

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

December 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, December 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 November 1, 2016, as circulated in advance to the Board members.

The Board agreed to meet at 7:30 a.m. on each of January 6, February 3 and March 3, 2017.

Mike McManus addressed the cause of a delay in the mailing of some 2017 bills, noting that the bills were ready for mailing on November 10, and that November 11 was a holiday (Veterans Day).

The Board discussed a proposed notice of the annual Owners Meeting and call for nominations for candidates for the Board of Directors, to be mailed to owners on or after December 19. The Board, upon motion duly made and seconded, voted to approve that notice and call for nominations, and to recommend that the owners at the March 18, 2017 Owners Meeting (1) approve the current director terms ending at the end of that meeting, and (2) approve, with respect to the election of five directors, staggered terms such that the two director candidates receiving the highest number of votes serve three-year terms, the two candidates receiving the next highest number of votes serve two-year terms, and the candidate receiving the fifth highest number of votes serves a one-year term, with – in the event of a tie – positions being determined based on ownership seniority, with longer tenure providing higher placement.

Secretary Chris Lindgren discussed the additional mailing to owners to occur on or about February 10, 2017, which will include the agenda for the March 18 Owners Meeting, statements from the candidates for the Board of Directors, a ballot for owners to indicate their choices for directors, minutes of the March 2016 Owners Meeting, and the resort's annual financial report. President Phil Totino indicated that he would prepare the Owners Meeting agenda, and Chris indicated that he would prepare a draft ballot.

Phil reported on discussions with potential candidates for Board membership. He indicated that at least one new candidate intends to submit his nomination for consideration by the owners at the March 18 Owners Meeting.

Resort Management

Vice President of Facilities Planning Cheryl Moore reported on discussions with Hendricks Pools, Inc. regarding reconstruction of the pool. Cheryl indicated that whether Hendricks or another firm is to demolish the current cement decking before the pool work begins, and to complete installation of pavers once the pool is completed, is still to be determined. She indicated that proposed contract wording was being sent to Hendricks for review.

Mike and Resort Manager Samantha Disotell reviewed an updated report on physical improvements to the resort during the 2016 season. Samantha indicated that she would identify those units to receive updates before the start of the 2017 season, in accordance with the approved reserve plan. The Board

also authorized the purchase of a reasonably-priced used truck that Samantha had identified for the resort.

Chris reviewed a summary of insurances currently in place for the resort that was prepared by The Armstrong Company, the resort's insurance broker, noting that the resort's Declaration of Condominium provides that the Board is to review annually the adequacy of the insurance coverage. The Board discussed the appropriate coverage limits and deductibles for property coverage and crime coverage, and whether flood insurance, not currently in effect, is needed. The Board asked that Chris and Mike discuss with the broker alternative coverage limits and deductibles for the property and crime coverages, for further consideration at the Board's January meeting, and indicated that – as the broker reported that the resort is outside of the 500-year floodplain – an additional purchase of insurance for flood damage is not necessary.

Financial Management

Mike reviewed VRI's financial statements for the month ended October 31, 2016, indicating that Samantha was successfully controlling operating expenses. Mike also reviewed correspondence from Attorney Stephen Rodio summarizing payments for units purchased at the August 12 auction of foreclosed units. Mike indicated that the collection of eleven delinquent accounts, which had been handled by Continental Central Credit, was now being addressed by Attorney Rodio.

Phil commented on VRI's report on the status of fixed and float weeks as of November 30, noting that the Association currently owns or is in the process of taking possession of 104 shares during the 30-week resort season.

Board member Mark Morrissette left the meeting.

Sales and Marketing Program

Mike indicated that, effective December 30, only Association-owned units would be listed for sale on the NeptuneHouse.com website. Mike also reported on discussions with Points Plus, LLC regarding sales of Association-owned shares, in conjunction with Interval International's Club Interval Gold Points program, targeted for the Spring of 2017.

Phil discussed preparation of a possible "resale handbook" that could be helpful to owners seeking to sell their units.

Executive Session

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

Following the executive session, the meeting was adjourned at 9:00 a.m.

Respectively submitted

Chris Lindgren, Secretary