



Edgewater Beach Resort

April 2022

Dear Edgewater Owners,

Over the past thirteen years since the owners took control of The Edgewater, the Board of Trustees, made up of five owners just like you, have worked diligently to maintain the property, remove the developer involvement from Edgewater, rebuild after a fire, reopen safely during the pandemic, and with the help of the onsite management team, welcome our owners each year for a memorable vacation experience on Cape Cod.

Families have returned year after year to our popular beachfront Resort here in Dennis Port. Many of you have seen your children and grandchildren grow up at the Resort.

All the while, John Verity, General Manager, and his team have been working overtime and with a smile behind those masks to get through what have become the “new normal” procedures with COVID-19, deep cleaning and disinfecting common areas to keep every traveler safe during the past two years. Travelers have been patient, checking in around four p.m. each week, allowing staff to take care of all necessary cleaning protocols after the morning checkouts.

Despite it being a new year and dealing with yet another COVID variant, things do appear to be slowly improving. Forecasts for a record-breaking summer travel season in 2022 combined with the fact that the hospitality industry is leading all industries in employees leaving, mean 2022 will again bring supply and labor shortages and delays along with potential budget increases. Shortages and delays aside, the Resort is pushing forward as best it can in these ever-changing times.

At the same time, we have been chasing the developer (NERM) since day one to pay the yearly maintenance fees for the intervals still under their ownership. That has been an ongoing challenge. While some funds have been collected over the past 12 years from rental of NERM’s inventory and the 3% the Resort received from sales proceeds while the developer funded new sales, the amount does not compare to the hundreds of thousands due and unpaid each year from the developer in maintenance fees. This year, after close review from the Association’s Attorneys, we were finally able to move forward to take action against the developer for non-payment of maintenance fees and start to foreclose on the developer’s inventory still owned at The Edgewater once and for all. Happy news for us all in 2022!

Meanwhile, an older property like ours needs to be refreshed every so often. In this regard, this year we are excited to showcase all 76 fully renovated units to our guests.

The Edgewater’s Board of Trustees recently approved a special assessment. The assessment will pay for a number of items outlined here and in the new Two-Year Capital Improvement Plan which will be presented to the owners at the Annual Owners Meeting, Saturday, May 7, 2022.

Key Components include:

- Foreclosure on NERM/Developer
- Building Improvements
- Structural Improvements
- Physical Improvements

We’re investing in our future while maintaining our property value.

SEE THE ENCLOSED BILL. Each owner will be contributing based on unit size:

Studio Units \$670

\$50 Discount offered when full payment is received by May 15, 2022.

One Bedroom Units \$970

\$75 Discount offered when full payment is received by May 15, 2022.

Two Bedroom Units \$1,352

\$100 Discount offered when full payment is received by May 15, 2022.

See final page for payment information, other payment options and amounts.

NOTE: Installment payments include a \$7.00 installment processing charge.

If payment is not received on one of the payment arrangements noted in the Schedule by May 15, 2022, you will be considered delinquent.

Online payments may be made by going to www.vriresorts.com and signing into your owner portal.

Just over five years ago, we started the previous version of our Capital Improvement Plan for each unit. Now we are moving ahead to renovate the building exteriors, structure, and physical components.

We understand special assessments are hard on owners, but, as owners ourselves, we are asking each of you to invest in our property and the future.

Contractors, mechanical tradesmen, and building professionals will be making the necessary improvements to our beautiful beachfront property.

The Capital Improvement Plan will allow our property to shine within our units and on the exterior of the building structures, too. Updated physical services and amenities help us to stay competitive within the rental market and grow our ownership base which helps us all financially.

Non-Judicial Foreclosure of Developer Owned Intervals-\$40,000

Building Improvements

- Exterior painting and wood trim replacement-\$98,900
- Roof West Building-\$69,000
- New front doors/door locks-\$126,932

Structure Improvements

- Replacement of slider doors, stationary second floor windows and deck repairs/drainage-\$218,500
- New septic tank-\$124,200
- New AC unit for South Building-\$35,000
- New windows in South building-\$17,250

Physical Service and Amenity Improvements

- Indoor pool resurface-\$11,500
- Overhaul fitness room, heat/ac system-\$42,550
- New commercial laundry equipment-\$73,350
- Replacement of outdoor patio tables and chairs-\$82,800

Operating Cash Shortfall-\$735,000

This extensive construction project including pool renovations spanned almost six years. Updates will soon be completed in each unit.

Owners have been excited with the results from the new bathrooms, to the fully remodeled kitchens, to the updated energy efficient appliances, new rugs and elegant furniture and more in each unit. Owners have been commenting how nice the place looks inside and, at the same time, asking when will we be moving to make similar improvements to the outside. It is now time to make sure the outside, our buildings' structure plus physical services and amenities, are addressed.

We have been researching each of these projects over the past year, all of which have been on our capital reserve report, including:

- replacement of slider doors and stationary second floor deck windows
- deck repairs including new drainage system
- exterior painting and wood trim replacement
- septic tank replacement
- front door and door lock replacements
- AC and window replacement for the South or oceanfront building
- new patio tables and chairs
- new commercial laundry machines
- Fitness Center overhaul including heat/AC unit replacement
- resurface the indoor pool
- foreclose on the developer
- pay down the operating cash shortfall

Among the biggest obstacles in getting a number of these projects completed is finding the money to do them. There are other obstacles too, including the interruption of supply chains with the conflict in Ukraine and COVID-19 disrupting freight (both international and domestic), and extended delivery times, plus it costs hundreds of thousands of dollars over normal rates. So, we need to be diligent and patient as we proceed with the exterior and other projects.

We still have to move forward with these projects. So we are asking each owner to invest in our future while maintaining our property value. We have exhausted all other efforts to avoid doing this special assessment as we explained in detail in the Winter 2022 Newsletter. As a result, we have no choice but to ask for your help yet again rather than face having to close The Edgewater.

Every timeshare owner owns a percentage interest in the common areas, buildings, parking lots, land, roofs and other common elements and, therefore, assumes the responsibility of sharing in the cost to maintain, repair, and/or replace them. The cost to each owner is determined by dividing the expense by the number of all maintenance fee paying owners. Obviously, the more owners sharing in any expense lowers the cost to everyone.

Each owner is being asked to contribute based on unit size and has a choice of options, pay in full this year with a discount or pay over two years without a discount. Please contact us for information on paying via an installment plan.

