

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

July 10, 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, July 10, 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).

### Administrative Items

Upon motion duly made and seconded, the Board voted to approve the minutes of its meeting on June 12, 2020, as circulated in advance to the Board members.

### Resort Management

Resort Manager Samantha Disotell reported that the resort opened smoothly on June 20 (week 25), and that Saturday changeovers since then have also gone well. She indicated that the resort had received and is using an electrostatic sprayer to clean rooms, and that trash removal and towel exchanges for owners and guests are being done with little or no contact. She also reported that owners and guests have been cooperating with COVID-19 mask and social distancing guidelines. While the pool is not yet open, Samantha indicated that she anticipated that it would open shortly. Samantha is notifying owners scheduled to come from states affected by Rhode Island's quarantine requirements of the need for COVID-19 testing before coming to the resort.

Samantha reported that 40 owners who were unable to come to the resort while the resort was closed have been rescheduled to Association-owned weeks later in the year or early next year, and that, while it may be possible to schedule additional owners, 40 or more owners who had been scheduled to come to the resort while it was closed will receive credits against their 2021 maintenance fees.

Mike McManus described the Interval International (II) Dream Vacation Week program, a certificate program for one-week stays at II resorts. Given the program's pricing for resort accommodations and that the program would only be available to owners who are Interval International members, the Board did not feel that the program was sufficiently attractive to publicize to owners in the upcoming September owner newsletter.

Secretary Chris Lindgren reported that Washington Trust will begin accepting applications in August for forgiveness of loans received pursuant to the Small Business Paycheck Protection Program, and that the resort will apply for full forgiveness of its loan at that time.

Mike and Samantha provided an update on scheduled 2020 repair and maintenance projects. With respect to the resort's Five-Year Property Improvement Plan, they agreed to update that plan to show final costs for those items that have been completed, and to obtain revised quotes, to the extent possible, for those projects scheduled to be completed in the fall of 2020 or the spring of 2021.

Samantha reported that the resort's revised smoking policy, whereby smoking is restricted to designated outside areas, is being followed by owners and guests.

President Phil Totino noted that an island-wide broadband network was being proposed for approval by the Town, with possible implementation by July 2021. The costs to the resort, if approved by the Town, have yet to be determined.

### Financial Management

Phil addressed the May 31, 2020 financial report as distributed in advance of the meeting, as well as the financial status summary regarding revenues and expenses that Samantha and Mike had prepared. Phil indicated that, while uncertainties remain, the resort's financial position through May continued to be favorable.

Phil and Treasurer Mark Morrissette addressed preliminary budget guidance they had prepared for 2021, based on projected revenue and expenses. Mark and Phil asked Mike and Samantha to refine projected expenses for 2021, to be incorporated into the draft 2021 budget to be reviewed at the Board's next meeting.

The Board discussed whether the projected cost of items in the reserve study that was done in 2016 should be updated at this point. As the study assumed that costs would increase 2% per year, and inflation has been at essentially that rate, the Board did not feel it is necessary to make any changes to the projected costs of future reserve projects at this time.

### Sales and Marketing

Director Jeff Anliker reported on the activities of the Marketing Committee. He indicated that an advertisement has been placed in the SO Rhode Island Summer Guide to build interest for rentals in 2021, and that the Committee is reviewing a draft five-year marketing plan to be presented to the Board.

Mike reported on projected rental income for the year. Given the demand for prime-season weeks on Block Island, Phil indicated that any summer rental of a week by VRI should be for the full week (rather than for a partial week), and at the full VRI rental rate.

### Communications

Phil reviewed the draft of the September owner newsletter that he had prepared, indicating that some revisions would be made in light of comments he had received. He indicated that a final version would be reviewed at the Board's next meeting, for mailing to owners after Labor Day.

### Agenda Items for Next Meeting

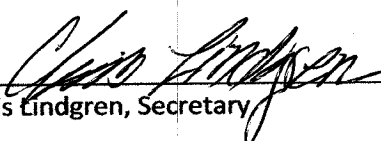
Phil indicated that, at its August 14 meeting, in addition to reviewing the September owner newsletter, the Board will consider the resort's draft budget for 2021.

### Executive Session

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

  
Chris Lindgren, Secretary