

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

February 2, 2018

The Board of Directors (the "Board") of the Neptune House Owners Association (the "Association") met telephonically by conference call at 7:00 a.m. on Friday, February 2, 2018. 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 January 5, 2018, as circulated in advance to the Board members.

The Board reviewed materials to be mailed to owners regarding the March 24 Owners Meeting, including the cover letter, meeting agenda, ballot for the election of a Director, and the candidate statements for that Director position. Those materials, along with the minutes of the March 18, 2017 Owners Meeting, a return envelope for the ballot, and the resort's 2017 annual financial report are to be mailed on February 9. Treasurer Mark Morrissette indicated that he was waiting for a summary of 2017 financial results from accountant Adam Urban, to be included as the financial report in that mailing, along with Mark's commentary on the financial report.

The Board then discussed each section of the draft slides to be used by presenters at the March 24 Owners Meeting, as well as a draft newsletter prepared by President Phil Totino to be mailed to owners shortly after that meeting. The Board asked Mike McManus for a description of Interval International's Club Interval Gold points program to be included in that newsletter.

Resort Management

Mike reviewed a list of 2018 repair and maintenance projects, including reserve projects scheduled for 2018. Mike also reviewed the status of the pool construction work. The Board discussed the difficulty of obtaining a contractor – including a contractor off-island – to complete the concrete pool decking, and asked Mike to work with architect Tracey Dillon to investigate using pavers for the deck rather than concrete. The Board expressed its clear expectation that the pool project be completed in time for opening in May. The Board urged Mike to take whatever creative approaches may be necessary to achieve that objective. The Board also authorized the hiring of landscape architect Derek van Lent to provide additional designs for Phases 2 and 3 of the amenities project, which are needed in order to obtain detailed quotes for Phase 2 of the pool construction as well as estimates for the components of Phase 3.

The Board reviewed the Interval International customer satisfaction report for 2017, indicating an overall average index result of 87, based on evaluations by 16 Interval International guests at the resort, thereby providing a baseline by which to measure guest satisfaction in future years.

Financial Management

Mike discussed with the Board the December financial report, as distributed to the Board in advance of the meeting, as well as the status of collection activities. Mike reported that approximately 75% of 2018

fees had been paid by 2017 year-end. Mike agreed to arrange a follow-up call for Mark to discuss questions regarding the December financial report with VRI's accounting department. The Board also requested that VRI provide an executive summary of key take-aways each month in addition to its standard detailed financial report.

Phil addressed the float/fixed week ownership report, indicating that 102 weeks were now owned by the Association, with a further 14 weeks in collections, and emphasized the need for an effective program to sell shares owned by the Association.

Sales and Marketing Program

The Board reviewed a list of Association-owned shares; Phil indicated that he would draft a listing of those shares with specifics about dates, asking prices, and annual maintenance fees to be provided to existing owners who might want to obtain additional shares.

Mike reported on his discussions with Hello Vacay, a marketing company that is being considered to sell Association-owned shares as well as weeks at two other VRI-managed Rhode Island resorts. Mike indicated that he was in the process of obtaining references for Hello Vacay. Secretary Chris Lindgren agreed to provide a summary of the marketing agreement proposed by Hello Vacay, which agreement would also be reviewed by attorney Stephen Rodio.

The Board, upon motion duly made and seconded, voted to approve a revised Reseller's Handbook, as circulated in advance of the meeting.

Next Meeting

The Board indicated that, at its March 9 meeting, it would conduct a final review of the slides for the March 24 Owners Meeting and the newsletter to be mailed to owners shortly thereafter.

Executive Session

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

Following the executive session, upon motion duly made and seconded, the Board adjourned the meeting at 9:15 a.m.

Respectively submitted

Chris Lindgren, Secretary