

**RIVERVIEW RESORT CONDOMINIUM TRUST
BOARD OF TRUSTEES MEETING MINUTES
March 21, 2012**

I. CALL TO ORDER/ROLL CALL

The meeting of the Board of Trustees was called to order by Daniel Mardirosian at 9:07 a.m. at Riverview Resort in South Yarmouth, MA.

Dan Mardirosian welcomed Ray Slater to his first meeting as a Board member and thanked him for his willingness to serve Riverview Resort.

The following persons were in attendance:

Board of Trustees:

Roy Fraser	Ray Slater
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

Absent:

Frank Ferraro, Board of Trustee
Peg Buckman, Advisory Committee Member
Amy Wissell, Advisory Committee Member

II. APPROVAL OF AGENDA

MOTION: Ralph Browne moved to approve the agenda as presented. Motion was seconded by Ray Slater and approved unanimously.

III. APPROVAL OF PREVIOUS MEETING MINUTES

A. Approval of the Regular Meeting Minutes (05/13/11)

MOTION: Ralph Browne moved to approve the regular meeting minutes of May 13, 2011 as presented. Motion was seconded by Roy Fraser and approved unanimously.

B. Approval of Telephonic Meeting Minutes (08/17/11)

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

C. Approval of Telephonic Meeting Minutes (08/31/11)

MOTION: Ralph Browne moved to approve the telephonic meeting minutes of August 31, 2011 as presented. Motion was seconded by Roy Fraser and approved unanimously.

IV. CCC UPDATE

Rich Muller stated that the Club at Cape Cod Termination Trustees was scheduled to meet on Thursday, March 22, 2012, but only Ray Slater and Amy Wissell were present so the meeting lacked a quorum.

Ray Slater added that he and Amy Wissell held an informal discussion about recent Club at Cape Cod events and the property's status with Michael McManus and Rich Muller.

Rich Muller provided an update explaining that management held a meeting with the CCC Trustees on November 17, 2011 to discuss challenges resulting from a preliminary Land Court review of CCC Termination plan. Attorneys Errico and Funk were present. A number of ratifications were disqualified leaving the count short of the 80% requisite necessary for the Land Court to accept the plan and clear title for resale. Also, The Land Court estimated recording costs to be in excess of \$100,000 which substantially exceeded the \$150,000 credit line's remaining balance. Also, discussed were potential property liquidation options in light of the fact that no purchase offers had yet been received.

Preliminary cost projections to protect and insure the property for an additional year were distributed and reviewed. Projections indicated that CCC would require an additional \$150,000 for a total credit line of \$300,000 in order to pay recording costs and fund preservation and shut down expenses through the end of 2012. It was agreed that there may be a number of buyers who are withholding offers in anticipation that the CCC Board will soon be out of money and forced to sell at distress auction. Increasing the credit line represented the only way to continue protecting the property and keep it on the market at highest and best price. Roy Fraser offered and the Board agreed to increase the credit line to \$300,000. Further, Mr. Fraser agreed to defer interest to December 31, 2012. Attorney Errico was directed to prepare documentation for the parties to execute securing the additional \$150,000 and Nat Santoro was instructed to inform potential buyers that the Club at Cape Cod will not be sold at distress auction.

Since that meeting, management, working in conjunction with Attorney Errico's staff, obtained sufficient ratifications. On December 30, 2011, one day before the statutory filing deadline, the Land Court approved the Termination plan and cleared title to the property. Recording fees totaled \$106,000 and when 2012 projections were updated, it was determined that the credit line limit would have to be increased to \$350,000. VRI advanced funds to cover recording costs and continues to fund preservation expenses on the basis of the CCC Board's commitment to secure the additional credit line amount.

As requested, Attorney Errico prepared the security documents which were reviewed by Attorney Funk on behalf of Riverview and VRI. Attorney Funk pointed out that with interval ownership now terminated, the underlying property title it is now vulnerable to liens and encumbrances by third parties should there be some unforeseen legal action or claim made against CCC, This would not only affect VRI's security but resulting litigation could jeopardize Riverview and individual CCC owner's interests.

Attorney Funk recommended that the security documents include a first position mortgage that would protect the credit line and property title against liens by outside parties by ensuring they would be subordinate to the mortgage and eliminated upon foreclosure, should it be necessary.

However, the CCC Board has refused to act on the security agreement or mortgage and all attempts to discuss it were forcefully rejected while the Board considered purchase offers. Two purchase offers have been received but both fell through. Fortunately, Rich and Michael McManus had a chance to discuss and explain all of this to Amy and Ray both of whom acknowledged now having a better understanding of why VRI has been pushing for Board action and they will attempt to discuss the matter with the other Trustees.

V. MANAGEMENT REPORTS

A. Resort Update

Israel Soares updated the Board on the following items:

Maintenance

- Maintenance cleaned the roof of all seagull debris.
- The Town has mandated that Riverview construct a storage shed to hold gas powered tools. Three proposals were reviewed with the Board.
- Staff completed a number of projects during the shutdown period, that included painting rooms and hallways, snow removal, and fixing locks where needed.
- The staff also worked on pool and spa repairs.
- Maintenance assisted Housekeeping with unit deep cleaning.

Housekeeping

- The cleaning staff was laid off during the shutdown period and returned to work on February 27, 2012 for spring cleaning.
- The cleaning staff worked on SeaWinds II during the shutdown period from January 2nd through January 20th, performing deep cleanings. This was at 100% cost to SeaWinds II.
- Five housekeepers are currently employed for the 2012 season.
- The common area, second floor lounge, hallways and lobby have been deep cleaned.

Front Desk

- Staff is organizing owner files.
- Riverview Resort's website has been updated.
- Staff is fielding owner calls and is actively involved with maintenance fee collections.
- Jeff and Israel have been recording timeshare licenses at the Registry of Deeds for new RVR owners.
- Three front desk agents are currently employed for 2012 season (two fulltime and one part-time).

Michael McManus reviewed four additional items: resort vehicle, roof repairs, storage shed, and ADA pool lift. The Board discussed each item at length.

The Board directed management to obtain bids for a “white” elastomeric coated roof membrane so that it can be considered in the 2013 budget.

MOTION: Ray Slater moved to approve the purchase of a 12 x 10 shed as presented by FB Construction at a cost not to exceed \$3,200. Motion was seconded by Dan Mardirosian and approved unanimously.

MOTION: Ralph Browne moved to authorize assuming ownership of a truck registered to Israel Soares Management is to designate authorized drives and instruct the resort’s insurance agent to provide all necessary coverage. Motion was seconded by Roy Fraser and approved unanimously.

MOTION: Ralph Browne moved to approve roof repairs as proposed by Alliance in accordance with the roof’s warrantee specifications at an estimated cost of \$1,540. Motion was seconded by Ray Slater and approved unanimously.

MOTION: Ralph Browne moved to table the purchase of an ADA pool lift in light of the 60 day implementation delay ordered by the White House until further clarification is provided by the Department of Justice. Management was directed to further investigate options for binging both the pool and whirlpool into compliance one DOJ clarification is issued. Motion was seconded by Ray Slater and approved unanimously.

B. Financials

Rich Muller reviewed the month-end February 29, 2012 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.

Rich reported that InnSeason Vacation Club was billed for 2012 maintenance fees as budgeted and the payment of \$43,243.56 has been received.

D. Reserves

The Board discussed the Colebrook Loan, monthly interest payments, yearly principal reduction payment and possible ways to further reduce principal and interest.

E. SeaWinds II

Michael McManus stated that SeaWinds II has met their financial obligation to Riverview Resort as of month end February 29, 2012.

VI. NEW BUSINESS

A. Sales

Michael McManus reported that Timeshare Liquidators LLC has been offering Riverview inventory at its sales office in Las Vegas for the past five months and have successfully sold 66 units, generating \$24,741.00 in maintenance fee revenue.

B. Insurance Renewal

Michael McManus reviewed a letter dated March 20, 2012 from Armstrong Insurance Agency outlining insurance renewal premiums. The overall decrease in premiums for April 1, 2012 to April 1, 2013 was \$636.

MOTION: Ralph Browne moved to accept the renewal proposal from Armstrong Insurance Agency as proposed by VRI management. Motion was seconded by Roy Fraser and approved unanimously.

C. Open Discussion

The Board reviewed the RCI Comment Cards Scores and the numerous positive comments from new owners on how they have enjoyed their time at Riverview. The Board asked management to review linen expense and determine the cost of upgrading items like bath towels. This will be reviewed at next meeting.

A letter mailed to the Board on February 29, 2012 informing the Board that Interval Leisure Group acquired Vacation Resorts International was discussed. As indicated by the letter, the management team remains the same and VRI will continue operating as usual.

Ralph Browne requested that management a graph depicting the breakdown of ownership types by number in relation to the total number of existing intervals including the shutdown period.

VII. OTHER

A. Next Meeting Date

The next meeting is scheduled for Friday, June 15, 2012, at 10:00 a.m. at VRI.

VIII. ADJOURNMENT

MOTION: There being no further business, Ralph Browne moved to adjourn the meeting at 12:30 p.m. Motion was seconded by Ray Slater and approved unanimously.

Ralph Browne, Jr.

MJM/jmf

rvr: 032112min