

## Meeting of the Board of Directors of the Neptune House Owners Association

March 25, 2016

The Board of Directors (the "Board") of the Neptune House Owners Association (the "Association") met telephonically by conference call at 7:30 a.m. on Friday, March 25, 2016. Members Phil Totino and Mark Morrisette were in attendance; Wayne Rioux was unable to attend. Also in attendance were Vice President of Facilities Planning Cheryl Moore, Secretary Chris Lindgren, Resort Manager Samantha Disotell, and Mike McManus of Vacation Resorts International (VRI).

### Administrative Items

President Phil Totino indicated that the draft minutes of the Board's February 26 and March 11, 2016 meetings would be considered at the Board's next meeting. The Board members discussed their meeting schedule for the second quarter of 2016, and agreed to continue to meet bi-weekly on Friday mornings.

### Owners Meeting

The attendees discussed the March 19 Owners Meeting, with the consensus being that the meeting had gone well and that owners as a result better understood the resort's financial status and supported the turnaround plan that was presented. Resort Manager Samantha Disotell indicated that, since the meeting, she had received favorable feedback from owners.

Given the positive experience with the Latitude 41° Restaurant, the Board members asked Mike McManus to send in a deposit to reserve that location for the next owners meeting to be held on March 18, 2017. The Board members also asked that Mike post the meeting slides and pictures of the meeting on the vresorts.com website; Mike indicated that he would contact Wayne Rioux to obtain pictures that he might have.

### Legal Issues

Secretary Chris Lindgren reported on the status of outstanding legal items versus the resort's remaining 2016 legal budget. After discussion, the Board members decided to postpone for the moment any legal work other than recording the approved By-Law changes in the town Land Evidence Records, revising the forms of deed for fixed and float weeks (needed for the Float Week Amnesty Program) and requesting the return of files held by the Association's prior counsel.

Phil reported on the status of his discussions with Roger Pare regarding the NeptuneOwners.com website. Mike indicated that he would follow-up with Joanne Regnault regarding ownership of the NeptuneHouse.com website.

### Resort Management

Samantha indicated that the resort was set to open the next day, March 26, with five scheduled arrivals. She indicated that the lobby had been painted, new gutters had been installed, and the fence completed around the pool. Mike and Vice President of Facilities Planning Cheryl Moore reported on the status of revised estimates for a simplified signage design, walkways and landscaping.

Chris reported that he had forwarded a draft of revised Rules and Regulations, which incorporated comments from Samantha, to Mike for his review prior to their consideration by the Board. The Board members discussed including in the revised Rules and Regulations the previously-informal policy prohibiting smoking inside units.

The Board members then discussed an expanded sales and marketing program. It was agreed that it was important to continue Joanne Regnault's services, and that Phil would confirm with her that she should continue with the current promotions to sell Association-owned weeks, and could negotiate prices for those units where appropriate. The members also discussed broadening the sales program; Mike indicated that he would investigate also using the services of Sterling Resort Group, which sells RCI and Interval International points, including whether the resort could participate in those points programs. Furthermore, it was noted that the financial analysis to be done with respect to the pool should include the impact of a pool on the value of the resort's shares as defined in the points programs. This could positively affect the amount of revenue that the resort is able to garner from additional sales and the associated annual maintenance fees.

Cheryl Moore at this point needed to leave the meeting.

The Board members discussed three proposals received to conduct a reserve study. The members noted that the fee for each of the three proposals is less than the amount budgeted for the study. As the proposal from Advanced Reserve Solutions (ARS) was the most robust (ARS would include an Excel spreadsheet that the Association could use for updates and estimates), and whereas it was anticipated that their maintenance cost estimates would be more accurate (given their more local expertise), the Board members asked Mike to proceed to accept the ARS proposal.

#### Financial Management

Mike reviewed the unaudited financial statements prepared by VRI as of February 29, 2016, as distributed prior to the meeting.

The group discussed the timing of accepting float week reservations for the 2017 season, and agreed that May 15, 2016 would be an appropriate day to commence taking those reservations. Mike indicated that email would be sent to float week owners informing them of that timing as well as the Float Week Amnesty Program.

The group then discussed delinquent owners and collections. The Board members indicated that Mike should proceed to engage a collection agency to collect payment from delinquent owners in accordance with the previously-approved Maintenance Fee and Collection Policy, subject to such treatment of special hardship cases as Board members make known to Mike.

Following the above discussion, the meeting was adjourned.

Respectively submitted

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Chris Lindgren, Secretary