

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

April 8, 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, April 8, 2016. All members (Phil Totino, Mark Morrisette and Wayne Rioux) were in attendance. Also in attendance were Vice President of Facilities Planning Cheryl Moore, Secretary Chris Lindgren, Resort Manager Samantha Disotell, and Mike McManus of Vacation Resorts International (VRI).

Administrative Items

The Board, upon motion duly made and seconded, unanimously voted to approve the minutes of its meetings on February 26, 2016, March 11, 2016 and March 25, 2016, and the minutes of the Owners Meeting on March 19, 2016, all as circulated in advance to the Board members.

The Board members agreed to hold the next Board meeting on Thursday, April 21, rather than Friday, April 22 as previously scheduled. The Board further agreed to meet in person on-Island during the week of July 18.

The Board discussed posting pictures from the Owners Meeting on the vriresorts.com website. Mike McManus indicated that pictures would also be included in the newsletter to be sent to owners by VRI; Mike indicated that a draft newsletter would be sent to the Board for comment in the next week.

President Phil Totino updated the Board on his discussion with Roger Pare regarding owner data. Phil reported that Roger was willing to provide the Board with data regarding accounts of delinquent owners. Phil also indicated that he had asked Roger to delete any confidential owner data in his possession, as VRI will be responsible for owner accounts and communications going forward.

Mike reported on his discussion with Joanne Regnault regarding the neptunehouse.com website. Mike indicated that new email addresses for the Board and the resort manager would be posted on the neptunehouse.com site.

Legal Issues

Secretary Chris Lindgren reported that those legal tasks expected to be completed in the next two weeks were the recording of the approved By-Law changes in the Block Island Land Evidence Records and the finalization of new forms of deed for fixed and float weeks (needed for the Float Week Amnesty Program).

Financial Management

The Board discussed the Float Week Amnesty Program, and the \$325 per week amount to be returned to approximately 30 float week owners who had previously paid \$1015 per week, rather than the revised \$690 per week float week fee. The Board indicated that the \$325 should be paid by check to owners if there were no unpaid assessments.

Mike indicated that VRI has started calls to delinquent owners to collect assessments, and was also soliciting law firm bids to conduct non-judicial foreclosures of delinquent accounts.

Resort Management

Mike reviewed the email he had sent earlier to the Board listing signage, landscaping and other physical improvements in process or planned for the 2016 season. Board members noted that the cost estimates for the work fell comfortably within the budgeted amounts for repair and maintenance, and indicated their support for following through with the tasks as presented. Mike also indicated that Advanced Reserve Solutions was scheduled to start the resort reserve study on May 11. Mike further reported that he had very preliminary discussions with town officials regarding possible shared financing of a reconstructed pool.

The Board then discussed the sales and marketing program. Mike reported on his discussions with Joanne Regnault regarding revised compensation arrangements for her services, and with the Sterling Resort Group regarding a program focused on the sale of Association-owned units. Mike also indicated that he would explore establishing a website for owners to sell, rent or exchange their units.

The Board next addressed proposed revised resort Rules and Regulations, as circulated in advance to the Board members. Chris described the principal changes to the rules, which included updates to reflect revised reservation procedures and inclusion of a prohibition on smoking inside units. The Board, upon motion duly made and seconded, then unanimously voted to approve the Rules and Regulations as circulated, with the addition of VRI's web address. The Board also discussed possibly later amending the Rules and Regulations, if necessary, to detail the penalties that would apply if the rules were broken.

Executive Session

Samantha Disotell and Mike McManus left the meeting, and the Board then met in executive session with Vice President of Facilities Planning Cheryl Moore and Secretary Chris Lindgren present.

Following the executive session, the meeting was adjourned.

Respectively submitted

Chris Lindgren, Secretary