

**RIVERVIEW RESORT CONDOMINIUM TRUST  
BOARD OF TRUSTEES MEETING MINUTES  
Friday, May 13, 2011**

**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. in Hyannis, MA at the VRI Office. The following persons were in attendance:

Board of Trustees:

Roy Fraser  
Frank Ferraro  
Daniel Mardirosian  
Ralph F. Browne, Jr.

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

Advisory Committee:

Ray Slater, Amy Wissell

Absent:

Peg Buckman  
Dan Gallagher

**II. APPROVAL OF AGENDA**

**MOTION:** Frank Ferraro moved to approve the agenda as presented. Motion was seconded by Ralph Browne and approved unanimously.

**III. APPROVAL OF PREVIOUS MEETING MINUTES (02/17/11)**

**MOTION:** Ralph Browne moved to approve the telephonic meeting minutes of February 17, 2011 as presented. Motion was seconded by Roy Fraser and approved unanimously.

**IV. MANAGEMENT REPORTS**

A. Resort Update

Israel Soares updated the Board on the following items:

### Front Desk

- Staff is working on organizing owner files.
- Riverview Resort's website has been updated.
- Staff is fielding owner calls and is actively involved with maintenance fee collections.
- DVD rentals are available at the front desk for \$2 per night/per movie.
- Beach passes will be available at the front desk for owner and guest use in 2011.

### Housekeeping

- Staff was hired and started working on February 28, 2011 deep cleaning rooms.
- Club owners have made positive comments about how happy they are with their new accommodations.

### Maintenance

- New staff supervisor was hired for the 2011 season.
- Sprinkler system has been turned on for the season and spring cleanup is underway.
- Basketball hoop and lawn games are now available at the front desk.

**MOTION:** Roy Fraser moved to waive the \$5 daily rental fee for beach passes for Riverview owners only in 2011; however, all rules and regulations will remain in affect, including a replacement cost of \$175 for a lost pass. Motion was seconded by Frank Ferraro and approved unanimously.

The Board directed management to distribute resort comment cards monthly with financial packets and to include any testimonials from in-house owners.

## B. Financials

Rich Muller reviewed the month-end March 31, 2011 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.

The Board reviewed the collection report dated April 15, 2011. Whereas prior year 2<sup>nd</sup> placements 8/31/10 forward were assigned to Pinnacle Recovery, Inc., Net principal assigned, \$75,437 and as of April 15, 2011 they have collected \$1,992 or 3%.

## C. Reserves

No projects are being proposed at this time.

#### D. SeaWinds II

Michael McManus stated that Seawinds II has met their financial obligation to Riverview Resort as of month end March 31, 2011.

### V. NEW BUSINESS

#### A. CCC Update

Michael McManus reported that 418 Club at Cape Cod owners have paid maintenance fees and have been assigned weeks at Riverview. Approximately 380 of those transactions are fully completed with timeshare licenses recorded. We are still awaiting documents from the remaining 38 owners and some fallout is expected.

Michael stated that inventory was offered to existing Riverview owners as directed by the Board and 20 owners acquired an additional week which represents an additional \$8,000 in 2011 Maintenance Fees.

#### B. Timeshare Rescue

Rich Muller distributed information, articles and a draft letter pertaining to so-called Timeshare Rescue companies that are soliciting owners and enticing them into conducting fraudulent transfers. These transfers involve taking title to an owner's interval and placing it with a company that has no intention of using or paying maintenance fees. These companies convince owners that the transaction is legal and charge thousands of dollars for their services. The firm of Gallagher Callahan and Gartrell was retained for VRI's affiliate resorts in Massachusetts and its legal counsel developed a strategy to combat this practice.

Materials from legal counsel were distributed. Management was directed to schedule a conference call to further discuss the issue once the Board members have had a chance to review the materials presented.

#### C. Insurance

Michael McManus reviewed a letter dated March 14, 2011 from Armstrong Insurance Agency outlining insurance renewal premiums. The overall decrease in premiums for April 1, 2011 to April 1, 2012 was \$1,944.

**MOTION:** Ralph Browne moved to ratify a recently conducted email vote to renew the resort's insurance policy with Armstrong as proposed. Motion was seconded by Frank Ferraro and approved unanimously.

#### D. 2010 Audit

Michael distributed a proposal from Bloom, Cohen, Hayes LLC, outlining the cost related with an audit, review, and compilation.

**MOTION:** Dan Mardirosian moved to approve retaining Bloom, Cohen, Hayes, and LLC to perform a Review of the 2010 Riverview Resort Financial statement. Motion was seconded by Frank Ferraro and approved unanimously.

## **VI. OLD BUSINESS**

### **A. Conserve Energy / Solar Power**

Michael McManus reported that a plan to install solar panels on the roof is under review. More information will be provided to the Board at the next Board meeting.

## **VII. OTHER**

### **A. Open Discussion**

Rich Muller stated that InnSeason Management will begin selling units and RCI Points based products at Riverview Resort next month and reviewed the inventory that would be available. The Board discussed the following topics: owner referral program, studio/one bedroom combined annual fee. Management was directed to provide a written summary of these two proposed sales incentives and include them as an agenda item for the upcoming conference call.

### **B. Next Meeting Date**

The next meeting will be held via conference call at a time and date to be determined.

## **VIII. ADJOURNMENT**

**MOTION:** There being no further business, Ralph Browne moved to adjourn the meeting at 12:25 p.m. Motion was seconded by Frank Ferraro and approved unanimously.

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Ralph F. Browne, Jr., Secretary