

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

February 8, 2019

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, February 8, 2019. All members (Jeff Anliker, Douglas Carnahan, Cheryl Moore, Mark Morrissette and Phil Totino) were in attendance. Also in attendance were Secretary Chris Lindgren, Resort Manager Samantha Disotell, and Mike McManus of VRI Americas (VRI).

Administrative Items

Upon motion duly made and seconded, the Board voted to approve the minutes of its meeting on January 11, 2019, as circulated in advance to the Board members.

Resort Management

Mike McManus reported that installation of the patio between the pool deck and the tennis courts, in accordance with Phase 2 of the recreational amenities project, was scheduled for the spring, and that quotes were being obtained for an access gate in the pool fence, furniture, and a firepit. The Board discussed new landscaping that might be needed upon completion of Phase 2.

President Phil Totino reviewed the list of repair and maintenance and reserve projects completed in 2018, and the comparable list of projects to be completed in 2019. The Board indicated that improvements to the parking area by Building B are to be included in the 2019 reserve projects.

Resort Manager Samantha Disotell reported that owners had complied in 2018 with the resort's Service Animal Policy, and that two service dogs had accompanied owners at the resort.

The Board reviewed the Interval International customer satisfaction report for 2018, indicating an overall average index result of 86, based on evaluations by 15 Interval International guests at the resort. The Board noted that, perhaps because the pool was only open for a portion of the season, that result was not higher than the overall average index result for 2017.

Sales and Marketing Program

Samantha reported that one of the eight shares purchased from the resort's prior general manager had been sold by the resort, and that the remainder of those shares will be placed in the resort's rental inventory and provided to Hello Vacay to sell. Mike indicated that Hello Vacay had not completed additional sales in January.

Director Jeff Anliker reported on the activities of the Marketing Committee. The Board discussed the audiences for marketing efforts and different arrangements that might be offered. Upon motion duly made and seconded, the Board authorized Samantha Disotell to execute on behalf of the Association a Facebook and Instagram marketing agreement with Social Synergy Services, as negotiated by the Marketing Committee and circulated to the Board in advance of the meeting, with that agreement to be effective as of February 2019.

Mike reported on the status of updates to the Interval International and redweek websites to include new pictures of the resort.

Financial Management

The Board discussed the December financial report as distributed in advance of the meeting, along with a variance report regarding revenues and expenses that Mike and Samantha had prepared. Mike addressed a discrepancy in the report regarding the total 2019 maintenance fees collected as of December 31, and indicated that VRI was working to resolve that discrepancy so that the 2018 independent accountant's review report to be produced by Kirshenbaum & Urban, LLP can be finalized in a timely manner.

Mike reported that, as of January 30, 2019, approximately 77% of 2019 fees had been paid.

Phil addressed the float/fixed week ownership status. Phil observed that as of January 31 the resort owned 121 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 January 31, 2018. Phil noted that the comparable number of non-performing shares at the end of 2018 was 121, as deedbacks and defaults have continued to exceed new sales.

Preparations for Annual Owners Meeting

The Board reviewed the materials to be mailed to owners regarding the March 30 Owners Meeting, including a cover letter from the Board, meeting agenda, ballot for the election of two Directors, candidate statements for those Director positions, and the resort's 2018 annual financial report with the Treasurer's cover letter. Those materials, along with the minutes of the March 24, 2018 Owners Meeting, are scheduled to be mailed to owners on February 14. Treasurer Mark Morrissette indicated that he would make changes to the annual financial report, if needed, to correspond to any changes that may be made to the independent accountant's review report.

The Board then discussed each section of the draft slides to be used by presenters at the March 30 Owners Meeting. Phil asked that the group forward to him any changes to those slides, or to the draft that he had circulated of the newsletter to be mailed to owners in early April, so that updated versions can be prepared for the Board's review.

Agenda Items for Next Meeting

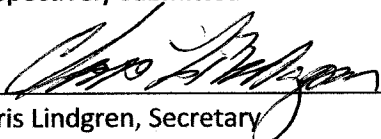
The Board indicated that, at its March 8 meeting, it would approve the slides for the March 30 Owners Meeting as well as the newsletter to be mailed to owners shortly thereafter. The Board will also review a maintenance fee analysis and have a discussion about the long-term strategic direction of the resort in anticipation of the need, at a later meeting, to establish 2020 maintenance fees and set expectations for fee levels in subsequent years.

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 9:33 a.m.

Respectively submitted


Chris Lindgren, Secretary