

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

April 1, 2020

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 Wednesday, April 1, 2020. All members (Jeff Anliker, Douglas Carnahan, Cheryl Moore, Mark Morrissette and Phil Totino) were in attendance. Also in attendance were Secretary Chris Lindgren, Resort Manager Samantha Disotell, and Mike McManus of VRI Americas (VRI).

President Phil Totino reviewed the "shelter-in-place" emergency ordinance in effect on Block Island through April 15, as passed by the New Shoreham Town Council on March 23. While that ordinance is in effect, travel to the Island is essentially prohibited, such that no owners or guests can come to the Neptune House resort. Further, Resort Manager Samantha Disotell indicated that contractors will not be able to complete open projects while the ordinance remains in effect, and the resort's cleaning service will not be able to hire staff, such that the resort will be unable to open for at least two weeks following the date when the Town restrictions lapse.

Phil noted that the Town Council is meeting later on April 1 to discuss the ordinance, including a possible extension of its restrictions beyond April 15. After discussion, the Board decided to delay the opening of the resort until the later of May 2, 2020, or two weeks following the expiration of any extension of the Town restrictions.

The Board requested that Samantha notify affected owners of the delay and encourage them to reserve an available Association-owned week in the fall as an alternative to the week they are unable to use.

The Board then discussed whether to compensate owners who are unable to use their units due to the delayed opening, and who are unable or unwilling to reserve a later week at the resort. Mike McManus indicated that VRI was not recommending compensating owners for lost weeks at this time, given uncertainties about how long a delayed opening might last. Phil indicated that he and Treasurer Mark Morrissette had determined that the savings in variable costs (including from reduced spending on utilities, supplies, cleaning services, laundry services and seasonal labor) would permit a partial credit against 2021 maintenance fees for owners unable to use their weeks of \$125 for each float week, \$200 for each studio fixed week, \$225 for each one-bedroom fixed week and \$250 for each two-bedroom fixed week. Given that the amount of the savings could be calculated, Phil recommended that the partial credit amounts be communicated to owners so that they understand the modest amount that they will receive if they do not choose to reserve a later week. After discussion, the Board approved the recommended partial credits for owners who are unable to use their weeks due to a delay in the resort opening and who do not choose to reserve a later Association-owned week.

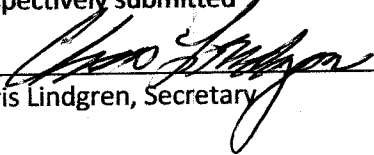
Phil indicated that an email conveying the above information, along with any changes resulting from the Town Council's April 1 meeting, would be sent to owners. That email will be similar to a draft email that Phil had circulated to the Board members prior to the meeting.

The Board indicated it may later need to determine whether to compensate owners who, after the resort does open, decide not to use their units due to their own concerns.

Mike McManus and Mark addressed a request that could be made for a forgivable loan under the Small Business Paycheck Protection Program of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, in order to compensate the Association for some losses anticipated by the resort. Following discussion, and upon motion duly made and seconded, the Board voted to authorize each of Treasurer Mark Morrissette and Resort Manager Samantha Disotell to take any and all actions necessary or appropriate to apply for such a loan under the Paycheck Protection Program.

Following the above discussion, upon motion duly made and seconded, the Board voted to adjourn the meeting at 8:29 a.m.

Respectively submitted

  
Chris Lindgren, Secretary