

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

March 12, 2021

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 12, 2021. All members (Jeff Anliker, Douglas Carnahan, Cheryl Moore, Mark Morrisette 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 February 12, 2021, as circulated in advance to the Board members.

Resort Management

Mike McManus reported on the status of projects on the resort's Repair and Maintenance Project List, indicating that items will be addressed once employees return to the resort.

President Phil Totino then reviewed projects scheduled for completion in 2021 on the resort's Five-Year Property Improvement Plan. Resort Manager Samantha Disotell indicated that the deck replacement for units 7 and 14 is in progress, as is installation of two sliders on the fourth floor of Building B, and that renovation of the common area in Building A has been completed. She indicated that installation of an automatic cover system for the pool, as approved by the Board at its February 12 meeting, is pending approval from the Rhode Island Board of Health. Samantha also reported that verbal quotes for replacement of the oil-fired boiler and water heater in Building B have exceeded the budgeted amount, and that she and Mike nonetheless continue to pursue written quotes for that work in light of its urgency. Given the increased cost for the replacement boiler, the Board discussed possibly deferring improvements to the parking area in front of Building B, pending receipt of an additional quote for that project.

Regarding completion of Phase 3 of the Recreational Amenities Project, the Board discussed costs for demolition of the two existing tennis courts, replacing one court, and installing new fencing around that remaining court. (The subsequent installation of a play area and landscaping in place of the tennis court that is removed would be a separately contracted task.) After consideration, the Board, upon motion duly made and seconded, voted with three Directors in favor and two opposed to approve Joyce Construction's demolition of the two existing tennis courts, replacement of one tennis court with markings to also accommodate pickleball, and installation of fencing around that remaining court with two entrance gates, for a price not to exceed \$95,000.

Financial Management

Phil noted that VRI had not yet provided the January 2021 financial report; Mike indicated that VRI was behind in its reporting, as it was still working on year-end reports for other resorts.

Phil reviewed payments to date, noting that 90.9% of 2021 maintenance fees -- ahead of last year's rate -- had been paid by February 28, thanks to Samantha's efforts to contact owners to prevent delinquencies. Phil suggested that a process be developed for VRI to send email reminders of upcoming

payment deadlines beginning in November as a way to get even higher payment rates and to reduce the burden on Samantha.

Phil observed that, including deedbacks in process, the resort owned 133 shares in the 30-week resort season as of March 7, 2021 (the same number as at December 31, 2020).

Mike reported that the resort's accounting firm had prepared the Association's federal and state income tax returns, and that they were ready for filing. Mike further indicated that no changes were being proposed to the resort's insurance coverages, although a rate increase – the amount of which has not yet been determined by the resort's insurance broker – is expected.

Sales and Marketing

Director Jeff Anliker reported on the activities of the Marketing Committee. He indicated that three more videos are to be produced, and that an ad on Spotify has been approved. In light of increased responsibilities, the Board, upon motion duly made and seconded, voted to approve a revised marketing agreement with Social Synergy Services, as circulated in advance of the meeting to the Board members.

Phil reviewed social media metrics through February.

Mike and Samantha reported on the receipt of \$17,000 for the sale of six Association-owned prime-season shares, and on long-term winter rentals with island contractors anticipated to collectively provide gross rental income of as much as \$37,200 for the period November 2020 through March 2021. The Board noted that the sales and winter rentals significantly exceeded the budgeted amounts, and expressed its appreciation for the work that Samantha did both to effect the sales and to arrange for the contractor rentals.

Mike reviewed advance spring rentals received to date through VRI's website and the booking.com platform.

Preparation for Annual Owners Meeting

The Board discussed procedures for the March 27 Owners Meeting, to be held via Zoom videoconference. Mike indicated that he would record the meeting so that it could later be available to owners who wished to view it.

Phil addressed minor changes to be made to the slides to be used by presenters at the March 27 Owners Meeting and to the newsletter to be mailed to owners shortly thereafter.

Secretary Chris Lindgren reported that 115 votes had been received so far for the Director election. Phil indicated that an email is being sent shortly by VRI, reminding owners to send in their ballots.

Agenda Items for Next Meeting

Phil indicated that, at its April 9 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 27 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

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 9:50 a.m.

Respectfully submitted



Chris Lindgren, Secretary