

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

December 6, 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, December 6, 2024. All Members (Cheryl Moore, Mark Morrissette, Steve Smith, Phil Totino and Monica Warek) were in attendance. Also in attendance were Secretary Chris Lindgren, Resort Manager Samantha Disotell, and Justin Smith of VRI Americas (VRI).

Administrative Items

Upon motion duly made and seconded, the Board voted to approve the minutes of its meeting held on September 13, 2024, as circulated in advance to the Board members.

Director Monica Warek joined the meeting.

Secretary Chris Lindgren reviewed the proposed timeline for the Owners Meeting to be held in-person on March 29, 2025, including the mailing of materials for the nomination of candidates for director (as director terms are staggered, there will be two open director positions at the 2025 Annual Meeting).

Chris then reviewed the Annual Meeting Notice and Call for Nominations, along with the Nomination Form, to be emailed to owners on January 6, 2025. Nomination forms will be due back to the Secretary by February 6.

President Phil Totino addressed items to be reviewed by the Board at its February 7, 2025 meeting and mailed to owners the week of February 17, including a cover letter from the Board, the agenda for the March 29 Owners Meeting, a ballot for owners to indicate their choices for the open positions on the Board of Directors, statements from the candidates for those Director positions, the minutes of the March 30, 2024 Owners Meeting, and – if then available – the resort's 2024 annual financial report and accompanying Treasurer's letter. Phil also reviewed a draft agenda for the March 29 Owners Meeting.

Phil indicated that he and Treasurer Mark Morrissette will prepare draft slides to be used by presenters at the March 29 Owners Meeting, and that he will also circulate to the Board for comment a draft newsletter to be sent to owners following the Owners Meeting, reporting on the meeting and other developments.

Phil then updated the Board on the status of the transition of management services from VRI to Vacatia, to be effective January 1, 2025. Phil indicated that Michael Taylor of Vacatia will need to be added as an authorized signer on the Washington Trust bank accounts, to replace employees of VRI. Upon motion duly made and seconded, the Board voted to approve the following resolution:

RESOLVED: That Michael Taylor of Vacatia be added as an authorized signer on all Neptune House Owners Association accounts with The Washington Trust Company effective December 15, 2024, and that VRI employees Richard Muller, Anthony Offiler and Jonathan DelNegro be removed as authorized signers on all Neptune House Owners Association accounts with The Washington Trust Company effective January 1, 2025.

## Operations Review

Phil reviewed the Status Report as of November 27, summarizing the status of 2024 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 facility improvement projects, including additional electrical work required by a state inspection. Phil and Samantha also discussed work that may be required following an upcoming state inspection of the employee housing building.

Phil indicated that up to \$100,000 might be available at year-end to help address work needed for the employee housing building, and that additional funds could be received as a result of the Association's Employee Retention Tax Credit (ERC) application. Justin Smith reported that to date no ERC funds have been received.

Director Cheryl Moore stated that arrangements have been made again this year with New York PBS station WCNY to participate in its travel auction by donating a shoulder season unit. Samantha indicated that she would make arrangements to donate a similar unit once again to the auction held by Connecticut's Beardsley Zoo. Participation in these events provides free publicity and has led to interest in renting or buying at the resort.

Samantha reported that rental revenue was exceptionally strong in the fall, as the weather was very favorable. She also indicated that long-term off-season rental revenue is expected to exceed budgetary plans.

Samantha also reported that three shares offered in November to owners and people on the resort's interest list were sold. These included an August unit and two units spanning Memorial Day in most years.

The Board reviewed and approved end-of-year bonus amounts for the resort staff who report to Samantha, based on Samantha's recommendations.

## Budget and Policies

Samantha reported on the closeout of the resort season. She reported that the resort had a successful season, with no issues regarding owner and guest compliance with the resort's policies.

Phil then addressed a proposed revision of the resort's Rules and Regulations to remove references to VRI, such that the Rules and Regulations would not include references to a management company. Upon motion duly made and seconded, the Board then voted to approve the Rules and Regulations as so revised.

Phil addressed a proposed renewal of the Memorandum of Agreement for marketing services with Social Synergy Services, for a term to extend through December 31, 2025, incorporating an increase in the monthly fee for services. The Board noted that either party could terminate the Agreement with 30 days' notice. Upon motion duly made and seconded, the Board then voted to authorize Samantha Disotell, as Resort Manager, to execute the revised Memorandum of Agreement with Social Synergy Services.

Chris addressed developments relating to the Corporate Transparency Act. He reported that, while the application of the Act to the Association is not clear, Vacatia has agreed to do a filing with FinCEN for the Association as part of a blanket filing they will do for all resorts they manage, and that – as a result – Vacatia indicated that personal information for Board members other than the Association President will not need to be filed. He also reported that a Texas federal district court has issued a nationwide injunction, stopping at least temporarily the need to file under the Corporate Transparency Act.

#### Strategic Initiatives

Director Monica Warek reported on an updated survey of unit interiors that she and Samantha had conducted. Samantha indicated that costs for needed upgrades were being determined, so that recommended work could be prioritized.

#### Other Business

Phil reported on a short-term rental ordinance recently adopted by the New Shoreham Town Council. Samantha indicated that the Town had yet to determine whether the ordinance impacted any rentals at the resort.

Phil discussed a possible owner survey that Monica had prepared. While the timing of a survey has yet to be determined, Monica agreed to provide a draft of the survey to Board members for their input.

#### Agenda Items for Next Meeting

Phil indicated that, at its February 7, 2025 meeting, in addition to the materials relating to the Owners Meeting, the Board will review guest satisfaction results reported by Interval International and a preliminary analysis of 2026 maintenance fees. The Board will also determine any year-end amount in the Operating Account to be transferred to the Reserve Account and approve any changes to the Reseller's Handbook. In Executive Session at that meeting, the Board will conduct a self-evaluation of the Board's performance.

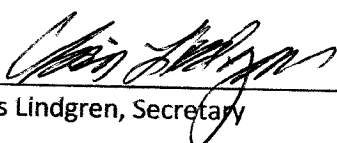
As VRI will not be providing future services to the resort, and thus this is Justin Smith's last meeting with the Board, Phil expressed the Board's appreciation for the good work that Justin has done since taking over as VRI's representative to the resort.

#### Executive Session

Resort Manager Samantha Disotell left the meeting. The Board members then met in executive session with Justin Smith and Secretary Chris Lindgren present. Justin then left the meeting, and the Board subsequently approved a year-end bonus amount for Samantha.

Following the executive session, upon motion duly made and seconded, the Board voted to adjourn the meeting at 9:25 a.m.

Respectfully submitted

  
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Chris Lindgren, Secretary