

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

August 5, 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, August 5, 2016. All members (Phil Totino, Cheryl Moore and Mark Morrissette) were in attendance. Also in attendance were Secretary Chris Lindgren, Resort Manager Samantha Disotell, and Mike McManus of Vacation Resorts International (VRI).

Administrative Items

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

President Phil Totino indicated that he would send to the attendees a revised draft of the progress update on the Turnaround Plan, to be included in a newsletter targeted to be emailed to owners in mid-August.

Financial Management

Mike McManus reviewed VRI's financial statements for the month ended June 30, 2016 and VRI's initial draft of a calendar year 2017 operating budget. Board members provided comments to Mike on the initial draft of the 2017 budget. The Board discussed the appropriate level of reserve funding going forward.

Phil reviewed the report from Continental Central Credit on collection activity through July 31, 2016, noting that good progress is being made. Mike then reviewed a report as of August 1 on payments by owners with installment payment plans.

The Board next discussed logistics for the upcoming August 12 auction of foreclosed units.

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 the status of physical improvements to the resort in process or planned for the 2016 season. Resort Manager Samantha Disotell reported that new carpeting for the second floor lobby is to be installed in the next few days. Regarding the proposed painting of railings and trim on the new building, Vice President of Facilities Planning Cheryl Moore indicated that it might be preferable to substitute a synthetic material for railings and trim, depending upon cost.

The Board reviewed an updated quote and proposed construction timeline received from Hendricks Pools, and discussed additional cost estimates that would be needed to complete costing by the end of September for both a reconstructed pool and expanded recreation area. Cheryl indicated that she would work with VRI to obtain those additional cost estimates. The Board indicated its intention to present a comprehensive plan for recreational amenities including an outdoor heated pool for a vote by owners in October.

Sales and Marketing Program

The Board discussed Neptunehouse.com resales. Mike then addressed weekly points values provided by Interval International for Neptune House weeks under its Club Interval Gold Points program. Mike indicated that, while the points values cannot yet be translated into maintenance fees, participation in the Club Interval Gold Points program looks promising.

Executive Session

Samantha Disotell and Mike McManus left the meeting. The 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