

**SEAWINDS II
BOARD OF TRUSTEES MEETING
February 11, 2006**

I. CALL TO ORDER/ROLL CALL

Jeff Farres called the meeting to order at 9:27 a.m. The following people were in attendance:

Board Members:

Jeff Farres
David Rapaport
Maureen Amati
Rowena Flynn
Frank Goodyear

Absent:

Nancy Kritzman

VRI Management and Resort Personnel:

Rich Uccello, Sr. Vice President of Finance/VRI
Scott Dravis, Director of Resorts/VRI
Michael McManus, Resort General Manager/Director of Resorts/VRI
Israel Soares, Assistant General Manager/SeaWinds II

II. APPROVAL OF AGENDA

MOTION: Maureen Amati moved to approve the agenda by adding F. Owner Correspondence under IV. Management reports. Motion was seconded by Dave Rapaport and approved unanimously.

III. APPROVAL OF PREVIOUS MEETING MINUTES (10/19/05)

MOTION: Jeff Farres moved to approve the meeting minutes of the October 19, 2005 as written. Motion was seconded by Maureen Amati and approved unanimously.

ACCEPTANCE OF ANNUAL MEETING MINUTES (9/25/05)

MOTION: Maureen Amati moved to accept the annual meeting minutes of September 25, 2005 as written. Motion was seconded by Jeff Farres and approved unanimously.

IV. MANAGEMENT REPORTS

A. Resort Update

Scott Dravis introduced Michael McManus as the new Director of Resorts. Scott stated that Michael was the General Manager at the Wellington Resort in Rhode Island for five years and explained to the Board the work he is currently doing at Riverview Resort. Scott stated that he would stay involved with SeaWinds II as long as necessary to insure a smooth transition.

Michael McManus informed the Board that Israel Soares and he work as a team with housekeeping and maintenance to oversee SeaWinds II property.

Michael McManus distributed his Manager's Report which included the following:

- The fireplace was repaired in unit 5 and \$2,200 dollars was saved.
- New contact for replacement parts of the fireplace has been established.
- To reduce the sound between unit 3 and 4 the doors have been closed off and insulated.
- Unit 4 has been painted with new colors from Granite State Contract Furnishings.
- The units have been deep cleaned.
- Maintenance painted, repaired cracks and worked on a long punch list for the rooms.

Michael McManus discussed with the Board some concerns about security, locks, 24 hour answering service and unit updates.

B. Financial

Rich Uccello reviewed the financial statements as of year-end December 31, 2005. Included in the review were the Cash Balances Report, Accounts Receivable Summary, Balance Sheet, Comparative Income Statement, and Cash Flow Analysis.

C. Insurance

Scott Dravis requested loss runs from the current carrier and is obtaining competitive quotes on Property & Liability coverage.

D. Maintenance Weeks

Michael McManus distributed and reviewed a punch list regarding each of the units needs that were addressed during maintenance weeks 1 and 2.

E. Fence

The Board requested that management inquire about the fence with the adjoining neighbor regarding the repair work that needs to be completed and report back at the next meeting.

F. Owner Correspondence

Jeff Farres asked questions concerning Interval International and the procedures that are followed with exchanging of units that an owner passed onto him via email. Jeff will follow up with the owner.

V. OLD BUSINESS

A. Merola Weeks

Scott Dravis reviewed communication with Judy Merola and that there was a discrepancy in the ownership of the Merola weeks and a dispute over ownership records between Judy and Joe Merola. A new address for Joe Merola was given. The Board directed Scott to send out the bills to Joe Merola at the new and old address and to Judy Merola stressing to both parties the ABC policy.

B. 2006 Budget

No business.

VI. NEW BUSINESS

A. RCI Affiliation

Scott Dravis reported on the contract terms of RCI and II and explained the benefits of dual affiliation.

MOTION: Jeff Farres moved to authorize management to execute an agreement with RCI. Motion was seconded by Rowena Flynn and approved unanimously.

B. Interior Design/Model Unit

Scott Dravis reviewed the color Boards and pricing from Granite State Contract Furnishings. Maureen Amati explained in detail which designs and patterns have been chosen for the room upgrades. The Board discussed the plans and stressed the importance of eliminating the noise between the units.

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MOTION: Jeff Farres moved to accept Granite State Contract Furnishing's proposal not to exceed \$15,000 for the refurbishment of model unit 4. Motion was seconded by Rowena Flynn and approved unanimously.

C. Letterhead

Scott Dravis reported that the resort needed stock letterhead and asked the Board for direction on a new logo. The Board authorized that new letterhead be produced with the use of the old logo.

D. Cape Cod On-line

Scott Dravis informed the Board about the website www.capecodonline.com stating that many resorts on the Cape have subscribed to the site to obtain rental leads, links to VRI's website and to encourage rentals for their resort. The Board approved the yearly fee of \$200 and authorized management to move forward.

VII. OTHER

A. Next Meeting Date

The next meeting is scheduled for Wednesday, April 26 at 6:30 p.m. at a location to be determined.

B. Resort Visit

Some of the Board members asked to view the property after the meeting.

VIII. ADJOURNMENT

MOTION: Jeff Farres moved to adjourn the meeting at 1:55 p.m. Motion was seconded by Dave Rapaport and approved unanimously.

Maureen Amati, Secretary

Date

MCM/jmf
swb: 011106mins