

Message from the Board of Trustees

Greetings...We hope this finds you all safe and well.

Things have surely changed a lot for all of us since our last newsletter and that includes many changes at the Edgewater Beach Resort. The Resort was shut down to guests from March 21st to June 13th with most owners able to reschedule those weeks to a later time. Now that it has reopened, there are all kinds of new policies, processes and procedures in place, for the time being anyway.

In addition to many new cleaning and other protocols, restrictions had to be implemented to allow for social distancing. Be sure to check before you go to the Resort. For example, Day Use by owners has been temporarily discontinued, the indoor pool, spa and bathroom are closed, there's no furniture allowed around the outdoor pool, and you

need to bring your own beach furniture. Access to the lobby is also limited and more.

You can find a complete list of the changes on our website, www.edgewatercapecodma.com under the COVID-19 banner on the home page or contact the Resort.

We know that some of these changes are more difficult to deal with and adjust to than others. However, all the changes have been made out of an abundance of caution for the safety and wellbeing of our owners, guests and our staff, and have been done in accordance with the guidance and direction of the Commonwealth of MA, the Centers for Disease Control, the World Health Organization, local requirements, etc.

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Visit your Happy Place, Cape Cod Social Distancing - Wear a Mask - Be Safe

The COVID-19 pandemic has changed the way we... Fill in the blank. This statement has a different meaning for each of us. At Edgewater Beach Resort, Housekeeping has changed procedures, Front Desk staff work behind plexi-glass, and all staff are wearing masks. But they are smiling under those masks. 😊 We are thrilled to see owners, guests and renters this summer. Your visit will be very different. So many businesses including the Edgewater Beach Resort are operating with restrictions, limited hours, limited staff, and limited service levels due to the Commonwealth of MA, CDC, and World Health Organization's guidelines put in place to keep all of us safe.

Our rooms are extra clean, many are newly renovated. Amenities are limited on site, but the beach and ocean are open for your enjoyment (with social distancing). We look forward to seeing each of you in 2020.

Come to your home away from home, walk the beach, swim in the ocean, and make new memories.

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Message from the Board of Trustees, continued...

Please note that we continue to monitor the situation and will revise and adapt our policies and procedures as the situation warrants.

It is important to note that General Manager, John Verity, Assistant General Manager, Albenia Ninova, Housekeeping Manager, Yennis Douglas, and Front Office Manager, Taylor Ford, continue to provide excellent service to our owners and guests even during these difficult times including while the Resort was closed to guests. Along with the leadership of our Management Company, VRI Americas (VRI), we continue to serve our owners and guests with compassion. The Board is pleased with and proud of the hard work put in by everyone over these challenging times.

Among the changes we also had to make was to cancel the 2020 Annual Owners Meeting that was scheduled to be held in early May. As a result, in order to keep you informed as best we can, we have prepared this newsletter along the same lines and in the same detail of what we would have presented to owners at the Annual Meeting. We have also updated the information where appropriate to incorporate what has happened since early May. We hope to see you next May at the 2021 Annual Meeting.

Meanwhile, the Board continues to meet on a regular basis, just not in person. You can follow the Board's work and progress by reviewing the minutes of Board meetings and more found in the Owners Section of our website. Please note that minutes can only be posted after they have been approved and signed off by the Board. That typically takes place a couple of months or so after a Board meeting is held.

We also have some sad news to share. Shortly after attending the April Board meeting, our newest Board member, Bill Traynham, was diagnosed with a fatal illness and recently passed away. In the short time we came to know him, we found him to be a very special person, eager to contribute to the Edgewater, the place he loved the most, he said, of all the places he had ever been. He will be missed. We extend our deepest sympathies to his wife Gilda and their family and friends. The Board will be meeting soon to determine how best to fill the vacancy.

Stay safe. Be well.

On behalf of the Edgewater Board of Trustees,
Marcia Svetkey, Chairperson



Resort Update

Adjustments to operational plans have been and will continue to be made over the next few months as we move through reopening phases and work to protect our employees and our owners, renters, and guests going forward. Our main goal has been to keep our doors open, provide a safe vacation destination, and prepare for the future. We have been working hard to maintain our fellow owners' investment.

This newsletter not only includes our biannual update, but also includes the detailed material that the Board and management had prepared and would have presented at the 11th Annual Meeting of the Edgewater Beach Resort Owners Association in May before the COVID-19 pandemic had affected North America and the meeting was cancelled. That material has been updated to incorporate what has been happening since May, as well.

Timeshare Exit Companies

If it sounds too good to be true, it probably is not true at all despite what those folks in all those tv and radio ads are telling you. The Board is very actively monitoring the timeshare markets, trends, and pitfalls including these groups who promise you the world.

We encourage owners to call the Resort before giving money to or paying any fees to an "Exit Company". You have other safer, trustworthy options available to you at the Resort level. Use caution, read the fine print and reach out to General Manager, John Verity, to see what the Board has approved and can offer to help each owner.

From the General Manager's Desk

Operational Upgrades

The winter off season included a pool dehumidification revamp, unit by unit air-conditioning maintenance and repairs, siding and decking improvements as well as some sliding door replacements. The interiors of thirty-five units were painted, and the exterior was painted when weather permitted. Numerous screens and windows for four rooms were also replaced. The lobby has received two new door installations along with electrical upgrades to exterior can lights, fixtures, emergency exit signs, and emergency light systems. Our ocean frontage had new railroad ties installed and work done on the over the dune walkway to improve beach access. All walkways have been power washed. Several extensive exterior repairs were made as a result of the damage caused by the July 2019 tornadoes that hit Cape Cod including at the Edgewater Beach Resort. The ocean front and west building second story walkway underlayment has been replaced with a lightweight waterproof material.

Renovations 2019-2020

Renovations have been our ray of sunshine. Work began in November 2019 and persevered during the COVID-19 pandemic without interruption. The onset of the pandemic certainly added some speed bumps to the project, however. We are pleased to announce that over thirty units were remodeled prior to the June reopening date. The east and center building units (101-118 and 201-218) as well as units 237, 239, 123, and 124 received almost complete renovations. Most of the new furniture and new granite countertops have still yet to arrive though. The supplier reports that is a result of how factories here and overseas experienced closings and disruptions to business. Formica counter tops have been installed in the interim and some of the old but very usable clean furniture we had kept in storage has been brought back in. Our anticipated date of arrival of the new furniture and counter tops is Fall 2020 with installation soon thereafter. The owners and guests we have spoken with so far are extremely positive about the kitchens, bathrooms, floors, new sofas, beds, artwork, drapes, window treatments, rugs, and the new clean look! We are all excited to see the installation of the missing furniture and counter tops and to continue with the renovation of the west building and the ocean front units beginning in November 2020.

Staff Update

The entire staff here at the Edgewater Beach Resort has been extremely productive and dedicated to the property despite all that is going on in the world. Many similar businesses on Cape Cod and in Massachusetts have not been so fortunate with finding employees this year. Our team is back to work, and we have added a few new members. The Front Desk, Housekeeping and Maintenance Departments are well staffed for this season. The management team which consists of Albena Ninova, Taylor Ford, Yennis Douglas and Andy Castro are all doing a great job. We look forward to your arrival, and we ask that everyone practice social distancing, wear a mask when you cannot social distance, and please understand the team is working very hard to provide excellent service and practice the rules we put in place to help all of us stay safe.

Sales and Marketing

Sales were minimal compared to previous years and auctions brought in a few new owners. A new sales partnership with "The MVP Marketing Firm" out of Orlando started in December 2019 with the hope of opening new markets in 2020 and the implementation for the first time of an owner resale program. The COVID-19 pandemic has slowed the process, but the MVP Team has certainly not stopped their efforts.

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From the General Manager's Desk, continued... The owner resale program began in February, and many owners have inquired and are happy to know that this option is available to them if they choose to sell. Approximately twenty-five owners have already elected to sign up and sales are being made. With the recent renovation plan completed in over half of the property, many owners have commented that they are thrilled to see the vast improvements and are looking to purchase more rather than sell. If you or a family member or a friend are interested in purchasing, please reach out directly, and check out the MVP website, www.themvpservice.com.

Management Company - Financial Reports

Overview

2019 was another challenging year for the Edgewater Beach Resort. As most owners know, over eleven years ago we struggled to break away from our developer and form the Edgewater Beach Resort Owners Association. Since that time, the Board, made up of five owners just like you, elected by you, has been working diligently on behalf of all the owners to keep the doors open. Each year we still have a struggle with inventory still owned by NERM, the former developer, who should be paying their fair share of maintenance fees on the 177 intervals they still own, but they aren't. They haven't paid since the owners took control in 2009. We continue to pursue any and all legal remedies against them.

In addition to the developer not paying yearly fees, a number (almost 30%) of owners, are also not paying their fees. The bottom-line suffers as a result. The COVID-19 pandemic has also adversely impacted business financially due to travel restrictions, border closings, and extended shelter-in-place and safer at home orders.

As a result, we struggle each year with a compounded operating deficit of around \$500,000 and only about 78% of owners typically contribute to each fiscal year's maintenance fee collections. (In 2020, that percentage is now even lower, just over 70%.) We continue to seek new ways to grow the Association through sales to individuals and/ or vacation clubs. This past year NERM and the Owners Association have worked with Attorney Tom Coniaris to hold real estate auctions, moving some intervals over to new fee-paying owners. The Board added a new sales team to double the efforts and grow the Association at a quicker pace. Each team is going after different markets. Please contact John Verity, Edgewater Beach Resort General Manager and licensed real estate agent, for more information if you or someone you know want to purchase additional weeks.

DePaola, Begg & Associates PC, independent Accountants, once again reviewed the Association's 2019 Financial Reports. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Association's management work. The Accountant's conclusion on the 2019 Financial Statements shows they satisfy and are in accordance with generally accepted accounting principles. Here are the details of that review:

The Edgewater Beach Resort 2019 Summary Report

	Operating Funds
<u>Revenues:</u>	
Maintenance Assessments	\$1,844,081
Rental Income	88,496
Interest Earned	724
Member Interest and Fees	8,394
Bad Debt Recovery	25,766
<u>Other Income</u>	<u>64,074</u>
Total Revenue	\$2,031,535

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Management Company - Financial Reports, continued...

Expenses:

<u>Operating, Property Taxes, Admin & General</u>	<u>\$2,376,971</u>
Excess of Expenses over revenues	(345,456)
Prior Year(s) Deficit	(531,389)

Income Taxes

The Association files income tax returns as a homeowners' association, in accordance with Internal Revenue Code Section 528. Under that Section, the Association is not taxed on uniform assessments to members and other income received from Association members solely as a function of their membership in the Association. The Association is taxed at the rate of 32% on its investment income and other non-exempt function income. The Association incurred state income tax expense of \$1,297 for the year end December 31, 2019 period.

Inventory

Beginning in May 2016, the Board of Trustees began tracking the total one-week intervals available for sale (does not include owner resales) on the financial statements. There were 459 one-week intervals available for sale as of December 31, 2019. Each interval was assigned a value equal to its estimated net realizable value which as of December 31, 2019 was \$1.00.

Reserve Fund

The Association's reserve fund is utilized to accumulate funds for future major repairs and replacements. The Association engaged a consultant who conducted a reserve study in May 2016 to estimate the remaining useful lives and replacement costs of the Association's common property. A special assessment totaling \$812,416 was billed during the year end December 31, 2019. The week owners were billed \$765,237 and the developer was billed \$47,179. The Edgewater Beach Resort Timeshare Condominium Association Balance Sheet as of December 31, 2019 reported that Reserve Fund Total Assets were \$2,159,505 equivalent to the total liabilities.

Subsequent Event

The Association has evaluated subsequent events through June 30, 2020 the date through which the financial statements were available to be issued and has determined that there is one subsequent event that requires disclosure under FASB ASC Topic Subsequent Events. In March 2020, the World Health Organization declared the outbreak of a novel virus (COVID-19) as a pandemic which continues to spread. While this matter may negatively impact the Association's results of activities, cash flows and financial position, the related impact cannot be reasonably estimated at this time.

Election Results

Results of the 2020 election were previously shared in a postcard mailed to all owners. Two Board seats were filled, each for a three-year term.

Dottie Fulginiti was re-elected, and Ralph "Bill" Traynham was elected to fill John Winston's open seat.

Contact the Board

Questions, concerns, and comments may be sent to the Board via email addressed to:

board@edgewatercapecodma.com

As fellow owners, we always strive to respond in a thoughtful, comprehensive, and timely manner.

Online Presence

Website

The Edgewater Beach Resort website is being updated on a continuing basis with current information to include among other things new room pictures especially after the new furniture is put in place to show off our renovations. In line with our marketing strategy, the website is not only geared to our owners but also toward the rental market.



Check it out on your computer, tablet, or phone at www.edgewatercapecodma.com.



Facebook

The Edgewater Beach Resort Facebook page is updated weekly and can be accessed by establishing a Facebook profile (<https://www.facebook.com/r.php>) and searching for Edgewater Beach Resort Cape Cod or by going to <https://www.facebook.com/EdgewaterBeachResortcapecod/> and then “following” the page.

Instagram

The Edgewater Beach Resort Instagram page is also updated weekly and can be accessed by establishing an Instagram account (<https://www.instagram.com>) and searching for Edgewater Beach Cape Cod, or by going to <https://www.instagram.com/edgewaterbeachresortcapecodma/> and then “following” the page.



Create an Owner Account on VRI Americas' (VRI) Website

Having an owner account on VRI's website allows you to see your account balance, your last payment, and your upcoming reservations. You can also make payments by credit card.

Creating an account is something that you can do yourself on the VRI website (www.vriresorts.com). Before doing so, your email address must be on file with VRI and associated with each of your shares (unit/weeks).

If you have not previously provided your email address, please call 1 (866) 469-8222 or email memberservices@vriresorts.com and ask to have it associated with all your shares. (Note: This is a separate process from providing your email address to the Resort.)

To create an account, go to “Owners Portal” and click on “New Users”. Enter your email address and select from the property code drop down, enter your account number which is of the form UUU-WW where UUU is the unit number padded with leading zeroes and WW is the week number, e.g., 00101-36, and then click on “Register” and create a password.

How Owners can Help Market our Great Resort

Owners can help bring more people to the Resort (and thereby help to control future maintenance fee increases) by moving from the Loyalty stage to the Advocacy stage. Specific actions you can take to help include:

- Writing reviews on TripAdvisor. Our current average score is 4 (Very Good). We want to get to 4.5 (Excellent). Owners can help by writing a few sentences about having a 5-star experience detailing the positives. We especially need testimonials from people in the off-season.
- You can find us on TripAdvisor by searching for Edgewater Beach Resort within TripAdvisor. To post a review, you must either have an account on TripAdvisor (free and easy to create), link to your Facebook account, or link to your Google account.
- You can help us in our marketing efforts by giving Edgewater Beach Resort favorable ratings on Google: You can write a review on Google by searching for Edgewater Beach Resort and then clicking on Google reviews on the right-hand side of the page. You must have a Google account (i.e. a Gmail account-free and quick to set up) to post a review.
- “Liking” posts on the Edgewater Beach Resort Facebook and Instagram pages and by making positive comments on these pages.
- Telling friends and neighbors about the Edgewater Beach Resort.



Instagram

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800-365-7617
EXCHANGE@TRADINGPLACES.COM

vri
americas

Terms & Conditions

Use promo code **LETTER** when depositing your use week. Valid for new deposits only. Deposit your Unit Week at least 60 days prior to your Unit Week arrival date to receive two Bonus Weeks, for a total of three weeks of usage. Each Bonus Week is subject to a \$225 service fee and valid for a reservation in a Unit up to the same size as the original Unit Week deposited. Each Bonus Week expires one year from the arrival date of original Unit Week deposited. Offer is based on availability, cannot be combined with other offers, and is subject to change without notice.



Edgewater Beach Resort

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SUMMER 2020 NEWSLETTER

Contact Information

Edgewater Beach Resort

Resort Number (508) 398-6922
Fax (508) 760-3447
Website: www.edgewatercapecodma.com

Edgewater Board of Trustees

Email: board@edgewatercapecodma.com

VRI Owner Services

Assessment Billing and Collection
(949) 855-8004
(800) 999-7140

Monday - Friday 8:00 a.m. - 5:00 p.m. (PT)

VRI Reservations

General (800) 228-2968
Rentals, Vacation Tyme® (866) 469-8222
and Bonus Time

Website: www.vriresorts.com

Email: reservations@vriresorts.com

Monday - Friday 6:00 a.m. - 6:00 p.m. (PT)

Saturday - 8:30 a.m. - 4:00 p.m. (PT)

Exchange Information

RCI (877) 874-3334
Interval International (800) 828-8200
Trading Places (800) 365-7617

Still Need Assistance?

VRI Corporate Services (508) 771-3399
(800) 999-7140
VRI Fax (508) 775-6396



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