



September 13, 2024

Dear Neptune House Owner,

Your maintenance fee bill for 2025 and a copy of the resort's 2025 Budget are included in this mailing along with the resort's Assessment Billing and Collection Policy and our Check-In Date Calendar.

Maintenance fees for 2025 are as shown in the chart below. They represent a 6% increase over the 2024 fees, driven largely by another year of greatly increased insurance costs experienced in 2024 and expected in 2025, as well as by a net loss of shares owned by individuals. Insurance now represents 20% of our operating costs.

	<b>2024 Maintenance Fee</b>	<b>2025 Maintenance Fee</b>	<b>Change</b>
<b>Float</b>	\$ 916	\$ 971	+ \$ 55
<b>Studio</b>	\$ 1,498	\$ 1,590	+ \$ 92
<b>One Bedroom</b>	\$ 1,665	\$ 1,766	+ \$ 101
<b>Two Bedroom</b>	\$ 1,832	\$ 1,943	+ \$ 111

Total Expenses in 2025 are budgeted at \$953,035, which is 5% higher than in 2024. Total Revenue is budgeted at \$972,205, of which \$19,170 will be added to the Reserve Fund for future projects.

Revenue from sources other than maintenance fees (labeled Other Income on the Presentation Budget) is budgeted at 12% more than in 2024. This is attributed primarily to an increase in rental revenue.

Reserve spending next year will be relatively small, in accordance with our 25-Year Reserve Plan. In fact, we plan to add to the Reserve Fund balance in preparation for upcoming projects. Maintenance Fee Income plus Other Income minus the amount added to the Reserve Fund equals Total Expenses.

The total costs to run the resort, which are comprised of the Operating Expenses, Administrative and General Expenses, Fixed Expenses, and Payroll & Benefits, are budgeted at \$884,603 in 2025. This amount represents a 6% increase compared to the same expenses in 2024, driven by inflation and high insurance costs.

Spending on Reserve Plan projects plus Bad Debt Expense, \$68,432 combined, makes up the balance of Total Expenses. Reserve project spending is planned to be \$40,250 which is slightly lower than in the 2024 budget per our 25-year Reserve Plan, while Bad Debt Expense will be \$28,182 which is slightly higher (Bad Debt Expense is budgeted at 3% of Maintenance Fee Income).

The Board believes that this budget is appropriate to deal with the rising costs of running the resort.

The levels of maintenance fees in 2026 and beyond are difficult to anticipate at this time because of the wild card of insurance costs and the uncertainty surrounding the ongoing decline in ownership levels as some owners get older and are no longer able to derive sufficient value from their ownership. Our goal is to keep the increases at/under 6%.

If you have any questions, please send them to [board@neptunehouse.com](mailto:board@neptunehouse.com).

Board of Directors: Phil Totino, President  
Mark Morrissette, Treasurer  
Cheryl Moore  
Steve Smith  
Monica Warek