

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

September 2, 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, September 2, 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 August 5, 2016, as circulated in advance to the Board members.

The Board agreed to meet telephonically on the first Friday of each month during the fourth quarter, at 7:30 a.m. on each of October 7, November 4 and December 2, 2016. The Board also agreed that an Annual Owners Meeting will be held on Saturday, March 18 at the Latitude 41° Restaurant and Tavern in Mystic, Connecticut, at which meeting Director elections will be held.

Members of the Board reported minimal feedback – all positive – regarding the newsletter sent out in mid-August, to the effect that the Turnaround Plan is moving along. Resort Manager Samantha Disotell reported continued interest from owners on plans for the pool.

### Financial Management

Mike McManus reviewed VRI's financial statements for the month ended July 31, 2016, as well as the Continental Central Credit report on collection activity through August 31, 2016 and correspondence from Attorney Stephen Rodio regarding units purchased at the August 12 auction of foreclosed units.

### Legal Issues

Secretary Chris Lindgren indicated that there were no new developments in the suit by owner Donna Neufeld regarding the collection of delinquent fees for her unit.

Chris also reported that Sayer Regan and Thayer had confirmed that special assessments could vary for float and fixed weeks, and for studio, one bedroom and two bedroom units, much as annual maintenance fees vary for those weeks and units.

### Resort Management

Mike reviewed the status of physical improvements to the resort in process or planned for the 2016 season. The Board agreed to installation of an egress window in the basement apartment in the original building.

The Board discussed a target timeframe to present the comprehensive plan for recreational amenities including an outdoor heated pool for a vote by owners, whereby information regarding the project and ballots would be sent to owners by mail at the end of September, with ballots to be mailed back by the end of October; bills for 2017 would then be sent out in early November after the results of the balloting are known. The Board discussed estimates still needed to prepare final cost figures for the project to present to owners; Vice President of Facilities Planning Cheryl Moore indicated that she intended to set

up a meeting with Carey Construction to obtain those estimates. The Board agreed to meet telephonically at 7:30 a.m. on Wednesday September 14 to review the final cost estimates. In order to meet the desired construction schedule for the project, and in light of the low cost involved to obtain needed permits, the Board authorized Mike McManus of VRI to request that Hendricks Pools proceed to obtain those permits that would be needed for the pool reconstruction if the project is approved by the owners.

#### Sales and Marketing Program

The Board discussed the sale of Association-owned units, noting that the Association owns 72 fixed weeks, in addition to 18 float weeks that could be sold within the four week float season. Samantha agreed to follow up further regarding the possible sale of some of those weeks through an on-island broker, although the likelihood of such an arrangement appeared low given the relatively small sale proceeds involved. Mike indicated that he was continuing to pursue the possibility of sales of Association-owned units in conjunction with Interval International's Club Interval Gold Points program.

#### Executive Session

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

Following the executive session, the meeting was adjourned.

Respectively submitted

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Chris Lindgren, Secretary