

**EDGEWATER BEACH RESORT OWNERS ASSOCIATION
BOARD OF TRUSTEES MEETING MINUTES**

Monday, December 9, 2019

I. ROLL CALL/CALL TO ORDER

The meeting of the Board of Trustees was called to order by Marcia Svetkey at 10:02 a.m. at VRI Hyannis office. The following persons were in attendance:

Board of Trustees:

Tom Conners	Dennis Ducharme
Dorothy Fulginiti	Marcia Svetkey

VRI Americas (VRI) and Resort Staff:

Michael McManus, Director of Resorts/VRI
John Verity, General Manager

II. APPROVAL OF AGENDA

MOTION: Dottie Fulginiti moved to approve the agenda as presented. Motion was seconded by Tom Conners and approved unanimously.

III. APPROVAL OF PREVIOUS MEETING MINUTES (10/14/19)

MOTION: Dottie Fulginiti moved to approve the October 14, 2019 Regular Meeting Minutes as written. Motion was seconded by Tom Conners and approved unanimously.

IV. MANAGEMENT REPORTS

A. Resort Update

John Verity reported the following:
Maintenance Department:

- The department is focused on the rooms currently in service, pools, grounds and extra projects not in the scope of work being performed by Granite State Contract Furnishings.
- Fireplace cleaning and maintenance has been started in each room.
- Communication between housekeeping, the front desk and maintenance was emphasized at the staff meeting.
- The Town of Dennis yearly occupancy inspection will be conducted in December 2019.
- Annual fire sprinkler inspection, in conjunction with Cape Cod Alarm, is scheduled for December 12, 2019.
- Hitchcock Construction will be replacing the soffit damaged by the tornado at the ocean front building.

- Hitchcock Construction will be replacing decks in rooms 202, 203, 204 and 205. New sliders will be installed, and interior ceilings will be replaced in rooms 102, 103, 104 and 105.
- Hitchcock Construction will be reroofing the west building damaged by the tornado. However, the project is on hold due to weather and the pending claim with Chubb Insurance.
- Northstar Mechanical is servicing 30 in-room heating/cooling units. Motors, fans, valves and coils are being cleaned, oiled and examined and filters are being changed.
- Northstar Mechanical will be installing new registers in six rooms to increase air flow.
- There have been numerous incidences of guests smoking in other than the designated areas. Fines are being levied and policy needs to be updated/reinforced.

Housekeeping Department:

- The staff meeting included training on service standards and reminders about approved cleaning products and procedures. John provided a service standard presentation.
- There was discussion about the room renovations that will include new kitchens, bathrooms and furniture.

Front Desk Department:

- Taylor and Albena have provided central reservations with critical information on room closures and allotment substitutes for owners, exchange guests, and vacation club float owners.

MOTION: Dottie Fulginiti moved to approve the No Smoking Policy with a fine assessed of \$250 per incident as presented. Motion was seconded by Dennis Ducharme and approved unanimously.

B. Review of Action Items

Marcia Svetkey and Michael McManus reviewed the action items, a couple of items were added, and those items completed were removed from the list.

C. Owner Communications

Marcia Svetkey discussed a request from owner Mark Singletary and directed John Verity, General Manager, to respond with the Deedback Policy set by the Board.

V. FINANCIAL REPORT

A. Financials

Michael McManus reviewed the Financial Statements as of month end October 31, 2019. Included in the review were the Cash Balances Report, Accounts Receivable Summary, Balance Sheet, Comparative Income Statement and Cash Flow Analysis.

Michael reported that the Cash Flow Analysis shows the operating fund will end the year with -\$869,000 of which -\$487,809 is due to prior year debt and approximately -\$354,203 is from the open insurance claim.

B. Collections

Michael McManus distributed and reviewed an Accounts Receivable Report dated October 31, 2019 showing that 78.3% of the total billable intervals for 2019 have been collected.

C. SeaWinds II

Michael McManus stated that SeaWinds II has met their financial obligation to Edgewater Beach Resort as of month end October 31, 2019.

VI. OLD BUSINESS

A. Special Assessment/Capital Expenditure Project Report

i. Design

Michael McManus reported that the design committee gathered at Edgewater on November 2, 2019, with Granite State Contract Furnishing to inspect each room and confirm the quantity of items needed for each room. Michael reported that renovations have started on the first phase, and that the bathrooms and kitchens have been demolished.

To date, Granite State Contract Furnishings has accomplished the following:

- Rooms 201-218 and 101-118 were gutted, new tile was installed in the bathrooms, painting is in progress, floor renovations have begun, and electricians are relocating electrical outlets.
- Exterior 2nd floor deck renovations are in progress for rooms 202, 203, 204 and 205. Sliders and interior ceilings are being replaced in rooms 102, 103, 104 and 105.
- Weekly contractor meetings are being held to report on the progress status and for Edgewater and Granite State Contract Furnishings to discuss any items deemed pertinent.
- The Edgewater staff has sorted through the furnishings from the renovated rooms and replaced unsatisfactory products that were used in the West building.

ii. Construction

John Verity reported that he was working closely with the Reservations Department to take an additional 15 rooms out of service so that the demolition team can start phase two.

B. Sales

Michael McManus reported that Attorney Tom Coniaris held an auction in November, and one Association week and one NERM week was sold.

Joe Takacs, Owner at MVP Marketing, along with sales team members David Bowers and David Jones, joined the meeting at 1:30 p.m. and presented a sales program to sell Association and owner owned inventory.

The Board reviewed the proposal and requested that in 2020 MVP provide the following services:

- Sale of Association owned weeks
 - specific week purchased as traditional timeshare
 - a short-term product (five years) for new owners to purchase
 - possible bulk sale
- Owner resale program

C. Insurance Claim

Attorney Jason Cohn joined the meeting via telephone at 12:30 p.m. to discuss the insurance fire claim.

MOTION: A motion was made to move into Executive Session at 12:30 p.m. Motion was seconded and approved unanimously.

MOTION: A motion was made to move into Regular Meeting at 1:00 p.m. Motion was seconded and approved unanimously.

VII. LEGAL COUNSEL

A. NERM Update

Michael McManus reported that Attorney Laura Brandow and her team are reviewing the legal options available to the EBR Trust as it pertains to NERM defaulting on the Settlement Agreement filed in Superior Court, Docket No. BACV2009-00681 and the nonpayment of yearly maintenance fees on the weeks retained by NERM.

Michael will report back when there is more information.

Michael also reported that the paperwork sent to NERM's Attorney, Gary Blank, to record outstanding licenses has been returned to EBR with no action. The Board directed a letter be prepared with assistance from Atty Coniaris and be sent from EBR to the AG's office complaining about NERM's lack of action and violation of their agreement with the AG to record the outstanding licenses. Affected owners will also be directed to file a complaint with the AG.

VIII. NEW BUSINESS

A. 2019 Year End Bonus

Michael McManus and John Verity distributed the 2019 Year End Employee Bonus proposal. John was asked to leave the meeting.

MOTION: Tom Connors moved to approve the Year End Bonus program as presented. Motion was seconded by Marcia Svetkey and approved unanimously.

B. Open Discussion

Marcia Svetkey reported that the Winter Newsletter will be going out in January, and if any Board member has articles, to please send them to Michael by the end of December at the latest.

IX. NEXT MEETING DATES

Board Meeting, Monday, February 10, 2020, 10:00 a.m. at EBR
Board Meeting, Monday, April 13, 2020, 10:00 a.m. at the VRI Hyannis Office
Special Meeting, Saturday, May 2, 2020, 10:00 a.m. at the SeaView

X. ADJOURNMENT

MOTION: There being no further business, Tom Connors moved to adjourn the meeting at 2:50 p.m. Motion was seconded by Dottie Fulginiti and approved unanimously.

Dennis Ducharme
Dennis Ducharme, Secretary

MJM/nb

ebr: 120919min