

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

March 6, 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 Friday, March 6, 2020. Members Douglas Carnahan, Cheryl Moore, Mark Morrissette and Phil Totino were in attendance; member Jeff Anliker 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 February 7, 2020, as circulated in advance to the Board members.

### Preparations for Annual Owners Meeting

President Phil Totino addressed minor changes to be made to the slides to be used by presenters at the March 28 Owners Meeting and to the newsletter to be mailed to owners shortly thereafter. Vice President of Facilities Planning Cheryl Moore suggested that copies of the resort's newly-printed brochure be distributed at the Owners Meeting.

Phil indicated that, should coronavirus concerns increase, it might become advisable to cancel the Owners Meeting. The Board agreed to meet at 8:00 a.m. on Friday, March 20, in order to assess at that time whether cancellation of the meeting is advisable.

Both Secretary Chris Lindgren and Mike McManus reported that relatively few ballots had been received so far for the Director election to be held at the March 28 Owners Meeting. Phil indicated that he would draft an email, to be sent out shortly by VRI, reminding owners to send in their ballots.

### Resort Management

Mike McManus and Resort Manager Samantha Disotell provided an update on scheduled 2020 repair and maintenance projects, including difficulties in securing a more efficient replacement for the existing pool cover. They also addressed the status of 2020 projects on the resort's Five Year Property Improvement Plan, including efforts to replace the Building B boiler this spring, if possible, in order to better control pool heating costs.

### Financial Management

Phil addressed the January 31, 2020 financial report as distributed in advance of the meeting, and the variance report regarding revenues and expenses that VRI and Samantha had prepared. Phil asked that future variance reports include a comparison of actual year-to-date revenues and spending with the corresponding year-to-date budget amounts.

Phil reviewed payments to date, noting that 87.4% of 2020 fees had been paid by February 28, a slightly greater percentage than in 2019.

Phil observed that as of February 29, VRI reported that the resort owned 125 shares in the 30-week resort season (one more than at December 31, 2019), and that – when accounts placed with attorney

Rodio for collection are also taken into account – there were 129 non-performing shares at February 29 (one less than at December 31).

Mike reported that the resort's insurance broker was still shopping the resort's various coverages, and indicated that he would report on the proposed new rates prior to the upcoming April 1 renewal date. He indicated that increased premiums are expected for at least some of the coverages, given an overall tightening in the insurance markets.

### Sales and Marketing

Director Doug Carnahan reported on the activities of the Marketing Committee, including finalization and printing of the marketing brochure for the resort and production of the first travel blog featuring the resort.

Phil reviewed a proposed agreement with Resort Rental, LLC, an affiliate of RCI, whereby Resort Rental would attempt to rent shoulder-season weeks owned by the Association. Resort Rental would pay the resort a net rate for each week rented. After discussion, the Board, upon motion duly made and seconded, voted to authorize Phil, as President, to negotiate and execute the agreement with Resort Rental, LLC on behalf of the Association.

Mike reviewed VRI's rental reports showing potential revenues from advance bookings, presuming bookings are not canceled, based on reservations that were made prior to March 3 through Booking.com and VRI's website, and reservations proposed to be made by Resort Rental/RCI. Mike also indicated that he is investigating the possible use of a third-party firm to market 5-year licenses of resort shares.

Samantha indicated that she will be meeting shortly with the Block Island Chamber of Commerce to update the resort information on its website and to revise the resort information on The Block Island app which the Chamber is in the process of assuming responsibility for. Mike indicated that updates to the photos on the Interval International website still remain to be made.

### Agenda Items for Next Meeting

Phil indicated that, at its April 10 meeting, the Board is to approve the appointment of officers and establish its meeting schedule for the upcoming year, and will also assess the March 28 Owners Meeting, review comments received at that meeting and approve the minutes of that meeting, and set a time and place for the next owners meeting. The Board will also conduct its annual review of the resort's Rules & Regulations.

### Executive Session

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

Following the executive session, upon motion duly made and seconded, the Board voted to adjourn the meeting at 9:18 a.m.

Respectively submitted

  
Chris Lindgren, Secretary