

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

December 18, 2015

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, December 18, 2015. All members (Phil Totino, Mark Morrissette and Wayne Rioux) were in attendance. Also in attendance was Association Secretary Chris Lindgren.

Administrative Items

Upon motions duly made and seconded, the Board unanimously approved the minutes of its meetings on December 4, 2015, December 9, 2015 and December 11, 2015, as circulated in advance to the Board members, with one edit to the December 4, 2015 minutes.

Financial Management

President Phil Totino reported on the status of payments of the October Special Assessment, with 30% of shares as yet unpaid. He also reported that \$70,254 had been received so far as 2016 maintenance fees.

The Board discussed the reminder letter to be sent in early January to owners who had not then paid all fees, and Treasurer Mark Morrissette indicated that he would suggest revisions to the draft letter to provide further financial detail.

Resort Management

Phil updated the Board on the status of the winter close down of the buildings.

The Board noted that Office Manager Samantha Disotell would be able to take calls and respond to emails during her scheduled vacation from January 12 to February 4. In light of Samantha's vacation, the Board discussed the schedule to produce delinquency notices to be sent in February to owners who had not fully paid their fees by that date.

The Board also discussed a proposed offseason repair and maintenance plan provided by Samantha, and asked that various repair items noted by owners be added to that list, as allowed by the 2016 budget.

Legal Matters

Association Secretary Chris Lindgren reported on the status of attorney Richard Sayer's review of the Association's standard form of quitclaim deed.

The Board addressed requests by two owners to deed their shares to the Association in light of hardships being experienced. The Board granted their requests because of the history of discussions between those owners and Neptune House staff indicating that the likelihood of recovering any monies through the process defined in the Maintenance Fee and Collection Policy would be extremely small.

Chris indicated that he and the resort's General Manager Meredith McAloon were scheduled to meet later in the day with Vincent Piccirilli, former Association Secretary, regarding the Association's historical

status, and that Meredith was in the process of consolidating information on delinquent accounts out for collection.

Contract with VRI

The Board discussed revisions to the draft contract received December 16 from Vacation Resorts International (VRI), and asked that Chris forward the draft as revised to attorney Sayer for his review. Phil indicated that, following attorney Sayer's review, he would forward the revised draft back to VRI.

2016 Strategy and Plans

The Board discussed its meeting schedule for the first quarter of 2016, and agreed to meet weekly during January, starting January 8, and then to meet every two weeks. The Board indicated that Samantha would be invited to attend Board meetings, as would a VRI representative presuming a contract is completed, and that the Board would meet in executive session at the end of each meeting with just Board members and the Secretary in attendance.

The Board then discussed arrangements for the 2016 owners meeting, to be scheduled for March; Vice President Wayne Rioux indicated that he would work with Samantha to make those arrangements. Wayne also agreed to act as point person for Samantha over the next few weeks, to provide her with a central point of Board contact for questions, although Samantha could feel free to contact any Board member at any time.

The Board discussed the merits of a joint meeting with attorney Sayer and representatives of VRI, noting that such a meeting was suggested independently by both attorney Sayer and VRI. The purpose would be to discuss strategy for Proposition 30 and the process for handling collections. Phil agreed to arrange the meeting as soon as practicable, presuming VRI is hired, ideally at the attorney's office in Newport.

Following the above discussion, there being no further business, the meeting was adjourned.

Respectively submitted

Chris Lindgren, Secretary