

2018 Annual Newsletter

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**Wishing Everyone A Merry Christmas,
A Happy & Safe Holiday Season & A
Healthy and Prosperous 2018!**

Thanks to you, The Colony has had another good year. This is our home away from home. This letter is to keep you informed of all that is being done to keep your vacation home as comfortable and safe as possible.

TIERED MAINTENANCE FEES:

Having received a letter in September from the Colony's board chair, this is the place to begin. As was stated, "off season weeks" vs. "in season prime weeks" ownership is vastly different in what can and cannot be enjoyed. Utility usage and general wear and tear on the building is also completely different during different times of the year. Consequently, maintenance fees should reflect these facts of life. You have seen the new fee structure as we inserted it in the letter on page one.

The reality of the situation is that for The Colony to stay viable, we had to start thinking "outside of the box". As a result of much deliberation, The Board is convinced that we had to restructure the maintenance fees and how they are applied.

The Average weekly occupancy of the 39 units in the winter time is 1.5 people "vs" 8+ people in the summer season. The HVAC's obviously get a lot of abuse as many people set the thermostat on 60* although it is not possible to get the units that cold. Running the compressor 24/7 shortens their life span. With more people coming in and out, opening and closing doors, the electricity usage increases. Wear and tear on the furniture, elevators, HVAC's, water usage, pool usage occurs in the prime time weeks.

Another consideration is that the winter time owners pay the same fees as the summer time owners, yet they have ALWAYS had to

endure all of the yearly construction projects that can only take place at this time. The City of Virginia Beach will not allow construction during the prime time season for obvious reasons. Construction is noisy, sometimes requiring the pool deck to be closed, not being able to use the patio balconies, parking lot closed, limited access to the elevators and many other inconveniences.

The Board has heard your comments and recognizes that the cost to buy a week in the prime season is more than the price of a winter week. Of course, the purchase price of a summer week is more because it is in high demand.

In the end, the cold hard facts are this: There is simply not a huge market for winter Time-Share ownership. For The Colony to stay viable changes have to be made. A smaller maintenance fee for the winter weeks will also be another way to entice future owners to want to purchase an off season week. The most important fact is that your Board of Directors feels that this is fair and even with the increase in fees it is still "the best deal in Virginia Beach". There is nothing here in Virginia Beach that compares to the size and what the Colony offers. The rental rate is

approx. \$2500+ to rent even the smallest condos that only sleep 4 people. The Colony really is "the best kept secret" and worth the additional fee increase.

Your board did not take this decision lightly and hopes that after reading everything you now have a better understanding of our thought process.

Maintenance fees are due January 1st each and every year. You have until the 21st of January before the fee is past due.

REMINDER - EACH WEEK BEGINS AT 4:00 PM - PLEASE- NO EARLY BIRD ARRIVALS

Each week begins at 4:00 PM and we have had issues with overly eager early arrivals. Please remember there is no access to the building until we are officially checking in.

Guest parking is issued on a first come first served basis at the time of check in.

We wanted to say "Thank You" to everyone for honoring and listening to this request that was in last year's newsletter. It is very much appreciated as there has to be set procedures and protocols in place to

make everything run efficiently for the **entire** ownership at The Colony.

Please do not move furniture around in the units:

This has actually become an issue in the last few years. The main problem this creates is that we do not have the staff or the time on Saturday to rearrange and move furniture back and forth. Moving the furniture around in the units scrapes the painted doors, walls and also causes damage to the furniture when being moved.

Maintenance Issues

We had the main water line break that had to be replaced. It was located under the concrete in the parking area on the front left side. This required having to break the concrete up, locate the leak and repair the pipes.

Due to the issue stated above the parking lot then had to be replaced due to all of the sand erosion that occurred from the broken pipe. We now have two new sections of concrete on the front left and right of the building.

We also had several storms over the last couple of years and we had roof repairs that were needed as the flashing and the membrane had been

compromised. All of the roof areas over the PH balconies have been repaired and replaced.

There were many storms which caused us to have a lot of additional costs in water extractions and re-stretching carpets. *(confirming that ceramic tile is the way to go although the initial cost is much more. The Colony will save thousands down the road).*

We also had some other water issues with failed water heaters and leaks starting to appear in the original pipes located behind the walls. These issues will be tackled as they happen.

The phone systems motherboard failed this summer and had to be replaced.

The mother board on one of the elevators also had to be replaced

UPGRADES @ THE COLONY

SWIMMING POOL:

The swimming pool has been totally renovated with a beautiful pebble coating and metallic aqua glass tile around the edge of the pool. The biggest change and the most popular is the wedding cake stairs with hand rail that was added. Management and The Board have gotten many requests for this over the years so that our older owners could enjoy the pool. Many were not able to enjoy the pool because many of our senior owners

could not easily enter or exit once in the pool. This was a great suggestion and has been a very big hit! There have also been LED lights added to the steps along with an LED light changing show that appears at night making the water appear to change colors for some additional ambiance. The 70's round lamp heads have been retired! They have been replaced with gorgeous copper lantern heads adding a very elegant touch to the pool area. All of the furniture on the pool deck has been replaced with a much updated furniture design. The pool deck looks better than ever.

FRONT COLUMNS:

They were painted with a metallic shimmery paint that has just set the front of the building off! It really added a lot of curb appeal. We have had many wonderful comments and thank you!

AUTOMATIC LOBBY DOORS:

This has been "hands down" the biggest hit! It is so much easier to enter and exit the building when checking in and out. No longer do we have to fight the front set of doors and maneuver the luggage carts past them. This has been a much appreciated special feature that we have added to the Colony.

CERAMIC IN EVERY HALLWAY:

We have done away with carpet in every hallway. We have laid a mosaic ceramic tile down that has really made the Colony feel more upscale and nice. The ceramic is such a nice upgrade and easier to clean and maintain. The hallways seem so much brighter and open now.

CONTINUED UPGRADES:

As stated before- as carpets need to be replaced we are going to install ceramic tile throughout the entire unit. This will be maintenance free, and will cut down on expenses dealing with water and the cost of having to steam clean them yearly. The hallways have definitely reinforced that fact.

ONGOING UPDATES:

- We have many bathrooms in which the tubs and the tub area are in need of repair. They are scheduled to be totally re-done by replacing the tubs, re-tiling the walls and adding new ceramic tile to the floors. This will be an ongoing project until completed.
- Sofas are replaced as needed, and love seats will now be replaced with two recliners.

- Just a reminder that the pool deck now has an ice machine. Enjoy!

Bylaw Article XV Changed

When you are selling your units in the future, please be aware that a "guarantee of payment" by an individual will now be required at each closing. The Bylaws had to be amended to give The Colony recourse to deal with fly-by- night LLC time share companies that have found a loop hole to avoid paying maintenance fees. An insert of this Bylaw change is below:

"Guaranty of Payment"

No transfer of title to any Condominium Unit to a Business Entity shall be valid unless the transfer of title is accompanied by an unconditional guaranty in which a Guarantor shall guarantee the full and prompt payment of the Maintenance fee indentified in Article VII, as well as any other dues, fees, charges, or assessments owed by the Business Entity in its capacity as an Owner of any Condominium Unit. For the purpose of this Article XV, a "Business Entity" shall be defined as any corporation, limited liability company, partnership, or trust. In the event the Business Entity fails to pay the Maintenance Fee indentified in Article VII, or any other obligations owed by the Business Entity in its

capacity as Owner of any Condominium Unit, and the failure to pay is not cured by the Guarantor, the Board shall have the right to pursue the Guarantor in the same manner as the particular Owner of the Condominium Unit. For the purpose of this Article XV, the term "Guarantor" shall mean either the seller of the Condominium Unit and/or one or more of the principals possessing an interest in the Business Entity, and each Guarantor shall be subject to approval by the Board, which may not be unreasonably withheld.

Credit Card processing fee:

We now charge a flat rate of 3% for all fees that are paid using credit cards.

Over Crowding in the units:

The policy has never changed. It has always been a maximum of 6 people in the unit.

Extra people mean extra water; extra towels, extra a/c and these costs must be passed on. If you are going to have a 7th person, then the proper way to handle this is to call the office and get it approved. The office will then run the \$300 per person charge and have an extra set of linens placed in the units. Never will more than 8 be approved. The extra fee is \$300 per person and is non refundable and will

not be prorated if they do not stay the whole week. With that said, there are always "**extenuating circumstances**" that cannot all be covered in this letter. The proper protocol is to call the office and explain the situation. The office will work with you.

Elevator Doors:

Please **do not hold** the doors of the elevator. When you hold them for too long they will automatically try to close and people tend to physically pull on the doors to stop it, "which breaks them". We have not had as many incidents this past summer. However, we continually have to remind people on the intercoms not to hold them. We do not want to pay overtime repair rates, but have no choice when they break on the week-end. Please, do not get on the elevator until everyone in your party is ready.

Dogs

Our pets mean so much to us and we, at The Colony, are so fortunate that they can enjoy our vacation too. We ask that you do the following: Only 1 pet is allowed:

Must be registered at check in and a picture will be taken so that the staff knows what pets are in house.

- Must be 40 lbs or less. We are not going to have a scale at check in. If you feel your pet is on the borderline of this weight limit, just call and ask to speak to the manager prior to arrival for approval.
- Must be the owner's pet.
- Scooping the poop: This is not only the proper and polite thing to do; it is a LAW in Virginia Beach. It is required that you pick up after your pets.

This is a special and rare privilege for OWNERS only. The Colony is pet friendly and we love our "furry four legged friends." Thank you in advance for your future cooperation.

**Merry Christmas
and Happy New
Year from the
Board and all of
the staff**