

**SEAWINDS II
ANNUAL OWNERS MEETING
MINUTES
S. Weymouth, MA**

September 25, 2005

I. INTRODUCTION OF THE BOARD MEMBERS

Jeff Farres called the meeting to order at 2:00 p.m. and welcomed those in attendance. Jeff introduced the following people:

Board Members:

Jeff Farres
Maureen Amati
Nancy Kritzman
Frank Goodyear

VRI Management and Resort Personnel:

Rich Muller, Vice President of Resort Operations/VRI
Rich Uccello, Sr. VP of Finance/VRI
Scott Dravis, Director of Resorts/VRI
Israel Soares, Acting General Manager/SeaWinds II

Absent:

David Rapaport

II. READING AND APPROVAL OF THE MINUTES (September 19, 2004)

Secretary Maureen Amati read the 2004 annual meeting minutes.

MOTION: A motion was made and seconded to approve the 2004 annual meeting minutes as read. The motion was approved unanimously.

III. PRESIDENT'S REPORT

Jeff Farres asked for a moment of silence in tribute to Board member Bud Mulkern who passed away earlier this year. Bud had been a member of the Board since the owners took over and he worked very hard to make sure that SeaWinds II was the wonderful place it is. He was involved in much of the maintenance and was responsible for collections. His dedication will be sorely missed.

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On a more positive note, Board member David Rapaport, who is the resort's Treasurer, should be returning from his tour of duty in Iraq before the end of the year. Even while he has been away, David has kept in touch with the rest of the Board via e-mail and helped them with his advice and thoughts. The Board looks forward to having him back and working with him.

Jeff noted, as most owners know, that the Board has been trying to upgrade SeaWinds II using an extended plan. Most of the original work proposed has been completed, although not all of it and not in the original order. The resort was required to do remedial work on the decks and concrete due to a new Massachusetts law. As you are aware, an annual inspection is done every year and the condition of SeaWinds is noted. The work that has been completed is holding up well and trying a different approach is being considered.

Carpeting has been installed in all units except unit 4, in which a trial refurbishment is planned. Hopefully this will allow a better handle on what the costs will be for the other units and better schedule in case of unforeseen problems.

Vacation Resorts International was introduced. They are the new management company with which the Board has contracted. Tom Fox had been working as the resort's manager and working full time nights as a manager for a construction company's equipment maintenance department. The workload was becoming too much and he told the Board he needed to move on.

The Board started looking for new management and contacted a number of different companies. VRI was chosen due to their responsiveness and for the value they added to SeaWinds II owners and guests.

Jeff explained that SeaWinds II now has an office, located at Riverview Resort, which owners and guests can contact with any problem. SeaWinds will now be sharing housekeeping and maintenance personnel with Riverview, making them more readily available and able to respond quickly.

There will be accounting for the resort to help the Board keep better track of the resort's money. VRI will be handling collections to keep the money coming in so the resort doesn't have to pay for those who don't pay their maintenance fees. There will be a rental program to help owners get the most use out of the resort and help keep the maintenance cost down.

VRI's buying power will help keep replacement costs down. With VRI, owners will also be able to use credit cards to pay various charges that were cost-prohibitive before. There are also a number of other benefits, which they will fill you in on.

IV. MANAGER'S REPORT

Jeff introduced Scott Dravis from VRI to give the Manager's Report. Scott Dravis noted that he was a Director of Resorts for VRI and directly responsible for the operations at SeaWinds II for the company. He thanked the Board for their confidence in picking VRI as their managing agent and stated that he and the staff at VRI were very pleased to have been given this opportunity.

He went on to explain that VRI is the largest independent timeshare management company in the country with 108 managed resorts in the US, Canada and Mexico. VRI has maintained an office in Hyannis, MA since 1989 from which VRI will manage SeaWinds. Day to day operations will be overseen by Israel Soares, Manager of VRI managed Riverview Resort in South Yarmouth. SeaWinds telephone number 508-398-1474 remains unchanged and will be answered by staff at Riverview and everyday operations like housekeeping and maintenance will be furnished by Riverview staff. While there is still no on-site office at SeaWinds, our goal is to provide a higher level of service than has been provided in the past because of our proximity to the resort.

VRI has a number of owner enhancement programs detailed in literature handed out to owners and Scott reviewed some of those programs with those present.

V. FINANCIAL REPORT

Rich Uccello reviewed the August month-end Comparative Income Statement. Rich stated that this is one of several reports that will be presented to the Board on a monthly basis.

VI. QUESTION/ANSWER SESSION

Q. Why did the phone expense double?

A. Admin phone calls.

Q. What can we do if we want to sell our unit?

A. Some owners have found listing their intervals on the internet to be helpful. Two sites we know of are "redweeks.com" and "webuytimeshare.com". Also, the magazine Timesharing Today has a classified section.

If you sell your interval, you will need to provide VRI with a copy of the "recorded deed".

Q. What services does VRI provide?

A. VRI provides management, bookkeeping and accounting, Assessment, Billing and Collection, computers including integrated, real time property

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management software, rental programs and owner enhancement programs. In addition, we provide our client resorts with specially negotiated volume discounts for hospitality services and supplies.

Comment: The Board has been in contact with VRI virtually every other day.

Q. Where is Riverview?

A. It is in South Yarmouth at 37 Neptune Lane. Neptune Lane is right off Rt. 28 behind Pier 7 Condominiums right across from Pirates Cove Mini Golf. Look for the Red and White Lighthouse on the roof.

Q. What is the status of the sign?

A. The sign has been re-hung but is in bad shape. We will have to look at replacement in the near future.

Q. When is work going to start on unit 4?

A. We are hoping to start this during shutdown.

VII. ADJOURNMENT

Jeff Farres, President

SWD/cw
swb2005HOAmins