

THE ROYAL SUITES INTERVAL ASSOCIATION, INC.

NOTICE OF ANNUAL MEETING 2022

TO: ALL INTERVAL OWNERS

PLEASE TAKE NOTICE that the Annual Meeting of The Royal Suites Interval Association, Inc. will be held **online** Saturday, November 19, 2022 at 12:00 p.m. via **Zoom** Meetings, Meeting ID: **983 185 2492**, **<https://zoom.us/>** for purposes of an annual members meeting. The agenda will include nomination and election of two (2) Trustees from among Interval Owners, and such other business of the membership as may properly come before the meeting may be conducted. Participation by all Interval Owners eligible to vote is necessary to establish a quorum to conduct the meeting and transact business for the purpose(s) stated. Once on the website, in the top right-hand side, click **“Join a Meeting”**. Or join by telephone using **1 646 558 8656 (NY)** and enter the Meeting ID: **983 185 2492**.

Formal action may be taken at any regular, special or rescheduled meeting.

Minutes of the 2021 Annual Meeting of The Royal Suites Interval Association, Inc, and any duly held meeting of the Board of Directors are available for inspection by all members of The Royal Suites Interval Association, Inc. during business hours at the Office of the General Manager. For 2022, the Annual Meeting Notice, Agenda, PowerPoint, and Minutes will be made available under Owner Information at www.fantasearesorts.com or clubboardwalkresorts.com.

This notice supersedes all prior notices published by The Royal Suites Interval Association, Inc.

BOARD OF TRUSTEES
ROYAL SUITES INTERVAL ASSOCIATION, INC.

Dated: October 20, 2022

AGENDA

ROYAL SUITES INTERVAL ASSOCIATION, INC.

ANNUAL MEETING OF THE MEMBERSHIP

November 19, 2022

Location: Zoom Teleconference Host ID: 983 185 2492

Time: 12:00 P.M.

- I. OPEN MEETING ANNOUNCEMENT/PUBLICATION OF NOTICE -MARIA B.
- II. PARLIMENTARY PROCEDURES (FOR IN PERSON MEETINGS) – BOB
- III. WAIVER OF READING AND APPROVAL OF MINUTES OF 2021 ANNUAL MEETING -MARIA B.
- IV. ELECTION OF TRUSTEES/ANNOUNCEMENT OF ELECTION RESULTS- BOB
- V. PRESENTATION OF THE 2023 BUDGET- CHRIS
- VI. REPORTS OF:
 - a. OFFICERS – ROXANNE (and/or others)
 - b. PROPERTY MANAGER - MELISSA
 - c. OWNER SERVICES - MARK
- VII. NEW BUSINESS/QUESTIONS GENERAL ATTENDANCE – MARIA B.
- VIII. ADJOURNMENT- MARIA B.

Note*

OFFICERS: MARIA P. BATTLE, MICHELE JONES, LUIZ PEREZ, ROXANNE PASSARELLA, GARY EARLAND

MANAGEMENT STAFF: CHRISTOPHER IBONE (ASST. TREASURER), MELISSA COSSIO (GM), MARK CONNOLLEY

OTHER: ROBERT HUESTON (ASSOCIATION ATTORNEY)

PARLIAMENTARY PROCEDURE
ROYAL SUITES INTERVAL ASSOCIATION, INC.
ANNUAL MEETING

NOVEMBER 19, 2022

1. There are no questions on the agenda of this annual meeting which require a vote of the membership other than the election of Trustees.
2. At this annual meeting the chair will take questions from the members under old/new business and allow debate limited to 10 minutes per question. Any members wishing to speak or debate the question may do so, without interruption from others, but only if he or she conducts himself or herself in an orderly fashion and is not abusive to the chair, members of the Board or owners present. Otherwise, the chair will declare the guest out of order.
3. The chair will limit the length of speeches and allow each member to speak only once on each question.
4. Formal motions, seconds and/or amendments are not necessary.
5. Following the debate the chair will close the debate, "restate" the question and put the question to a non-binding vote of the members present by a show of hands. The purpose of the non-binding vote will be solely to obtain the consensus of the members assembled whether or not the Board should consider the proposed question more fully at a subsequent regular open meeting of the Board.

6. If the consensus is that Board considers the proposed question more fully, the Board will report its action or inaction on the proposed question and its reasoning at the next annual meeting, or the Board may put the proposed question to a formal vote of the full membership on the agenda of the next annual meeting.
7. A binding vote on any questions raised by the membership at this annual meeting requires notice of the question to all members and a membership vote of the majority in person or by proxy at a duly noticed meeting of the membership.
8. The Board considers that the above procedure is fair and time efficient and it applies the basics of parliamentary procedure for running a meeting.

THE ROYAL SUITES INTERVAL ASSOCIATION, INC.
MINUTES OF THE ANNUAL MEETING
NOVEMBER 20, 2021

The Annual Meeting of The Royal Suites Interval Association, Inc. was held November 20, 2021 via zoom video conference for the Atlantic Place Resort. President Maria Battle called the meeting to order at 12:04 p.m. and appointed Attorney Donna Shaw as Acting Secretary for purposes of recording the minutes. Ms. Battle thanked the members for their attendance and introductions of the Board of Trustees and management staff followed.

I. Roll Call and Certifying Proxies

Board of Trustees in attendance included: Maria Battle, President; Michele Jones, Vice President; Gary Earland; and Roxanne Passarella, Treasurer. Association Attorney, Donna Shaw of Hueston, McNulty, P.C. was present. Present from Fantasea Resort Management were Chris Ibone, Account Supervisor, Melissa Cossio, Resort Manager, and Mark Connelly, Owner Services.

II. Open Meeting Announcement and Publication of Notice.

Ms. Battle announced that the newspaper notice of the November 20, 2021 Annual Meeting of The Royal Suites Interval Association, Inc., was posted, mailed to all Owners (aka members) in accordance with the New Jersey Open Meeting Act and the Association Bylaws. Attorney Donna Shaw certified that the 3% quorum requirement was met by owners present and those represented by proxy.

III. Parliamentary Procedure.

Donna Shaw reviewed parliamentary procedure. Chris Ibone announced the procedures for conducting the members meeting and zoom protocols. He asked the members to sign in with name and contract number via chat. Questions and comments will be taken when the general membership is unmuted after the presentation are made by the board members and management staff.

IV. Waiver of the Reading and Approval of Prior Minutes.

Ms. Battle stated the minutes from the November 21, 2020 Annual Meeting had been posted on the website. She called for a Motion to Dispense with Reading of the Minutes and Approval of the Minutes.

A motion was made by Gary Earland and seconded by Roxanne Passarella to dispense with the reading of the minutes of November 21, 2020 Annual Meeting for The Royal Suites Interval Association, Inc., and the minutes as presented were approved by acclamation.

V. Appointment of Election Judges/Election.

Attorney Shaw explained that the two (2) candidates ran uncontested for the two (2) trusteeships. Therefore, the election was conducted by acclamation. The motion was made by Gary Earland and seconded by Roxanne Passarella and was carried by acclamation. Michele Jones and Luis Perez were elected to the Board. Both spoke briefly to the members.

VI. Financial Report.

Chris Ibone provided an explanation of the 2022 Operating and Reserve Budget, stating the fiduciary obligation of the Board is to have a breakeven budget. The 2022 Budget required an average of 1.5% across all unit types in maintenance fees and was determined on review of each department's operating needs. He reviewed the factors which were the largest contributors to the 2022 Budget, which included payroll increases due to State mandated minimum wage increases. Nevertheless, the increased maintenance fees are well below the ARDA averages, and the 5-year historic increase is at 2%, well below the national average of 3-6% increase per year.

VII. Operations Report.

Roxanne Passarella spoke of the renovations taking place with the look of the new generation and a complete re-branding of the resort's image. The summer season had a good feel overall. Major events in Atlantic City helped raise hotel rates and Atlantic City is undergoing some major renovations by other developers. Royal Suites attracts families and those who don't want the casino atmosphere, and has its own niche market.

Melissa Cossio presented the Management Operations Report. Fall has been very busy with owners, exchangers, and leisure guests, especially on the weekends. Cross-training is taking place between housekeeping and front desk staff. The Fall 2021 Room Renovations will be taking place on the 28th through 31st floors, and preventative maintenance and general cleaning on the lower floors. Future events include Ceramic painting, Fall wreath making, karaoke, Sip and Paint are other activities which are being planned. The Sales team will return to Atlantic Palace early next year, funded by the Developer.

Mark Connelly (Owner Services) reviewed the owner and split week over the past year, and the 2021 increase in owner usage. Online booking is now available 24/7 through the owner portal.

VIII. Unfinished Business

Ms. Battle stated there is no unfinished business from 2020 to discuss at this time and opened the forum to questions from members under new business.

IX. New Business.

Several owners had questions about billing and the referral program, as well as how upgrades to "Chairman" status can be made. There were responses from representatives from Fantasea discussed during the meeting, with follow-up telephone calls with individual owners to follow.

X. Adjournment.

A motion was made and seconded to adjourn the meeting at 1:02 p.m.

CERTIFICATION

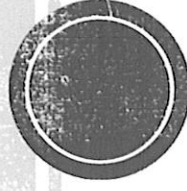
I hereby certify the foregoing Minutes of the Annual Meeting of The Royal Suites Interval Association, Inc. held on November 20, 2021 were approved and duly adopted by the ownership Board on the _____ day of _____ 2022.

Secretary

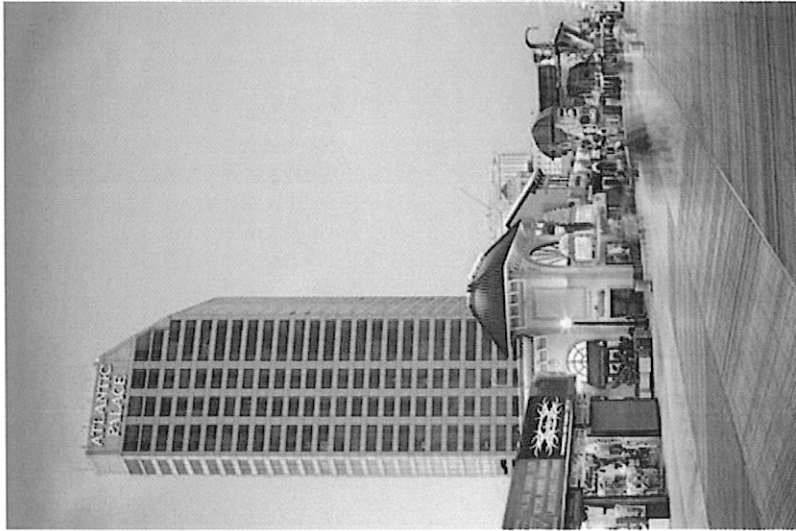
WELCOME OWNERS!

Royal Suites Interval Association

November 19, 2022 Annual Meeting



CLUB **BOARDWALK**
RESORTS



FUND ACCOUNTING

- What is it?
- Fund Accounting is the method of accounting non-profit HOA's use, such as Royal Suites Interval Association consisting of two separate funds:
 - Replacements Fund – Portion of your Dues (MF's) used to fund projects for room renovations/future replacements. Contributions/Expenditures are largely determined by an independent 3rd party Reserve Study, to ensure proper funding
 - Operating Fund – Largest portion of your Dues used to maintain day to day operations of your functioning HOA. Examples: Housekeeping Duties, Maintenance Duties, Hospitality/Owner Services, General Property Management
- A sizable part of your Operating Fund is also your Property Tax Expense or City, State, and Local Tax.



CUSTOMER
SERVICE
IS NOT A DEPARTMENT.
It IS AN
ATTITUDE.SM



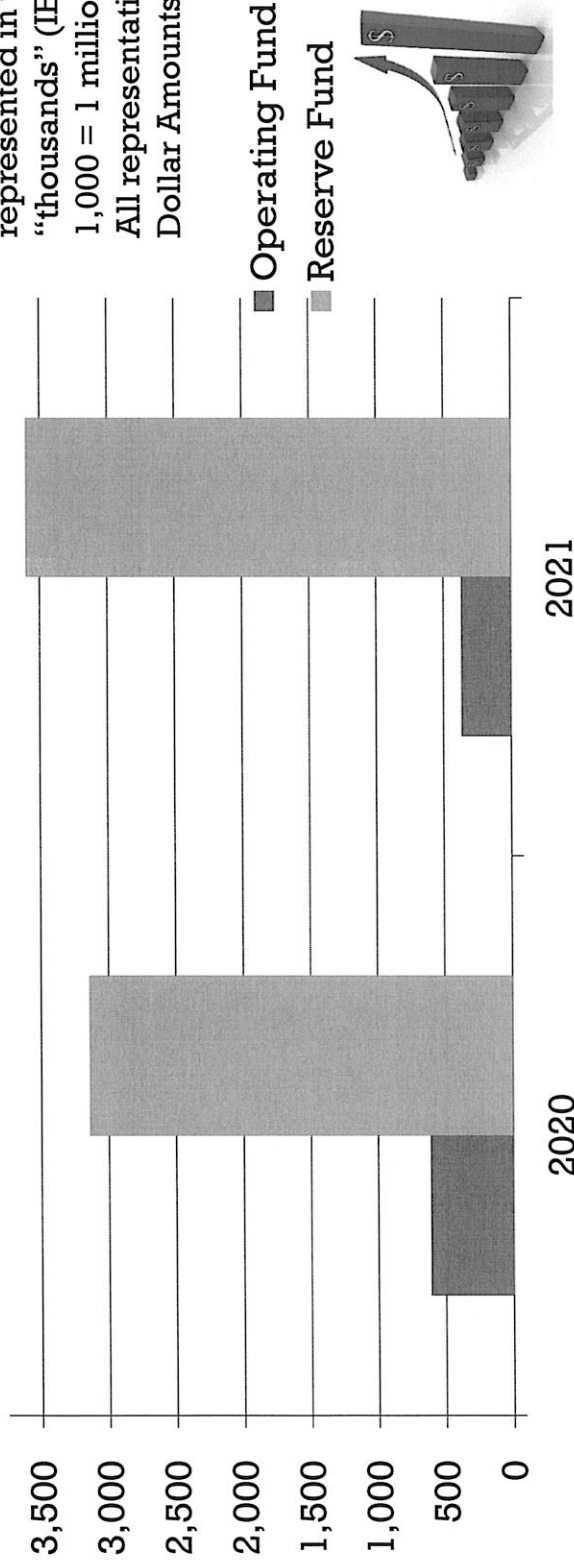
ALLOCATION OF MEMBERSHIP DUES

- Reserve Contributions – How much contribution in dollars does the independent reserve study call for renovations in a given year
- Property Taxes – City/State/Local determines the tax rate which gets applied to the evaluation of the real estate – have no control other than to appeal on the Association's behalf which we did successfully this year, but less units
- Bad Debt Expense – Expense to Reserve what is estimated to be uncollectible in dues in a given year
- Other Factors – Projected Revenues/Salaries and Related Expenses/ Operating Expenses, Insurance, etc..



WHERE WE ARE CURRENTLY (2021)

*Numbers are represented in the "thousands" (IE- 1,000 = 1 million All representative of Dollar Amounts



Currently the RSIOA sits with a \$369,202 rolling surplus in the Operating Fund and \$3,604,576 in the Reserve Fund for 2021. Bare in mind these two funds are the two key indicators of the status of an NPO such as the RSIOA. These are audited financials as of 2021 versus 2020. Note for 2021, we still hold the PPP loan of roughly \$289,000. We expect the loan to be settled and forgiven before 2022 is complete, and that loan will return as income once forgiven based on audit entries, and impact revenue positively.



GENERAL BUDGETING PROCESS

- We begin with \$0 expenses across the board in all departments or a clean budget. We hold meetings to discuss what is necessary for operating said departments, and translate that into a budget, while looking for areas of savings along the way. Expenses are filled in as we go along in this process.
- It is our legal and fiduciary responsibility to create a zero based budget. Also known as break-even, and the picture is much clearer when assessed from that perspective. RSIOA is designed as a Not For Profit/Self sustaining entity.



REFERENCE ITEM 2023 FEE GRID

Royal Suites Interval Association 2023 MAINTENANCE FEE SCHEDULE

Unit Summary - Annual Ownership - 230 Units

Unit Type	Total Maintenance	Real Estate Taxes	Total Reserves	Weekly 2023 Maint. Fee
Jr. Studio	\$624.69	\$53.65	\$75.12	\$753.46
Studio	743.67	63.86	89.43	896.96
One Bedroom	880.51	75.62	105.89	1,062.02
Two Bedroom	981.67	84.30	118.05	1,184.02

For the year 2023 Maintenance Fees will increase 3.75% across all unit types from 2022. Last year's increase was 1.50% from 2021 to 2022. The average Maintenance Fee is 866.05 for 2023 versus 834.73 for 2022 or \$31.32 on average annually.

*Per ARDA (American Resort Development Association) Industry Average Maintenance Fees Across the U.S. territories are roughly \$1000.00 per interval week. Based on the unit type/weeks split for RSIOA, your average MF is \$866.05. ARDA also goes on to say that industry rate increases are on average 3-6% per year, this year your increase is within the lower end of that spectrum.

It is also important to not that the 5 year historical average increase is 2.35% inclusive of 2023.



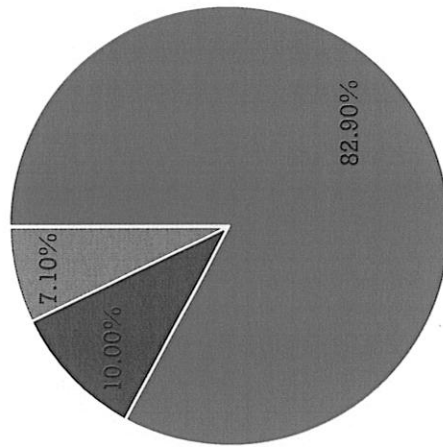
BUDGET ALLOCATIONS FOR THE 2023 BUDGET

- Property tax was reduced slightly based on the revaluation of real estate, and we aren't anticipating a rate increase in 2023.
- Hotel Revenue was increased based on 2021/2022 actuals, about \$80,000.
- Operating Expenses in total to meet the requirements of the departments and the property were decreased slightly.
- Reserve Contributions were kept even based on the independent reserve study.
- Bad Debt Expense was kept even based on the amount of dues estimated to be uncollectible based on 2022 collections.
- Increases in payroll, specifically to housekeeping and other minimum wage areas due to state law, and to make the market more applicable and competitive. We made the decision to raise Housekeeping itself to \$15 minimum 1 year ahead of the mandate to try and attract, hire, and retain. This was the largest impact, over \$250,000 in total payroll.
- Property/Liability insurance was increased by 15% to accommodate a volatile market, this remains to be a harsh market.
- Condominium Fees were increased by 3%, based on their budgeted increase.
- Important note it takes ~\$116,000 to move the MF 1%.
- All other areas of the budget were kept relatively flat and do not significantly impact the budget, or its final break even number of \$0



BUDGET ALLOCATION CHART 2023

Allocation



■ Operating Expense ■ Reserves ■ Property Tax



FINANCIAL SUMMARY

- As demonstrated with the various points the Royal Suites Interval Association is on solid foundation and on the mend. We strive to keep the Association as healthy as possible as it is vital to its sustainability when unexpected/uncontrollable events can occur (IE. Emergency Renovations/Damage to Rooms, Unanticipated hikes in Property Taxes, etc..) Maintaining surpluses in the funds can quell some of those costs, and divert the cost potentially away from the owners
- The PPP again still exists as a Loan, once forgiven, the \$289,000 loan will go to the bottom line as revenue
- Fulfillment of all owners to paying their dues not only helps the health of the association (bad debt reserves) but helps (you) that dues paying owner from footing the bill of the non-paying owner
- If there is any requests for specific financials not on our website you can email requests to chrisi@60north.net.



WELCOME HOME



THE NEW STANDARD



THE NEW STANDARD

