

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

January 15, 2016

The Board of Directors (the "Board") of the Neptune House Owners Association (the "Association") met telephonically by conference call at 7:00 a.m. on Friday, January 15, 2016. All members (Phil Totino, Mark Morrisette and Wayne Rioux) were in attendance. Also in attendance were Association Secretary Chris Lindgren and Mike McManus of Vacation Resorts International (VRI).

Executive Session

Prior to Mike McManus joining the meeting, the Board met in Executive Session with Secretary Chris Lindgren present. President Phil Totino, Treasurer Mark Morrisette and Secretary Chris Lindgren summarized their meeting in Newport, Rhode Island on January 13 with representatives of VRI and attorney Richard Sayer, at which possible changes to governing documents in light of Proposition 30 had been discussed. The Board then addressed next steps to be taken in light of the discussion at that meeting.

With respect to changes to the Association By-Laws, the Board discussed By-Law changes to update procedures for meetings and increasing the number of Association Directors permitted from three to five, starting in 2017, with staggered three-year terms -- five directors with three-year terms being, in the opinion of VRI and attorney Sayer, typically the most effective arrangement for directors. The Board noted that, prior to the next election of Board members in 2017, it may be desirable to appoint additional officers or establish one or more owner advisory committees to expand owner involvement.

The Board also discussed a recommendation at the January 13 meeting to retain April weeks as float weeks, rather than converting those weeks to fixed weeks, recognizing that keeping those weeks as float weeks would provide owners who had varying school vacation weeks the opportunity to arrange stays around those vacation weeks. As provided in Proposition 30, the 2016 schedule for the Neptune House would still be 30 weeks, from April through October, with 26 fixed weeks and four float weeks. The Board noted that (1) retaining float weeks would provide additional flexibility should the Association, in the future, wish to vary the schedule of weeks the Neptune House would be open, and (2) attorney Sayer had suggested that, if the current fixed week schedule is retained, it may not be necessary to revise the Time Share Declaration, such that only changes to the By-Laws might be needed.

The Board also discussed the possible establishment of a trust to hold shares owned by the Association, which would enable transfers of Association-owned units to future buyers without the expense of recording individual deeds. Current owners would continue to have a direct property interest in the Neptune House – ownership of their shares would not transfer to the trust. The Board noted that both VRI and attorney Sayer felt that such an approach, which has been adopted by other timeshares, could benefit the Association.

The Board agreed to meet telephonically at 9:00 a.m. on January 16 to further discuss planning for Proposition 30 and the March 19 Owners Meeting.

Mike McManus then joined the meeting.

Administrative Items

Upon motion duly made and seconded, the Board unanimously approved the minutes of its meeting on January 8, 2016, as circulated in advance to the Board members.

The Board discussed the upcoming 2016 Owners Meeting, to be held March 19 at the Latitude 41° Restaurant in Mystic, CT. The Board reviewed the “save the date” notice for that meeting to be sent to owners by VRI on the Association’s behalf.

Financial Management

Mike McManus updated the Board on payments of the October Special Assessment and 2016 maintenance fees received since the Board’s January 8 meeting.

Mark reported on the status of accountant Adam Urban’s year-end compilation of 2015 financial results, indicating that he expected to receive a report from Adam shortly.

Mike indicated that an additional Association bank account is needed at a bank with a branch near VRI’s offices in Hyannis, Massachusetts, in order that VRI can deposit to that account checks that it receives to the credit of the Association. The Board asked that Mike provide details regarding the additional account, so that the Board can adopt an authorizing resolution for that account.

Mike indicated that the changes to the authorized signers approved by the Board for the Association’s accounts at Washington Trust had been implemented, and that the additional Washington Trust account for small expenditures had been established; he indicated that VRI would communicate to authorized signers on that account the dollar limit for debit card transactions.

Resort Management

The Board discussed a suggestion received from owner Mark Kelly that the Association hold an Owners Work Weekend, when owners could provide labor and expertise to address needed maintenance at the Neptune House. The Board discussed the possibility of setting up a buildings and grounds committee, which could prioritize tasks and plan for such a weekend. Phil and Mike agreed to follow-up further with Mark and other owners who might be interested in that possibility.

Following the above discussion, the meeting was adjourned.

Respectively submitted

Chris Lindgren, Secretary