

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

December 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, December 6. Members Jeff Anliker, Douglas Carnahan, Mark Morrissette and Phil Totino were in attendance; member Cheryl Moore joined the meeting in progress. 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 November 8, 2019, as circulated in advance to the Board members.

President Phil Totino reviewed a proposed agenda for the Owners Meeting to be held on March 28, 2020. No changes were made. Secretary Chris Lindgren then reviewed the Annual Meeting Notice and Call for Nominations, along with the Nomination Form, to be mailed to owners by VRI on January 6. Nomination forms will be due back to the Secretary by February 6, 2020, so that the Board can approve the Annual Meeting materials at its February 7 meeting and those materials can be mailed to owners the week of February 17.

### Resort Management

Mike McManus and Resort Manager Samantha Disotell provided an update on repair and maintenance and reserve projects, including proposed revisions to drainage improvement work around Building B and a possible acceleration of the timetable for the Building B boiler replacement. Mike and Samantha indicated that quotes are still needed for many of the projects, and that they would modify the resort's Five Year Property Improvement Plan as appropriate to reflect updated project timing and expense.

Mike addressed The Americans with Disabilities Act privileged study of the resort conducted by attorney Michael T. Hellman. The Board discussed how to determine whether steps that could be taken to improve disability access are readily achievable, given limited resources.

Samantha indicated that the resort had rented only one unit during the Thanksgiving Holiday Stroll.

In response to queries from the Board regarding existing policies, Samantha indicated that the current Service Animal and No Smoking policies were working well, but that keeping the pool open during the fall season was expensive, given the cost of fuel to heat the pool when the temperature dipped. Samantha indicated that she was investigating more effective ways of retaining heat in the pool.

### Financial Management

Phil addressed the October 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. As certain projects originally scheduled for 2019 will not be undertaken until 2020 due to weather and scheduling issues, and as final quotes for some projects are still to be received, the Board noted that the reserve plan will need to be adjusted in early 2020 after it has a better picture of available funds.

Phil observed that, as of November 26, VRI reported that the resort owned 124 shares in the 30-week resort season (the same as at November 1), and that – when accounts placed with attorney Rodio for collection are also taken into account – there were 130 non-performing shares at November 26 (again, the same as at November 1). Phil noted that the comparable number of non-performing shares at the end of 2018 was 121.

#### Sales and Marketing

Samantha discussed offers received from owners for two prime week shares, in response to a listing that was sent to owners in November of prime week shares that the Association has for sale. After discussion, the Board authorized Samantha to accept the offers received for those shares, with the owners to send the purchase funds promptly following acceptance of the offers.

Director Jeff Anliker reported on the activities of the Marketing Committee, including providing social media measures. Jeff indicated that he would follow up regarding a possible travel blog featuring the resort. The Board discussed additional ways to enhance the effectiveness of the resort's social media presence.

Mike indicated that the redesigned resort website should be implemented in the next week, and that revisions to the VRI booking page and to the VRI monthly rental reporting to address the Board's concerns were also in progress. Mike also indicated that a portion of the Association-owned inventory in May and October would be placed for rent through RCI, once a rental agreement that RCI is preparing is executed.

Director Cheryl Moore joined the meeting.

The Board noted that revisions to the Neptune House description on the Block Island Chamber of Commerce website and updates to the Interval International website are yet to be made.

#### Agenda Items for Next Meeting

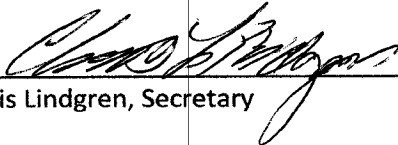
Phil indicated that the preparation of documents for mailing during the week of February 17, and assignments for preparing slides for the March 28, 2020 Owners Meeting, along with a review of the Reseller's Handbook and the Board's self-evaluation of its performance, are to be addressed at the Board's January 10, 2020 meeting.

#### Executive Session

Samantha Disotell left the meeting. The Board members then met in executive session with Secretary Chris Lindgren and, initially, Michael McManus present.

Following the executive session, upon motion duly made and seconded, the Board voted to adjourn the meeting at 9:46 a.m.

Respectively submitted

  
Chris Lindgren, Secretary