

**RIVERVIEW RESORT CONDOMINIUM TRUST  
BOARD OF TRUSTEES MEETING MINUTES  
Friday, May 14, 2010**

**I. CALL TO ORDER/ROLL CALL**

The meeting of the Board of Trustees was called to order by Daniel Mardirosian at 10:07 a.m. The following persons were in attendance:

Board of Trustees:

Stuart Allen	Ralph F. Browne, Jr
Roy Fraser	Dan Gallagher
Daniel Mardirosian	

Vacation Resorts International and Resort Staff:

Loren Gallagher, President/VRI  
Jan Samson, Sr. Vice President of Corporate and Business Development/VRI  
Rich Muller, Sr. Vice President of Resort Operations/VRI  
Michael McManus, Director of Resorts/VRI  
Israel Soares, General Manager

Other: John Kehoe, Vacation Internationale, Chief Financial Officer

**II. APPROVAL OF AGENDA**

**MOTION:** Dan Gallagher moved to approve the agenda as presented. Motion was seconded by Stuart Allen and approved unanimously.

**III. APPROVAL OF PREVIOUS MEETING MINUTES**

A. Approval of Regular Board Meeting Minutes (01/28/10)

**MOTION:** Stuart Allen moved to approve the meeting minutes of January 28, 2010 as amended. Motion was seconded by Ralph F. Browne Jr. and approved unanimously.

B. Approval of Telephonic Meeting Minutes (04/29/10)

**MOTION:** Stuart Allen moved to approve the meeting minutes of April 29, 2010 as amended. Motion was seconded by Dan Gallagher and approved unanimously.

**IV. MANAGEMENT REPORTS**

A. Resort Update

Israel Soares reported on the following:

- A “new” resort postcard has been created.
- The housekeeping staff was rehired as of March 26, 2010 and is working on deep cleaning the units at RVR and SWB.
- The grounds sprinkler system has been turned on for the season, and spring cleanup is underway.
- Patio furniture has been washed and placed around the property.
- The basketball hoop has been set up at the end of Neptune Lane. Lawn games are now available at the front desk \and beach passes have been ordered.
- The property will be monitored from May 31<sup>st</sup> to August 30<sup>th</sup> by night security.
- Cape Lite Compact Co. will replace all hallway and common area lights with efficient light fixtures as part of the energy saving program.

#### B. Financials

Rich Muller reviewed the month-end March 31, 2010 financial statements. Included in the review were the Cash Balances Report, Accounts Receivable Summary, Balance Sheet, Comparative Income Statement, and a Revised Cash Flow Analysis.

**MOTION:** Dan Gallagher moved to direct management to review collection accounts placed with Continental Central Credit and Meridian, prepare an analysis that includes, among other things, delinquent accounts that have mortgages associated with them. Motion was seconded by Stuart Allen and approved unanimously.

#### C. SeaWinds II

Michael McManus stated that Seawinds II has met their financial obligation to Riverview Resort as of month end March 2010.

### V. NEW BUSINESS

#### A. Insurance

Michael McManus reviewed a letter dated March 10, 2010 from Stacey Shilling outlining the insurance renewal premiums from Armstrong Company. The overall decrease in premiums for April 1, 2010 to April 1, 2011 was \$33.

#### B. Deficit Reduction

Tabled until the next Board meeting.

C. VRI Contract

Daniel Mardirosian introduced Jan Samson, Senior Vice President of Corporate and Business Development for VRI. Jan reviewed a three year management contract proposal (previously mailed) which included no increase to the VRI Management fees.

Discussion was held and the Board agreed to table the contract to next meeting.

D. 2009 Audit

Rich Muller distributed and reviewed a draft copy of the auditor's report for December 31, 2009 and financial statements from Bloom, Cohen, & Hayes, LLC.

**MOTION:** Dan Gallagher moved to allow each Board member up to 30 days to review the draft Audit and send any comments or recommendations to Rich Muller. Management is then to instruct Bloom, Cohen, & Hayes to file a final report for 2009. Motion was seconded by Roy Fraser and approved unanimously.

VI. OLD BUSINESS

A. VI Resolution

**MOTION:** Stuart Allen moved to adjourn to Executive Session at 10:35 a.m. to confer with legal counsel Attorney John Funk who joined the meeting by telephone at that time. Motion was seconded by Dan Gallagher and approved unanimously.

**MOTION:** Dan Gallagher moved to return to regular meeting at 12:15 p.m. Motion was seconded by Stuart Allen and approved unanimously.

John Funk confirmed that his representation would be limited to representing the Board as a whole and not the interests of any Board group against any other subset of the Board or ownership.

**MOTION:** Roy Fraser moved to acknowledge VI's desire to exercise its right as owner of greater than 10% of the total interval interests, to direct the Riverview Board to present the ownership with a vote to amend the Condominium Documents that could result in the termination of the timeshare regime and sale of the property. The motion included an acknowledgement by the Riverview Board of VI's express commitment to meet all of its' legal obligations to Riverview and to Colebrook Financial, their agreement to forfeit any equity that may otherwise receive from the sale of the resort or from the acquisition of its intervals by any prospective purchaser, and their specific objective to be relieved of maintenance fee obligations starting in 2011 and to be relieved of its commitment to Colebrook Financial. Motion was seconded by Ralph F. Browne Jr. and approved unanimously.

**MOTION:** Dan Gallagher moved to respond to the VI Board with a request to delay its request until at least June 18 in order to give management and the Riverview Board an opportunity to review and present alternatives that might meet VI's objectives without necessitating the vote that would result in the possible liquidation of the property. Motion was seconded by Daniel Mardirosian and approved unanimously.

Stuart Alan will present this to the VI Board, seek its agreement to delay the notice discussed and will report back to the Board.

**MOTION:** Ralph F. Browne Jr. moved to engage Attorney Funk to provide a legal opinion regarding "Owner in Good Standing" and specifically whether Riverview owners need to be current with maintenance fees to participate in Association ballot initiatives. Legal counsel is also to opine as to who qualifies for the distribution of proceeds should the resort be sold. Management is authorized to expend up to the balance of the \$5,000 retainer previously paid to Gallagher Callahan and Gartrell to obtain this legal opinion. Motion was seconded by Dan Gallagher and approved unanimously.

B. Conserve Energy / Solar Power

Previously covered under IV. Management Reports, A. Resort Update.

C. Contract Matrix

Previously covered under VI. New Business, A. Insurance and C. VRI Contract

D. Owner Correspondence

The Board reviewed the RCI Comment Card Report dated, May 7, 2010. Rich Muller commented that the 12 month averages currently exceed threshold. Resort qualifies for the RCI Gold Crown Status.

**VII. OTHER**

A. Open Discussion

No discussion at this time.

B. Next Meeting Date

A telephonic conference call is to be scheduled within two weeks.

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**VIII. ADJOURNMENT**

**MOTION:** There being no further business, Dan Gallagher moved to adjourn the meeting at 1:00 p.m. Motion was seconded by Dan Mardirosian and approved unanimously.

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Stuart Allen, Secretary

MJM/jmf

rvr: 051410min