

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

February 9, 2024

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, February 9, 2024. All Members (Douglas Carnahan, Cheryl Moore, Mark Morrissette and Phil Totino) were in attendance. Also in attendance were Secretary Chris Lindgren, Resort Manager Samantha Disotell, and Justin Smith of VRI Americas (VRI).

Administrative Items

President Phil Totino noted that this will be Director Doug Carnahan's last Board meeting, as he has decided not to run for reelection this year. Phil thanked Doug for his six years of service as a Director of the Association, including his work with the former Marketing Committee, which established the various social media tools now in use by the resort.

Upon motion duly made and seconded, the Board then voted to approve the minutes of its meeting on December 8, 2023, as circulated in advance to the Board members.

Operations Review

Phil reviewed the Status Report as of January 31, summarizing the status of projects on the resort's Repair and Maintenance Project List and Five-Year Property Improvement Plan, as well as marketing, rental and sales activities and the resort's financial status. Resort Manager Samantha Disotell reported on the replacement of the water heater in Building A and the installation of the resort's Wi-Fi upgrade, as well as the status of building code compliance measures underway as required by the State Fire Marshal and the plans for the replacement of the sewer line from Building A to the town main.

Justin Smith reported that VRI is working with several insurance brokers to secure proposals for coverage of the Neptune House as well as other properties under its management, in an effort to limit the premium increase for policies that are scheduled for renewal on April 1. He indicated that flexibility on deductible amounts may be required to secure favorable pricing.

Phil indicated that the independent accountant review by Kirshenbaum & Urban, LLP of the resort's financial statements as of December 31, 2023 is in process. Treasurer Mark Morrissette indicated that, after completing the review, Kirshenbaum & Urban, LLP would proceed to complete an audit of the 2023 financial statements, likely this summer.

Phil reviewed VRI's fees report for the 2023 year and the most recent Interval International Customer Satisfaction Index report.

Phil described revisions to the Reseller's Handbook to reflect sales that occurred in 2023 and to suggest use of Facebook for owners wishing to sell their shares. Upon motion duly made and seconded, the Board then voted to approve the Reseller's Handbook, as so updated

Budget and Policies

Phil addressed the \$150,000 funding shortfall resulting from the unanticipated costs for the broken sewer line and fire safety building code compliance measures. The Board discussed alternative means of

sourcing funds for these projects. Because of the large amount of money required and the immediacy of the need, the Board, upon motion duly made and seconded, voted to approve a special assessment in the amount of \$200 per share payable by May 31, 2024 to help pay for those costs, with bills to be mailed to owners by VRI by the end of February.

Phil observed that approximately \$7,000 was available in the operating fund on December 31, 2023 that could be transferred to the reserve fund. Given the relatively small amount involved and the uncertainty of upcoming insurance and project costs, the Board deferred consideration of transferring that amount to the reserve fund.

Preparation for Owners Meeting

Phil addressed items to be mailed to owners by VRI following this Board meeting regarding the upcoming March 30 Owners Meeting, including the cover letter from the Board, the agenda for the Owners Meeting, a ballot for owners to indicate their choices for the two open positions on the Board of Directors (as the term of Director Doug Carnahan is ending, and Director Dave Cohen resigned upon deeding his share back to the Association in December), statements from the two candidates for those Director positions, and the minutes of the March 25, 2023 Owners Meeting. Phil indicated that, as the resort's 2023 annual financial report has not yet been completed, that report and the accompanying Treasurer's letter will be emailed separately to owners at a later date.

Phil then addressed the draft slides to be used by presenters at the Owners Meeting and the draft that he had circulated of the newsletter to be mailed to owners following that meeting. Phil indicated that he would revise the draft slides and newsletter as appropriate and forward those to the Board in advance of the Owners Meeting.

Agenda Items for Next Meeting

Phil indicated that, at its April 5 meeting, the Board will welcome the new members, approve the appointment of officers and establish its meeting schedule for the upcoming year, and will also assess the March 30 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 review the resort's insurance arrangements as well as preliminary guidance for the 2025 budget.

Executive Session

Justin Smith left the meeting. The Board members then met in executive session with Secretary Chris Lindgren and initially Resort Manager Samantha Disotell present, during which the Board discussed amounts due to the Association from VRI due to improper charges and reviewed the performance of VRI. After Samantha left the meeting, the Board conducted its annual self-evaluation.

Following the executive session, the meeting was adjourned at 10:00 a.m.

Respectfully submitted


Chris Lindgren, Secretary