



September 12, 2025

Dear Neptune House Owner,

Your maintenance fee bill for 2026 and a copy of the resort's 2026 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 2026 are as shown in the chart below. They represent a 6.2% increase over the 2025 fees, driven largely by the need to improve the condition of our employee housing building and prudence in addressing the uncertainty in insurance costs (which represent close to 20% of our operating costs) as well as by a net loss of shares owned by individuals.

	2025 Maintenance Fee	2026 Maintenance Fee	Change
Float	\$ 971	\$ 1,032	+ \$ 61
Studio	\$ 1,590	\$ 1,688	+ \$ 98
One Bedroom	\$ 1,766	\$ 1,876	+ \$ 110
Two Bedroom	\$ 1,943	\$ 2,064	+ \$ 121

Total Expenses in 2026 are budgeted at \$1,063,373, which is 11.6% higher than in 2025. Total Revenue is budgeted at \$1,013,115, with \$50,259 to be drawn down from the Reserve Fund to balance the budget.

Revenue from sources other than maintenance fees (labeled Other Income) is budgeted at 75% of the amount in the 2025 budget. This is attributed primarily to a budgeted decrease in offseason rental revenue.

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 \$889,749 in 2026. Spending on Reserve Plan projects (\$145,338) plus Bad Debt Expense (\$28,286) makes up the balance of Total Expenses.

The Reserve project spending of \$145,338 is much higher than in the 2025 budget, in accordance with our 25-Year Reserve Plan. In addition to the employee housing repair project, the external stairway to Units 7 and 8 will be replaced, exterior doors in Unit 1 will be replaced, and improvements to living unit interiors will be continued throughout the resort.

The Board believes that this budget is appropriate to cover the costs of running the resort and the projects that need to be undertaken.

The levels of maintenance fees in 2027 and beyond are difficult to anticipate because of the unpredictability of insurance costs and 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 (we have been losing an average of 6 paying shares per year). Our goal is to keep future annual increases no higher than 6%.

If you have any questions, please send them to board@neptunehouse.com.

Board of Directors: Phil Totino, President
Mark Morrisette, Treasurer
Cheryl Moore

Steve Smith
Monica Warek