



September 2020

Dear Blue Tree Resort Owner:

It is my wish this letter finds all of our Blue Tree family in good health during these times. As you are aware, at the end of 2019, going into 2020, we made the decision to change management companies from Capital Vacations to our present company, Goodmanagement. In those first couple of months of the 2020 we experienced issues with our computer system. The transition did not go as smooth as we anticipated, and we apologize for any inconvenience you may have experienced. Not only were we going through the transition, we were then confronted with the COVID 19 pandemic. This has had an impact on each of us and on your resort as well. Here we are, six months later, nevertheless dealing with the effects of the shut down and continuing our diligent control of our financial roadmap through the remainder of the year, into 2021.

Enclosed is a copy of the proposed Blue Tree Resort at Lake Buena Vista Operating Budget and Reserve Plan for 2021. Goodmanagement, your management company, works with guidance from your Board of Directors to monitor expenses and the operation of your resort. The Board's focus has always been to maintain and improve the quality of your resort's property, while keeping owners' fees under control and the Reserves funded. As is well known, the hospitality industry has been severely impacted adversely worldwide by the COVID pandemic. Travel to the resort by owners has declined substantially, and our ability to rent Blue Tree's inventory to produce needed operating cash has suffered significantly. Yet, like all hotels and resorts, we are required to continue to pay for the fixed costs like utilities and annual property taxes, maintain buildings and amenities, and to improve the resort to the extent possible. The pandemic has made operating in 2020 and planning for 2021 particularly challenging. Our team has done its best to maintain the property, while working to keep expenses as low as possible. Rest assured that we are continuing to maintain compliance with the CDC's recommended guidelines to provide a safe environment for those who will choose to visit Blue Tree.

The Association's Reserve Fund for Future Major Repairs and Replacements is critically important to the resort. Monies in the Reserve Fund pay for needed repairs and updates throughout the property. In funding this Reserve, the Association has come to rely on the generation of rental revenues from weeks that are owned by the Association and weeks that have become delinquent in their annual payments. Due to the pandemic, 2020 rentals at every hotel and resort in the Orlando market have fallen way short of past production. We expect Blue Tree will produce only a fraction of what was budgeted for 2020 rentals. As a result, we have delayed many of the reserve projects that were budgeted for 2020. Further, expecting a slow start for travel in 2021, we have taken a conservative approach in planning for reserve projects in 2021. We are hopeful that, in 2021, the pandemic will ease, and Orlando tourism will return to more normal operations. When that finally happens, we expect rental activity to return to near pre-COVID levels and then we will resume the projects and renovations that have been delayed.

We urge all owners to make every effort possible to pay their maintenance fees early as it affects the day-to-day operations and maintenance of your resort. For the reasons discussed above, we are presenting a budget for 2021 that has a total maintenance fee increase of \$35.00 per interval. Please note that maintenance fees at Blue Tree continue to be among the lowest in the Orlando market area for comparable units and amenities. We find resorts in our market have maintenance fees that range from at least 12% and as high as 98% above your cost at Blue Tree.

The proposed maintenance fees for 2021 are:

Two-bedroom Deluxe	\$742.00
Two-bedroom Executive	\$736.46
One-bedroom	\$700.00

We believe the 2021 Proposed Budget sets forth a most responsible plan that is appropriate for these unpredictable times. Within the limits of this budget we assure you we will still work to improve the physical facilities and continue to provide the quality vacation experiences you have come to expect and enjoy when you vacation at Blue Tree. We appreciate and encourage your continued support of the Board of Directors and, more importantly, support of your resort. We look forward to seeing you, subject to social distancing and CDC requirements, at the Budget Meeting on **Saturday, October 24, 2020 at 2:30 p.m.**

Sincerely,
John Sgarlata, Board President
Blue Tree Resort at Lake Buena Vista Condominium Association, Inc.

**Blue Tree Resort at Lake Buena Vista
Condominium Association, Inc.
12007 Cypress Run Drive
Orlando, Florida 32836
(407) 239-6000**

**Notice of Board of Directors Budget Meeting
and Adoption of 2021 Assessments**

Dear Blue Tree Resort Owner:

Pursuant to Florida Statute 718.112 (2)(e)(1), 721.13(13) and Article II, Section 3 of the Bylaws of the Blue Tree Resort at Lake Buena Vista Condominium Association, Inc. (the "Association"), **Notice is hereby given that the Board of Directors Budget and Assessment meeting of the Association shall take place on Saturday, October 24, 2020 at 2:30 p.m. (ET)**. This meeting will be held at Blue Tree Resort at Lake Buena Vista, Check-In Facility Second Floor Meeting Room, 12007 Cypress Run Drive, Orlando, Florida. The purpose of this meeting is to adopt the 2021 Operating and Reserve Budget, and 2021 Assessments and to conduct all business properly brought before the Association and the Board of Directors.

We have enclosed a copy of the meeting agenda, together with a copy of the 2021 Estimated Operating Budget and the 2021 Estimated Reserve Budget ("Budget"). The 2021 Budget, Reserves and Assessments will be reviewed and voted upon in the Board of Directors Budget and Assessment Meeting on **Saturday, October 24, 2020 at 2:30 p.m. (ET)**.

On behalf of the Board of Directors we look forward to serving you as well as answering any questions that you may have regarding the operations of your resort.

Blue Tree Resort at Lake Buena Vista
Condominium Association Inc.

John Sgarlata

John Sgarlata, president

**Blue Tree Resort at Lake Buena Vista
Condominium Association, Inc.**

AGENDA

BOARD OF DIRECTORSq BUDGET MEETING AND ADOPTION OF 2021 ASSESSMENTS, Pursuant to Florida Statute 718.122(2)(e)(1), 721.13(13) and Article II, Section 3 of the Bylaws of Blue Tree Resort at Lake Buena Vista Condominium Association, Inc.

**October 24, 2020
2:30 p.m.**

1. Call Meeting to Order.
2. Proof of Notice of Meeting and Signing of Affidavit.
3. Election of Chairman of Meeting.
4. Approval of Meeting Minutes.
 - a. January 18, 2020 Post Organization Meeting Minutes
 - b. August 27, 2020 Authority to Sign PPP Loan Documents
5. New Business
 - a. Review of 2021 Operating and Reserve Budget
 - b. Adoption of 2021 Operating and Reserve Budget
 - c. Adoption of 2021 Assessments
 - d. Adoption of Assessment Billing and Collection Policy
6. Old Business.
7. Call to Adjourn.

**Location of Meeting:
Blue Tree Resort at Lake Buena Vista
Check-in Facility Second Floor Meeting Room
12007 Cypress Run Drive
Orlando, Florida 32836**

BLUE TREE RESORT AT LAKE BUENA VISTA CONDOMINIUM ASSOCIATION, INC.
 PROPOSED 2021 OPERATING BUDGET AND 2020 BUDGET FOR COMPARISON

	2020 BUDGET	2021 BUDGET	Variance from 2020 Budget	
			\$	%
REVENUE				
Maintenance Fee - Operating	7,714,311	8,417,525	703,214	9.12%
Maintenance Fee - Reserve	716,958	463,106	(253,852)	-35.41%
Maintenance Fee - Property Tax	1,315,555	1,344,780	29,225	2.22%
Delinquent Owner Rental	1,310,095	1,015,520	(294,575)	-22.49%
Late Fees	56,090	42,068	(14,022)	-25.00%
Interest on Delinquent Fees	45,750	34,363	(11,387)	-24.89%
Other Revenue	585,694	565,537	(20,157)	-3.44%
Gross Revenue	11,744,453	11,882,897	138,444	1.18%
Reserve For Replacement	716,958	463,106	(253,852)	-35.41%
Net Operating Revenue	11,027,495	11,419,791	392,296	3.56%
OPERATING EXPENSES				
Utilities	581,122	592,235	11,113	1.91%
Housekeeping	1,313,660	848,092	(465,568)	-35.44%
Maintenance	330,878	402,558	71,680	21.66%
Management Fees	280,000	265,000	(15,000)	-5.36%
Administrative & General	486,312	547,512	61,200	12.58%
Salaries & Wages	1,471,714	1,816,845	345,131	23.45%
Payroll Taxes, Benefits & Related Expenses	369,261	391,978	22,717	6.15%
Property Tax Expense	1,315,555	1,344,780	29,225	2.22%
Property Insurance	176,678	191,735	15,057	8.52%
Bad Debt Expense	2,648,864	2,950,124	301,260	11.37%
Association-Owned Weeks	989,059	1,140,040	150,981	15.27%
Leases, Contracts & Other Expenses	1,064,392	928,892	(135,500)	-12.73%
Total Operating Expenses	11,027,495	11,419,791	392,296	3.56%
Net Income / (Loss) Operating Fund	-	0	0	

Note: Slight variances in totals may occur due to rounding.

Unit Types - Annual Assessments			
	2 Bedroom Deluxe	2 Bedroom Executive	1 Bedroom
Maintenance Fee - Operating	\$600.18	\$600.18	\$600.18
Maintenance Fee - Reserve	\$33.02	\$33.02	\$33.02
Maintenance Fee - Property Tax	\$108.80	\$103.26	\$66.80
Total Maintenance Fee For 2021	\$742.00	\$736.46	\$700.00
Total Maintenance Fee For 2020	\$707.00	\$701.46	\$665.00
Total Maintenance Fee For 2019	\$672.00	\$666.46	\$630.00
Total Maintenance Fee For 2018	\$657.00	\$651.46	\$615.00
Total Maintenance Fee For 2017	\$602.00	\$596.46	\$560.00

AD VALOREM Taxes Timeshare Property**

**Ad Valorem Taxes are assessed by Orange County pursuant to Florida Statutes. The Condominium Association acts as a collection agent only. The books and records of Blue Tree Resort at Lake Buena Vista Condominium Association, Inc. are located at 12007 Cypress Run Drive, Orlando, Florida 32836
 Adjustments, if any, are made to property tax assessments based upon the actual levy amount per Orange County.

BLUE TREE RESORT AT LAKE BUENA VISTA CONDOMINIUM ASSOCIATION, INC.
 PROPOSED 2021 OPERATING BUDGET AND 2020 BUDGET FOR COMPARISON

	2020 BUDGET	2021 BUDGET	Variance from 2020 Budget	
			\$	%
Reserve Fund Revenue:				
Reserve Contribution	716,958	463,106	(253,852)	-35.41%
Reserve Interest	27,804	27,804	-	0.00%
Other Reserve Income	1,500	1,500	-	0.00%
Total Reserve Fund Revenue	746,262	492,410	(253,852)	-34.02%
Reserve Fund Expenses:				
Mattresses & Box Springs	7,000	7,000	-	0.00%
Washer / Dryers	15,000	5,000	(10,000)	-66.67%
TVs	8,000	7,304	(696)	-8.70%
HVAC replacements	25,500	-	(25,500)	-100.00%
Boiler replacement	36,214	-	(36,214)	-100.00%
Soft Goods/Unit Refurbishments	517,356	368,006	(149,350)	-28.87%
Ving Card	14,000	-	(14,000)	-100.00%
Tub Resurfacing	25,000	5,000	(20,000)	-80.00%
Pool Furniture replacements	20,000	5,000	(15,000)	-75.00%
Grills Pool #4	1,449	-	(1,449)	-100.00%
Gas Fire Pit/BBQ Area	1,920	-	(1,920)	-100.00%
Pool 2 Fence	2,000	-	(2,000)	-100.00%
Pool 1 and 2 lighting upgrade	12,000	-	(12,000)	-100.00%
ADA Pool Lift replacement	6,000	-	(6,000)	-100.00%
Equipment - housekeeping	9,627	-	(9,627)	-100.00%
Walkways	9,950	-	(9,950)	-100.00%
Fountain renovations	3,200	-	(3,200)	-100.00%
Tennis Court resurfacing	9,875	-	(9,875)	-100.00%
Tennis Court retaining wall	3,900	-	(3,900)	-100.00%
Walkway LED Bollards	5,117	-	(5,117)	-100.00%
Tennis Court protective fencing replacement	5,916	-	(5,916)	-100.00%
Water Valve - repair/replacements	25,000	12,500	(12,500)	-50.00%
Parking Lot repairs	117,434	82,600	(34,834)	-29.66%
Reserve Bank Charges	8,000	-	(8,000)	-100.00%
Total Reserve Expenses	889,458	492,410	(397,048)	-44.64%
Net Income / (Loss) Reserve Fund	(143,196)	-	143,196	