

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

February 3, 2017

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, February 3, 2017. 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 January 6, 2017, as circulated in advance to the Board members.

President Phil Totino reviewed drafts of materials to be mailed to owners in advance of the March 18 Owners Meeting, including the agenda for the meeting, statements from the candidates for the Board of Directors, a ballot for owners to indicate their choices for directors, and the minutes of the March 2016 Owners Meeting. Phil also reviewed preliminary drafts of slides to be used by officers and management in their presentations at the Owners Meeting, and asked that presenters provide updates to him by February 10. Phil indicated that, in advance of the Board's March 3 meeting, he would circulate a draft of a newsletter (based on the slide presentation) to be sent to owners shortly after the Owners Meeting, reporting on that meeting and any other developments.

Resort Management

Vice President of Facilities Planning Cheryl Moore reported on upcoming meetings with contractors regarding demolition of the current cement pool decking (required before the pool construction work begins) and installation of pavers once the pool is completed, with the goal of finalizing a contractor for those tasks this month. Resort Manager Samantha Disotell indicated that she would obtain pricing for installation of outdoor showers for the pool area, and Mike McManus indicated that he would obtain quotes for pool furniture. The Board agreed to provide lighting for the pool area, although no decision was made whether to keep the pool open after dark.

Mike McManus provided an update on other physical improvements to the resort planned for the 2017 season.

Sales and Marketing Program

Mike reported on updates to the NeptuneHouse.com website, including elimination of the list of Association-owned weeks for sale in anticipation of engaging a sales company to handle those sales.

The Board discussed a draft of the Reseller's Handbook, intended to help owners seeking to sell their shares. Phil indicated that the Board would be asked to approve a final version of the handbook at its March 3 meeting, in order that copies could be made available at the March 18 Owners Meeting.

Mike reported on the meeting that he, Phil, Treasurer Mark Morrissette and Secretary Chris Lindgren had with David Rodway of Points Plus, LLC on January 19 regarding that firm's proposal to market Association-owned shares in conjunction with Interval International's Club Interval Gold (CIG) points program. The firm would be targeting people interested in day use of the resort's facilities and in using points for vacations at other resorts participating in the CIG points program. Chris indicated that a draft agreement with Points Plus was now with Attorney Stephen Rodio for review; Phil stated that he would report that status to David Rodway.

Financial Management

Mike reviewed VRI's financial statements for the month ended December 31, 2016, indicating that 2016 revenues exceeded 2016 expenses by a total of \$127,623 due largely to tight spending control by Resort Manager Samantha Disotell. As a result, and as Mike stated that VRI recommended, the Board, upon motion duly made and seconded, voted to move the \$83,210 December 31, 2016 fund balance in the operating fund to the reserve fund. Mike also reported on payments to date of 2017 fees, which show that the payment status compares very favorably to the status at this point in 2016.

Accountant Adam Urban of the firm of Kirshenbaum & Urban, LLP then joined the meeting. He reviewed the history of his work for the resort and summarized his review of the resort's 2016 financial statements; he noted that the resort had effectively reduced costs in 2016. He indicated that the resort's books are in good shape and that he had no negatives to report. He suggested that the resort consider conducting a full audit every third year, starting with the 2017 fiscal year, with less expensive reviews being conducted in each of the other two years. He discussed with the Board the treatment of various items in his draft financial report, which is to be finalized in time for mailing a summary of that report to owners around February 10.

Executive Session

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

Following the executive session, the meeting was adjourned at 9:15 a.m.

Respectively submitted

Chris Lindgren, Secretary