

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

April 6, 2017

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 Thursday, April 6, 2017. All members (Jeff Anliker, Cheryl Moore, Mark Morrissette, Dennis Palumbo and Phil Totino) were in attendance. Also in attendance were Secretary Chris Lindgren, Resort Manager Samantha Disotell, and Mike McManus of Vacation Resorts International (VRI).

Administrative Items

President Phil Totino welcomed new Directors Jeff Anliker and Dennis Palumbo to the Board.

Upon motion duly made and seconded, the Board voted to approve the minutes of its meeting on March 16, 2017, as circulated in advance to the Board members (new directors Jeff Anliker and Dennis Palumbo abstained from that vote, as they were not present at the March 16 meeting). The Board also, upon motion duly made and seconded, voted to accept the minutes of the Owners Meeting held on March 18, 2017, as circulated in advance to the Board members; those minutes are to be approved by owners at the next Owners Meeting to be held in March 2018.

The Board discussed owner comments at the March 18 Owners Meeting, including alternative recreational amenities and possible site improvements. Resort Manager Samantha Disotell agreed to obtain current cost estimates for driveway replacement, and Vice President of Facilities Planning Cheryl Moore agreed to investigate landscaping that would be appropriate for the Block Island climate. Phil indicated that he would prepare a draft response to the owner comments, for consideration by the Board and inclusion in the next owner newsletter, likely to be sent to owners in August or September.

Phil recommended that Association officers be elected by the Board annually at the Board meeting next following Director elections. Upon motion duly made and seconded, the Board then voted to reelect Phil Totino as President, Mark Morrissette as Treasurer, Chris Lindgren as Secretary, and Cheryl Moore to the appointed officer position of Vice President of Facilities Planning, to serve until the next election of officers.

Resort Management

Cheryl reported on quotes from contractors regarding replacement or refurbishing of the current cement pool decking. Based on discussions with the contractors, Cheryl recommended installing a rubberized surface over the existing pool decking, rather than replacing that deck with pavers. After discussion, and upon motion duly made and seconded, the Board voted to accept quotes from Patriots Cleaners for the partial demolition and surface preparation of the pool decking, at a cost of \$16,250, and from StaySafe Rubber Surfacing, Inc. for installation of a Rubarac surface on the pool deck at a cost of \$21,600. The Board noted that additional funds would be needed to fill trenches in the existing deck after installation of new piping for the pool, and for the outside shower, gate, lighting, signage and pool furniture included in Phase 1 of the pool project.

Mike McManus agreed to provide a list of items to be completed in Phase 1, along with their anticipated completion dates. He will prepare a line item budget reflecting the quotes from the various contractors as well as estimates for the ancillary items for which quotes have not yet been obtained. Both documents will aid the Board in its oversight role.

Mike and Cheryl reported that the State of Rhode Island Department of Health has provided the approval needed for the construction work, and that they were working to have Hendricks Pools Inc. obtain needed town permits.

Mike provided an update on repair and maintenance projects in process and planned for the 2017 season.

Samantha reported on preparations for the resort opening, indicating that 15 units would be occupied during the resort week beginning April 15.

Sales and Marketing Program

Mike reported that the agreement with Points Plus, LLC to market Association-owned shares in conjunction with Interval International's Club Interval Gold points program had been executed, and that a new Association bank account would be established solely to handle funds received pursuant to that agreement.

Samantha indicated that updated photos of the resort were being taken to forward to Interval International, redweek, weholi and Timesharing Today.

Financial Management

Samantha addressed proposed 2017 rental rates for the resort, which continue the rates in effect in 2016 with an adjustment to provide uniform rates for the fall shoulder season. After discussion, upon motion duly made and seconded, the Board voted to approve the proposed 2017 rental rate sheet, as circulated prior to the meeting.

Mike provided an update on payments to date of 2017 fees. The Board noted that attorney Stephen Rodio had been asked to collect fees from those owners who had not either paid their fees or established a payment plan.

Executive Session

Mike McManus and Samantha Disotell left the meeting. The Board members then met in executive session with Secretary Chris Lindgren present.

Following the executive session, the meeting was adjourned at 8:35 a.m.

Respectively submitted

Chris Lindgren, Secretary