

APPROVED

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

Tuesday, April 12, 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 2:33 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

Other:

Scott McGregor, Lemonjuice Capital Solutions, COO
Alex Krakovsky, Lemonjuice Capital Solutions, CEO
Jan Barrows, Lemonjuice Capital Solutions, VP/Business Development

II. APPROVAL OF AGENDA

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

III. APPROVAL OF PREVIOUS MEETING MINUTES (2/8/22, 3/3/22)

MOTION: Steve Castinetti moved to approve the February 8, 2022, Meeting Minutes as written. Motion was seconded by Dennis Ducharme and approved unanimously.

MOTION: Steve Castinetti moved to approve the March 3, 2022, Meeting Minutes as written. Motion was seconded by Dottie Fulginiti and approved unanimously.

IV. ELECTION RESULTS/OFFICERS

Michael McManus reported that the tabulation of ballots for the trustee election was complete. Dennis Ducharme ran unopposed and was reelected. Dennis will serve a three-year term effective this meeting.

MOTION: Stephen Castinetti moved to re-elect Marcia Svetkey as Chairperson, Tom Conners as Vice Chairperson/Treasurer and Dennis Ducharme as Secretary. Motion was seconded by Dottie Fulginiti and approved unanimously.

V. EDGEWATER BEACH NORTH

Michael McManus introduced Scott McGregor, Alex Krakovsky and Jan Barrows from Lemonjuice Capital Solutions. Scott and Alex reviewed a proposal outlining the services they could provide to make the Association's financial position healthier. Scott also reviewed the services that Lemonjuice has performed at other legacy resorts over the past five years.

The Board discussed the overall process that Lemonjuice performs along with fees. Alex Krakovsky explained that the team members at Lemonjuice contact owners to listen to their specific needs, discuss options, and find a solution that is unique to them.

MOTION: Dottie Fulginiti moved to authorize Marcia Svetkey to sign a Mutual Confidential and Non-Disclosure Agreement with Lemonjuice Capital Solutions and to explore the options. Motion was seconded by Dennis Ducharme and approved unanimously.

VI. MANAGEMENT REPORTS

Tom Connors joined the meeting.

A. Resort Update

John Verity reported on the following:

Maintenance Department:

- The team emptied the indoor pool and spa and performed plaster repairs, changed the underwater light, and cleaned the bottom and tile. Both heaters were also replaced.
- Cleaning and maintenance of in room fireplaces has been completed.
- The following items have been completed: TV wiring above fireplaces organized, hooks added in bathrooms, air conditioning vents and filters cleaned, paint touched up, leaky faucets repaired, thermostats reprogrammed, light bulbs checked, door locks checked, and screens replaced.
- New front door bottom sweeps are being installed for energy efficiency and to reduce wear on the wood floors.
- The indoor pool has passed the annual Board of Health inspection and the Hotel Occupancy License inspection.
- Cleaning and power washing of the grills, furniture and umbrellas will take place as soon as the weather permits. The dunes, beach walkways, parking lot and sidewalks will also be cleaned.
- Restriping and painting of the curbs, sidewalks and cement courtyard patios are underway.

Housekeeping Department:

- The department is currently operating with a Housekeeping Manager, two Supervisors, two housekeepers, and two housemen. Staff interviews are being conducted for the 2022 season.
- Deep cleaning at the Resort continues.
- Inventories are being conducted and purchases are being made within the monthly budget.

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- New inventory sheets are being posted in the units. Kitchen and bath items are being replenished as needed.
- COVID-19 cleaning, safety, and sanitation protocols continue.
- Working on completely new set up of 14 renovated rooms.

Front Desk Department:

- The Front Office Manager, Taylor Ford, continues to assist in growing rental occupancy and revenue. Rentals were \$17,500 in March 2022 compared to \$28,000 in 2021. The decrease is attributed to factors such as stimulus money and unemployment.
- Front desk is operating with four staff members.
- There is coffee for guests every day in the lobby.
- New credit card terminals will be installed on April 14, 2022.

Renovations/Granite State:

- Phase 3 has continued in the six West Building rooms and eight Ocean Front units in the South Building. Room numbers are West 130-132, 230-232 South 133-136 and 233-236. Completion dates were April 2, 2022 for Ocean Fronts and April 9, 2022 for West Building rooms
- Remaining furniture has been installed in Unit 715 and Unit 716.
- The three remaining trailers will be removed by April 16, 2022.
- Closets have been built in each of the eight ocean front units to replace the armoires.
- The West and Ocean Front units are being painted ahead of schedule.
- Work on the floors is complete.

Projects Underway:

- The South Building air conditioning unit is being replaced.
- The gym heating/air conditioning system is being replaced.
- The exterior wood trim is being replaced with Azek.
- The shingles are being replaced, as needed, and painted.

B. Review of Action Items

Marcia Svetkey reviewed the action items, new items were added, old items revised, and completed items were removed from the list.

C. Owner Communications

John Verity reported that several owners have requested to deed back. John stated that deed backs were currently on hold and recommended that owners review the newsletter/special assessment bill which will be mailed mid-April before making any decisions.

VII. FINANCIAL REPORT

A. Financials

Michael McManus reviewed the Financial Statements as of month-end February 28, 2022. Included in the review were the Cash Balances Report, Accounts Receivable Summary, Balance Sheet, Comparative Income Statement and Cash Flow Analysis.

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Michael stated that the EIDL Loan Application remains pending and that the renovations of the last 16 rooms were nearly complete. The final payments to GSCF will be released when the punch list items are completed.

Michael reported that 67% of homeowners paid their 2022 maintenance fee bills and the Resort is running tight on cash. The February Cash Flow Analysis reports show the Resort will run out of cash in May. Reserve funds will be transferred to operating funds and the 2022 Special Assessment Billing will be sent out to each owner in mid-April. Payments are due May 15, 2022.

B. Variance Report

No report.

C. Collections

Michael McManus distributed and reviewed an Accounts Receivable Report dated February 28, 2022 showing that the fees for 67% of the total billable intervals for 2022 have been collected.

Any delinquent owners were turned over to collections in April, per the Assessment, Billing and Collection Policy.

D. SeaWinds II

John Verity reported that SeaWinds II has satisfied the financial obligations to Edgewater as of February 28, 2022.

VIII. LEGAL COUNSEL

A. NERM Update

Michael McManus distributed and reviewed an email and letter from Attorney Garry N. Blank concerning the non-judicial foreclosure action against his client NERM for non-payment of maintenance fees. Atty Blank said NERM would do a Deed in Lieu.

MOTION: Dottie Fulginiti moved to authorize EBR Atty Laura Brandow to move ahead with a Deed in Lieu with Attorney Blank, for NERM to return the 177 units under their ownership. Motion was seconded by Steve Castinetti and approved with Dennis Ducharme abstaining.

B. Insurance Claim

Michael McManus reported EBR Atty Richard Wholley is working on drafting interrogatory responses as part of discovery. It is expected they will be completed by the end of April 2022. Marcia Svetkey and Michael will then finalize the response. The next status update will likely be in late June 2022.

IX. NEW BUSINESS

A. Insurance Coverage 2022/2023

Michael McManus distributed the proposals from The Armstrong Company and Rogers Gray Insurance for 2022/2023 coverage. The Board discussed the rising costs in premiums (\$40,000 increase in premiums) and deductibles (increased from \$5,000 to \$35,000) due to large losses in the current markets, the volatile financial market and affect that the COVID-19 pandemic has had on the insurance industry overall.

MOTION: Dennis Ducharme moved to approve the renewal of the Property Insurance Policy with Armstrong and the Workers' Compensation, Directors and Officers, Crime, Commercial Automobile, Umbrella and General Liability policies with RogersGray as discussed and proposed. Motion was seconded by Dottie Fulginiti and approved unanimously.

MOTION: Dennis Ducharme moved to authorize Marcia Svetkey to sign the Appraisal Requirement Notice from The Armstrong Company. Motion was seconded by Dottie Fulginiti and approved unanimously.

The Board directed John Verity to schedule the insurance appraisal with Sedgewick for November 2022.

B. General Manager Performance Review

After John was asked to leave the room, Michael McManus distributed and reviewed John Verity's 2022 Yearly Performance Review.

MOTION: Dennis Ducharme moved to approve the review as presented and to award John Verity a 4.1/2% merit pay increase. Motion was seconded by Tom Conners and approved unanimously.

X. NEXT MEETING DATES


Future Meetings are scheduled as follows:

Saturday, May 7, 2022, 10:00 a.m. - Annual Meeting via Zoom

Tuesday, June 21, 2022, 2:30 p.m. - Board Meeting Via Zoom

XI. ADJOURNMENT

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

DocuSigned by:

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Dennis Ducharme, Secretary

MJM/nb
ebr: min041222