

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

January 29, 2016

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 29, 2016. All members (Phil Totino, Mark Morrisette and Wayne Rioux) were in attendance. Also in attendance were Association Secretary Chris Lindgren, owner Cheryl Moore, and Mike McManus of Vacation Resorts International (VRI).

Administrative Items

President Phil Totino stated that planning for the maintenance, refurbishment and upgrading of the buildings and grounds will be an important activity in the revitalization of the Neptune House, and thus it is important to appoint a Vice President of Facilities Planning to achieve the goals that the Board has established. Phil further recommended Cheryl Moore as an ideal candidate for that position, based on her professional skills and experience as an architect and her dedication to the Neptune House as evidenced by her ownership of several shares and her initiative in developing a punch list of repair and maintenance items for the living units last summer. Following discussion of Phil's recommendation, the Board, upon motion duly made and seconded, unanimously voted, as permitted by the By-Laws, to appoint a Vice President of Facilities Planning to perform such duties as may be described by the Board and the President, and elected Cheryl Moore to that office. The Board thanked Cheryl for her willingness to serve in that position.

The Board then, upon motion duly made and seconded, unanimously approved the minutes of its meeting on January 22, 2016, as circulated in advance to the Board members.

The Board discussed how best to respond to owner requests for a copy of the owners list or the management agreement with VRI, in order to ensure that the information remains confidential and is not used for commercial purposes. The Board noted that Association counsel Sayer, Regan and Thayer was reviewing an agreement for that purpose, which owners would be asked to sign before the information was provided. Mike McManus indicated that he could respond to those owner requests.

Owners Meeting

The Board discussed items to be addressed at the March 19 Owners Meeting at the Latitude 41° Restaurant in Mystic, CT.

Chris Lindgren reported that Sayer, Regan and Thayer had advised obtaining owner approval of the proposed By-Law changes -- which would update procedures for meetings and increase the number of Association Directors from three to five -- and discussed the logistics for an owner vote at the Owners Meeting. Chris indicated that Sayer, Regan and Thayer was reviewing the changes to the By-Laws in anticipation of approval by the Board at its February 12 meeting, subject to later approval by owners on March 19. Treasurer Mark Morrisette requested that the revised By-Laws also permit annual financial reports to be distributed more than 45 days after year-end, given the time needed by an independent accountant to complete that report.

Phil observed that, since the revised By-Laws will not be in effect prior to the March 19 meeting, the current requirements for notification of an owners meeting by postal mail will apply to that meeting.

Mike stated that VRI would handle mailing the meeting notice and the proxy materials for voting on the proposed By-Law changes within the timeframe specified by the By-Laws.

The Board discussed presenting a float week amnesty program, which was a part of the Proposition 30 proposal, at the Owners Meeting, including a possible reduction in float week maintenance fees to encourage owners to retain their float weeks if an amnesty is offered. Phil indicated that he would work with Mike to develop a proposed float week amnesty program to be considered by the Board prior to the Owners Meeting.

Financial Management

Mike McManus reported on the status of payments of the October Special Assessment, with 482 of an anticipated 625 shares having paid \$144,620 of that Special Assessment to date. He also reported that \$473,277 had been received so far as 2016 maintenance fees.

The Board reviewed the late payment notice to be sent out early next week by VRI on the Association's behalf to owners who have not paid fees by February 1.

Mark updated the Board regarding accountant Adam Urban's year-end compilation of 2015 financial results, and plans for providing the annual financial report to owners.

Resort Management

Chris indicated that he would provide comments to Mike on a proposed rental policy, for consideration at the Board's February 12 meeting.

Mike indicated that the transition of responsibilities to VRI continued to go well, with computer access to VRI's systems and training for Resort Manager Samantha Disotell being scheduled.

Executive Session

Cheryl Moore and Mike McManus left the meeting, and the Board then met in executive session with Secretary Chris Lindgren present.

Following the executive session, the meeting was adjourned.

Respectively submitted

Chris Lindgren, Secretary