

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

June 2, 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, June 2, 2017. All members (Jeff Anliker, Cheryl Moore, Mark Morrissette, Dennis Palumbo and Phil Totino) 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 May 5, 2017, as circulated in advance to the Board members.

The Board agreed to meet on July 7, August 2 and September 1 during the third quarter of 2017.

Resort Management

Michael McManus reported on the status of the pool construction by Hendricks Pools Inc. He indicated that a separate quote was expected shortly to complete the concrete decking, and that he would manage the installation of the outdoor shower, the gate in the existing fence, signage, lighting and pool furniture. Vice President of Facilities Planning Cheryl Moore indicated that, as a licensed architect in Rhode Island, she would complete the plan – as required by the town building inspector – for the fence and shower. The Board discussed delays in the pool construction, and agreed that a communication updating owners on the pool project should indicate that a late summer/early fall opening for the pool is now anticipated.

The Board discussed phase 2 of the pool project – an enlarged pool apron and pergola – to be completed in 2018. Mike indicated that he would obtain quotes for the enlarged apron, and Cheryl indicated that she would obtain quotes for new fencing and would prepare construction documents, with the goal of obtaining necessary permits by October and beginning construction in November. The Board also discussed obtaining quotes for additional amenities that might be completed in 2019, if revenue permits, including quotes to demolish the existing tennis courts and to install one or two fire pits, a playground, and bocce and/or shuffleboard courts.

Mike provided an update on 2017 repair and maintenance projects completed and in progress.

Sales and Marketing Program

Mike reported that Points Plus, LLC has completed one owner conversion to Interval International’s Club Interval Gold points program and has sold three shares owned by the Association since the sales effort began in earnest in May. Mike also informed the Board of a website that the sales team is putting in place to support its efforts. It will include the ability to conduct webinars as a supplement to in-person sales calls.

Mike reported on the status of photo updates on the Interval International, redweek and weholi websites.

Financial Management

Mike reviewed the April financial report as distributed to the Board in advance of the meeting. In that regard, the Board, upon motions duly made and seconded, (1) voted to approve the transfer of the December 31, 2016 \$97,991 fund balance in the operating fund to the reserve fund, thereby revising the \$83,210 transfer authorization at its February 3, 2017 meeting, in order to reflect the final 2016 year-end fund balance, and (2) voted to direct VRI to reduce the number shown as “total billed” for “prior years” in future accounts receivable summaries to \$875,575, which represents the amount of prior year receivables which have been written off for GAAP accounting purposes but which Attorney Stephen Rodio is nonetheless still attempting to collect.

Mike updated the Board on 2017 payments to date and on collection activities. He also reported that he was seeking bids for a determination of the resort’s replacement value for insurance purposes, in advance of the next insurance renewal.

Timeshare Board Members Association Conference

President Phil Totino, Board member Jeff Anliker, Secretary Chris Lindgren and Mike summarized learnings from their attendance at the Timeshare Board Members Association conference held in Warwick, RI on May 21-23.

Executive Session

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

Following the executive session, the meeting was adjourned at 9:30 a.m.

Respectively submitted

Chris Lindgren, Secretary