

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

November 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, November 9, 2018. Members Jeff Anliker, Cheryl Moore, Mark Morrissette and Phil Totino were in attendance (member Douglas Carnahan 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 October 5, 2018, as circulated in advance to the Board members.

Secretary Chris Lindgren reviewed the proposed timeline for the Owners Meeting to be held on March 30, 2019, including the preparation of materials for the nomination of candidates for director. The Board is scheduled to approve the Annual Meeting Notice and Call for Nominations, along with the Nomination Form, at its December 7 meeting, with those materials to be mailed to owners on January 7. Nomination forms will be due back to the Secretary by February 7, 2019. The Board will then approve the Annual Meeting materials on February 8, to be mailed to owners on February 14; those materials will include a cover letter, meeting agenda, ballot, candidate statements, the annual financial report and the minutes of the 2018 Owners Meeting. At its March 8 meeting, the Board is to review the slides for the Owners Meeting and materials for an owner newsletter, to be sent to owners in early April.

### Resort Management

Resort Manager Samantha Disotell indicated that Hendricks Pools is to partially drain the pool and install a winter cover after the resort closes on November 10, and will also need to modify the seasonal solar cover which had been damaged by wind gusts on the island. The final cost of the pool should be determined after those tasks are completed.

Mike McManus indicated that Custom View Property Maintenance – which had been selected to complete the paver patio (part of Phase 2 of the recreational amenities project), as well as reconstruction of the stairs at the corner of the pool and the tennis courts and rebuilding and repairing the walkways in front of Building B -- is scheduled to complete the work by May 2019. The Board asked that Mike update the expenses for Phase 2 of the recreational amenities project and, by March 1, 2019, refine the estimated costs for Phase 3 of the project, including determining whether any town approvals would be needed for the proposed reconfiguring of the tennis court area.

Mike reviewed the list of 2018 repair and maintenance and reserve projects, reporting that various projects had been completed, including repair of the concrete pad behind Building B. The Board noted that reconstruction of the stairs at the corner of the pool and the tennis courts, and rebuilding and repairing the walkways in front of Building B, are planned for the spring, and will be paid from operating funds. The board also discussed 2019 reserve projects, including improvements to the parking area and lawn in front of Building B.

Samantha addressed proposed rental rates for 2019. The Board then, upon motion duly made and seconded, approved updating the resort's Rental Policy and Rates to indicate that the same rates will apply in 2019 as were in effect in 2018.

### Sales and Marketing Program

Samantha reported that Hello Vacay had to date completed sales to three current owners, and that another sale to an existing owner is in process.

Mike reported that the amendment to the Hello Vacay contract had been signed, extending the contract term to October 31, 2019 and annually thereafter (unless notice of nonrenewal is provided), and providing for revenue to be shared with the Association in the event of Hello Vacay's sale of six prime season shares that the Board anticipates acquiring by December 2018.

Director Jeff Anliker reported on the October 25 teleconference of the Marketing Committee, as appointed by the Board at its October meeting. Jeff indicated that the Committee will hold a follow-up teleconference on November 21, with the goal of recommending website and social media approaches to the Board.

President Phil Totino indicated the resort will have 30 days -- following its acquisition of six prime season shares from the resort's prior general manager -- to sell those shares directly to purchasers, before turning those shares over to Hello Vacay to sell. The Board discussed how that sale could be advertised, including by notice to existing owners and on Facebook.

Mike reported that Interval International was in the process of updating pictures of the resort on its website, including pictures of the pool, and that further attempts were underway to update the redweek website.

### Financial Management

Phil addressed the September financial report as distributed to the Board in advance of the meeting, along with a variance report regarding revenues and expenses that Mike and Samantha had prepared.

Mike addressed reports on payments to date and collection activities. Phil observed that the resort continued to own 109 shares (including deedbacks in process) in the 30-week resort season, and that -- when accounts placed with Attorney Rodio for collection are also taken into account -- there were 123 non-performing shares at October 31, 2018 (the same number as at September 30). Phil noted that the comparable number at the end of 2016 was 113, and at the end of 2017 was 116, and that the number will change with the upcoming November 10 foreclosure auction and the purchase later this year of eight shares from the resort's prior general manager.

### Foreclosure Auction

Phil reported on final preparations for the foreclosure auction of 21 shares to be held on November 10 at the Hampton Inn in South Kingstown, Rhode Island.

### Agenda Items for Next Meeting

Phil indicated that the agenda for the March 30, 2019 Owners Meeting and articles for the April newsletter, along with drafts of the Annual Meeting Notice and Call for Nominations and the Nomination Form, are to be addressed at the Board's December 7 meeting.

### Executive Session

Samantha Disotell left the meeting. The Board members then met in executive session with Michael McManus and Secretary Chris Lindgren, during which time the Board, upon motion duly made and seconded, approved annual bonus amounts for resort staff.

Following the executive session, upon motion duly made and seconded, the Board adjourned the meeting at 9:31 a.m.

Respectively submitted



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Chris Lindgren, Secretary