

Neptune House Owners Association Owners Meeting

March 25, 2023

Meeting Highlights:

- 43 Participants Logged In
- Two Directors Elected
- Strategic Initiatives Addressed
- Recreational Amenities Project Recapped
- Facility Improvements Detailed
- Financial Status Reported

An Owners Meeting of the Neptune House Owners Association (the "Association") was held via videoconference on March 25, 2023. Forty-three participants logged into the meeting, including the members of the Association Board of Directors (Jeff Anliker, Douglas Carnahan, Cheryl Moore, Mark Morrissette and Phil Totino) and Association Secretary Chris Lindgren. Also in attendance were Resort Manager Samantha Disotell and Mike McManus of VRI Americas (VRI).

Opening Remarks

Association President Phil Totino opened the meeting by welcoming the owners and introducing Board members, Association officers, Resort Manager Samantha Disotell and VRI representative Mike McManus. Phil thanked Director Jeff Anliker – who decided not to run for re-election after serving six years on the Board – for his service including his many accomplishments as Chair of the Board's Marketing Committee.

Phil reported that VRI had certified the timely mailing of meeting announcements and ballots to owners eligible to vote.

Phil then briefly reviewed highlights of the 2022 resort season, including completion of the Recreational Amenities Project, an update of the resort's 25-Year Reserve Plan, and the commencement of unit interior upgrades.

Recreational Amenities

Association Vice President of Facilities Planning Cheryl Moore described completion of the various phases of the Recreational Amenities Project that had been approved by owners in 2016, including completion of Phase 1 in 2018 (the outdoor heated pool), Phase 2 in 2019 (the patio by the pool with fire pits), and Phase 3 in 2022 (the grass play area and the new court for tennis and pickleball).

Strategic Initiatives

President Phil Totino reviewed the status of three strategic initiatives planned for 2023, to (1) upgrade unit interiors to a common standard of function, comfort, quality and appearance, (2) investigate the feasibility of installing solar panels, and (3) investigate the feasibility of adding four possible new amenities: air conditioning/de-humidification, dishwashers, granite kitchen countertops, and an elevator in Building B. Phil (a) enumerated unit interior improvements planned over the next few years, (b) discussed factors being considered in evaluating solar panels, and (c) indicated that the Board had decided to defer further consideration of the four possible new amenities in light of the desire to focus on upgrading unit interiors,

and a lack of bandwidth to take on additional large project(s) given the major maintenance projects already planned.

Facility Improvements

Resort Manager Samantha Disotell detailed numerous improvements made in 2022 to the living units, common areas and unit exteriors, including major heating system upgrades. Samantha also addressed projects planned for the 2023 season, including installation of an automated pool cover and upgrading the resort's Wi-Fi technology to enable connection to the island's new broadband cable network.

Financial Status

Association Treasurer Mark Morrisette provided a detailed financial update, indicating that the financial health of the Association remains solid. His presentation compared 2022 operating and reserve expenses with revenues, reviewed the December 31, 2022 balance sheet, and addressed the 2023 budget. He reported on the results of the Board's annual insurance review. He indicated that an updated detailed review of all facilities was conducted in 2022 by an outside specialist, with the results used to update the resort's 25-year Reserve Plan, which provides a roadmap for budgeting long-term preventive maintenance and improvements. He indicated that reserve balances are anticipated to decline over the next few years, given reserve projects planned, before building back up.

Mark reviewed the history of changes in maintenance fees. He indicated that it is anticipated that owner assessments will increase between 4% and 6% in future years, and that the Board is exploring multiple ways to minimize fee increases and maintain the health of the resort.

Election of Directors

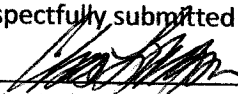
Association Secretary Chris Lindgren indicated that, as there are staggered terms for the Board's five Directors, owners had voted prior to the meeting to elect two Directors at this time to serve three-year terms. Chris thanked those owners who had submitted their ballots. Chris reported that Dave Cohen had received 75 votes, incumbent Director Phil Totino had received 111 votes, Chris Uscinski had received 4 votes, and Lanette Zaborowski had received 68 votes, and that accordingly Dave Cohen and Phil Totino were elected to the Board to serve three-year terms until 2026. Chris congratulated Dave and Phil, and thanked Chris Uscinski and Lanette Zaborowski for their candidacy. He reiterated the importance of owners' willingness to volunteer their time and expertise to guide the resort.

Questions and Answers

Board members and Samantha responded to questions and comments from owners in attendance. Owners commented regarding a number of items, including interior unit improvements and the new tennis/pickleball court. They also expressed gratitude for the hard work being done by the Board and the Resort Manager.

Following the question and answer session, the meeting was adjourned at 11:28 a.m.

Respectfully submitted


Chris Lindgren, Association Secretary