

SEAWINDS II
BOARD OF TRUSTEES TELEPHONIC MEETING MINUTES
May 5, 2011

I. CALL TO ORDER/ROLL CALL

A duly noticed telephonic meeting of the Board of Trustees was called to order by David Rapaport at 6:35 p.m. The following persons were in attendance:

Board of Trustees:

David Rapaport	Vincent (Gene) Phaneuf
Rowena Flynn	Frank Goodyear
Shelia Farres	

Absent: Jeff Farres and Nancy Kritzman

Vacation Resorts International and Resort Management:

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

II. APPROVAL OF AGENDA

MOTION: Sheila Farres moved to approve the agenda as written. Motion was seconded Rowena Flynn and approved unanimously.

III. APPROVAL OF PREVIOUS MEETING MINUTES

A. Approval of Regular Meeting Minutes (06/13/10)

MOTION: Frank Goodyear moved to approve the June 13, 2010 meeting minutes as written. Motion was seconded by Gene Phaneuf and approved unanimously.

B. Approval of Regular Meeting Minutes (09/07/10)

MOTION: Frank Goodyear moved to approve the September 7, 2010 meeting minutes as written. Motion was seconded by Gene Phaneuf and approved unanimously.

C. Acceptance of Annual Meeting Minutes (09/19/10)

MOTION: Frank Goodyear moved to accept the September 19, 2010 Annual Meeting Minutes as written. Motion was seconded by Gene Phaneuf and approved unanimously.

D. Approval of Regular Meeting Minutes (10/26/10)

MOTION: Sheila Farres moved to approve the October 26, 2010 meeting minutes as written. Motion was seconded by Gene Phaneuf and approved unanimously.

IV. MANAGEMENT REPORTS

A. Resort Update

Israel Soares distributed his Manager's Report which included the following items:

- The Commercial Package Insurance Policy presented by Strassman Insurance Agency for coverage from April 3, 2011 to April 3, 2012 with a premium of \$4,199.
- Proposal from Bortolotti Construction to replace the distribution box at 124 Old Wharf Road, Dennisport, MA due to deterioration.
- The Barnstable County Septic Loan Program which was discussed in detail.

MOTION: Rowena Flynn moved to ratify the contract with Strassman Insurance Agency for commercial insurance coverage as submitted. Motion was seconded by Gene Phaneuf and approved unanimously.

Michael McManus reviewed the previously distributed and approved proposal outlining the Directors and Officers insurance renewal for April 1, 2011. Michael stated that the premium is \$1,246 for coverage from April 1, 2011 to April 1, 2012.

MOTION: Sheila Farres moved to ratify the contract with Armstrong for D&O coverage as submitted. Motion was seconded by Gene Phaneuf and approved unanimously.

B. Financial

Michael McManus reviewed the financial statements as of month-end March 31, 2011. Included in the review were the Cash Balances Report, Accounts Receivable Summary, Balance Sheet, Comparative Income Statement, and Cash Flow Analysis.

Michael McManus reported that as of month end March 31, 2011 Continental Central Credit collected 38% of the principal amount or \$3,098 of 2010 maintenance fees.

MOTION: David Rapaport moved to accept the April financial statements as presented. Motion was seconded by Frank Goodyear and approved unanimously.

The Board directed management to engage Alford & Co. to file the 2010 taxes.

C. Riverview

Michael McManus stated that Seawinds II has met their financial obligation to Riverview Resort as of month end April 2011.

D. Contract Matrix

No contracts have been entered into since the last meeting.

E. Owner Correspondence

Michael McManus reviewed the RCI comment cards from owners who stayed at the resort in April.

V. OLD BUSINESS

A. Property Line

Michael McManus reported that the neighbor behind Seawinds, Mr. and Mrs. Girard, had a new fence installed over the winter on the resort's property, which takes up an additional parking spot from the SWB property. The Board directed management to contact Attorney Doug Errico to send a letter on behalf of the Association demanding the abutter to remove the fence.

B. Resort Amenities

- i. Parking Signs
- ii. Beach

Tabled until the next meeting.

VI. NEW BUSINESS

A. Timeshare Rescue Companies

B. Estoppel Fee

Discussion was held on information sent to the Board outlining a cooperative strategy to deal with the growing problem of Timeshare Relief companies.

MOTION: David Rapaport moved to adopt the following resolution:

WHEREAS, the Association has become aware that in the last several years its owners are being solicited by so-called "Timeshare Relief Companies";

WHEREAS, in some cases owners are paying Timeshare Relief Companies to take over ownership of their deeded or licensed intervals;

WHEREAS, currently the Association has on its owner records multiple intervals owned by suspect Timeshare Relief companies that have unpaid assessments;

WHEREAS, these companies own multiple intervals, with unpaid assessments at other resorts managed by VRI;

WHEREAS, the Association has, and is, being deprived of receipt of common assessments as a result of these companies and transactions;

WHEREAS, the Association has reason to believe that these transfers may be in violation of existing Uniform Fraudulent Transfer statutes;

WHEREAS, VRI is organizing a cooperative effort amongst Massachusetts based resorts to hire legal counsel to research existing State and Federal statutes and the Association's condominium documents to develop a comprehensive and coordinated effort to combat this practice;

Now therefore, on this 5th day of May, 2011, be it resolved that the Board authorizes the following:

- An expenditure of funds, up to \$1,000 to fund the cooperative legal effort, to be paid to a law firm chosen by VRI, on behalf of the participating resorts, to research state and federal statutes, condominium instruments and any other relevant information. Legal counsel will put forward a proposed legal strategy;
- Authorize notice to be sent by appropriate method to owners warning them not to participate in these questionable transactions;

- Authorize management to take back intervals from owners that may be engaged with these questionable companies provided the owner pays three years of prepaid maintenance fees and recording costs;
 - Authorize management to place into effect procedures to identify a suspect transfer through the estoppel process;
 - Authorize management to charge an estoppel fee of \$100. This fee will be paid by the party requesting estoppel information and will not be charged to the Association.
- Motion was seconded by Frank Goodyear and approved unanimously.

C. Exchange Company Contracts

MOTION: David Rapaport moved to instruct VRI Management to contact Interval International on behalf of the Owners Association and request, in writing, a copy of the current exchange agreement. Motion was seconded by Frank Goodyear and approved unanimously.

MOTION: David Rapaport moved to instruct VRI Management to contact RCI on behalf of the Owners Association and request, in writing, a copy of the current exchange agreement. Motion was seconded by Frank Goodyear and approved unanimously.

VII. OTHER

A. Next Meeting Date

The next telephonic Board meeting is scheduled for 6:30 p.m. on Thursday, August 25, 2011.

B. Open Discussion

The Board discussed the 2012 Budget and asked management to notify the Board only if the meeting needed to be held sooner than August 25, 2011 due to financial commitments to Riverview.

VIII. ADJOURNMENT

MOTION: There being no further business, Sheila Farres moved to adjourn the meeting at 8:35 p.m. Motion was seconded by Rowena Flynn and approved unanimously.

Shelia Farres, Secretary

MJM/jmf

swb: 050511min