

**EDGEWATER BEACH RESORT OWNERS ASSOCIATION
ANNUAL OWNERS' ZOOM MEETING MINUTES**

Saturday, May 7, 2022

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 Annual Meeting of the Edgewater Owners Association. Marcia provided the following introductions:

Board of Trustees:

Marcia Svetkey, Chairperson
Tom Conners, Vice Chairperson/Treasurer
Dennis Ducharme, Secretary
Steve Castinetti, Trustee

Absent:

Dottie Fulginiti, Trustee

VRI Americas (VRI) and Resort Staff:

Michael McManus, Director of Resort Operations/VRI
John Verity, Resort General Manager
Taylor Ford, Front Office Manager

Not in attendance:

Albena Ninova Golcheva, Assistant General Manager
Yennis Douglas, Director of Housekeeping
Andy Castro, Maintenance Supervisor

Owners:

97 Owners were present.

Marcia Svetkey reported that Dottie Fulginiti was absent due to a prior family obligation, her daughter is graduating from college today.

Marcia Svetkey welcomed owners to the Twelfth Annual Meeting of the Edgewater Owners Association. Marcia stated that 13 years ago, her fellow Board Members worked to keep the Association open while the developer was forced to turn the Resort over to the owners. Marcia said it has been a long road, but the Resort is in a much better place with the help from the Board and the Management team at VRI. Marcia reviewed the basis, status, and need for the 2017-2019 and 2022-2023 special assessments and stated the Resort's financial position has always been difficult due to the former developer lack of payments, and she hopes that will change in 2023. There will be more information about that in today's presentation.

III. GENERAL FINANCES

Michael McManus reviewed the year end December 31, 2020 and year end December 31, 2021 Financial Statements.

Michael reported that the December 31, 2020 financial statements were similar to the past few years. The Resort was operating with a \$500,000 operating short fall each year as well as a reserve loss of \$235,000 from open insurance claim losses. Michael reminded the owners that many businesses closed due to the COVID-19 pandemic, but the Resort has held on and remains open to guests and owners.

Michael reported a second PPP Loan from SBA was awarded, and the funds have helped offset operating losses in 2020 and 2021. On December 22, 2021, a letter was received from the Small Business Administration (SBA) announcing that the loan was forgiven and that repayment of the 2021 \$134,249.35 loan was not required.

Michael stated that during the COVID-19 pandemic, an application for a small Disaster (EIDL) Loan was submitted to and approved for \$121,000 by SBA, and, in early 2021, the SBA offered to increase the amount. John Verity worked with Vice Chair/Treasurer, Tom Conners, on the application. The program still exists, and the application remains pending. John Verity diligently follows up each month with the SBA on the status of the application.

Review of the December 31, 2021 Cash Flow Report shows \$1,199,286 of 2022 Operating Fees and an additional \$195,202 in Reserve fees was collected, but the balance of funds available is far less at \$678,796. This means that over \$721,204 of the 2022 funds were used in 2021.

Michael reviewed the financial position for the past 10 years, showing the \$735,000 plus cash short fall is due to delinquent owners and unpaid developer fees.

Michael went on to review the 2022-2023 Special Assessment Plan which included the following key components:

- Foreclosure on the developer NERM.
- Building improvement work including exterior painting, wood trim replacement, new door locks and repairs to the West Building roof.
- Structural improvement projects including replacement of slider doors, replacement of stationary second floor windows, deck repairs/drainage improvements, a new septic system, and replacement of the air conditioning unit and windows in the South building.
- Physical improvement projects including resurfacing the indoor pool, overhauling fitness room mechanicals heating/air conditioning systems, new commercial laundry equipment and replacing outdoor patio tables and chairs.

Michael explained the special assessment bill that was mailed to each owner, the due date and how the bill could be split over two years as follows:

Studio- \$670

Option 1 - one payment of \$620 due May 15, 2022 (with \$50 discount) or

Option 2 - first payment of \$335 due date May 15, 2022 and second payment of \$335 due May 15, 2023

One Bedroom - \$970

Option 1 - one payment of \$895 due May 15, 2022 (with \$75 discount) or

Option 2 - first payment of \$485 due May 15, 2022 and second payment of \$485 due May 15, 2023

Two Bedroom - \$1,352

Option 1 - one payment of \$1,252 due May 15, 2022 (with \$100 discount) or

Option 2 – first payment of \$676 due 05/15/22 and second payment of \$676 due May 15, 2023

IV. RESORT UPDATE

General Manager John Verity thanked the owners for attending the meeting. John reported that he is a licensed real estate agent, and he is helping to grow the ownership base at the Resort. John encouraged owners who may know someone interested in purchasing a timeshare to please have them contact the Resort for a list of available units at 508-398-6922 or via email at johnverity@edgewatercapecodma.com.

John reminded owners that The Edgewater Beach Resort is a year-round resort on Cape Cod with beachfront property facing Nantucket Sound and that rental guests have been flocking to the Resort this past off season. John is working hard with The MVP Marketing Team to encourage new buyers to own their piece of Cape Cod here at Edgewater and to leave the housekeeping and yard work to us. Come relax, walk the beach, explore Dennis Port and the surrounding towns, shop on Route 28, visit the many lighthouses on Cape Cod and explore the rail trails.

John reviewed a Power Point presentation detailing the maintenance work completed in 2021. John also explained that the 2017 special assessment projects were completed this year. The units at Edgewater have been fully renovated with new kitchens, new baths and the furniture has been installed. John reported that many owners have been stopping by the desk and complimenting the staff on how great the room and property renovations are.

John reported on the exterior work that is necessary at Edgewater and that the second-floor decks are his biggest concern. John will be focusing on rebuilding the sliders, inserting new drainage, and installing gutters.

V. REPORT FROM MANAGEMENT COMPANY (VRI)

Michael gave a Power Point presentation that reviewed the services VRI provides. Some of the highlights included:

- Operations management
- Property management computer system
- Financial services
- Assessment, billing and collection
- Reservation and owner services
- Rentals
- Sales options
- Owner benefits program

- Emergency services
- Insurance and risk management
- Purchasing power through VRI's Preferred Vendor Program
- Training

Highlights of VRI's in-house exchange program, Trading Places Exchange, includes the following:

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

Michael explained that delinquent owners are blocked from using their week and that their week is placed in the rental program. Michael reported on how the industry has changed and how the Board has made the changes to benefit the owners by partnering with vacation clubs, travel companies, points programs and focusing on rental programs to help the Resort's financial position.

VI. QUESTIONS AND ANSWERS

Marcia Svetkey served as moderator for the question-and-answer session. Marcia thanked the owners for their patience as she went through each of the 162 questions. Many owners inquired about the following:

Question: How much is being assessed to each unit type? Will there be a discount offered?

Answer: Fees and discounts are as follows:

- Studio units - \$670. There is a \$50 discount offered when full payment is received by May 15, 2022.
- One bedroom units - \$970. There is a \$75 discount when full payment is received by May 15, 2022.
- Two bedroom units - \$1,352. There is a \$100 discount when full payment is received by May 15, 2022.

Question: What work will be completed with the special assessment funds?

Answer: The funds will be for the following projects:

- 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 air conditioning unit for South Building-\$35,000
 - New windows in South Building-\$17,250
- Physical service and amenity improvements:
 - Indoor pool resurfacing-\$11,500

- Overhaul fitness room, heat/air conditioning system-\$42,550
- New commercial laundry equipment-\$73,350
- Replacement of outdoor patio tables and chairs-\$82,800
- Operating cash shortfall-\$735,000

Question: Is each owner being asked to contribute based on unit size?

Answer: Yes, each owner is billed at the same ratio as maintenance fees based on unit size per the condominium documents.

Question: Can owners get a different payment plan if they are on a fixed income?

Answer: Yes, contact John Verity or Albena Ninova Golcheva at the Resort to set up special payment plans.

Question: Who do we contact if we need more information about the special assessment?

Answer: Email any of the following people with additional questions:

John Verity, General Manager: johnverity@edgewatercapecodma.com

Albena Ninova Golcheva, Assistant General Manager: albena@edgewatercapecodma.com

Michael McManus, Director of Resorts-VRI: michael.mcmanus@vriamericas.com

Edgewater Board of Trustees: board@edgewatercapecodma.com

Emails will be responded to in the order in which they are received.

VII. ADJOURNMENT

The meeting was adjourned by Marcia Svetkey at 1:59 p.m.

Dennis Ducharme, Secretary

MJM/nb

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