

SEAWINDS II
BOARD OF TRUSTEES
ANNUAL OWNERS MEETING MINUTES
September 24, 2006

I. INTRODUCTION OF THE BOARD MEMBERS

Maureen Amati called the meeting to order at 2:15 p.m. and welcomed those in attendance. Jeff Farres, Board President opened the meeting by introducing the following people:

Board Members:

Jeff Farres	Rowena Flynn
Maureen Amati	Frank Goodyear
David Rapaport	

VRI Management and Resort Personnel:

Michael McManus, Director of Resorts/VRI
Israel Soares, General Manager/SeaWinds II

Absent:

Nancy Kritzman

II. READING AND APPROVAL OF THE MINUTES (September 25, 2005)

Secretary Maureen Amati distributed a copy of the 2005 Annual Meeting minutes.

MOTION: A motion from the floor was made to waive the reading of the 2005 Annual Meeting minutes and approve as written. Motion was seconded and approved unanimously.

III. PRESIDENT'S REPORT

Jeff Farres reported that Board member Maureen Amati will be stepping down at the end of this meeting. Jeff thanked her for all the hard work she has done for this Resort over the years and stated that she will be deeply missed.

Jeff Farres stated that the Board has been trying to refurbish SeaWinds II for a few years and that was the main reason for the special assessment. The money raised will be used for the renovations of all rooms including sound proofing the building. Jeff stated that the entire Board has been working on this project for the past year with the help of VRI and Granite State Contract Furnishings an interior design company and furnishings supplier.

The Board is aware that the increase in maintenance fees plus the special assessment has created a financial burden on some owners including the Board members but they hope owners realize that the resort was in need of renovations to keep the units up to date and in working order. The Board's goal is for all owners to get more enjoyment out of their week and be proud of their investment.

VRI's buying power will help keep replacement costs down. We will be using commercial grade replacement items in the units with the help of VRI and will no longer be going to Christmas Tree Shop to furnish the resort year after year. The Board complimented and thanked VRI for all the help they have given over the past year. The management team has shown, on numerous accounts, ways of saving money over the past fiscal year.

Jeff Farres stated that he has been working with the Uncle Ralf Association to get the entrance to the beach repaired. The Town engineers proposed installing catch basin in the street to collect all runoff water which will help keep the beach sand from being washed away during storms. Jeff stated that he will keep the ownership informed of the progress of this Town project.

IV. RENOVATIONS REPORT

Jeff Farres introduced Michael McManus from VRI. Michael stated that he is a Director of Resorts for VRI and is responsible for the operations at SeaWinds II. Michael stated that everyone at Riverview Resort and the staff at VRI are very pleased to have been given this opportunity to work with the Board over the past year. We have been concentrating on financials and a detailed renovations plan for SeaWinds II which will be implemented in 2007-2008.

Michael McManus displayed a video slide show presentation showing a review of capital improvements that were done at the resort in 2006. The renovations covered amenity upgrades, a direct phone line to Riverview, new resort sign, electronic locks, complete overhaul of unit 4 and several projects that are scheduled for this winter like sound proofing the building and new kitchens. Michael stated that during the shutdown period, units 1, 2 and 3 will be renovated. Finishing touches on unit 4 will be made.

V. MANAGER'S REPORT

Israel Soares reported on all upgrades and repairs that were made at the resort this past year which were also covered in the power point presentation by Michael McManus.

VI. FINANCIAL REPORT

David Rapaport presented the 2007 Presentation Budget and explained the projections for the upcoming year in reference to Reserves. The special assessment will be funding the reserves and will allow management to refurbish units 1, 2 and 3 during the shutdown period.

Copies of the most recent Comparative Income Statement, Cash Balances, Cash Flow and Reserve Analysis for August 2006 were passed out to owners. Michael McManus reviewed these reports with the owners. Mike commented that the 2.4% increase in maintenance fees for 2007 was mainly due to an increase in reserves funding. The Board is continuing to work towards properly funding reserves for future projects.

VII. ELECTION OF TRUSTEES

Jeff Farres asked if there were any additional nominations from the floor.

There being no further nominations, nominations were closed. Jeff Farres instructed the owners on how to fill out the ballot properly and explained voting guidelines as established by the Condominium Documents. The ballots were then collected and Maureen Amati and Israel Soares tallied the votes.

The election results were announced. All the incumbents were reelected along with Sheila Farres.

VIII. QUESTION/ANSWER SESSION

Q. How and when do we get our electronic lock key code?

A. Riverview Resort will mail out a welcome letter with information about the resort and local attractions four weeks prior to your arrival date. This will be a reminder that your week is coming up and will include a request for you to call the resort and inform us if you will be using, exchanging or renting your week. If you are using your interval, you can ask the desk clerk for your entry code at that time.

Q. What do we do if we have a problem while we are staying at the resort concerning maintenance or housekeeping issues?

A. You can simply call 508-394-9801 and report any issue to the desk clerk. Please feel free to use the new emergency phone located outside unit 4 by the gas grill. It will dial Riverview Resort automatically.

Seawinds II Annual Meeting
September 24, 2006

Q. Can we pay our yearly dues by credit card?

A. Yes, you can call the resort at 508-398-1474 and make payments with the front desk agent.

Q. What new services does VRI provide?

A. VRI provides a list of travel programs available to all owners of VRI managed properties such as the Owner Rental Program simply call 1-800-228-2968 for reservations. VRI also offers Bonus Time at other VRI resorts, Vacation Tyme, and VIP discounts by calling 1-866-469-8222.

Q. What can be done about the trash receptacles always being full?

A. Management will look into changing the days of the pick ups and requests that if owners notice any unauthorized individuals dumping trash to report it.

Q. When is work going to start on units 1, 2 and 3?

A. We are hoping to start this during shutdown, December 2006.

Q. What amenities are available at SeaWinds and can internet service be provided?

A. The list of amenities include Adirondack chairs, patios, full kitchens, , DVD Players, BBQ Grills, beach chairs, beach towels, private beach, access to David's Gym parking and many more off site amenities are available. Please contact the front desk for additional information.

VII. ADJOURNMENT

MOTION: There being no further business, a motion was made from the floor to adjourn the meeting at 4:15 p.m. Motion was seconded and approved unanimously.

Jeff Farres, Acting Secretary

MJM/jmf

swb: hoa2006