

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

May 6, 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, May 6, 2016. Members Phil Totino and Mark Morrissette were in attendance; Wayne Rioux was unable to attend. 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

Mike McManus reported that the amended By-Laws, as approved at the March 19, 2016 Owners Meeting, had been recorded in the Block Island Land Evidence Records, and were therefore in effect.

A quorum being present, as provided in the amended By-Laws, the Board then, upon motion duly made and seconded, voted to approve the minutes of its meeting on April 21, 2016, as circulated in advance to the Board members.

President Phil Totino noted that the newsletter under development after the Owners Meeting had been mailed to owners during the last week of April. Resort Manager Samantha Disotell indicated that she had received favorable feedback from several owners regarding the newsletter.

### Financial Management

Mike reviewed the unaudited financial statements prepared by VRI as of March 31, 2016, as distributed prior to the meeting, and indicated that to date the financial situation was favorable. The Board discussed the report and asked that VRI make revisions to future monthly reports, including changes to more closely reflect budgeted cash flow and to either remove from the reports or separately address revenue not realized because the resort is not open for the full year.

Phil summarized data provided by VRI regarding the results of the Float Week Amnesty Program, noting that 43 float weeks were being deeded to the Association as part of that program. The Board asked that VRI provide updated information on collections from delinquent owners as well as the number of float weeks expected to be used, after taking into account those weeks deeded back to the Association.

The Board then discussed the status of a suit received from owner Donna Neufeld regarding the collection of delinquent fees for her unit. The Board also discussed a proposal from owner Rich Parent to provide carpet installation and cleaning services, a portion of the cost of which would be offset by fees he owes; the Board indicated that resort management should determine whether to accept the proposal, as long as the service is within the resort's budget.

### Legal Issues

The Board discussed the need to update the forms of deed used to transfer fixed and float weeks from the Association and other owners to new buyers. Secretary Chris Lindgren indicated that he would draft revisions to the current forms for approval by Sayer, Regan and Thayer.

### Resort Management

Mike reviewed the updated list that he had sent earlier to the Board regarding physical improvements to the resort in process or planned for the 2016 season. Of special note, Mike stated that the new sign at the entrance to the resort's property has been installed and has elicited favorable comments from neighbors. He also stated that the Reserve Study is on track to be conducted May 7-14 by Advanced Reserve Solutions, Inc.

Mike also updated the Board on discussions with town officials regarding the possible shared financing of a reconstructed pool.

Phil asked that resort management keep an eye on local events that might impact the resort, such as a possible sale of the Block Island Power Company and installation of a fiber optic cable link to the mainland in conjunction with the wind farm project.

#### Sales and Marketing Program

Mike updated the Board regarding the status of efforts to expand the resort sales and marketing program, including the addition of a "message board" to the neptunehouse.com website for owners to sell, rent or exchange units and the possible participation of the resort in the RCI and Interval International (II) points programs. Mike indicated that an agreement has been in place with II since 2012 that would permit use of its points program if sales are made through an II-approved vendor. He also indicated that he would provide the Board with the RCI points matrix for the Neptune House.

#### Executive Session

Samantha Disotell left the meeting. Mike McManus remained, and the Board members 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

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Chris Lindgren, Secretary