

SEAWINDS II
BOARD OF TRUSTEES
ANNUAL OWNERS MEETING MINUTES
September 16, 2012

I. INTRODUCTION OF THE BOARD MEMBERS

Jeff Farres called the meeting to order at 12:15 p.m. and welcomed those in attendance to the Holiday Inn Hotel in Rockland, MA. Jeff opened the meeting by introducing the following people:

Board Members:

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

Absent:

Nancy Kritzman

VRI Management and Resort Personnel:

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

II. PROOF OF MEETING NOTICE

Sheila Farres stated that the notice of today's meeting, pursuant to Trust Documents, was delivered to all owners at their address of record via regular mail in the July and August newsletters.

III. APPROVAL OF PREVIOUS ANNUAL MEETING MINUTES (September 25, 2011)

MOTION: A motion from the floor was made to waive the reading of the 2011 Annual Meeting minutes and approve as presented. Motion was seconded and approved unanimously.

IV. BOARD REPORT

Jeff Farres welcomed the owners to the Holiday Inn Rockland and thanked them for making the trip. Jeff noted that he has been out of the country for the past year on business and he was happy to be in attendance today. Jeff thanked his fellow Board members and VRI management for keeping him informed monthly about the resort's business and financial status.

Jeff stated that this year the Board and management has worked to maintain the resort by promoting open communication with owners, accountability regarding security deposits from all guest and weekly room inspections. Jeff shared with the owners that the focus in 2013 will be maintaining the resort building with several capital projects being the main focus.

The Board will be attentive on maintaining the building, decks, roof, painting, new walkway, and replacing wood trim around the building where it is needed.

Jeff encouraged the owners to communicate with the resort staff throughout the year by calling the resort during their stay at SeaWinds II and reporting unit maintenance issues as they happen so the staff can address each issue as it occurs and correct items accordingly. Jeff stated “We all need to work together to protect our investment.”

V. MANAGER’S REPORT

Jeff introduced Michael McManus from VRI to give the Manager’s Report. Michael stated that he was a Director of Resorts for VRI and directly responsible for the operations at SeaWinds II. Michael also stated that the Riverview Resort staff and VRI have worked with the Board over the past six years concentrating on cutting daily operational costs, maintaining unit quality, and preparing for the future. He thanked the Board for their confidence in VRI as their managing agent and stated that he and the staff at VRI were very pleased to be given this opportunity.

Michael provided a brief background of VRI and its management affiliation with fourteen timeshare resorts on Cape Cod and Nantucket along with twenty-six others in the Northeast, and more than 160 nationwide. Michael stated that VRI has been established on Cape Cod since 1988 and has a long-standing track record of turning around challenging resorts.

Michael McManus addressed the owners sharing the following facts about VRI Management:

- Established in the timeshare industry for the past 29 years.
- Representing resorts in 27 states, Canada and Mexico.
- With over 160 resort and club locations which means we manage:
 - Over 6,500 condo units.
 - Over 300,000 intervals.
 - Over \$140 Million in assessments billed annually.
 - Nearly \$20 Million in rentals annually.
- Preferred Vendor Program.
- National Rental Program.
- Corporate Reservations Office in Laguna Hills, CA, call 1-800-228-2968.
- Owner Services Department in Hyannis, MA, call 1-508-771-3399.
- Eight regional offices.

Michael stated that several Association units are available for sale and to please contact the resort for a list of the unit numbers and weeks. Please consider passing this information to family members, coworkers and/or friends.

VI. FINANCIAL REPORT

David Rapaport distributed and presented the 2013 Presentation Budget.

Michael McManus reviewed the most recent Comparative Income Statement, Cash Balances, Cash Flow and Reserve Analysis for August 2012. Michael stated that the Board worked diligently with management to minimize the increase in maintenance fees for 2013, the effort was successful and the increase is per interval is \$8 for one bedroom and \$12 for two bedroom.

Michael stressed that the Board is aware of the current economic times and management is encouraging those owners to call the Owner Services Department at (508) 771-3399 to establish payment plans. The Board is willing to work with owners who need assistance during this challenging period and to call today.

VII. QUESTION/ANSWER SESSION

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

A. You are encouraged to report any issues to the desk clerk by simply calling (508) 394-9801. Please feel free to use the new emergency phone located outside unit 4 by the gas grill which dials Riverview Resort automatically.

Q. What exchange organizations can I participate with?

A. Michael explained that the owners have several exchange programs available to them from RCI, II, and VRI*ety. VRI*ety is an internal exchange program managed by VRI and for more information to contact (888) 203-1044 or email info@VRletyexchange.com.

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

A. Yes, you can also go online to www.vriresorts.com and use the owner's page to make payments online.

Several owners commented on the tremendous amount of work and communication that has been shared between the owners and the Board members. The owners were thankful for all the hard work the Board has put forth to protect the resort and each owners investment and commented that the resort looks better than it ever has.

Michael reminded the owners about the resort's website: www.seawinds2resort.com. Owners are also encouraged to access information about SeaWinds II through Facebook by searching "SeaWinds II Resort".

IX. ADJOURNMENT

MOTION: There being no further business, a motion was made from the floor to adjourn the meeting at 3:10 p.m. Motion was seconded and approved unanimously.

Sheila Farres, Secretary

MJM/jmf
swb: 2012hoa