

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

Saturday, May 6, 2023

I. CALL TO ORDER

Board Chairperson Marcia Svetkey called the Annual Meeting to order via Zoom at 10:05 a.m.

II. WELCOME/INTRODUCTORY REMARKS/ROLL CALL

Marcia Svetkey welcomed everyone to the Thirteenth Annual Meeting of the Edgewater Beach Resort Owners Association.

Marcia stated that starting 14 years ago, the Board has worked to keep the resort open contending with ongoing lack of funding from and legal issues with NERM, the former developer. She was happy to report that 2023 will be the first year without involvement from the former developer. Marcia reported that in August of 2022 the former developer, NERM, relinquished their rights and the remaining inventory under NERM's control. Therefore, 2023 is truly a new day for Edgewater owners.

Marcia thanked Dottie Fulginiti for her many years of service as an Edgewater Trustee.

Marcia then provided the following introductions:

Board of Trustees:

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

Absent:

Jean McCrave Baxter, Trustee

VRI Americas (VRI) and Resort Staff:

Michael McManus, Regional Director, Resort Operations/VRI
John Verity, Resort General Manager
Yennis Douglas, Assistant General Manager, not present
Annira Rodriguez, Housekeeping Supervisor, not present
Taylor Ford, Front Office Manager
Andy Castro, Maintenance Supervisor, not present

Owners:

34 owners were in attendance.

ACCEPTED

Marcia Svetkey thanked the employees for their diligence and hard work, working during the pandemic and beyond, learning new protocols, maintaining the resort and good will toward everyone.

Marcia reported that Steve Castinetti and Jean McCrave Baxter were the two candidates with the highest votes in the recent election, each elected to a 3-year term. Marcia noted both Steve and Jean attended the April Board Meeting, at which she welcomed them to the Board, Steve newly elected after being appointed, and Jean newly elected. Marcia stated that 1,817 ballots were sent out, but only 618 were returned. Marcia encouraged more owners to participate in future elections. Marcia discussed the role and makeup of the Board, explaining that each Board member is an owner, a volunteer elected by the owners to act on behalf of the owners.

Marcia reviewed the agenda, reported on the status of the special assessment, gave a brief overview of the 2018 Fire Insurance claim which has finally been closed out, and reported on the staffing changes over the past year.

Marcia stated that the Board policy of owner communication and transparency continues via various formats. Each email received by the Board at board@edgewatercapecodma.com receives a reply and that Newsletters, Minutes, Notices and Financial Reports are posted on the Resort's website.

III. GENERAL FINANCES

Michael McManus reviewed the year end December 31, 2022 Financial Statements. Michael reported that 72.4% of the total homeowners paid their 2022 maintenance fees. As of April 30, 2023, 69.3% of 2023 maintenance fees were collected vs. the 72.4% in the previous year. Delinquent owners were blocked from using their week(s) and their intervals were placed in the rental program. Michael reported that rental of Association owned weeks and delinquent intervals brought in a total of \$214,279 in revenues.

Michael reported that the Board has utilized federal programs over the past few years including the following:

- Payment Protection Program in the amount of \$167,025.
- Payment Protection Program in the amount of \$134,249.
- Economic Injury Disaster Loan (EIDL) of \$121,000.

Michael reviewed the Special Assessment Billing. The total amount billed in May of 2022 was \$3,273,870 to over 3,000 interval owners including the developer NERM. Additional details are as follows:

- Owners were offered a discount if full payment was made by May 15, 2022, or to pay half in 2022 and the other half in 2023. The projected special assessment collection was based on 57% of the owners participating.
- \$1,838,211 in special assessment funds were collected by December 31, 2022.
- \$149,407 in one-time upfront discounts were issued to owners who paid in full by May 15, 2022.
- \$1,002,132 was spent in 2022 on operation shortfalls, which allowed the business to remain open.

ACCEPTED

- \$760,604 was spent on building, structural, and physical improvement projects. See General Managers' report below for more information. The balance available projected for future projects is \$350,000.
- On January 31, 2023, partial payments were collected from some owners. The rest are due by May 15, 2023.

Michael McManus reported that an independent financial review is completed each year by a third-party independent company, DePaola, Begg & Associates, P.C. The review is made available upon request in June of each year. Michael reviewed the general notes which were in the 2021 report and stated a copy of the whole report may be requested by emailing him at michael.mcmanus@vriamericas.com.

IV. RESORT UPDATE

General Manager John Verity thanked the owners for attending the meeting. John provided a detailed review of the 2022 completed projects and 2023 future projects. John reviewed the following:

Special Assessment/Capital Improvement Plan Update:

- 59% of the owners have paid their special assessment.
- A Non-judicial Foreclosure Action against the former developer, NERM has been taken. As of 2023 the former Developer no longer owns any inventory at Edgewater.
- Completed building improvements are as follows:
 - 40% of the exterior painting and wood trim replacement project has been completed.
 - 30% of the roof replacement project has been completed. The West Building is scheduled for the fall of 2023.
 - New front doors and door lock options are being reviewed and replacements are planned for the fourth quarter of 2023.

Structural Improvements:

- Replacement of most slider doors, stationary second floor windows, and deck repairs with new drainage system was completed in 2022.
- Septic tanks were pumped and repaired in the summer of 2022 with additional work scheduled for the fall of 2023.
- A new air conditioning unit for the South Building was installed in June of 2022.
- New windows in the South Building are on hold until the winter of 2023.

Physical Service and Amenity Improvements:

- Resurfacing of the indoor pool is scheduled for June of 2023.
- The Fitness Center was re-opened for guest use during 2022. The overhauled fitness room has a new floor and a new heating/air conditioning system.
- In late December 2022 the new commercial laundry equipment became operational.
- In the summer of 2022 outdoor patio tables and chairs were replaced.

ACCEPTED

- Two additional units, damaged by a February freeze and pipes bursting, were being renovated starting in April of 2023 and are expected to be returned to service in mid-May of 2023. Renovation work on the remaining damaged units and other damage has been completed.
- Future projects include exterior painting, roof repairs/replacement, windows and slider replacements, and replacement of three septic systems.
- Wi-Fi service is reviewed each year and is being improved as the budget allows.
- The outdoor pool is scheduled to open the week of May 8, 2023.

John reported that Capital Vacations started selling Association weeks as well as the Capital Vacations Club on April 1, 2023. The MVP Marketing team has over 75 weeks available on the resale market. Anyone interested in purchasing is instructed to email John at johnverity@edgewatercapecodma.com for more information.

John reminded the owners who had payment plans to pay their second special assessment payment no later than May 15, 2023. Payments can be made over the phone by calling the Resort.

V. MANAGEMENT UPDATE

Michael McManus reported that VRI Americas had been sold by Marriott (MVW) to Capital Vacations in April of 2022.

Michael reviewed the services VRI and Capital Vacations provides to over 200 resorts and nearly 400,000 members. This includes 22 resorts in the northeast, 12 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.
- Sales.
- Owner benefits program.
- Purchasing power through VRI's Preferred Vendor Program.
- Training.

Michael reported on how the timeshare industry has changed over the years and how the Board has responded by partnering with Vacation Clubs, Points Programs, and focusing on rental programs that help the Resort's financial position.

VI. QUESTIONS AND ANSWERS


Marcia Svetkey served as moderator for the Q&A session during which several owners inquired about the following topics: the special assessment projects, inventory for sale, amount of inventory that can be owned by one vacation club, day use policy, the voting process, access to financial information and delinquencies.

ACCEPTED

John Verity reminded the owners that prearrival calls will be made this year by the Capital Vacations team. John also stated that anyone who is interested in purchasing a week should consider meeting with the team during their visit or email him at johnverity@edgewatercapecodma.com for more information. Several owners thanked the Board for their work and complimented the employees.

VII. ADJOURNMENT

The meeting was adjourned by Marcia Svetkey at 11:54 a.m.

DocuSigned by:

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Dennis Ducharme, Secretary

MJM/nb

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