

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

May 28, 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 Thursday, May 28, 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 indicated that, as Town restrictions have been lifted, hotels and resorts on Block Island will be able to open on June 1, provided that they comply with State COVID-19 requirements. Resort Manager Samantha Disotell reported that State and local officials have nonetheless not yet released guidelines for hotels, resorts and other places of lodging to address COVID-19. Samantha further indicated that, as workmen have been unable to travel to the resort until recently, work remains to be completed for open projects in Units 4, 5, 7, 9 and 14, which work may or may not be completed by June 6, and in Unit 6, which work cannot be completed in any event until after June 6. She further indicated that the resort is still awaiting delivery of backordered equipment (including an electrostatic sprayer) and supplies needed to meet the enhanced cleaning and sanitation requirements necessitated by the coronavirus, and that, moreover, the resort's cleaning service has not been able to hire the staff needed to clean the resort each Saturday. Samantha reported that other lodging establishments on Block Island are in similar predicaments, as cleaning supplies are on backorder with suppliers and cleaning companies are having difficulty finding people willing to do the work.

After discussion, the Board decided that, in the absence of necessary COVID-19 cleaning supplies and firm arrangements for a cleaning company, it would further delay the opening date to June 20, at the earliest, in order to provide a safe environment when the resort does open. The Board agreed to reassess the situation at its June 12 regular meeting. Phil indicated that he would write an email and postcard announcing the additional delay, to be sent by VRI to owners as soon as possible.

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

The Board then discussed the compensation to be provided to 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. The Board decided to continue to provide those owners with a partial credit against 2021 maintenance fees 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. Mike McManus indicated that, in addition, each owner who is unable to use his/her unit due to the delayed opening, and who does not reserve a later week at the resort, is eligible for a Trading Places vacation certificate for a week at a selection of resorts through December 16, 2021, with a \$99 redemption fee if and when the certificate is used.

Samantha reported that, of the owners affected by the delayed opening through the first eight weeks of the season, 30 have been rescheduled for the fall, 12 have accepted a credit, 8 are in default or have decided to pursue deedbacks, 8 deposited their weeks with Interval International, and 12 are undecided.

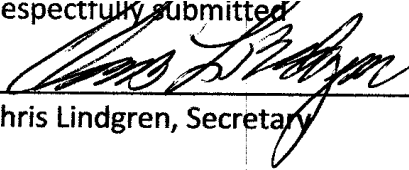
The Board reviewed a draft COVID-19 Control Plan as well as a draft Reopening Plan for the resort, which address State safety guidelines as well as changes to resort procedures and amenities in light of COVID-19 health concerns. Mike and Samantha agreed to revise those drafts to reflect the Board's comments, for further review at the Board's June 12 meeting.

Mike and Secretary Chris Lindgren reported that, based on a projection of pay, health insurance and utility payments during May and June, it is anticipated that the loan that the resort received pursuant to the Small Business Paycheck Protection Program can be fully forgiven.

Resort Manager Samantha Disotell and 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 voted to adjourn the meeting at 9:30 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Chris Lindgren", is written over a horizontal line. The signature is cursive and somewhat stylized.

Chris Lindgren, Secretary