

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

January 14, 2022

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, January 14, 2022. 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 December 10, 2021, as circulated in advance to the Board members.

President Phil Totino reviewed the items to be included in the mailing to owners to occur in mid-February, including a cover letter from the Board, the agenda for the March 26 Owners Meeting, a ballot for owners to indicate their choices for the two open positions on the Board of Directors, statements from the candidates for those Director positions, the minutes of the March 27, 2021 Owners Meeting, and – if then available – the resort's 2021 annual financial report and accompanying Treasurer's letter. Phil indicated that he would prepare a draft of the cover letter and meeting agenda, and Secretary Chris Lindgren indicated that he would prepare drafts of the ballot and candidate statements, for review by the Board at its February 11 meeting. Chris reported that three Director candidate nominations have been received to date.

Phil indicated that he and Treasurer Mark Morrissette would prepare draft slides to be used by presenters at the March 26 Owners Meeting, and that he would also circulate to the Board for comment a draft newsletter for VRI to mail to owners following the Owners Meeting, reporting on the meeting and other developments.

Resort Management

Phil reviewed the status of projects on the resort's Repair and Maintenance Project List. Phil along with Resort Manager Samantha Disotell and Mike McManus of VRI then addressed projects on the resort's Five-Year Property Improvement Plan, as revised for the years 2022 through 2026 to include projects carried over from the 2021 year as well as projects scheduled for the 2026 year.

Financial Management

Phil reviewed the executive summary of the November financial report. He noted that maintenance fee payments through December 31, at 98% of billed amounts, equaled the payments budgeted for the year.

Phil observed that, including deedbacks in process, as of the end of December the resort owned 127 shares in the 30-week resort season (six less than at December 31, 2020).

Samantha reported that she had received some payments directly from owners in response to the maintenance fee reminder emails sent out in the fall.

Phil reviewed VRI's fees report for the 2021 year.

Sales and Marketing

Director Cheryl Moore reported on the meeting of the Marketing Committee on December 28, 2021.

Samantha reported that all three Association-owned units during week 23 had been sold to existing owners.

Samantha indicated that so far two units have been rented for January, February and March to Island contractors.

Upon motion duly made and seconded, the Board voted to approve a revised Reseller's Handbook, as updated to reflect sales that occurred in 2021.

Phil then discussed possible approaches to achieving greater equity in maintenance fees. After discussion, the Board decided not to pursue the various ideas presented, but did indicate a desire to pursue licensing for a set period of years as a means of attracting new people to the resort.

The Board also discussed the possibility of installing solar panels (to reduce energy costs) and ductless mini-split heat pumps that can provide heating, air conditioning, and de-humidification (to enhance the vacation experience of owners). Further consideration of these potential new initiatives was deferred to a future meeting.

Resort Manager Samantha Disotell left the meeting.

Agenda Items for Next Meeting

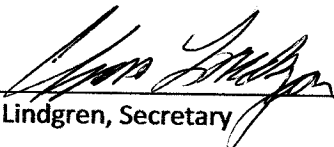
Phil indicated that, at its February 11 meeting, the Board will review the documents to be mailed to owners in mid-February, the draft slides for the March 26 Owners Meeting, and the draft newsletter to be mailed to owners following the Owners Meeting. The Board will also review guest satisfaction results reported by Interval International and a preliminary projection of 2023 maintenance fees, and will determine any year-end amount in the Operating Account to be transferred to the Reserve Account. Phil noted that the status of the Association's tax filings being prepared by the resort's accounting firm will also be discussed at that meeting.

Executive Session

Mike McManus left the meeting. The Board members then met in executive session with Secretary Chris Lindgren present. During the session, the Board conducted its annual self-evaluation of its performance, and – in light of the completion of the multi-year recreational amenities project – discussed meeting only four times per year going forward, starting with the April 2022 regular meeting.

Following the executive session, upon motion duly made and seconded, the Board voted to adjourn the meeting at 9:22 a.m.

Respectfully submitted


Chris Lindgren, Secretary