrued expenses	56,275	-	56,275
Deferred maintenance fees	31,671	-	31,671
Due to developer	31,798	-	31,798
Due to manager	3,973	-	3,973
Interfund transfers	(78,539)	78,539	-
Net cash provided by operating activities	37,247	11,756	49,003
Cash - beginning of year	1,259,742	265,331	1,525,073
Cash - end of year	\$ 1,296,989	\$ 277,087	\$ 1,574,076
Supplemental disclosures of cash flow information			
Interest paid in cash			\$ -
Income taxes paid in cash			\$ -

The accompanying notes are an integral part of the financial statements

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

The Developer

Village Lakeshares, L.P. (The "Developer"), an Iowa limited partnership, is the developer of the Resort and was formed to carry out the Resort's conversion pursuant to the time-share plan. The Developer maintains marketing and sales facilities on-site and has retained certain property located at the Resort.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies followed by the Association in preparing its financial statements in accordance with generally accepted accounting principles:

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 owner to fund the future replacement, major repair and purchase of commonly owned assets. Expenditures from this fund are restricted to those items for which assessments were paid.

Accounts receivable at December 31, 1999 represents member assessments outstanding related to unit weeks sold; collateral is not obtained. Unit week owners are the only members.

Property and Equipment

Real property and common areas acquired from the original developer 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.

(Notes continued on next page)

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NOTES TO FINANCIAL STATEMENTS

December 31, 1999

NOTE 1 - DESCRIPTION OF THE ASSOCIATION AND RELATED PARTIES

The Association

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

The Association is organized to act as the governing association, within the meaning of the Iowa Time-Share 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 Non-Profit 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 time-share plan may be terminated at any time, if all time-share unit owners and holders of all liens and mortgages affecting any of the time-share property (as defined in the Declaration of Time-Share Program of Sunrise Cove) execute and record an instrument terminating the time-share program. In addition, the condemnation or destruction of the time-share property shall also automatically terminate the time-share plan. In the event the time-share plan is terminated, the owners of all unit weeks become joint owners of the former time-share property.

The affairs of the Association shall be managed and conducted by a Board of Directors. The majority of the directors shall be elected by the Developer until three months after 85 percent of the time-share estates that have 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. As of December 31, 1999, the Developer had not yet turned over control to the Association's Board of Directors.

The Resort

The Resort is a conversion of a hotel facility having a total of 148 units. The Developer (as hereinafter defined) has committed several phases comprising 129 units (and representing 5,625 unit weeks) to interval ownership. The units being configured for time-sharing are being constructed in studio, one-bedroom, executive style suites, and townhouses. The townhouse villas are being constructed in two and three bedroom styles. Each unit is subdivided into 45 use periods and 7 bonus weeks, with a majority of units sold on a fixed use basis. Not all the unit weeks have been committed to vacation ownership and additional land and units may be added to the Resort by the Developer.

(Notes continued on next page)

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues

The Association assesses an annual maintenance fee based on the annual budget as determined 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 December of each year for the succeeding year's fee. Any such billings collected prior to the beginning of the year are included in "deferred maintenance fees" on the balance sheet.

Expense Allocations

With the exception of management fees, all expenses, including real estate taxes, are allocated to the Association from the Developer based on invoices it receives for the entire resort. These allocations were based on various methodologies depending on the type of expense.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Real estate taxes accrued in the amount of \$204,949 are included in accounts payable and accrued expenses on the accompanying balance sheet. This accrual was estimated based on prior real estate tax bills. It is reasonably possible the actual real estate taxes will exceed the amount accrued.

Income Taxes

In determining taxable income, maintenance fee refunds are deducted from maintenance fee revenues and reserve assessments reserved for future replacements are not treated as taxable income in accordance with revenue rulings issued by the Internal Revenue Service. Also, there are differences between tax reporting and financial reporting of bad debts.

NOTE 3 - CASH DEPOSITS

The Association places its cash and certificate of deposit with a high credit quality financial institution. At December 31, 1999 the Association had funds in this financial institution in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$1,508,791.

NOTE 4 - LEASE COMMITMENTS

The Association maintains leases for a telephone system. The lease is due to expire in March 2000. Total expense for 1999 related to these leases amounted to \$5,424. The minimum future commitments under the telephone lease due in 2000 total \$1,356.

(Notes continued on next page)

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NOTE 5 - GRANT OF EASEMENT

The Association has entered into an agreement with the Developer, such that the owners and/or users of the Resort may use any or all of its recreational facilities and will not be responsible for payment of maintenance or other charges with regard to recreational, and other non-revenue generating, facilities in which such user does not have an ownership interest. Recreational facilities and meeting space may be expanded or added without the consent of the Association.

NOTE 6 - DEVELOPER'S PRIVILEGES AND RESPONSIBILITIES

Until all unit weeks have been sold, the Developer shall have the right to use and transact, on the Resort property, any business necessary to consummate the sale, resale, and rental of all the unit weeks owned by it.

The Developer operates a resort hotel with respect to the unsold and unconverted unit weeks. The Developer reserves the right to continue the resort hotel operations with respect to unsold units in the Resort (including the recreational areas and facilities), and at its sole discretion, may transfer certain amenities to the Association.

The Developer also operates restaurant and convenience store facilities at the Resort and shall have the right to continue to transact business necessary to continue these offerings both during the period of sale, resale, and rental of unsold unit weeks and thereafter.

The Developer is also responsible for billing and collecting bonus time revenue and rental income on behalf of the Association. Amounts owed to/from the Association for these revenues are included in the Due from Developer balance.

The Developer does not guarantee the Association's operating budget. However, the Developer is responsible for the payment of maintenance fees (exclusive of fees designated for replacement reserves) and real estates taxes, assessed on unit weeks owned by the Developer, but only to the extent necessary to cover any shortfall between actual receipts and expenses. In 1999 maintenance fees and other Association income were sufficient to cover the cost of operations. Thus, the developer did not provide a subsidy to the Association.

NOTE 7 - THE MANAGEMENT COMPANY, MANAGEMENT AGREEMENT AND OPERATIONS

Lane Hospitality - Eastern Region ("Lane") is the Manager of the Association.

Under the terms of the management agreement, Lane has been granted the authority to provide all management services to the Association, through employees and experts retained by it, incidental to the management and operations of the Resort. The agreement provides for automatic renewals of successive one-year periods, following the initial expiration of the management agreement in December 1995. The management fee to be paid to Lane under the terms of this agreement is 10 percent of all amounts.

(Notes continued on next page)

NOTE 8 - PROVISION FOR INCOME TAXES

Although the Association is incorporated under the provision of the Iowa Non-Profit Corporations Act, it is subject to income taxes and must file its income tax returns in the same manner as regular corporations.

Assessments (approved by the Board of Directors) to be used for specific capital improvements of the Resort's common elements are not included in the taxable income of the Association, because the Association owns none of the property benefited. The assessments are segregated in the Replacement Fund.

Regular assessments paid by the unit weeks owners are taxable revenue to the Association for services rendered. Other receipts, such as interest and rental income, are also taxable revenue to the Association. The excess of unrelated business revenue over expenses, net of transfers to the Replacement Fund, is subject to income tax.

SUPPLEMENTARY INFORMATION

**SUNRISE COVE TIME-SHARE ASSOCIATION, INC.
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR
REPAIRS AND REPLACEMENTS
December 31, 1999
(Unaudited)**

Sunrise Cove Time-Share Association, Inc. conducted a study in September 1998 to estimate the remaining useful lives and the replacement costs of the components of common property. The estimates were based on future estimated replacement costs.

The Declaration of Time-Share Plan requires the Association to accumulate funds for the future major capital repairs and replacements of the Resort's common property. Accordingly, a portion of the annual maintenance fee is segregated to fund these future major repairs and replacements and is not available to be expended for normal operations.

The Board of Directors annually approves the budgeted amounts needed to fund the major repairs and replacement of the components of common property. The unit week owners are funding these repairs and replacements over the estimated remaining useful lives of the components. These estimates are based on the various industry experts' experience regarding such property and the estimated replacement costs. Actual expenditures may vary from the estimated future expenditures and these variations may be material. If additional funds are needed, the Association has the right, subject to the approval of the Board of Directors, to increase regular assessments to the extent permitted by law, pass special assessments, or delay major repairs and replacements until appropriate funds are available.

The following table is based on the study and presents significant information about the components of common property:

Components	Estimated Remaining Useful Lives (Years)	Estimated Future Replacement Costs	Reserves Required	Components of Designated Members' Equity
Roofs	14 - 19	\$ 296,301	\$ 13,438	\$ 22,900
Exterior painting	6	155,831	31,566	53,900
Unit furnishings, equipment, and other capital expenditures	6 - 29	<u>5,375,459</u>	<u>575,572</u>	<u>982,751</u>
		<u>\$5,827,591</u>	<u>\$ 620,578</u>	<u>\$1,059,551</u>

Sales Information

Vacation Ownership

Rod Black - Director of Sales	Ext. 880
Joanne Fox - Assistant Sales Manager	Ext. 884
Denise Kelly - Sales Office	Ext. 875
Lois Winger - Rental Management/ Vacation Ownership Service Rep	Ext. 876
Theresa Black - Accounting	Ext. 877
Marne Schiphoff - Promotions	Ext. 250
Sherry Donnahoo - Promotions	Ext. 270

Sunrise Cove

Welcomes all Owners, Guests and RCI

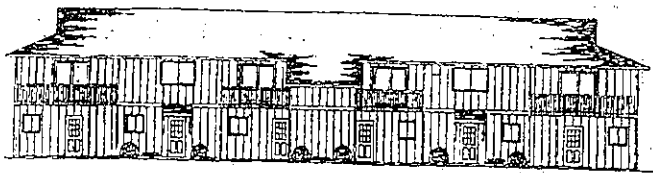
Vacationers to a **FREE** . . .

Coffee & Donut Party every

Monday at 9 am in the
Vacation Room (Level C)



New Vacation Construction to Start Soon



We are proud to announce the recent release of six new units at Village West Resort to be constructed this winter.

These units will be very similar in design and layout to the current townhouses which are so popular and familiar to us all.

These units will be substantially larger than our current townhouses, 1080 square feet compared to 855 square feet; about 20% larger. This translates to a more spacious living and dining area on the main level and two larger bedrooms on the upper level. Two of these units will have lockout features with the capacity to sleep up to twelve people.

Stop in and visit us in the sales office during your next mini-vacation for more information!

Winter Office Hours

Monday - Saturday 8:00 am - 4:30 pm

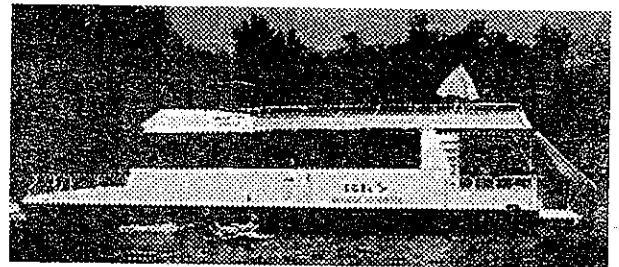
Call your Sales Associate about details on our new "Developer Specials"

Voice Mail Extensions:

Barrett, Shirley	Ext. 744
Freese, Doc	Ext. 910
Goebel, Mike	Ext. 758
Meyer, Roger	Ext. 746
Reynolds, Brian	Ext. 742
Shutt, Anita	Ext. 757
Tepfer, Bruce	Ext. 749
Waldstein, Ramona	Ext. 178
Wolf, Cheryl	Ext. 743
Zelinko, Val	Ext. 752

Meet new friends Share your travels

HOUSE BOATS ~ HOUSE BOATS



How about spending your next vacation at Village West on the water front in a beautiful house boat!!!

We are exploring the house boat opportunities of our current owner base to see how many of you might be interested in owning an additional week or weeks at Village West and spending that time on a luxurious house boat.

It has been suggested how nice it would be to vacation, dine, swim and fish off your own boat. We will pursue this on your behalf if the interest is warranted.

If you are interested in more information, drop us a card or give us a call expressing your interest at (712) 337-3223, ext. 875.

Rental Information



New Rental Information



Vacation Ownership L.L.C. is now managing the Sunrise Cove Rental Program. All rentals will now be advertised on our Web-site at www.villagewest.com or www.sunrisecove.com, local Chamber offices and newspapers.

All rental requests can be taken as early as 10 months prior to the start date of your week, but no less than 2 months. The earlier your request is received by rental management, the better chance of rental. All units will be rented either on a weekly basis or nightly rental. If you choose not to split your week for nightly rental, please inform rental management. Vacation Ownership L.L.C. does not guarantee full or partial rental of your week, but we will put forth our best effort.

All 2001 maintenance fees must be paid prior to using the unit for rent. For all rental requests and other questions regarding Sunrise Cove rentals, please contact Lois Winger, Rental Management at 712-337-3223, Ext. 876.



Rental Rates for Timeshare Units

Owners ~ 70% Rental Program ~ 30%
 Red Weeks 21-39 May - September

<u>Unit</u>	<u>Weekly Rental</u>	<u>Owner Gets</u>	<u>Nightly Rental</u>	<u>Owner Gets</u>
Mansion	\$2,500.00	\$1,750.00	\$400.00	\$280.00
Rustic	\$2,600.00	\$1,820.00	\$420.00	\$294.00
4-BR Lock-out	\$3,300.00	\$2,310.00	\$530.00	\$371.00
2-BR Lock-out	\$2,000.00	\$1,400.00	\$320.00	\$224.00
2 & 3 BR T.H.	\$1,800.00	\$1,260.00	\$290.00	\$203.00
1 Bedroom	\$1,150.00	\$805.00	\$185.00	\$129.50
Spa/Exec. Studio	\$1,050.00	\$735.00	\$170.00	\$119.00
Studio	\$900.00	\$630.00	\$145.00	\$101.50

White/Blue

Weeks 1-20
Weeks 40-52

September - May

<u>Unit</u>	<u>Weekly Rental</u>	<u>Owner Gets</u>	<u>Nightly Rental</u>	<u>Owner Gets</u>
Mansion	\$1,670.00	\$1,169.00	\$240.00	\$168.00
Rustic	\$1,735.00	\$1,214.50	\$250.00	\$175.00
4-BR Lock-out	\$2,200.00	\$1,540.00	\$315.00	\$220.50
2-BR Lock-out	\$1,335.00	\$934.00	\$165.00	\$115.50
2 & 3 BR T.H.	\$1,200.00	\$840.00	\$175.00	\$122.50
1 Bedroom	\$770.00	\$539.00	\$110.00	\$77.00
Spa/Exec. Studio	\$700.00	\$490.00	\$100.00	\$70.00
Studio	\$600.00	\$420.00	\$86.00	\$60.20

The Information Page

Resort Condominiums International

2000 Exchange Fees

Domestic Exchange.....	\$124.00
International Exchange	162.00
Internal Exchange	124.00
Guest Certificate	40.00
Endless Vacation Year	84.00
Reinstatement	200.00
Instant Exchange	317-872-7575
Member Services.....	800-338-7777
New Owner Welcome.....	800-336-3232
Travel Service	800-654-5000
Exchange Hotline	317-875-5000

Loan Payments

If you purchased your time-share week **prior** to August 2, 2000 and financed the week purchased with Village West, you should send future payments to:

ALLIANT ENERGY INVESTMENTS
ATTN: 210TC
ALLIANT ENERGY RESOURCES
P.O. BOX 351
CEDAR RAPIDS, IA 52406-0351

Nothing has changed with your loan other than the payment address. Any pre-authorized bank withdrawals you may have arranged will continue as per agreements with no change in amount or withdrawal rate. For questions concerning your loan for purchases prior to August 2, 2000, you may call Wendy Ferguson of Alliant Energy at 1-877-433-1788 at Extension 5622.

If you purchased your time-share week **after** August 2, 2000, payments should be sent to:

UNITED COMMUNITY BANK
P.O. BOX 556
OKOBOJI, IA 51355

Any questions should be directed to Todd Johnson or La Donna Hanson at United Community Bank at 1-712-332-7717.

2001 Sunrise Cove Maintenance Fee Schedule

	Studio	1 Bedrm	1 Bdrm Spa	Townhouse	Mansion	Rustic	L 1-12 B	L 1-12 A	L 1-12 AB	L 14-15 AB	L14-16 A or B
Administration	35.76	35.76	35.76	35.76	35.76	35.76	35.76	35.76	35.76	35.76	35.76
Maintenance	27.00	50.36	48.02	58.97	94.99	97.12	32.81	50.14	67.36	108.68	60.38
Recreation Services	14.87	14.87	14.87	14.87	14.87	14.87	14.87	14.87	14.87	14.87	14.87
Recreation License	15.90	15.90	15.90	15.90	15.90	15.90	15.90	15.90	15.90	15.90	15.90
Insurance	11.55	11.55	11.55	11.55	11.55	11.55	11.55	11.55	11.55	11.55	11.55
Utilities	36.45	59.06	56.79	67.39	102.24	104.30	37.39	52.67	75.50	123.74	68.75
Front Desk	18.18	18.18	18.18	18.18	18.18	18.18	18.18	18.18	18.18	18.18	18.18
Housekeeping	25.10	48.60	46.24	57.26	93.49	95.63	32.88	51.28	65.69	105.61	58.67
Annual Audit	1.23	1.23	1.23	1.23	1.23	1.23	1.23	1.23	1.23	1.23	1.23
Income Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bad Debt	8.37	8.37	8.37	8.37	8.37	8.37	8.37	8.37	8.37	8.37	8.37
Reserves	16.40	38.94	36.68	47.24	81.99	84.05	24.25	41.90	55.33	87.48	48.60
Management Fee	12.02	28.54	26.88	34.62	60.09	61.60	18.71	32.32	40.55	64.11	35.62
Real Estate Taxes	21.67	40.48	38.59	47.42	76.37	78.11	29.30	44.79	54.16	87.38	48.52
Maintenance Fee	\$244.50	\$371.84	\$359.06	\$418.76	\$615.03	\$626.67	\$281.20	\$378.96	\$464.45	\$682.86	\$426.40

Referral Program/Form

We have a new Referral Program in effect starting August 1, 2000. If you have a referral who purchases you will receive:

\$200 Pre Red Week

\$150 Shoulder Red Week

\$100 White Week

\$50 Blue Week

Owner Name _____ Owner Number _____

Friend's Name _____ Phone _____ Email _____

Friend's Name _____ Phone _____ Email _____

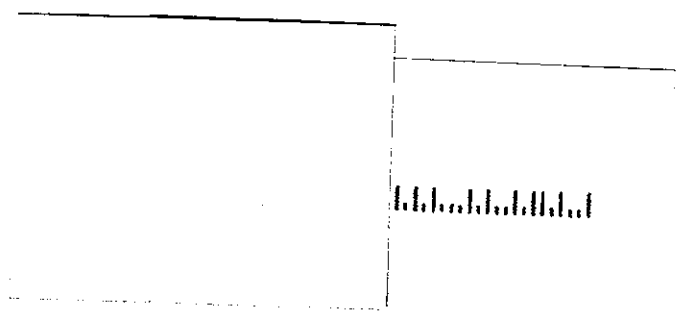
Friend's Name _____ Phone _____ Email _____

Friend's Name _____ Phone _____ Email _____



Sunrise Cove at Village West Resort
P.O. Box OR
Spirit Lake, IA 51360

PRESORT STANDARD
U.S. POSTAGE
PAID
HAMPTON, VA
PERMIT NO. 574



NOTICE OF ANNUAL MEETING

Village West Resort requests the honor of your presence at the annual meeting of the Sunrise Cove Timeshare Association, which will be held at the resort on Friday, November 3, 2000 at 9:00 a.m.

Please RSVP before October 30, 2000 by contacting the Administrative Office at 712-337-3223, extension 257. We look forward to your attendance and participation.