

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

April 6, 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, April 6, 2018. All members (Jeff Anliker, Douglas Carnahan, Cheryl Moore, Mark Morrisette 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

President Phil Totino welcomed new Director Douglas Carnahan.

The Board then proceeded to the election of Association officers for the upcoming year. Upon motion duly made and seconded, the Board voted to reelect Phil Totino as President, Mark Morrisette as Treasurer, Chris Lindgren as Secretary, and Cheryl Moore to the appointed officer position of Vice President of Facilities Planning, to serve until the next election of officers.

Upon motion duly made and seconded, the Board voted to approve the minutes of its meeting on March 9, 2018, as circulated in advance to the Board members (new director Doug Carnahan did not participate in that vote, as he was not present at the March 9 meeting). The Board also, upon motion duly made and seconded, voted to accept the minutes of the Owners Meeting held on March 24, 2018, as circulated in advance to the Board members; those minutes are to be approved by owners at the next Owners Meeting to be held in March 2019.

The Board agreed to meet for the following 12 months, at 7:30 a.m., on each of May 10, June 7, July 13, August 10, September 7, October 5, November 9, and December 7, 2018, and January 11, February 8, March 8, and April 12, 2019.

The Board discussed owner comments and suggestions at the March 24, 2018 Owners Meeting -- the Board noted that the meeting went well, with good logistics and positive owner feedback. The Board decided to schedule the 2019 Owners Meeting at the same location, the Latitude 41° Restaurant and Tavern in Mystic, Connecticut, for March 30, 2019.

### Resort Management

Mike McManus reviewed the status of the pool construction work (drainage work on the deck in the process of being completed, wire meshing to then be installed and grounded prior to pouring the concrete pool deck), and indicated that a June 1 opening date for the pool was still feasible. Mike indicated that he would look into the possibility of using pervious concrete for the pool deck, as suggested by an owner at the Owners Meeting. Regarding the Phase 2 pool construction work, Phil indicated that work should be done in the fall of 2018 to the extent feasible and allowed by the budget; Mike indicated that additional estimates would be obtained to try to match costs to the available funds.

Mike reviewed the list of other repair and maintenance projects, including reserve projects, scheduled for 2018, indicating that there were no major changes to the list.

Mike reviewed a proposed update to the resort's Rules and Regulations. After discussion, upon motion duly made and seconded, the Board voted to adopt the updated Rules and Regulations as presented to

the meeting, as further revised to indicate that float week reservations should be made by calling the resort rather than by contacting VRI and to remove references to specific dates so that the document would not have to be revised every year.

Mike then reviewed a proposed update to the resort's Rental Policy and Rates to reflect 2018 rental periods and rates. After discussion, upon motion duly made and seconded, the Board voted to adopt the updated Rental Policy and Rates as presented to the meeting, with the clarification that the rates shown are weekly rental rates.

Resort Manager Samantha Disotell reported on preparations to open the resort on April 14, with 19 units having been booked for that week.

#### Sales and Marketing Program

The sales and marketing agreement with Hello Vacay having been executed, Mike updated the Board on preparations by Hello Vacay to sell Association-owned shares. Samantha indicated that she had reviewed Hello Vacay's proposed approach to existing owners, and was pleased with their professionalism.

#### Financial Management

Mike reviewed the February 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 Samantha had prepared. As that variance report indicated that a further \$12,953 was available in the operating fund to be transferred to the reserve fund, the Board, upon motion duly made and seconded, voted to transfer that amount to the reserve fund. For added clarity, the Board asked for revisions to payroll and revenue presentations to be included in future financial reports.

The Board then discussed a revision to the resort's insurance coverage as a result of the replacement cost appraisal received in March from GAB Robins. Upon motion duly made and seconded, the Board voted to increase the property insurance to a level of 100% of the resort's insurable replacement cost as indicated in that appraisal, resulting in a premium increase of \$7527 this year.

Mike then addressed payments to date and the number of weeks owned by the Association. He reported that as of March 31, 2018, 85.6% of 2018 fees had been paid.

Phil then commented on a report showing ownership status of the 690 shares in the 30-week resort season. He observed that the Association currently owns 105 shares, with two shares in the process of being returned to the Association in accordance with the Deedback Policy, and 14 shares placed with the Association's law firm for collection, giving a total of 121 non-performing shares. This contrasts with 100 non-performing shares as of December 31, 2016. Phil noted that it is vitally important to the future viability of the resort that the Sales and Marketing program be successful so that the number of non-performing shares can be greatly reduced.

#### 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 9:13 a.m.

Respectively submitted

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Chris Lindgren, Secretary