

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

February 7, 2025

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 7, 2025. Members Cheryl Moore, Mark Morrisette and Phil Totino were in attendance (Members Steve Smith and Monica Warek were unable to attend). Also in attendance were Secretary Chris Lindgren, Resort Manager Samantha Disotell, and Jay Agustin, Katie Corson, Michelle DuChamp and David McDonald, all of Vacatia.

Administrative Items

Upon motion duly made and seconded, the Board voted to approve the minutes of its meeting held on December 7, 2024, as circulated in advance to the Board members.

President Phil Totino reported that the transition of management services from VRI to Vacatia, effective January 1, 2025, had generally gone smoothly, although VRI had stopped depositing owner maintenance fee checks in mid-December, resulting in various owner checks not being deposited until received by Resort Manager Samantha Disotell in late January or early February.

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 the 2024 and 2025 Five-Year Property Improvement Plans, as well as marketing, rental and sales activities and the resort's financial status.

Phil indicated that work was needed to address how best to repair or replace the employee housing building. Director Cheryl Moore agreed to work with Samantha and the resort's electrical and carpentry contractors to assess the employee housing building and develop costs for alternative approaches. Phil indicated that some funds would be available for the building, and that additional funds might be available if the Association's Employee Retention Tax Credit (ERC) application is approved.

As Adam Urban, the resort's long-time accountant, is retiring, Treasurer Mark Morrisette addressed the process by which a new independent accountant was selected to review the Association's 2025 financial statements. He also indicated that Secretary Chris Lindgren had checked references and met with the chosen accountant, David J. Shepherd, CPA of Cumberland, Rhode Island. After discussion, upon motion duly made and seconded, the Board voted to ratify the engagement letter with David J. Shepherd, CPA, as circulated in advance to the Board.

Phil indicated that Vacatia's services include obtaining replacement insurance for the resort. Michelle DuChamp of Vacatia indicated that she would follow up with Vacatia's insurance personnel regarding the coverage replacement, to be effective April 1.

Phil discussed the Interval International Customer Satisfaction Index. The Board indicated that the index was of limited value going forward.

Phil indicated that Chris was consulting with Michelle on desired changes to the Interval International contract, in order to shorten the contract's term and remove exclusivity provisions and provisions not used.

Phil addressed a proposed revision of the resort's Reseller's Handbook to include sales activity from 2024, remove references to VRI, and add references to Vacatia. After discussion, upon motion duly made and seconded, the Board voted to approve the Reseller's Handbook as so revised with the addition of a paragraph in the Sales Channels section indicating that sales can be made through Vacatia and specifying the appropriate Vacatia phone number and email address.

Budget and Policies

Phil indicated that \$114,066 was available in the operating fund at December 31, 2024, and that after setting aside \$5476 of that amount as a payment to VRI for transition services, \$108,590 remained that could be transferred to the reserve fund. Upon motion duly made and seconded, the Board voted to transfer that amount to the reserve fund.

The Board discussed the scope of a possible increase in maintenance fees for the 2026 year. Given the uncertainties of what would be required to address the employee housing building, the consensus was that an increase in the range of 6% to 8% was possible.

Strategic Initiatives

Phil described plans for conducting needed upgrades to unit interiors, indicating that approximately \$50,000 of reserve and operating funds would be used in 2025 to accomplish updates that were identified as critical in the recent survey of unit interiors that Director Monica Warek and Samantha had conducted.

Preparation for Owners Meeting

Phil addressed items to be mailed to owners by Vacatia regarding the upcoming March 29 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, statements from the two candidates for those Director positions, and the minutes of the March 30, 2024 Owners Meeting.

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 asked that the Board members and Michelle provide revisions to the slides and newsletter where appropriate.

Key Agenda Items for Next Meeting

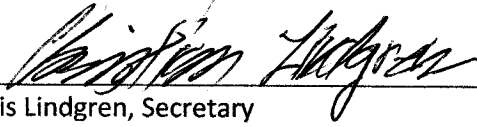
Phil indicated that, at its April 4 meeting, the Board will appoint officers and establish its meeting schedule for the upcoming year, and will also assess the March 29 Owners Meeting and review comments received at that meeting, and set a time and place for the next Owners Meeting. The Board will also review the resort's insurance arrangements as well as preliminary guidance for the 2026 budget.

Executive Session

Resort Manager Samantha Disotell and the Vacatia representatives left the meeting. The Board members then met in executive session with Secretary Chris Lindgren present and conducted its annual self-evaluation.

Following the executive session, upon motion duly made and seconded, the Board voted to adjourn the meeting at 9:36 a.m.

Respectfully submitted


Chris Lindgren, Secretary