



February 2018

ANNUAL MEETING NOTICE

Cove at Yarmouth Interval Owners are invited to attend the Annual Meeting of Owners on Saturday, April 7, 2018, 10:00 a.m. at The Cove at Yarmouth, 183 Main Street (Rt. 28), West Yarmouth, MA

Annual Homeowners Meeting The Cove at Yarmouth Hotel Owners Association, Inc. and The Cove at Yarmouth Resort Hotel Condominium Trust AGENDA

- I. Welcome and Introductions
- II. Approval of Annual Meeting Minutes (04/01/17)
- III. Resort Operations
- IV. Financial Reports
 - A. 2017 Budget Recap and 2018 Budget
 - B. 2017 Reserve Expenditures
 - C. 2018 Planned Reserve Expenditures
- V. Industry Update
- VI. Questions and Answers/Open Forum
- VII. Adjournment

INSIDE THIS ISSUE

2017 Annual Meeting Minutes

BONUS TIME BONANZA

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**ANNUAL HOMEOWNERS' MEETING
COVE AT YARMOUTH RESORT HOTEL OWNERS' ASSOCIATION, INC.
COVE AT YARMOUTH RESORT HOTEL CONDOMINIUM TRUST
SATURDAY, April 1, 2017**

I. WELCOME AND INTRODUCTIONS

Mrs. Moser called the meeting to order at 10:05 a.m. and extended a warm Welcome to all owners present. Board members and resort management who were seated at the head table were introduced.

Board of Trustees:

Venita Amidon Alan Fletcher
Paul Cavaliere Debora Jones
Ingrid Dooling Marcia Moser
Steven Fabrizio Rodrigo Orozco-Silva

Absent: Malcolm MacPhail

VRI and Resort Management:

Rich Muller, Chief Operating Officer, VRI/TPI
Michael Edwards, General Manager

Advisory Committee: Michael Miles

Mrs. Moser provided an overview of today's meeting highlighting room renovations, the lobby refurbishment, and the Cove's new restaurant, The Loft. She also informed the audience that long time Trustee Erich Salomon recently resigned from the Board.

II. APPROVAL OF ANNUAL MEETING MINUTES

Rich informed the audience that a copy of the minutes of the Annual Owner's Meeting of April 2, 2016 was provided to everyone as they signed in today at the registration desk. A copy of the minutes is also available to any owner upon request.

MOTION: Motion was made that the owners present waive the reading of the 2016 Annual Meeting minutes of the Cove at Yarmouth Hotel Owners Association, Inc. and the Cove at Yarmouth Resort Hotel Condominium Trust, and Furthermore, that the owners present also approve the 2016 Annual Meeting minutes of the Cove at Yarmouth Hotel Owners Association, Inc. and the Cove at Yarmouth Resort Hotel Condominium Trust as presented. Motion was duly seconded and approved unanimously.

III. BOARD ELECTIONS

Rich Muller was designated to serve as Election moderator. He reminded the owners present that elections are held every other year. Following a review of the election process, Rich introduced the slate consisting of seven candidates including three incumbents.

MOTION: Upon motion made, seconded and voted unanimously, the floor was closed to further nominations and the moderator directed to proceed with voting.

The candidates present introduced themselves and voting ensued. Two members of the audience were selected to serve as tabulation monitors.

Rich advised the audience that, owners are strongly encouraged to run for election, even if they don't believe they may be elected. By doing so, the Board has an opportunity to consider those who have expressed interest in serving on the Advisory Committee.

IV. RESORT OPERATIONS

Michael provided a detailed PowerPoint presentation which included the following topics:

- Introductions of department managers Michelle Pimental, Fernando Teixeira, Giselle Vorpahl, Lorie Sullivant, Chuck Hull and Assistant General Manager, Erin Lee. These leaders are responsible for more than 60 full and part time staff members.
- The Cove officially celebrated its 30 year anniversary last year 1986-2016.
- The Yarmouth Chamber again organized a Sand Sculpture attraction throughout the Town whereby professionally designed and constructed sand sculptures are created for participating businesses. The Chamber provides area visitors with a map so that they can tour all the sites where the sculptures are located and participating businesses benefit from the exposure. This has become a very popular attraction and The Cove has participated each year. Sculptures are treated with adhesive to withstand the season and the crews that create them are very talented. This year's sculpture recognized the opening of The Loft Restaurant.
- The Loft opened this year and has been achieved excellent reviews among Cove owners and on TripAdvisor. The new restaurant has developed a local following and offers weekend entertainment.
- Ownership now totals 96% of all available intervals or 11,317. There were 177 new sales in 2016. Other ownership and use/exchange statistics were itemized.
- Owners were again warned to be wary of phone solicitations and particularly sale and transfer services. Owners are encouraged to contact management with any questions about the legitimacy of any solicitations they may receive.

V. FINANCIAL REPORTS:

A. 2016 Budget Recap and 2017 Budget

This year's budgeted expenses are as follows:

	2017	2016
Payroll	2,305,461	2,113,349
Operating	1,198,300	1,273,970
Admin & General	1,393,032	1,383,724
Fixed Expenses	414,263	422,600
Other Expenses	1,424,665	1,440,578

VRI's new Revenue Distribution Management (RDM) group has leveraged relations with Online Travel Agents and increased 2016 net rental income to The Cove by over \$100,000

The Cove's maintenance fee at \$547 is substantially lower than both the national and regional averages as reported by the American Resort Development Association.

B. 2016 Reserve Expenditure

Michael Edwards itemized the following 2016 Capital expenditures totaling \$868,200:

- Heat Pumps (12)
- Stairwell Upgrades
- A3 Entrance and Stairs
- 43" and 32" LED TV's
- iHome Clock Radios
- TV Wall Mounts and DVD Players
- Refrigerators and Microwaves
- Indoor Tennis Court Lighting LED Retrofit
- Outdoor Pool Heater
- Chaise Lounge Chairs
- Entry Sign
- Glass Entry/Fire Doors
- New White PVC Fence on Bayside and DeParma Property Lines
- Maintenance and Housekeeping Equipment

C. 2017 Planned Reserve Expenditures

Michael Edwards provided a list of budgeted Reserve Expenses for 2017 at a projected case of \$405,473 as follows:

- Heat Pumps (15)
- Health Club Dehumidification System
- Hot Water Conversion
- Indoor Pool Deck Resurfacing
- Elevator Cabin Refurbishment
- iHome Clock Radios
- 43" and 32" LED TV's
- TV Wall Mounts and DVD Players
- Refrigerators and Microwaves
- Outdoor Restaurant Equipment
- Glass Entry/Fire Doors

The outdoor pool amenity announced last year has progressed through the design and approval process. Ground has been broken and the project is expected to be completed in time for a June 20 opening. Pictures and plans were presented to the audience. Features include an additional pool, sitting areas, rest rooms, gas fire pits and a restaurant that will be operated by The Loft. A contest to name this new amenity received 227 submissions and the winner is: Heron's Landing.

Michael also reported that a three-year unit renovation plan continues with 72 townhouses to be completed next month. Total cost of this latest refurbishment will be \$3,556,000. This third renovation phase includes hall carpet and lobby

renovations. Comments on the new décor have been among the most favorable of any previous renovation.

VI. INDUSTRY UPDATE

Rich Muller explained that industry trends as reported last year continue to be favorable but rather than discuss the industry, Rich took the opportunity to reminded veteran owners and explain to new owners about VRI and The Cove's history and relationship. The Cove, like many resorts that VRI has managed through the industry's early years experienced significant financial challenges. When Developer Malcolm MacPhail contacted VRI's owner, Roy Fraser, about providing management services, the Cove's future was uncertain. However, VRI had earned a reputation as a turnaround specialist and developed most of its best practices working with distressed Associations. Highly dedicated volunteer Board members stepped forward to serve, many of whom continue to do so today. The relationship that started in 1988 resulted in The Cove becoming the region's premier destination resort and VRI becoming the largest manager of independent timeshare resorts. Rich recognized Malcolm MacPhail whose vision became what The Cove is today and who continues to faithfully serve on the Board.

Rich Muller stated that there was an innocuous event 25 years ago that also proved to be a turning point in The Cove's history when Michael Edwards was hired as Front Desk Manager. The Board and VRI are proud to recognize Michael's 25th anniversary with gratitude for his many contributions to the Cove's success. Under his leadership The Cove has become the region's premier destination resort. The staff likewise recognized Michael's anniversary with statements about his leadership by each of the department heads. Michael received well deserved appreciation from the audience.

Owner were reminded that VRI*ety exchange is now called Trading Places International (TPI) and Cove owners receive a free TPI Classic membership that includes a bonus week certificate for every week deposited, free guest certificates and access to Resorts to Ports cruises. TPI provides access to more than 600 resorts, unit and season upgrades and a full service travel agency. Details available at www.tradingplaces.com.

VII. ELECTION RESULTS

With tabulation completed, Rich Muller announced that the following candidates were elected for a six year term: Ingrid Dooling, Incumbent, Rodrigo Orozco-Silva, Incumbent, and Venita Amidon, Incumbent

VIII. QUESTIONS AND ANSWERS / OPEN FORUM

The Board and management entertained questions from the general ownership. Among other comments and questions discussion ensued about The Loft restaurant, unit renovations and Heron's Landing

IX. ADJOURNMENT

There being no further business or questions from the audience the meeting was adjourned at 12:00 p.m.



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Publication - The Cove at Yarmouth News publication is intended solely as a vehicle of communication for Owners and the Board of Trustees. The purpose of this newsletter is to relate membership information, correspondence, stories, facts and news as deemed appropriate or relevant to the interest of owners.

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