

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

October 9, 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, October 9, 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 September 11, 2020, as circulated in advance to the Board members.

Resort Management

President Phil Totino reported that 2021 maintenance fee bills are about to be mailed to owners by VRI.

Resort Manager Samantha Disotell reported that there have been only isolated additional requests from owners for credits against their 2021 maintenance fees due to an inability to come to the resort; the Board indicated that any requests could be addressed individually.

Secretary Chris Lindgren reported that Washington Trust still is not ready to accept an application for forgiveness of the loan that the resort received in May pursuant to the Small Business Paycheck Protection Program. He indicated that no interest would be due on the loan until some months after the resort is able to file the application for forgiveness.

Mike McManus and Samantha addressed remaining 2020 repair and maintenance projects and the resort's Five-Year Property Improvement Plan, including their ongoing efforts to obtain final quotes for projects scheduled for the fall of 2020 and the spring of 2021. They indicated that the resort is starting a procedure to slow heat loss from the pool, in order to lower fuel costs.

Financial Management

Phil addressed the August 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 asked that VRI arrange to move amounts greater than currently anticipated needs, now held in the resort's main checking account, to a separate FDIC-insured interest bearing savings account.

Mike indicated that the 2019 audit is underway, and should be completed by the end of October.

Phil reviewed collection activity as well as payments to date, noting that 97.9% of 2020 maintenance fees had been paid by September 25, essentially meeting the budgeted year-end 98% payment assumption.

Phil observed that as of the end of September the resort owned 128 shares in the 30-week resort season (four more than at December 31, 2019).

Phil reviewed a proposed rental policy and proposed rental rates for 2021. He noted that the proposed policy would have seven rate levels during the resort season, versus the previous four levels, in order to better reflect market conditions, and would require a longer cancellation period to afford the resort more time to refill cancelled reservations. After discussion, the Board, upon motion duly made and

seconded, voted to adopt the Rental Policy and Rates for 2021 as presented to the meeting, with changes to the weekly rental rates for Weeks 15-20 and Weeks 40-44 to provide for a Studio rental of \$920, a 1-Bedroom rental of \$1,150 and a 2-Bedroom rental of \$1,380, and with a wording clarification to indicate that, if rental revenue is \$600 or more, a renting owner will receive an IRS Form 1099-MISC.

Sales and Marketing

Director Jeff Anliker reported on the activities of the Marketing Committee. He noted that proposed revisions to the Neptune House Marketing Plan had been sent to the full Board for review, for approval at its next meeting. He indicated that the resort's second video has been posted to social media including the Neptune House YouTube channel, and that a third video should be ready in two to three weeks.

Mike indicated that there are 50 email addresses of resort website subscribers, in addition to email addresses in resort records for renters and exchangers. Phil indicated that he would provide a draft message, which will include a link to a resort video, for VRI to send to those individuals for whom it has email addresses to remind them of the resort.

Director Cheryl Moore left the meeting.

Mike reported that VRI has email addresses for over 90% of the resort's 368 owners. Samantha indicated that she is in the process of contacting those owners for whom addresses are missing, in order to maximize the reach of emails sent from the resort.

Phil discussed an effort to be undertaken to sell six Association-owned prime shares (four studio weeks and two one-bedroom weeks), starting in November. If the units were not sold before April, they would be added to the Association's rental program.

Agenda Items for Next Meeting

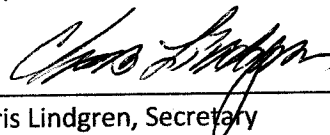
Phil indicated that the agenda for the Board's November 13 meeting will include a proposed timeline for the 2021 Owners Meeting and director election, and a discussion of year-end employee bonuses.

Executive Session

Resort Manager 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 9:21 a.m.

Respectfully submitted



Chris Lindgren, Secretary