

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

June 7, 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 Thursday, June 7, 2018. Members Jeff Anliker, Douglas Carnahan, Mark Morrissette and Phil Totino were in attendance (member Cheryl Moore was unable to attend). 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 10, 2018, as circulated in advance to the Board members.

Resort Management

Resort Manager Samantha Disotell reported on her attendance at the VRI National Meeting in New Orleans. She indicated that she was pursuing possible savings on purchases from vendors who were at that meeting.

Mike McManus updated the Board on efforts to hire a fence company to install the fence surrounding the pool, the original fence contractor having backed out of the project. Mike indicated that Hendricks Pools, Inc. could, during the week of June 11, finish the pool interior and fill the pool without the fence being installed, provided that the pool is covered and/or a temporary fence erected so that individuals cannot access the pool until the permanent fence is in place and an occupancy permit obtained. Given the difficulty of scheduling the work, the Board asked that Mike arrange for Hendricks to complete that work. Mike also reviewed the status of other items that need to be completed before pool opening.

The Board discussed sending an email and postcard to owners regarding the continued delay in the pool opening. President Phil Totino indicated that he would circulate a draft for comment, with the intent to send out the communication as soon as possible.

Mike reviewed spending to date and forecasted spending for the pool project. He indicated that spending for Phase 1 is likely to exceed the budget by more than previously expected, due primarily to higher costs associated with the fencing.

Regarding Phase 2 of the pool project, the Board noted that attorney William Landry was preparing a presentation to the Town to obtain approval of the Phase 2 work, and that any Phase 2 work would be started following Town approval and subject to sufficient funds remaining upon completion of Phase 1.

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

Sales and Marketing Program

Mike summarized the status of initial efforts by Hello Vacay to sell Association-owned shares. Marketing and sales materials, processes, and procedures are in place, and the firm has begun contacting prospective buyers starting with current owners, recent renters, and people who have exchanged into Neptune House through Interval International in recent years. The Board asked Mike to arrange for

Hello Vacay to provide monthly summaries of its sales efforts, including numbers and types of prospects contacted.

Financial Management

Mike reviewed the April 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. The Board discussed the possibility of an operating surplus at year-end 2018, which could be used to partially offset anticipated pool construction overruns.

Mike then addressed payments to date and the number of weeks owned by the Association. He reported that as of May 31, 2018, 91.3% of 2018 fees had been paid, approximately the same percentage as at that point in 2017. Phil observed that, including deedbacks in process, the resort owns 108 shares in the 30-week resort season, and that – when accounts placed with Attorney Rodio for collection are also taken into account -- there were 127 non-performing shares at May 31, 2018 (one share less than at April 30). Phil noted that the comparable number at the end of 2016 was 113, and at the end of 2017 was 116.

Executive Session

Samantha Disotell and Mike McManus left the meeting. The 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 9:30 a.m.

Respectively submitted

Chris Lindgren, Secretary