

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

October 7, 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, October 7, 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 September 14, 2016, as circulated in advance to the Board members.

Resort Manager Samantha Disotell discussed possible candidates for future Board membership; President Phil Totino indicated that he would follow up regarding their degrees of interest.

### Financial Management

Mike McManus reviewed VRI's financial statements for the month ended August 31, 2016, as well as Continental Central Credit's updated report on collection activity and correspondence from Attorney Stephen Rodio regarding payments still due for units purchased at the August 12 auction of foreclosed units. Mike also addressed a proposal received from Attorney Rodio to effect collections of delinquent accounts, and indicated that he would schedule a conference call for Secretary Chris Lindgren to discuss the proposal further with Attorney Rodio prior to its consideration at the Board's next meeting.

The Board received the final Reserve Analysis Report from Advanced Reserve Solutions, Inc., setting forth estimated lifetimes and replacement costs for the physical components of the resort. The Board indicated its intention to use the report as a basis for the Board's 25-year reserve plan for the repair and replacement of common areas and systems and for refreshing the living units on a periodic basis, to be discussed at the owners meeting to be held on March 18, 2017. Mike indicated that the Reserve Analysis Report would be included in a binder of resort materials available for review by owners at the resort office.

Mike reported that, to date, 183 votes had been received from owners regarding the proposed recreational amenities plan – representing over 30% of the total votes possible from owners – with 151 votes in favor of the plan and 32 opposed. Mike indicated that, over the next week, VRI would be contacting owners who had not yet voted to encourage them to submit their votes.

The Board discussed the communication to be sent to owners at the beginning of November, after voting is closed, regarding the results of the vote and the 2017 budget and fees; Phil indicated that he would draft that communication for the Board's review. The Board agreed to meet at 7:30 a.m. on Tuesday, November 1, in order to review the final vote and, in light of that vote, approve the 2017 budget and maintenance fees, so that 2017 maintenance fee bills could be sent out promptly thereafter. Mike agreed that VRI would provide a proposed final 2017 budget for the Board's review at that meeting.

### Legal Issues

Secretary Chris Lindgren indicated that an agreement had been reached in the suit by owner Donna Neufeld regarding the collection of delinquent fees for her unit, whereby she would deed the unit to the Association with \$500 to be paid by the Association and \$500 to be paid by Chicago Title, also a party to the suit. Chris indicated that Sayer Regan and Thayer was preparing the documents necessary to effect the agreement.

### Resort Management

Mike reviewed an updated report on the status of physical improvements to the resort in process or planned for the 2016 season. Samantha indicated that repairs were needed to the resort's van and that she was looking for a used work truck that could be purchased for the resort.

### Sales and Marketing Program

The Board discussed the sale of Association-owned units, in that the Association owns over 100 weeks that could be sold within the 30-week resort season. The Board discussed a proposal received from Points Plus, LLC to sell Association-owned units in conjunction with Interval International's Club Interval Gold Points program, and asked that Mike obtain additional information regarding a possible roll-out of that program early in 2017. The Board agreed to discontinue sales through Joanne Regnault effective as of year-end, and asked that Mike work with Joanne on the transition of her services.

### 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