

SEAWINDS II ASSOCIATION
ANNUAL MEETING
September 19, 2004

The meeting was opened by the President, Jeff Farres at 2:15 pm with an introduction of the Board Members to the owners and a reading of the agenda. The President informed the members the Treasurer would not be in attendance as he is on active duty in the military.

The minutes of the September 21, 2003 Annual Meeting were read by the Secretary, Maureen Amati. The minutes were approved and seconded.

In the absence of Treasurer, David Rapaport the Vice President Joanne Grollman submitted the Budget to the owners for discussion. Attached is a copy of the Income and Expense Report as of 8/31/04. Questions from the floor:

- Do we have a reserve account?
Balance of \$42,407.00 in Sharon Savings Bank includes operating budget and reserve.
- Is the dumpster a community dumpster?
No. A discussion with BOD, Manager and owners regarding an alternative trash disposal method that would not be used by neighbors.
No resolution.

The Resort Manager, Tom Fox then gave his report. The notes are attached. Improvement for 2004 include:

1. Units 1-4 New bathtubs and enclosures
2. All units got new refrigerators and electric pilot gas stoves
3. All units should also have new dishwashers by year-end.

Improvements requested for 2005 include:

1. Fireplaces –repaired or replaced
2. Air conditioners – repaired or replaced
3. New carpeting in all units.
4. Decks – repaired or replaced. The town inspector has notified Tom that decking must be inspected in 30 days.
5. Landscaping- cut back bushes, add new plantings

The rating with II is still high and there have been many good trades. Traders' comments regarding the age of the property; small kitchen; dated furniture, inconvenient bath off bedroom in small units can bring down the rating. They also comment that the property is clean, and the kitchen is well supplied which helps the rating.

There continue to be issues with housekeeping. The contract went out to bid with quotes ranging from \$25,000.00 to \$35,000.00 from Professional cleaning services. Tom decided to hire sub-contactors, they are doing a good job; the

place is clean but not spotless. They have been able to get units ready for 3:00 pm check in time; Tom is shooting for 2:00 pm next year. Right now check in time is still 4:00.

Tom concluded his report with a list of helpful hints on renting / selling the units. The lists are attached. He answered questions from the floor regarding his role in selling units; he only gives the sellers contact information to the potential buyer and does not broker the deal. Regarding rentals, the owner is responsible for contacting the manager when the unit/week has been rented with renters' information.

A question was asked if the AMF's would be going up again this year and if so what, Jeff took that question and said any increase would be based on the Federal Cost of Living. The two units for sale were also discussed and the owners were told how the BOD has advertised them in "Timeshare Today" and have received no response. There were 2 bids for the same week/unit and the 6/46 and 5/5 were still available. Question from the floor, has the BOD considered getting a website? Yes, many times but the BOD has not had the time or money to work on the project.

The report was approved and seconded by the floor.

The President, Jeff Fares then gave his report. Please see attached. As reported in the Newsletter, Joanne Grollman submitted her resignation to the Board. Joanne has been the back bone of the BOD and will be sorely missed. The Newsletter requested volunteers to join the Board of Directors; Jeff repeated this request. One owner had stated his intentions to join the board, Jerry DiFillipo. Jerry introduced himself to the owners and gave a brief resume. He stated at that time his willingness to join the Board and take on the Beach Rights issues.

Jeff then opened the discussion on the Beach rights issues. He stated his feeling that we should continue with the lawyer and find out what our rights and responsibilities are as well as those who have deeded rights. He went on to caution the owners that even if they do not use the beach it is the one of the few on site amenities SWII offers to II in order to increase our trading power.

Jeff then spoke briefly regarding the noise transmission issue. He has investigated the problem and not a lot can be done with out completely gutting the units. This may be done over time, possibly in a four-year period by doing 2 or more units at a time. Owner Frank Goodyear contributed to the conversation regarding the floor and deck problems. He proposed some options and will speak to Tom regarding these solutions

He then turned to the floor to Joanne regarding the Beach rights issue.

Beach rights issue was then discussed by Joanne Grollman, she reminded the owners that the beach is only in full use for approximately 8 weeks a year. Tom has received many complaints from owners and guests that the beach is too crowded. The Attorney's research has found that there are 69 lots with rights, different types of rights but all are using the beach. More research needs to be done as to who has what rights and what we need to do to protect our rights. She then brought the owners up to date with what work still needs to be done by the attorney. Many of the existing deeds are inconsistent and contradictory. As to the ballot question on beach rights the BOD supports Option # 2; tell the lawyer to continue and give his opinion on who has rights and what they are. At least we would have a legal opinion of where we stand.

The floor was then opened for discussion and all the options were discussed at length. The BOD answered as many of the questions as possible regarding types of rights; how do we protect our rights, etc. Many questions are still unanswered, as more research is needed. The question was then put to a vote and Option # 2 won unanimously by the 15 owners attending, and received the majority of the proxy ballot, 39 votes.

The owners then voted unanimously to approve Jerry DiFillipo joining the Board. Mr. Frank Goodyear was persuaded to put his name forward and was also approved unanimously by all present.

The meeting was then brought to a close, which was approved and seconded.