

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

September 1, 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, September 1, 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 August 2, 2017, as circulated in advance to the Board members.

The Board agreed to meet at 7:30 a.m. on October 6, November 3 and November 30 during the fourth quarter of 2017.

President Phil Totino addressed the September owner newsletter, which had been previously circulated to the meeting attendees for their comment. Mike McManus indicated that the newsletter was to be mailed to owners during the week of September 4.

### Resort Management

The Board discussed the status of the pool construction. Mike reported that the pool coping and tile work had been completed, and that architect Tracey Dillon, who is being engaged to supervise completion of open items, is to meet with Hendricks Pools to discuss work remaining. Mike indicated that the pool will in any event be completed this fall. The Board asked for estimates for remaining costs for phase 1 and phase 2 of the pool project, to be reviewed at its October meeting. The Board, upon motion duly made and seconded, then voted to approve the project management contract with Tracey Dillon Architecture, with changes as discussed at the meeting.

Mike provided an update on 2017 repair and maintenance projects. Resort Manager Samantha Disotell reported that the source of the water damage to Unit 4 had been discovered and corrected, and that the best approaches were being determined to repair damage to the retaining wall by building A and a drop off in the driveway pavement to building A, both of which were caused by heavy rain in August.

Samantha indicated that weekly meetings were being held for owners and guests to describe activities available on the island, and that the meetings were well-received.

The Board reviewed the Interval International Customer Satisfaction Index report for June.

### Sales and Marketing Program

Phil noted that little progress had been made in the last month in the Sales and Marketing program. Mike indicated that he expected that efforts this fall by Points Plus, LLC to reach prospective purchasers of Association-owned weeks would be more successful.

Phil observed that the Neptune House pictures on the redweek and weholi web sites still needed updating. Mike indicated that he would again contact redweek and ask that they replace their photos (the weholi website is evidently no longer active).

#### Financial Management

Mike reviewed the July financial report as distributed to the Board in advance of the meeting, indicating that owner payments, now at 95%, remained on track to reach the budgeted 97% rate. Treasurer Mark Morrisette observed that expenses in total remained on track against the budget, despite costs of pool construction coming in over the budgeted amount for that item.

Mark reviewed the proposed budget for 2018, as circulated to the Board members in advance of the meeting. He indicated that the budget was based on 2017 owner fees remaining the same for 2018, with only a 2% delinquency rate. After discussion, upon motion duly made and seconded, the Board voted to approve the 2018 budget as submitted, with owner assessments to be equal to the same amount as in effect for 2017 and with minor revisions to the proposed expenses to provide for an insurance study expense in the amount of \$6229 (with an ADA assessment study deferred to a future year) and an accounting/audit expense in the amount of \$10,270, for a total budgeted expense for 2018 of \$791,923.

The Board discussed the materials to accompany the 2018 assessment billing, to be mailed to owners in early October, and decided that those materials will include a cover letter from the Board, a copy of the budget as approved, the Assessment Billing and Collection (ABC) Policy, and a flyer provided by VRI describing the Trading Places exchange program (the Board decided not to include a flyer regarding the American Resort Development Association - Resort Owners' Coalition).

Director Dennis Palumbo left the meeting.

The Board considered proposed revisions to the ABC Policy recommended by VRI and Attorney Stephen Rodio. After discussion, upon motion duly made and seconded, the Board voted to approve the revised ABC Policy as presented, with a change to indicate that the payment of owner assessments is due on December 31 (rather than upon receipt of the bill).

The Board, upon motion duly made and seconded, voted to approve an insurance appraisal study by GAB Robins North America, to be completed in 2018.

#### Executive Session

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

Following the executive session, the meeting was adjourned at 9:35 a.m.

Respectively submitted

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Chris Lindgren, Secretary