

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

June 3, 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, June 3, 2016. Directors Phil Totino and Mark Morrisette were in attendance (Wayne Rioux, who resigned from the Board effective June 2, did not 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).

Election of Successor Board Member

Whereas Wayne Rioux resigned from the Board and as Vice President of the Association, effective June 2, 2016, the remaining Directors determined that this meeting shall constitute a meeting for the election of his successor as Director. After determining Cheryl Moore's willingness to serve, upon motions duly made and seconded, remaining Directors Phil Totino and Mark Morrisette accepted with regret Wayne Rioux's resignation as a member of the Board and as Vice President of the Association, and chose Vice President of Facilities Planning Cheryl Moore to serve as Wayne's successor as Director, to hold office until the next election of Directors.

The Board thanked Wayne for his service to the Association, and welcomed Cheryl to the Board.

Administrative Items

Upon motion duly made and seconded, the Board voted to approve the minutes of its meeting on May 20, 2016, as circulated in advance to the Board members.

The Board discussed its meeting schedule for the summer and – recognizing the support provided by VRI and the need for fewer decisions by the Board -- agreed to meet monthly, rather than bi-weekly, on the first Friday of July, August and September. The Board also agreed to meet on-island during the week of July 18, primarily to review the Reserve Study report and to tour the facilities in order to gain a first-hand appreciation for the assessment and recommendations.

President Phil Totino proposed targeting August 15 to send a newsletter to owners regarding the progress made on the initiatives outlined in the Turnaround Plan presented at the Owners Meeting in March and on improvements to the resort. The Board discussed providing the newsletter electronically, with a post card sent to those owners for whom the Association does not have email addresses informing them of the newsletter's availability.

Financial Management

Treasurer Mark Morrisette addressed VRI's April 30, 2016 financial statements, indicating that the format for the reports was still being finalized with VRI. The Board discussed meeting with VRI in Hyannis in the fall regarding the 2017 budget.

Mike McManus reviewed collections to date of delinquent accounts. The Board authorized Mike to address a proposal from attorneys for owner Reynold Rossi regarding amounts owed to the Association. Regarding foreclosures of seriously delinquent units, Mike reported that Attorney Steve Rodio anticipated being able to conduct those forecloses by August 15.

Legal Issues

Secretary Chris Lindgren updated the Board on the status of the suit by owner Donna Neufeld regarding the collection of delinquent fees for her unit.

Resort Management

Mike reviewed an updated list of physical improvements to the resort in process or planned for the 2016 season. The Board discussed possible timeframes for decisions regarding reconstructing the pool and an expanded recreation area. Vice President of Facilities Planning Cheryl Moore volunteered to prepare a sketch of a possible recreation area.

Sales and Marketing Program

Mike reported on the status of updates to the Neptunehouse.com website. Mike indicated that he would report back to the Board regarding the cost to establish an owner message board on the site.

Mike then reviewed point values that would be assigned by RCI to Neptune House resort weeks, if the Association were to affiliate with RCI. Mike indicated that affiliation with RCI would not negatively impact the Association's affiliation with Interval International, as many resorts are dual affiliated. Chris indicated that he would review the proposed RCI affiliation agreement, and provide comments on that agreement to the Board and to Sayer Regan & Thayer.

Cheryl Moore at this point needed to leave the meeting.

Executive Session

Samantha Disotell and Mike McManus left the meeting. The remaining Board members then met in executive session with Secretary Chris Lindgren present.

Following the executive session, the meeting was adjourned.

Respectively submitted

Chris Lindgren, Secretary