

RIVERVIEW RESORT CONDOMINIUM TRUST
ANNUAL OWNERS MEETING MINUTES
September 10, 2011

I. INTRODUCTION

The meeting was called to order by Rich Muller at 10:40 a.m. at the Radisson Inn, Hyannis, MA. Mr. Muller who introduced the following persons:

Board of Trustees:

Daniel Mardirosian
Ralph F. Browne, Jr.
Frank Ferraro

Advisory Committee: Ray Slater and Peg Buckman

Absent: Roy Fraser and Amy Wissell

Vacation Resorts International and Resort Staff:

Rich Muller, Sr. Vice President of Resort Operations/VRI
Michael McManus, Director of Resorts/VRI
Israel Soares, General Manager

II. PROOF OF MEETING NOTICE

Daniel Mardirosian 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 July and August.

III. APPROVAL OF AGENDA

MOTION: A motion from the floor was made to approve the agenda as written. Motion was seconded and approved unanimously.

IV. APPROVAL OF PREVIOUS MINUTES

MOTION: A motion from the floor was made to waive the reading of, and approve the September 11, 2010 Annual Meeting minutes as presented. Motion was seconded and approved unanimously.

V. MANAGEMENT REPORTS

Rich Muller reviewed the Year End December 31, 2010 financial reports and discussed the current month to date cash flow report and 2011 Budget. Rich informed the owners that the 2011 Budget was very difficult to forecast because the ultimate number of owners transferring from Club at Cape Cod was unknown. Also unknown was the number of intervals that might be sold over the course of the year.

Although the consolidation project was considered a success, budget projections fell 100 intervals short and therefore assessment income did not meet budget. However, management and staff did a great job controlling operational expenses. To offset the revenue shortage going forward, the budget and assessments for 2012 have been increased by 3.7%. Interval sales to increase Riverview's ownership base will be management's high priority for 2012.

Rich presented a Power Point presentation providing a history of the Resort which included a review of last year's presentation along with an update on the loss of Vacation Internationale and consolidation of Club at Cape Cod with Riverview:

History of Riverview Resort

- In 1997 the property was converted to a timeshare resort. Developer - 37 Neptune Lane Corporation. Trustees Slavio DiGiovanni (Skippy), Charles DiGiovanni and Joseph Butler.
- The resort consists of 43 units with 46 weeks (1,978 intervals) and 6 maintenance weeks (interval weeks 1-6).
- At the outset, the Developer owned 100% of all intervals and commenced sales.
- By 2003 approximately 980 intervals were sold or 49% of the resort.
- Maintenance interval weeks 7-12 remained unsold extending the maintenance period to 12 weeks.
- In 2004 Developer approached VRI about assuming ownership of unsold intervals and management of the property. VRI presented the opportunity to one of its clients Vacation Internationale who was interested in acquiring intervals on Cape Cod for use by its Club members.
- March 2005 VRI assumes management responsibilities for Riverview and concurrently facilitates the transfer of the Developer's unsold intervals to VI. Weeks 7-12 are withheld but eventually transferred to Riverview Resort Condominium Trust.
- Developer Trustees appoint VRI representatives to all three seats on the Board of Trustees and then resigned.
- Riverview 100% sold out. VI responsible for paying \$305,000 in annual maintenance fees.
- November 12, 2005 Annual Meeting – Vote initiated to expand Board to five seats to begin incorporating independent owner representation.
- February 2006 Board expansion ratified – Ted Shuster and Dan Mardirosian seated.
- Major structural problems identified including sea wall deemed in a state of imminent potential collapse. Five year capital expense plan adopted. Special Assessment issued. Riverview begins its first ever comprehensive restoration and renovation program only made possible with VI's financial participation).
- September 9, 2006- Annual Meeting – Owners request more owner/Board participation. Advisory Committee was formed and consisted of Jack Hellman and Dan Gallagher.

Rich Muller reviewed all the work that was accomplished at Riverview between 2005-2009:

- Numerous major structural defects are addressed.
- Seawall deemed in state of imminent failure is replaced in entirety.
- Dehumidification added to pool room.
- Lighthouse rebuilt.

- Entrance and lobby reconfigured and renovated to meet Town requirements for egress.
- All safety and security systems upgraded to code. Parking lot replaced along with irrigation and landscaping.
- Pool circulation and filtration installed.
- Microwaves installed along with all necessary electrical upgrades.
- Installed exterior lighting.
- Storage and mechanical areas were built.
- Units were remodeled and new amenities added to included: hair dryers, towel racks, shower curtains, iron & ironing boards, hangers, luggage racks, room directories, patio furniture, matching kitchenware, proper linens, VCR/DVD's, functional HVAC units, refrigerators and 27" televisions.
- RCI earns and retains Gold Crown ratings for three years.

Vacation Internationale (VI) in 2005 acquired 735 intervals, roughly 37% of the 1,978 total interval interests, representing \$2.6 million dollars in maintenance fees over five years. In 2008 their overall usage was approximately 30%. In accordance with the Association Bylaws, VI, as an owner representing greater than 10% of the beneficial interests at RVR, petitioned the Board to close the resort and sell the property. The Board did not feel that this was a prudent decision, held numerous meetings with lengthy discussions about alternatives for such an untenable situation. The Board had to consider the possibility of conducting a vote to terminate and liquidate the Association which would have required 80% vote of the owners. The alternative was to find someone or some group to replace VI in time to pay the 2011 maintenances fees.

The Club at Cape Cod (CCC) located in Dennisport, MA, also managed by Vacation Resorts International, was facing major reconstruction expenses and financial deterioration. With only 688 individual owners in good standing out of 1,242 intervals, projections made Club at Cape Cod's future viability doubtful.

Pursuant to a plan proposed by VRI, the Boards of both Riverview and CCC agreed to pursue a unique endeavor that would result in combining both resorts owners into one resort by transferring a minimum of 400 owners to Riverview Resort, extending the shutdown period starting the month of December and concentrating efforts on a sales program in 2011. VRI committed to support the plan financially by loaning predetermined amounts that will be paid back when and if the property sells. Owners relocating to Riverview will assign whatever net proceeds they are entitled to from the sale of CCC to Riverview. When and if the property sells, Riverview will receive funds to supplement its Reserves account to be used at the Board's discretion.

To date 390 Club at Cape Cod Owners have transferred to Riverview. Owner comments have been compiled and the responses indicate that Club owners are very happy with their new accommodations.

Mr. Muller added that the 2010 financial reports were independently audited by the CPA firm Friedman, Seville, and Salomon and their report is available upon request.

Rich Muller provided a brief industry update warning owners about calls, mailings, etc. from timeshare "rescue" companies, offering owners "relief" from their timeshare. Reports indicate that these companies have been bilking timeshare owners throughout the country of \$1,500 to \$7,000. Owners are urged to report these solicitations to management. Further information about Timeshare "Rescue" will be presented in upcoming newsletters.

VI. BOARD REPORTS

Mr. Mardirosian noted that the Riverview Board is very pleased to welcome the former Club at Cape Cod owners to Riverview. He is pleased to be working with the new Board and Advisory Committee members from the Club at Cape Cod and stated that this year will be one of financial rebuilding ensuring the future of Riverview Resort. Dan stated that there are financial challenges ahead. Riverview still has an outstanding loan obligation to Colebrook financial and needs to grow the ownership base through interval sales but the Board has confidence in management and Riverview's future. Dan thanked the VRI Team for such a monumental job in consolidating the two resorts.

Dan encouraged owners to promote the resort with friends and family and help the Riverview family grow.

VII. ELECTION OF TRUSTEE

Dan Mardirosian reported that he has been corresponding with David Poris over the past month concerning elections and that David wanted to withdraw his name from the ballot. Mr. Mardirosian read a statement from Mr. David Poris who requested that it be shared with the fellow owners at the Annual Meeting.

Mr. Mardirosian introduced the candidates whose names appear on the ballot, and gave those present the opportunity to address the audience. There being no nominations from the floor, nominations were closed.

Volunteers were selected as election monitors to participate in ballot tabulation. The audience was reminded that owners are encouraged to participate, consider running for the Board, or join the Advisory Committee.

VIII. QUESTIONS AND ANSWERS

Michael McManus opened the floor to questions and comments.

Q. What is the resort's operating season?

A. Riverview Resort is open weeks 13-48, and closed for December, January, February, and March.

Q. When will the studio Murphy-beds be replaced?

A. Management is replacing the Murphy beds as they break and installing new queen size beds.

Q. Wasn't Roy Fraser's term up this year?

A. In order to proceed with the Riverview/Club consolidation, Colebrook Financial required that Riverview's loan guarantor, Vacations Internationale be replaced with a qualified alternate loan guarantor. VRI was the only party qualified to do this so Colebrook also required that the RVR Board commit to facilitate and preserve Roy Fraser's (VRI's CEO) position on the Board until such time as the loan is paid off. Mr. Fraser's seat was up for election in 2011 so he was appointed to assume Dan Gallagher's seat which does not expire until 2013 and elections are being held today to fill Mr. Fraser's former seat.

Q. Does the Board have a plan to sell Association owned weeks?

A. The Board recently approved a new sales program to market Association owned weeks in conjunction with the RCI Points program.

There were many questions answered regarding the RCI Exchange Program, RCI Points Program and how to join and participate in both program. Further discussion ensued about the number of resorts available to owners each here in the US and abroad. Many owners shared positive comments about their vacation experiences..

The Board and management were commended for their dedication to improve the property, and protect the owner's investment by bringing the two resorts together. Several owners complimented General Manager, Israel Soares and his staff for the exceptional job maintaining services, standards and the facilities; Riverview has become a premier resort.

IX. ELECTION RESULTS

Rich Muller reported that the ballots were then collected and tallied. The results are as follows: 228 ballots were received, Frank Ferraro received 90 votes, Raymond Slater received 74 votes, Josephine Reis received 39 votes, Kathleen Whitham received 10 votes and Antone C. Viveiros received 15 votes.

Frank Ferraro and Ray Slater were elected to a three-year term.

X. ADJOURNMENT

MOTION: There being no further business, it was moved that the meeting be adjourned at 12:40 p.m. Motion was seconded and approved unanimously.

Ralph F. Browne, Jr., Secretary

MJM/jmf

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