

SEAWINDS II
BOARD OF TRUSTEES
ANNUAL OWNERS MEETING MINUTES
September 23, 2007

I. INTRODUCTION OF THE BOARD MEMBERS

The meeting was called to order at 2:14 p.m. Board President Jeff Farres welcomed those in attendance and introduced the following:

Board Members:

Jeff Farres, Board President
Sheila Farres Secretary
David Rapaport, Treasurer
Rowena Flynn, Member at Large
Frank Goodyear, Member at Large

VRI Management and Resort Personnel:

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

Absent:

Nancy Kritzman, Member at Large

II. READING AND APPROVAL OF THE MINUTES (09/24/06)

Secretary Sheila Farres distributed a copy of the 2006 Annual Meeting minutes.

MOTION: A motion from the floor was made to waive the reading of the 2006 Annual Meeting minutes and approve as written. Motion was seconded and approved unanimously.

III. PRESIDENT'S REPORT

Jeff Farres reported that the Board has an open seat and asked the owners if anyone was interested in becoming a member of the Board to please contact him.

Jeff 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 first floor has been renovated and the second floor is to be renovated in November. Jeff thanked that the entire Board for their input and asked that if any owners have comments about the renovations to please write them down and mail to the Resort General Manager, Israel Soares.

Sea Winds II
September 23, 2007

Jeff stated that he was happy with the professionalism that VRI has brought to the resort and that VRI's buying power has help keep replacement and operating costs down. The resort has been using commercial grade replacement items in the units with the help of VRI and will no longer be going to discount stores. The Board complimented and thanked VRI for all the help they have given over the past year.

Jeff stated that he has been working with Israel Soares for the past year and is impressed with his knowledge and experience in the timeshare industry. Jeff also mentioned that he is an active member with ARDA.

Jeff stated that wireless internet service is now available in every room and that with all the renovations come the responsibility of protecting the investment. He mentioned that the resort has adopted a new security deposit policy that will be implemented on January 1, 2008, with "No Exceptions". ALL GUESTS MUST BE REGISTERED AND A SECURITY DEPOSIT OF \$200 IS REQUIRED.

IV. RENOVATIONS REPORT

Jeff Farres introduced Michael McManus, Director of Resorts/VRI. Michael stated that he is working closely with the Israel Soares on daily operational issues and renovations. Michael stated that the staff at Riverview Resort and VRI are very pleased to have been given the opportunity to work with the Board over the past year.

Michael McManus displayed a power point presentation showing where the resort was two years ago, what has been accomplished, and the capital improvements that will be completed in 2007. Renovations have included amenity upgrades, direct phone line to Riverview, new resort sign, electronic locks, and a complete overhaul of the units. Michael stated that during the shutdown period in 2006, units 1, 2, 3 and 4 were renovated with new kitchens, furniture, sound proofing, insulation, new Sealy bedding, art work and bright new color. The two bedroom units will be completed this winter along with several projects to include: new entrance doorways, furniture, updated bathrooms, kitchen cabinets, countertops and flooring.

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

Michael McManus reported on the Special Assessment that was billed in 2006. Michael stated that as of this date 84.4% of the owners have paid and that he is contacting those owners who have not to set up payment plans. He stated that the Assessment Billing and Collection Policy was mailed out with the assessment and that the Board has instructed management to enforce the ABC Policy as posted.

David Rapaport presented the 2008 Presentation Budget and explained the projections for the upcoming year in reference to Reserves, Operational Expenses and Revenues. David stated that only 84.4% of the owners have paid the special assessment and he expects owners to meet their financial obligation. He stated that 100% owner participation is expected.

Dave Rapaport commented on the monthly financial reports, the process of reviewing numbers with the bookkeeper and the occasional challenge on specific accounts to understand where owners' funds are being spent. He stated that he was very happy with VRI's accounting department.

Copies of the most recent Comparative Income Statement, Cash Balances, Cash Flow and Reserve Analysis for August 2007 were available for owners to review upon request. Michael McManus stated that the increase in maintenance fees for 2008 was mainly due to an increase in reserves funding so that the Board can continue to work towards properly funding reserves for future projects.

VII. QUESTION/ANSWER SESSION

Q. How will the security deposit work?

A. Owners, renters, and exchange guests are to provide a security deposit of \$200 either with a credit card, cash, or check. The front desk staff at Riverview Resort will be working with guests starting January 1, 2008 to help make this process work smoothly.

Q. What do we do if we do not have a credit card?

A. If you do not have a credit card you must go to Riverview Resort to check-in and provide a \$200 security deposit either by cash or check. You will then obtain a security code to your unit at SeaWinds II Resort.

Q. What do we do if we have a maintenance or housekeeping issue while we are at the resort?

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

Sea Winds II
September 23, 2007

- Q. Do we have to keep the trash receptacle locked at all times?
- A. Yes, this summer the resort saved \$500 because neighbors could not dump their trash in the receptacle. Management challenges all owners to help keep our costs low by keeping the trash locked.
- Q. What amenities are available at SeaWinds and can internet service be provided?
- A. Yes, internet service is currently provided; there is Wifi in every room. Additional amenities include Adirondack chairs, patios, full kitchens, DVD players, BBQ grills, beach chairs, beach towels, private beach, access to David's Gym, and parking. Many more off-site amenities are available at Riverview Resort which includes: gym, game room, washer/dryers, indoor pool and library with Apple computer. Please contact the front desk personnel at Riverview Resort for additional information.
- Q. What travel services does VRI provide?
- A. VRI provides travel programs to all owners at VRI managed properties which include the Owner Rental Program (1-800-228-2968), Bonus Time at other VRI resorts, Vacation Tyme and VIP discounts (1-866-469-8222).

VIII. ADJOURNMENT

MOTION: There being no further business, a motion was made from the floor to adjourn the meeting at 3:55 p.m. Motion was seconded and approved unanimously.

Sheila Farres, Secretary

MJM/jmf

swb: 2007hoa