

Neptune House Owners Association Owners Meeting

March 29, 2025

Meeting Highlights:

- 31 Owners Attended In-Person
- 24 Others Joined via Zoom or Telephone
- Two Directors Reelected
- Strategic Initiatives Addressed
- Facility Improvements Detailed
- Financial Status Reported
- Vacatia Services Explained

An Owners Meeting of the Neptune House Owners Association (the "Association") was held on March 29, 2025 at the Hilton Mystic, 20 Coogan Boulevard, in Mystic, Connecticut. Association president Phil Totino called the meeting to order at 10:00 A.M. In attendance were 31 unit owners (many of whom own multiple weeks), including members of the Association Board of Directors (Cheryl Moore, Mark Morrisette, Steve Smith, Phil Totino and Monica Warek), Association Secretary Chris Lindgren and Resort Manager Samantha Disotell. Also in attendance were Michelle DuChamp and Jay Agustin of Vacatia, the firm providing management services to the Association. The formal meeting was preceded by a continental breakfast.

The meeting was also available via Zoom and telephone to owners who were unable to attend in-person.

Opening Remarks

Association President Phil Totino opened the meeting by welcoming the owners and introducing Board members, Association officers, Resort Manager Samantha Disotell and Vacatia representatives Michelle DuChamp and Jay Agustin.

Upon motions duly made and seconded, the owners in attendance voted to approve the meeting agenda and the minutes of the Owners Meeting on March 30, 2024, both as mailed to owners in advance of the meeting.

Phil then briefly reviewed highlights of the resort season, including upgrading Buildings A and B to the Rhode Island Fire Safety Code, replacement of the sewer line from Building A to the street, completion of the second year of unit interior upgrades, and contracting with Vacatia to provide management services. Phil also reviewed resort challenges, including 2024's \$200 per share special assessment, ongoing increases in insurance premiums, and an upcoming need to rehab or replace the employee housing building.

Election of Directors

Association Secretary Chris Lindgren indicated that, as there are staggered terms for the Board's five Directors, owners were electing two Directors at this meeting to serve three-year terms. Chris indicated that the candidates for the two Director positions were incumbent Directors Cheryl Moore and Mark Morrisette, who had already been introduced.

Chris thanked those owners who had previously submitted their ballots, and asked that owners who had not yet submitted their ballots do so, in order that those ballots could be counted along with proxies submitted prior to the meeting. Chris indicated that the results of the voting would be announced later in the meeting.

Strategic Initiatives

President Phil Totino reviewed the status of the Board's strategic initiative to upgrade unit interiors to a common standard of function, comfort, quality and appearance. He reported that the unit-by-unit inventory of needed upgrades that was conducted in 2022 was updated by Resort Manager Samantha Disotell and Director Monica Warek in 2024. Phil enumerated those unit improvements planned over the next few years, along with the priorities for improvements and anticipated costs.

Facility Improvements

Resort Manager Samantha Disotell detailed numerous improvements made over the last year to the living units, common areas and unit exteriors, including installing audible alarms, smoke and carbon monoxide detectors, and replacing Building A interior doors and the main entrance door to comply with current fire safety building codes, and replacing the sewer line from Building A to the street. Samantha also addressed those projects planned for the 2025 season.

Financial Status

Association Treasurer Mark Morrisette provided a detailed financial update, indicating that the Association had experienced a turbulent year, with increased insurance costs and the costs of improvements to meet the fire safety building codes and to replace the Building A sewer line, while the \$200 per share special assessment and a payment by VRI returned the Association to a stronger financial position. Mark also reported on the results of the Board's annual insurance review. His presentation compared 2024 operating and reserve expenses with revenues, reviewed the December 31, 2024 balance sheet, and addressed the 2025 budget. He also reviewed the resort's 25-year Reserve Plan.

Mark reviewed the history of changes in maintenance fees. He indicated that it is anticipated that owner assessments could increase 6% to 8% in 2026. He indicated that maintenance fees are expected to increase between 5% and 6% in 2027 and beyond. However, uncertain insurance costs, the rate of declining ownership, and employee housing building rehab or replacement costs could require adjustments to be made. He also noted that the Board continues to pursue ways to minimize fee increases while maintaining the financial health of the resort.

Vacatia Presentation

Michele DuChamp of Vacatia, the firm providing management services to the Association effective from January 1, 2025, reviewed the history of Vacatia and the services it provides to the resort. She explained the Vacatia Clubhouse owners internet portal and OwnerPLUS, Vacatia's internal owner exchange program.

Election of Directors

Secretary Chris Lindgren reported that a count of ballots submitted at the meeting and proxies received earlier indicated that, without regard to Association-owned shares, Cheryl Moore had received 104 votes and Mark Morrisette had received 98 votes, and accordingly incumbent Directors Cheryl Moore and Mark Morrisette were reelected to the Board to serve three-year terms. Chris congratulated Cheryl and Mark, and reiterated the importance of owners' willingness to volunteer their time and expertise to guide the resort.

Questions and Answers

Board members, Samantha and the Vacatia representatives responded to questions and comments from owners in attendance and via Zoom. Owners commented on a number of items, including unit interior and facility improvements and considerations pertinent to dealing with employee housing. Owners also expressed gratitude for the work done by the Board and the Resort Manager.

Following the question and answer session, upon motion duly made and seconded, the meeting was adjourned at 11:34 a.m.

Respectfully submitted

A handwritten signature in black ink, appearing to read "Chris Lindgren", is written over a horizontal line.

Chris Lindgren, Association Secretary