



November 1, 2016

Results of Recreational Amenities Project Vote

The Board of Directors is pleased to announce that the vote on the recreational amenities project passed. The tally was 279 (74%) in favor and 99 (26%) opposed. Two-thirds of eligible votes were cast. Thank you for your votes and strong support for this important project.

As a result, you can expect to have the pool – upgraded to meet current health and safety codes – open sometime next year, along with outdoor showers. The exact time frame will depend on how smoothly the process goes for permitting and construction. In 2018 the pool will be enhanced with an enlarged apron and a new 21' x 32' seating area with a pergola for shade.

2017 Budget

A copy of the 2017 Budget is attached. In addition to funds for the construction and operation of the pool, it includes an increase in funding for reserves to cover long-term repair and replacement of common areas and systems and for refreshing the living units on a periodic basis. This is part of a 25-year reserve plan that we will explain in detail at the annual owners meeting (to be held on March 18, 2017 in Mystic, CT). It will allow us to protect and maintain the property value of the resort over the long term.

We have made great progress over the past year in addressing the repair and maintenance needs of the resort, but it is clearly going to take more time to address all the needs. Additional repair and maintenance work will be done in the coming offseason, and the budget for next year includes sufficient funding to continue to address the ongoing needs.

2017 Fees

Fees for next year are as outlined in the material sent with the recreational amenities proposal. They are also shown at the bottom of the attached Budget page. The fees that apply to you are reflected in the bill that is included in this mailing. Note that we have broken out the components of the basic maintenance fee into Operating, Taxes, and Reserves. This is standard practice in the timeshare industry. It makes it easy to see how much of the total fee is allocated to day-to-day operations, property taxes, and the reserve plan. The portion of the operating fee associated with maintaining the recreational amenities is also broken out, as is the temporary recreational amenities construction fee that will be in effect for 2017, 2018, and 2019, after which time fees should be lower.

Summary

The Board has endeavored to create a responsible budget that supports our goal of restoring the long-term financial and physical health of the resort. We have streamlined operations, initiated a reserve plan with increased funding for long-term maintenance and periodic refreshing of the living units, and funded restoration of the pool. We will continue efforts to get the 100+ shares that the Owners Association currently owns in the 30-week resort season into the hands of paying owners so we can spread future expenses over a broader base, thereby making lower maintenance fees possible.

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

Board of Directors: Phil Totino, President
Chery Moore, Vice President of Facilities Planning
Mark Morrissette, Treasurer

Please see reverse side...