

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

January 5, 2018

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 5, 2018. All members (Jeff Anliker, Cheryl Moore, Mark Morrisette, Dennis Palumbo and Phil Totino) were in attendance. Also in attendance were Secretary Chris Lindgren and Mike McManus of Vacation Resorts International (VRI).

### Administrative Items

Upon motion duly made and seconded, the Board voted to approve the minutes of its meeting on November 30, 2017, as circulated in advance to the Board members.

President Phil Totino noted that the notice of the annual Owners Meeting and call for nominations for candidates for the Board of Directors was mailed to owners on December 29, and was also emailed to those owners for whom the Association had email addresses. Phil reviewed items to be included in the mailing to owners to occur on February 9, including a cover letter from the Board, the agenda for the March 24 Owners Meeting, a ballot for owners to indicate their choice for the position open on the Board of Directors, statements from the candidates for that Director position, the minutes of the March 18, 2017 Owners Meeting, and the resort's 2017 annual financial report. Treasurer Mark Morrisette indicated that he anticipated that accountant Adam Urban would be able to complete his review of the 2017 financial statements in time for the mailing. The Board indicated that it would review the materials to be included in the February mailing at its February 2 meeting.

The Board discussed slides to be prepared by presenters at the March 24 Owners Meeting, drafts of which are to be provided to Phil by January 26. Phil indicated that he would also circulate to the Board for comment a draft newsletter, for VRI to mail to owners shortly after the March 24 meeting, reporting on the Owners Meeting and any other developments.

### Financial Management

Mike discussed with the Board the November financial report, as distributed to the Board in advance of the meeting, as well as the status of collection activities.

### Sales and Marketing Program

The Board discussed providing owners with a listing of Association-owned shares available for purchase. Mike indicated that he was investigating the possibility of entering into an agreement -- together with two other VRI-managed Rhode Island resorts -- with a marketing company to sell Association-owned shares, after the current agreement with Points Plus, LLC ends.

The Board discussed updates to the Reseller's Handbook; Phil indicated that he would circulate a draft revision for the Board's review.

### Resort Management

Mike reviewed a list of 2018 repair and maintenance projects, including reserve projects scheduled for 2018. Mike also reported on the status of the pool construction work. Phil noted that a schedule for completion of the Phase 1 pool work, and updated cost estimates for the Phase 2 work, are needed for the Board's February 2, 2018 meeting. Mike indicated that he continued to work with Architect Tracey Dillon to locate alternative contractors to complete the pool work, should on-island contractors not be available.

The Board then conducted a review of the pool project, focusing on what could have been done differently to expedite the project's successful completion, with the goal of putting those learnings to use in future similarly-complex projects that the resort may undertake. Each attendee at the meeting provided his/her thoughts on what could have been improved in the planning and construction process, including retaining a project manager earlier given the difficulties of coordinating contractors on Block Island, completing all design work and obtaining detailed estimates for all elements before starting construction, and communicating to owners a project schedule that provides leeway for unexpected delays.

#### Next Meeting

The Board indicated that, at its February 2 meeting, it would review the documents to be mailed on February 9, the draft slides for the March 24 Owners Meeting, and the draft material for the newsletter to be mailed to owners shortly thereafter. The Board will also review guest satisfaction results reported by Interval International.

#### Executive Session

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

Following the executive session, upon motion duly made and seconded, the Board adjourned the meeting at 9:27 a.m.

Respectively submitted

---

Chris Lindgren, Secretary