

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

March 9, 2018

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, March 9, 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 February 2, 2018, as circulated in advance to the Board members.

The Board agreed to meet during the second quarter of 2018 at 7:30 a.m. on each of April 6, May 3 and June 1. The Board indicated that, at its April 6 meeting, it would schedule regular meetings for the following 12 months.

Resort Management

Mike McManus reviewed the status of the pool construction work, and Treasurer Mark Morrissette reviewed the resort’s financial reserves in light of increased cost estimates to complete Phases 1 and 2 of the amenities project. The Board considered three proposals for completion of the pool deck in Phase 1 and, upon motion duly made and seconded, voted to accept the proposal of Pool Designs & Renovations of Billerica, MA, based on a favorable recommendation from VRI and their proposal being the sole proposal that provided for a poured concrete decking.

Mike reviewed an updated list of other repair and maintenance projects, including reserve projects, scheduled for 2018.

Sales and Marketing Program

Mike summarized the proposed sales and marketing agreement with Hello Vacay to sell Association-owned shares, which agreement is currently being reviewed by attorney Stephen Rodio. After discussion, the Board, upon motion duly made and seconded, voted to authorize President Phil Totino to execute that agreement on behalf of the Association provided that the final agreement includes the material provisions as summarized. In light of the anticipated agreement, the Board asked Mike to facilitate a listing of Association-owned shares, for sale through Hello Vacay, which could be provided to owners at the March 24 Owners Meeting and included in the newsletter to be sent to all owners at the end of March.

Annual Owners Meeting on March 24

Mike reported that, to date, approximately 40 individuals had indicated that they intended to attend the March 24 Owners Meeting in person and that approximately 80 votes had been received for the Director election. Mike indicated that VRI would send two further email reminders to owners regarding the Director vote. The Board then discussed arrangements for the March 24 meeting, as well as revisions to be made to the slides to be used by presenters at that meeting and to the newsletter to be mailed to owners shortly after the meeting.

### Financial Management

Mark reviewed operating and reserve spending in 2017, indicating that some items would be categorized differently in 2018 reports in order to provide a more accurate spending analysis.

Phil indicated that he would sign the resort's Federal and Rhode Island tax returns, as prepared by accountants Kirshenbaum & Urban, LLP, on behalf of the Association.

Mark reported that, based on the December 31, 2017 financial statements, \$24,397 was available in the operating fund to be transferred to the reserve fund, and consequently, upon motion duly made and seconded, the Board voted to transfer that amount to the reserve fund.

Mike discussed the January financial report, as distributed to the Board in advance of the meeting, as well as a variance report regarding revenues and expenses that he and Resort Manager Samantha Disotell had prepared and a payroll forecast prepared by Samantha. The Board provided suggestions for future variance reports, including inclusion of an executive summary.

Mark Morrissette and Cheryl Moore left the meeting.

Mike then addressed payments to date and the number of weeks owned by the Association. He reported that as of February 28, 2018, 81% of 2018 fees had been paid versus 82% at the same point in 2017. Samantha indicated that she would detail those weeks that had recently been deeded back to the Association under the resort's Deedback Program.

### Next Meeting

At its April 6 meeting, the Board is scheduled to appoint officers for the following 12 months, assess the March 24 Owners Meeting and review owner comments at that meeting, and establish a date for the 2019 Owners Meeting.

### Executive Session

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

Following the executive session, upon motion duly made and seconded, the Board adjourned the meeting at 9:58 a.m.

Respectively submitted

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Chris Lindgren, Secretary