

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

September 6, 2019

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, September 6. Members Jeff Anliker, Douglas Carnahan, Mark Morrissette and Phil Totino were in attendance (Member Cheryl Moore was unable to attend). Also in attendance were Secretary Chris Lindgren, Resort Manager Samantha Disotell, and Mike McManus of VRI Americas (VRI).

Administrative Items

Upon motion duly made and seconded, the Board voted to approve the minutes of its meeting on August 9, 2019, as circulated in advance to the Board members.

Resort Management

Mike McManus and Resort Manager Samantha Disotell reviewed the status of remaining 2019 repair and maintenance and reserve projects, to be undertaken in November once the resort season has ended.

Mike reported that an evaluation to assess the resort's conformance with the Americans with Disabilities Act (ADA) is expected to be done by a consultant later in the month.

President Phil Totino addressed an owner proposal to utilize the flagpole on the property, noting that it would require the owners to come up with an approach to alleviate neighbor noise concerns. Samantha also discussed steps being taken to alleviate neighbor concerns regarding lights at night.

Sales and Marketing

Samantha reported that the sale by Hello Vacay that was noted at the Board's July meeting had closed, and that Hello Vacay had not sold other units. In light of the low number of sales over the past two seasons, the Board, upon motion duly made and seconded, voted not to extend Hello Vacay's sales and marketing agreement beyond October 31, 2019, and authorized President Phil Totino to provide notice of termination to Hello Vacay.

Mike indicated that Association-owned inventory would be available to prospective renters on booking.com, Airbnb, Vrbo and other travel websites once the resort's new website is finalized. Mike also reported that an arrangement with RCI is to be established in the next few weeks, whereby RCI will rent Association-owned inventory, and that he and Samantha will identify off-season inventory to be made available to RCI.

Board members expressed delight with the initial draft of the resort's new website. Phil noted that several refinements had been made since the website was first made available for review. He asked that Board members provide any additional comments on the website design and text by early next week. He also indicated that there are several tasks relating to the website that need to be completed before the site will be implemented. These include adding more pictures, making improvements to the Neptune House pages in Google Reviews and TripAdvisor, and completing tasks to facilitate search engine optimization and conversion rate optimization.

Director Jeff Anliker reported on the activities of the Marketing Committee. He indicated that the closed Facebook group for resort owners now has 148 members out of 310 owners with email addresses, and that the resort's Instagram site has 150 followers. Samantha indicated that she has received uniformly positive

feedback regarding implementation of the closed Facebook group. Board members commented positively on the second draft of the Market Strategy document that the Committee is developing.

The Board discussed sponsorship of a monopoly game to be produced by the Block Island Chamber of Commerce, and authorized Samantha to purchase a square on that game board if available. The Board also authorized Samantha to provide a gift certificate for an off-season stay at the resort to WCNY, a central New York public broadcasting station, to be used in that station's January 2020 Travel Auction, in exchange for WCNY promoting the resort in conjunction with the auction.

Financial Management

Phil addressed the July 31, 2019 financial report as distributed in advance of the meeting, and the variance report regarding revenues and expenses that Mike and Samantha had prepared.

Mike reported that, as of August 31, 97.8% of fees had been paid, essentially satisfying the budget assumption that 98% of fees will be paid by year-end.

Phil observed that as of August 26 the resort owned 123 shares in the 30-week resort season (the same number as at July 26), and that – when accounts placed with attorney Rodio for collection are also taken into account – there were 131 non-performing shares at August 26 (again, the same as at July 26). Phil noted that the comparable number of non-performing shares at the end of 2018 was 121.

Phil reviewed the proposed 2020 Budget, incorporating revisions recommended at the Board's July meeting. After discussion, upon motion duly made and seconded, the Board voted to approve the 2020 budget as presented to the meeting. The Board also reviewed and approved a letter to owners from the Board, to be sent, along with the budget, when maintenance fee bills are sent to owners in October. The Board further approved continuing the current Assessment Billing and Collection Policy for the 2020 calendar year, and directed that that policy, along with a flyer from the Trading Places exchange company, also be included in the materials to be sent to owners by VRI along with the maintenance fee bills.

Agenda Items for Next Meeting

Phil indicated that the Board's October meeting agenda will include an update on the resort's presence on the TripAdvisor, Google Reviews, VRI and Block Island Chamber of Commerce websites.

Executive Session

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 9:28 a.m.

Respectively submitted



Chris Lindgren, Secretary