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A Message from your Board of Trustees

July 2010

Dear Riverview Owner:

As you are aware, following the departure of the developer in May 2005, Vacation Internationale (VI) acquired 735 intervals, roughly 37% of 1,978 total interval interests, and became Riverview's largest owner. As a result, Riverview had a sufficient ownership base to support its annual budget and attain financial viability. More importantly, millions of dollars invested by VI since then have helped make possible the renovation of our resort. Without VI's financial support and loan guarantees, we would not have been able to make the structural repairs and renovations or rebuild the seawall which was deemed in jeopardy of imminent, catastrophic collapse. Although every owner was required to pay a fairly significant special assessment, the renovation of Riverview would not have been possible without VI's participation. Now we have achieved premium resort status and RCI Gold Crown ratings.

Recently, however, Riverview's Board of Trustees was notified by VI of its intent to withdraw from Riverview. VI cited chronic underutilization by its predominantly West-Coast based membership along with financial hardship it has contended with since the onset of the economic downturn.

VI recognizes that it has the same legal obligations as any other timeshare owner in that it cannot simply walk away from ownership. Both VI and we believe that Riverview is not financially viable without assessment income from VI's 735 intervals. But VI is firm in its resolve to terminate its interest in Riverview, even if it means calling for a vote of all Riverview owners to sell Riverview and distribute proceeds, if any, among all Riverview owners.

Since then, your Board has been conducting regular meetings and holding lengthy discussions about alternatives for this untenable situation. The underlying facts are:

- As owner of greater than 10% of the beneficial interest, VI has the right to (and will) call for a vote of the ownership to terminate the timeshare program and close and liquidate the resort. To be successful, it will need to get an 80% vote of the ownership.

- There are no guarantees as to when the property might sell and for how much. In the meantime, the resort may have to close and if so, owners would still be required to continue to pay a pro-rata share of expenses to cover insurance, taxes, and building and asset preservation.

Given the foregoing, along with the time, effort and money expended to achieve our premier status as a resort, the Riverview Board believes that other options must be pursued before taking any action on a plan of liquidation. We now have such a plan and the VI has agreed to let us pursue it.

The Club at Cape Cod (CCC) located in Dennisport, MA, also managed by Vacation Resorts International (VRI), is currently in a similar physical and financial condition that Riverview was in prior to VI's involvement. CCC has also relied on income from a vacation club (unrelated to VI) and faces the prospect of losing that income in the near future. VRI and the CCC Board of Trustees have determined that with only 688 individual owners in good standing or 55% of a total possible 1,242 interval interests, CCC does not have sufficient financial resources to perform badly needed structural repairs and renovations and its future is doubtful.

In short, the Boards of both Riverview and CCC and VRI are pursuing a plan that would result in the CCC owners voting to terminate their timeshare regime and close and sell their resort. In conjunction with this activity, CCC owners will be given the opportunity to become owners of interests in Riverview. Net proceeds from the eventual sale of the property will be paid to Riverview in proportion to the number of owners who agree to relocate. This is an exceptional opportunity for CCC and Riverview owners alike. Various financial models show that replacing a substantial number of VI's weeks with CCC owners and transferring sale proceeds from CCC to Riverview will not only protect our financial status but enhance it! The goal of what is being termed as a Plan of Exchange of Ownership is to make two vacation club dependent timeshare resorts into one financially stable resort, fully subscribed by individual owners. In order for the Plan to go forward, the CCC Board must inform the Riverview Board in writing no later than September 1, 2010 that there is an indication that it will obtain the requisite vote to terminate and sell the resort and that at least 400 CCC owners will elect to join our resort. If we determine this information is reliable, it is our intent to proceed with the Plan. This deadline may be extended by mutual agreement.

Simultaneous to your receiving this letter, CCC owners are being informed about the Plan and their options. We expect to have sufficient responses by September 1st to determine whether we can proceed and we will be updating you by mail and at the annual meeting scheduled for September 11th. In the meantime please feel free to direct any questions or concerns to:

Email: **info@theriverviewresort.com**
Phone: **(508) 394-9801 and ask for extension #303**

Very truly yours,

Your Board of Trustees