

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

July 30, 2018

A special meeting of the Board of Directors (the “Board”) of the Neptune House Owners Association (the “Association”) was held telephonically by conference call at 3:00 p.m. on Monday, July 30, 2018. Members Jeff Anliker, Douglas Carnahan, Cheryl Moore and Phil Totino were in attendance (member Mark Morrisette was unable to attend). Also in attendance were Secretary Chris Lindgren, Mike McManus of Vacation Resorts International (VRI), Enrique Bolanos of Interval International (“Interval”) and Brandon Beachum of Hello Vacay.

President Phil Totino indicated that the purpose of the special meeting was for the Interval and Hello Vacay representatives to share information regarding timeshare points programs with the Board, and for the group to explore strategies for improving sales of Association-owned shares.

Enrique Bolanos, Director of Resort Sales and Service for Interval, described the Club Interval Gold points program currently being marketed for the resort by Hello Vacay. He indicated that the Club Interval Gold points program was created to provide flexibility to timeshare owners, who could use points received from depositing their owned weeks at a wide variety of timeshares and for other travel opportunities. He explained the basis for Interval’s determination of the points credited to an owner who elects to deposit his or her Neptune House week, including Interval’s travel demand index (reflecting visitor demand for the particular week deposited), the size of the accommodation (studio, one bedroom or two bedroom unit, all with full kitchens), the tier assigned by Interval to the resort (the Neptune House is in the “affiliate” tier along with most other legacy resorts), and the lead time before the owner elects to deposit the week with Interval.

Brandon Beachum, co-founder of Hello Vacay, summarized the firm’s efforts to date to sell Association-owned shares, as well as unique difficulties Hello Vacay has encountered relative to the resort and Block Island. Brandon indicated that Hello Vacay intends to broaden its marketing efforts – beyond owners and recent guests – to prospective owners in Rhode Island. He also described a proposed arrangement, subject to further discussion between Hello Vacay and Interval, where the Association might be able to realize additional income in exchange for what would otherwise be unused inventory. Brandon also reviewed how Hello Vacay markets shares and the Club Interval Gold points program at the resort. He indicated that the most important way for the Board to help Hello Vacay be successful in its sales efforts is to make sure that the Neptune House front office staff encourages owners and guests to view the sales materials available in the lobby and in their units.

Board member Cheryl Moore left the meeting.

The Interval and Hello Vacay representatives responded to questions from Board members.

Phil thanked the representatives for their participation and information. Enrique Bolanos and Brandon Beachum then left the meeting, and Mike McManus proceeded to update the Board on the status of the pool project. Mike reported that the town building official had just approved the pool’s construction and that a final inspection by the Rhode Island Department of Health was to be held on August 1, following which the pool could be opened for the balance of the season.

Following Mike’s report, the meeting was adjourned at 4:05 p.m.

Respectively submitted

---

Chris Lindgren, Secretary