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

Tuesday, February 8, 2022

I. ROLL CALL/CALL TO ORDER

A duly noticed Zoom meeting of the Board of Trustees was called to order by Marcia Svetkey at 2:30 p.m. The following persons were in attendance:

Board of Trustees:

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

VRI Americas (VRI) and Resort Staff:

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

II. APPROVAL OF AGENDA

MOTION: Steve Castinetti moved to approve the agenda as presented. Motion was seconded by Dennis Ducharme and approved unanimously.

III. APPROVAL OF PREVIOUS MEETING MINUTES (12/14/21)

MOTION: Dennis Ducharme moved to approve the December 14, 2021 Meeting Minutes as written. Motion was seconded by Steve Castinetti and approved unanimously.

IV. MANAGEMENT REPORTS

A. Resort Update

John Verity reviewed the following:

Maintenance Department:

- Shoveling, salting and snow blowing the walkways and common areas as needed.
- Management has been assisting housekeeping on Saturdays to turn rooms including removing trash and recycling.
- Room cleaning and maintenance are being conducted including fireplaces, tv wiring above fireplaces, installing hooks in bathrooms, air conditioning vents and filter cleaning, touch up painting, repairing any leaky faucets, reprogramming thermostats, checking the light bulbs and door locks as well as replacing screens.
- The indoor pool and spa are being serviced three times per day to monitor water and room temperature, as well as water quality.
- The entire property is being inspected (as well as Sea Winds) twice a day or more if needed.

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- Room interior and exterior light bulbs have been replaced with the latest technology supplied by Mass Save at no cost to the Resort.

Housekeeping Department:

- Currently operating with a Housekeeping Manager, one supervisor, two part-time housekeepers and one houseman.
- Guest rooms at Edgewater and Sea Winds are being deep cleaned when they are not in use.
- The Housekeeping Manager is updating the inventory needs for 2022 and is scheduling purchases within the monthly budgets.
- Linen is being inventoried and damaged items are being removed from use.
- New inventory sheets are being created and posted in the guest rooms.
- Kitchen and bath items are being replenished as needed.

Revenue Generated:

- EverSource Energy rented 61 units for three nights during the blizzard. This grossed the Resort \$25,000.
- In March of 2023, the Lobster Pot hockey tournament takes place and efforts are being made to become a lodging partner for the event.

COVID-19 Protocol:

- The staff is currently fully masked while on duty.
- COVID-19 rapid tests are on site and utilized if needed.
- COVID-19 cleaning, safety and sanitation protocols continue to be used.

Front Desk Department:

- Rental occupancy and revenue are increasing as a result of Taylor Ford's hard work.
- In January 2022 the team landed a three-night total resort rental to EverSource.
- The Front Desk is operating with four employees.
- Hot coffee service began in January 2022.

B. Review of Action Items

Marcia Svetkey went through the list; new items were added, old items were revised, and items completed were removed from the list.

C. Owner Communications

Marcia Svetkey and John Verity reviewed an email from owner Karen Lucey. Karen is requesting assistance with transferring her ownership including the special circumstances pertaining to her ownership paperwork from 2003.

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MOTION: Tom Conners moved to approve the request of Karen Lucey and release her ownership at no further financial contribution from Karen Lucey. Motion was seconded by Steve Castinetti and approved unanimously.

V. FINANCIAL REPORT

A. Financials

Michael McManus reviewed the Financial Statements as of year-end December 31, 2021. 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 Edgewater's 100 % Loan Forgiveness Application was accepted and awarded on December 22, 2021 for the second PPP Loan in the amount of \$134,249.35.

The EIDL Loan Application remains pending. After reviewing the December 31, 2021 Cash Flow Report, the numbers show that the Resort collected \$1,199,286 of 2022 Operating Fees and an additional \$195,202 in Reserve fees, 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.

B. Variance Report

John Verity reported that he is working on the 2021 Year End Variance Report. John will email the Trustees a copy once it is complete.

C. Collections

Michael McManus distributed and reviewed an Accounts Receivable Report dated December 31, 2021 showing that only 75.7% of the total billable intervals for 2021 have been collected.

Michael reported that Michelle Thompson, Owner Retention Specialist, collected \$62,530 in revenue in 2021, with \$10,212 in expenses and \$52,318 in net revenue. However, the short fall amount, which was not collected in 2021, totaled over \$560,181 of the 2021 Budget.

D. SeaWinds II

Michael McManus reported that SeaWinds was current with their financial obligation as of December 31, 2021.

VI. OLD BUSINESS

A. Renovations

Michael McManus and John Verity reported on the following special projects:

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- Phase Three continues in six of the West Building units and eight of the Ocean Front South Building units. Unit numbers are as follows: West 130-132 and 230-232, South 133-136 and 233-236.
- Remaining furniture arrived for units 715 and 716.
- Three storage trailers remain on the property for Phase Three.
- Closets are being built in eight of the Ocean Front units. This project is 70% completed.
- The painter is on site and is working in the West Building and Ocean Front units. This project is currently ahead of schedule.
- Work on the floors will begin the third week of February 2022.
- Cabinets for bathrooms and kitchens are on site.
- The plumbing is 60% complete.
- The electrical 80% complete.
- The tubs have been refinished.
- Tub walls in the bathrooms have been installed.
- The bathroom floor tile replacement, fans and lighting has been completed.
- Granite countertops and sinks are on site.
- The completion date agreed upon is March 31, 2022.

Northstar Mechanical:

- New air conditioning and heating system, pipe wrapping, wall and ceiling repair along with electrician and plumbing for the Gym proposal is at a total cost of \$14,000.
- The Annual Maintenance Program of the air conditioning systems and pool de-humidification goes into effect in the spring of 2022. The program is within budget and work is set to begin in February 2022.
- Air conditioning in the Ocean Front Building operates on a standalone system. Last summer Northstar had three service calls for lengthy costly repairs and service. The current proposal to replace the existing system is at a total of cost of \$37,000.

AAAA House Works:

- Second floor siding and trim as well as second floor decking are being replaced.
- The first-floor sliders in units 132, 131, 130 and 129 are being repaired.
- The large stationary window on the second-floor deck area is being replaced.
- New rubber, new house wrap and flashing are being installed to prevent any leakage or moisture penetration.
- New sliders are on schedule to arrive in late February 2022. Once installed, the new Azek trim and pre-dipped cedar shingles will be added to the exterior.
- The labor and materials cost \$15,000 per unit or \$60,000 total for four units.

VII. LEGAL COUNSEL**A. NERM Update**

Michael McManus reported that Attorney Laura Brandow sent a Demand Notice to NERM's Attorney Gary Blank for payment of NERM's past due maintenance fees totaling \$1,744,102.18 or legal action will be taken including non-judicial foreclosure.

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MOTION: Dennis Ducharme moved to approve the non-judicial foreclosure action and to include unit 203 for week 36. Motion was seconded by Steve Castinetti and approved unanimously.

B. Insurance Claim

Marcia Svetkey reported that the case remains on hold due to the attorney's illness. Michael McManus stated he would check on the status and report back.

C. Non-Disturbance Agreement

Marcia Svetkey and Michael McManus reported that they met with Joe Takacs, MVP President and CEO, and Caroline Leonard, Attorney, from John Funk's firm, and discussed the Non-Disturbance Agreement but the documents remain unsigned. Marcia reported that the call left more questions than answers. Marcia stated that MVP addressed several questions, but she is requesting another meeting with Attorney Laura Brandow (who represents Edgewater) to recommend changes to the agreement before finalizing the document.

VIII. NEW BUSINESS

A. Special Assessment: Bad Debt, Exterior Work, and Resort Improvements

Michael McManus and John Verity distributed and discussed the Special Assessment Report/Proposal that outlined 13 reserve projects necessary at Edgewater in the next 18 months, bad debt from owners and the past developer, along with financial obligations pertaining to the 2018 fire at the studio units.

The Board requested another meeting on March 3, 2022 to further review Financial Reports, review additional information and further discuss each project.

B. Open Discussion

Michael McManus distributed and discussed the notice received by the Edgewater's Insurance Broker, Rogers and Gray. It is a Notice of Nonrenewal of Insurance, Policy No.: PCAP024416-0220 for Directors and Officers Liability Insurance which expires on April 1, 2022. The nonrenewal is due to claims. John Verity reported that he is working with the broker on a new application for coverage, and he would keep the Trustees up to date during the process.

IX. NEXT MEETING DATE

The next scheduled meetings are as follows:

Thursday, March 3, 2022, 2:30 p.m. - Board Meeting via Zoom
Tuesday, April 12, 2022, 2:30 p.m. - Organizational Meeting via Zoom
Saturday, May 7, 2022, 10:00 a.m. - Annual Meeting, via Zoom

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X. ADJOURNMENT

MOTION: There being no further business, Tom Conners moved to adjourn the meeting at 4:43 p.m. Motion was seconded by Steve Castinetti and approved unanimously.

DocuSigned by:

Dennis Ducharme, Secretary

5/5/2022

Date

MJM/nb

ebr: min020822