

**EDGEWATER BEACH RESORT OWNERS ASSOCIATION
ANNUAL OWNERS MEETING MINUTES
Saturday, May 1, 2021**

I. CALL TO ORDER

Marcia Svetkey called the Annual Meeting to order via Zoom at 10:06 a.m.

II. WELCOME AND INTRODUCTORY REMARKS

Chairperson, Marcia Svetkey, welcomed her fellow owners to the Eleventh Annual Meeting of the Edgewater Owners Association noting how the pandemic precluded holding an Annual Owners Meeting in 2020. Marcia provided the following introductions:

Board of Trustees:

Marcia Svetkey, Chairperson
Thomas Conners, Vice Chair/Treasurer
Dennis Ducharme, Secretary
Steve Castinetti, Trustee
Dottie Fulginiti, Trustee

VRI Americas (VRI) and Resort Staff:

Michael McManus, Director of Resort Operations/VRI
John Verity, Resort General Manager
Albena Ninova Golcheva, Assistant General Manager (not present)
Yennis Douglas, Director of Housekeeping (not present)
Taylor Ford, Front Office Manager
Andy Castro, Maintenance Supervisor (not present)

Owners:

52 owners were present.

Marcia Svetkey thanked all the employees at Edgewater for working during the pandemic over the past year and thanked the front-line workers who continued to work, make deliveries and keep the hospitals and medical facilities open and keep us all safe.

Marcia reported that she and Thomas Conners ran unopposed in the recent election, and they were both re-elected, each to a 3-year term. Marcia encouraged more owners to participate in future elections. Marcia discussed the role and makeup of the Board, explaining that each member is a volunteer and is elected by the owners to act on behalf of all the owners.

Marcia reviewed the agenda, reported on the use/status of the special assessment collected in an overview, and stated that all the projects are to be completed in the spring of 2022, when the last 16 units will be fully renovated and brought back on line. The COVID-19 pandemic slowed the project down, but did not stop the construction and renovations. Owners have complimented the look and function of the newly renovated units on the comment cards received in 2020 and 2021.

Owner communication and transparency continues via various formats. Additional communications were needed and continue as a result of the impact of the pandemic on operations. Each email received by the Board at board@edgewatercapecodma.com receives a reply.

III. GENERAL FINANCES

Michael McManus reviewed the year end December 31, 2019 and year end December 31, 2020 Financial Statements. Michael reported that 70.6% of the total homeowners paid their 2020 maintenance fees and delinquent owners were blocked from using their week. (These weeks were placed in the rental program to help the Edgewater's bottom-line.) Michael reported that revenues were \$332,531 under budget for 2020 and that \$106,000 was due to the lack of rental income. The compounded year end deficit totals slightly over \$725,000.

COVID-19 programs were utilized, and Edgewater was awarded a Payment Protection Program (PPP) loan to maintain employees work schedules in the amount of \$167,000. Accountants applied on the resort's behalf for forgiveness and this loan was 100% forgiven in April 2021. An Economic Injury Disaster Loan (EIDL) of \$121,000 to preserve the business in 2020 was awarded as well. Most recently, a second PPP loan was secured in the amount of \$134,000 to help maintain the business and preserve payroll in 2021. We hope to get forgiveness on repayment of this second PPP loan, as well.

Michael reviewed the special assessment projects which ended up costing \$2.6 million dollars, \$400,000 more than was collected as part of the Special Assessment: \$319,000 for indoor/outdoor pool reconstruction including the addition of a bathroom in the indoor pool building; \$9,100 for building insulation and beach access projects; and, \$1,922,661 room renovations (construction/furnishings), \$204,000 for painting and flooring refinishing work, plus \$150,000 for appliance replacement.

Michael McManus reported that an independent financial review is completed each year by a third-party independent company, DePaola, Begg & Associates, P.C., and is made available to owners in June of each year, upon request. Michael reviewed the general notes which were on the 2019 report and stated a copy may be requested by emailing him at: michael.mcmanus@vriamericas.com.

IV. RESORT UPDATE

John Verity, General Manager for the past two years, thanked the owners for attending the meeting. He provided a detailed review covering the following:

- COVID-19 had a significant impact on operations. The resort was closed from March 2020 through June 2020, and most of the employees were furloughed with a minimal staff retained to provide essential services. COVID-19 protocols and the evolution of operations throughout 2020/2021 were reviewed.
- Renovations began in November 2019. In March 2020 the COVID-19 pandemic slowed renovations but did not stop the work. Procedures were put in place and only one tradesman was allowed to work in each unit at a time. In June 2020, thirty units were returned to service. In November 2020, renovations resumed in the same thirty units and

granite countertops were installed in the bathrooms and kitchens, and various punch list items were addressed over the next four months.

- In February 2021, renovations began on Phase II. Ten units were demolished, and the project continued. By April 2021 the ten units were returned to service.
- Two additional units were being renovated starting in April and were expected to be returned to service in mid-May, leaving sixteen units to be renovated starting in November 2021.
- Future projects were reviewed which include: exterior painting, roof repairs/replacement, windows and slider replacements, and replacement of three septic systems.
- Wi-Fi service is reviewed each year and improved as budget allows.
- The outdoor pool is scheduled to open on Memorial Day Weekend 2021.

John reported on MVP Marketing, a sales team that is currently working at Edgewater Beach Resort to sell Association inventory and assisting owners with resales. Anyone interested in purchasing was instructed to email John at johnverity@edgewatercapecodma.com for more information.

V. REPORT FROM MANAGEMENT COMPANY (VRI)

Michael McManus reported that the developer still owns 177 intervals and is still delinquent on his financial obligations. The matter has been assigned to legal counsel for collections/resolution.

The developer still has pending unrecorded deed/license issues that need to be resolved with roughly 170 owners at Edgewater Beach Resort. Owners are encouraged to contact the Massachusetts Attorney General for assistance.

Michael reviewed the services VRI provides to over 150 resorts in Canada, US and Mexico. This includes 30 in the northeast, 13 of which are on Cape Cod. Services include the following:

- Operations management
- Property management computer system
- Financial services
- Assessment, Billing and Collection
- Reservation and owner services
- Rentals
- Owner benefits program
- Purchasing power through VRI's Preferred Vendor Program
- Training

Michael reviewed VRI's in-house exchange program called Trading Places Exchange:

- Close to 700 resorts participating
- No annual membership fees
- Low exchange fees
- Online booking and exchange

Michael reported on how the industry has changed over the years and how the Board has made changes that work to benefit the owners by partnering with Vacation Clubs, Points Programs, and/or focusing on rental programs to help the resort's financial position.

VI. QUESTIONS FROM THE OWNERS IN THE AUDIENCE

Marcia Svetkey served as moderator for the question and answer session during which several owners inquired about the following: the special assessment projects, which rooms were completely renovated, which units are next to be renovated, day use, delinquencies, requests for a list of units for sale, etc. John Verity stated that anyone who is interested in purchasing should email him at johnverity@edgewatercapecodma.com for more information. Several owners thanked the Board for all their work and complimented the employees on a great job.

VII. ADJOURNMENT

Upon motion made, seconded and unanimously approved, the meeting was adjourned by Marcia Svetkey at 12:24 p.m.

Dennis Ducharme, Secretary

MJM/nb

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