

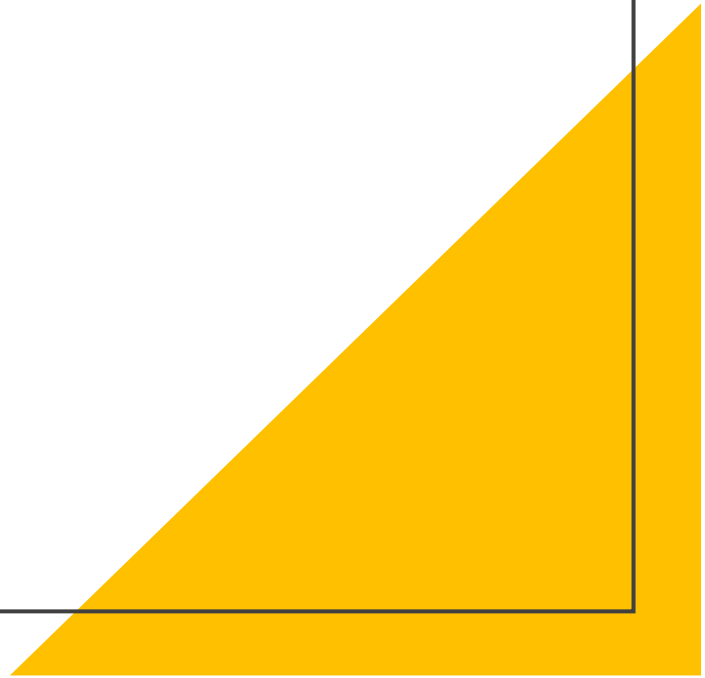
Neptune House

Block Island, RI

A blue trident symbol, consisting of a horizontal line with three arrowheads pointing to the right, positioned below the text "Block Island, RI".

Owners Association Annual Meeting

March 29, 2025





Neptune House

Block Island, RI



Agenda

9:30 – 10:00 a.m.	Continental Breakfast
10:00 – 10:10 a.m.	Welcome & Opening Remarks..... Phil Totino
10:10 – 10:15 a.m.	Election of Directors..... Chris Lindgren
10:15 – 10:20 a.m.	Strategic Initiatives..... Phil Totino
10:20 – 10:25 a.m.	Facility Improvements..... Samantha Disotell
10:25 – 10:45 a.m.	Financial Status..... Mark Morrissette
10:45 – 11:00 a.m.	Vacatia Owner Benefits..... Michelle DuChamp
11:00 – 11:05 a.m.	Election Results..... Chris Lindgren
11:05 – 12:00 p.m.	Q&A..... All
12:00 p.m.	Adjournment

Welcome & Opening Remarks



Phil Totino

Housekeeping – In Person

- **Emergency Exits**
- **Restrooms**
- **Cellphones**



Housekeeping – Remote

- **Zoom and Telephone**
 - **Please mute your audio**



Introductions

- **Board of Directors**
 - **Phil Totino – President**
 - **Mark Morrissette – Treasurer**
 - **Cheryl Moore**
 - **Steve Smith**
 - **Monica Warek**
- **Other Officer**
 - **Chris Lindgren – Secretary**
- **Resort Manager**
 - **Samantha Disotell**
- **Vacatia**
 - **Michelle DuChamp, Head of Vacatia Partner Services**
 - **Jay Agustin, Regional Vice President of Operations**

Preliminary Matters

- **Vote to Approve Agenda**
- **Vote to Accept Minutes of March 30, 2024 Annual Meeting**

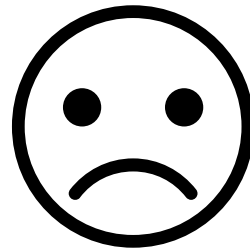
Resort Season Highlights

- **Upgraded Buildings A and B to Rhode Island Fire Safety Code**
- **Replaced Sewer Line from Building A to the Street**
- **Completed Second Year of Unit Interior Upgrade Work**
- **Contracted with Vacatia to Provide Management Services**



Resort Season Concerns

- **Special Assessment**
- **Rising Insurance Premiums**
- **Heads-up: Employee Housing Rehab Upcoming**



Election of Directors

Chris Lindgren



Election of Directors

- **Two Director Positions**
 - **3-year terms (expire March 2028)**
- **Candidates**
 - **Cheryl Moore (incumbent)**
 - **Mark Morrissette (incumbent)**
- **Please hand in any ballots not yet submitted**



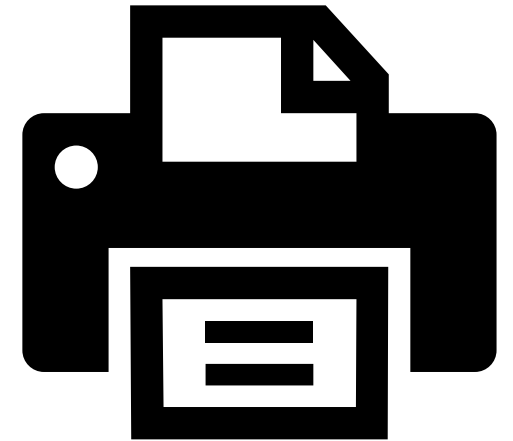


Strategic Initiatives

Phil Totino

Strategic Initiatives

- **Upgrade Living Unit Interiors**
 - **Common Standard of Function, Comfort, Quality, and Appearance**
- **Inventory Compilation**
 - **2022 Baseline**
 - **2024 Update**



Unit Interiors (1 of 3)

- **Features**

- **Bedroom Alarm Clocks with Power Outlets, USB Ports, and Bluetooth Speakers**
- **Bedroom & Living Room Lamps with USB Ports**
- **Living Room Rugs**
- **Up-To-Date Art on Walls**
- **Functional Up-To-Date Window Treatments**
- **Up-To-Date Sliding Glass Doors**
- **Framed-in Windows in place of some Sliding Glass Doors**
- **Up-To-Date Kitchen Cabinets, Countertops, and Appliances**



Unit Interiors (2 of 3)

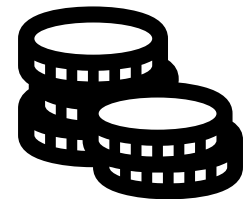
- **Features (Cont'd)**

- **Up-To-Date Dining Room Sets**
- **Up-To-Date Living Room Furniture**
- **42" Smart TVs**
- **Up-To-Date Bedroom Furniture and Comfortable Mattresses**
- **Doors on Closets**
- **Up-To-Date Bathroom Vanities**
- **Non-Slip Tubs/Showers**
- **Floor-Length Mirrors**
- **Functional, Attractive Flooring and Lighting**



Unit Interiors (3 of 3)

- **Total Estimated Cost of Work Needed: \$552,000**
- **Completion Percentage to Date: 22%**
- **Estimated Cost of Remaining Work: \$432,000**
 - **Average Per Unit: \$18,800**
- **Units Needing the Least Work: 11, 2, 3, 15, 22**
- **Units Needing the Most Work: 19, 20, 21, 4, 24**
- **Funding Source: Annual Maintenance Fees**
- **Amount allocated in 2025 Budget: \$49,000**



Facility Improvements

Samantha Disotell



2024 Improvements: Units

- **Purchased ten fans for living rooms**
- **Replaced microwave oven in Unit 4**
- **Replaced sleeper sofas in Units 2, 5, 7, 17, and 18**
- **Replaced living room chairs in Units 2, 4, 5, 8, 15, and 18**
- **Replaced dining room sets in Units 2 and 14**
- **Replaced loveseats in Units 6, 11, and 14**
- **Replaced dining table, sofa table, kitchen butcher block table, nightstands, and rug in Unit 15**
- **Replaced porch furniture in Units 3, 4, 9, 11, 15, 22, 23, & 24**
- **Installed storm door in Unit 5**

2024 Improvements: Common Areas

- **Addressed issues on the list of deficiencies found during inspection by State Fire Marshall. Major tasks included:**
 - **Installing Audible Alarms**
 - **Installing Smoke and Carbon Monoxide Detectors**
 - **Replacing 11 Interior Doors plus Main Entrance with Fire Doors in Bldg. A**



2024 Improvements: Exterior

- Replaced Building A Sewer Line
- Repaired Gutter Seams



2025 Improvements Planned (1 of 2)

- **Replace Microwave Ovens in Units 1 and 10**
- **Replace Stove in Unit 4**
- **Install Living Room Rugs in Units 1, 3, 8, 10, and 21**
- **Replace Coffee Tables in Units 3 and 5**
- **Replace TV Cabinet in Unit 14**
- **Replace End Tables in Unit 3**
- **Replace Dining Set in Units 7, 9, 10, 12, and 24**
- **Replace Sleep Sofa in Unit 4**
- **Replace Love Seat in Unit 5**

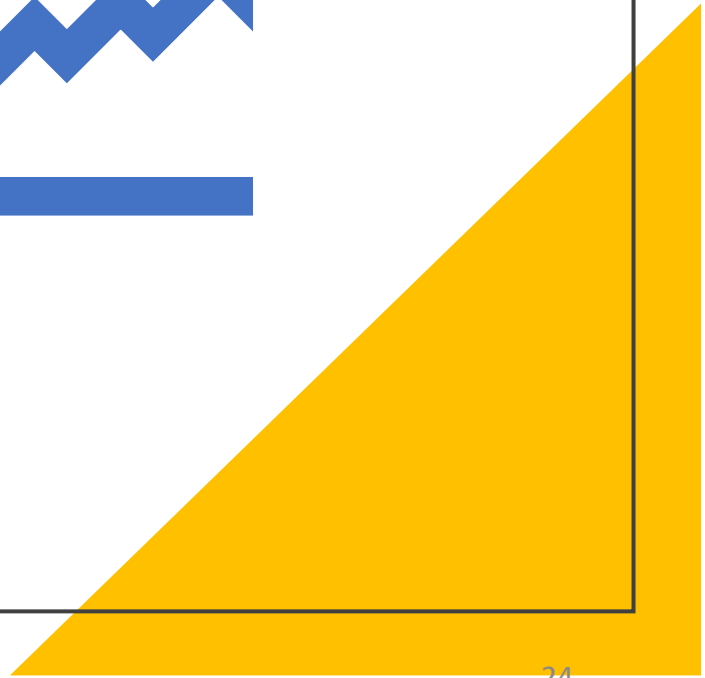
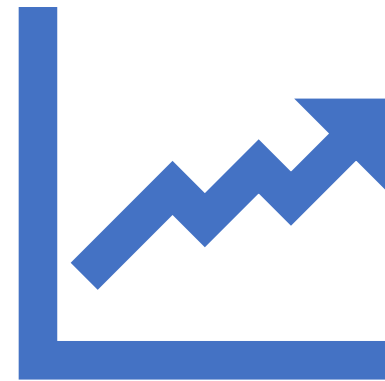


2025 Improvements Planned (2 of 2)

- **Replace Alarm Clocks in Units 19 and 24**
- **Replace Bedframes/Headboards in Units 9, 14, & 19 and in the Guest Bedrooms in Units 23 and 24**
- **Replace Mattresses in Units 12, 14 and 19**
- **Install Closet Doors in Units 1, 2, 8, 16, 18, 19, 20 and 21**
- **Install Floor-Length Mirrors in Units without them**
- **Update Window Treatments in Units 6 and 18**
- **Replace One Sliding Glass Door in Unit 20**
- **Re-Key Doorknobs in Units 2, 5 and 16**

Financial Update

Mark Morrissette



Financial Overview

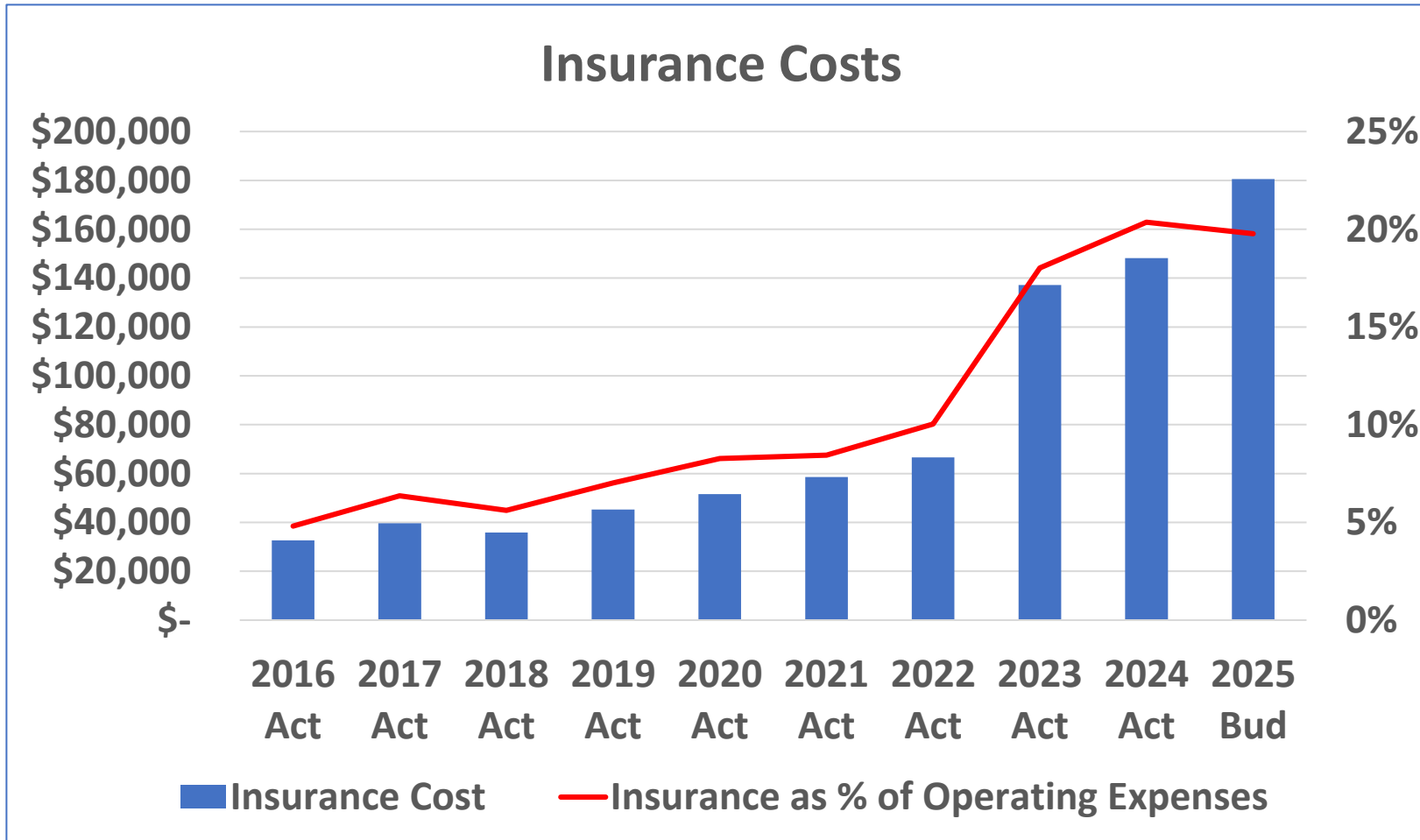
- **2024 was a very turbulent year**
- **Multiple budget-busters: insurance, fire, sewer, etc.**
- **Special Assessment and VRI Payment returned association to stronger financial position**
- **Annual Assessment 2025 and beyond: anticipate annual increases**

Required Insurance Review

- **Completed annual review of hazard insurance and fidelity bond**
- **Resort maintains adequate coverage**
- **Significant increases in costs in 2024 and beyond**



Insurance Costs



2024 Operations vs. Budget

	<u>Gain/Loss(\$000)</u>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenue	\$ 975	\$ 851	\$ 124
Operating Expenses	<u>798</u>	<u>854</u>	<u>56</u>
Gain (Loss)	177	(3)	180

- Revenue outperformance: VRI payment; rental and sale income
- Expense outperformance: Reduced personnel costs, offset by bad debt write-off

2024 Reserves vs. Budget

	<u>Gain/Loss(\$000)</u>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenue	\$ 158	\$ 57	\$ 101
Reserve Expenses	<u>228</u>	<u>53</u>	<u>(175)</u>
Gain (Loss)	(70)	4	(74)

- **Revenue: Special Assessment**
- **Expenses: Sewer pipe replacement; fire damage and fire code updates**

2024 Special Assessment

- **Unexpected Costs**

• Fire Safety Building Code Compliance Work	\$140,744
• Bldg. A Sewer Line Replacement	<u>35,540</u>
• Total	\$176,284

- **Funding Sources**

• Special Assessment	\$104,764
• Reserve Fund	<u>71,520</u>
• Total	\$176,284

Consolidated Financials

	<u>Gain/Loss(\$000)</u>		
	<u>2022</u>	<u>2023</u>	<u>2024</u>
Total Assessment	\$ 776	\$ 792	\$ 1,019
<i>Plus</i> Additional Revenue	<u>63</u>	<u>54</u>	<u>114</u>
Total Revenue	839	846	1,133
<i>Less</i> Expenses	<u>893</u>	<u>958</u>	<u>1,026</u>
Gain (Loss) <small>from Normal Operations</small>	<u>(54)</u>	<u>(112)</u>	<u>107</u>

- **Special Assessment and VRI Payment led to positive year**
- **2024 gain nearly offsets prior year loss**
- **On track for 5-year plan**

Summary Balance Sheets

(December 31) (\$000)

Assets	<u>2022</u>	<u>2023</u>	<u>2024</u>	
Cash	\$ 718	\$ 659	\$ 636	
Assessments Receivable for Upcoming Year	317	234	466	
Acct. Rec. & Pre-Paid Expenses	<u>21</u>	<u>36</u>	<u>54</u>	
Total Assets	1,056	929	1,156	
Liabilities				
Accounts Payable	50	26	11	
Accrued Expenses	12	10	9	
Deferred Revenue	<u>792</u>	<u>803</u>	<u>939</u>	
Total Liabilities	<u>854</u>	<u>839</u>	<u>959</u>	
<i>Fund Balance</i>	202	90	197	<i>\$107 increase in Fund Balance</i>

Reserve Plan Background

- Objectives:**
- **Ensure long-term viability of Neptune House**
 - **Maintain stable Maintenance Fees, without a need for Special Assessments**

- Actions:**
- **Completed initial review of all facilities (2016)**
 - **Full update completed in 2022**
 - **Maintain 25-year reserve spending plan**
 - **Budgeting preventive maintenance & improvements**
 - **Increased budget for interior improvements**



2024 Fire Code Upgrades and Sewer Line repair not in plan

Reserve Plan Status

- **2024 Special Assessment and VRI Payment replenished account**
- **Forecast stable/growing reserve account for 2-3 years**
- **Next major projects 2027-2029: Decking and Roofs**

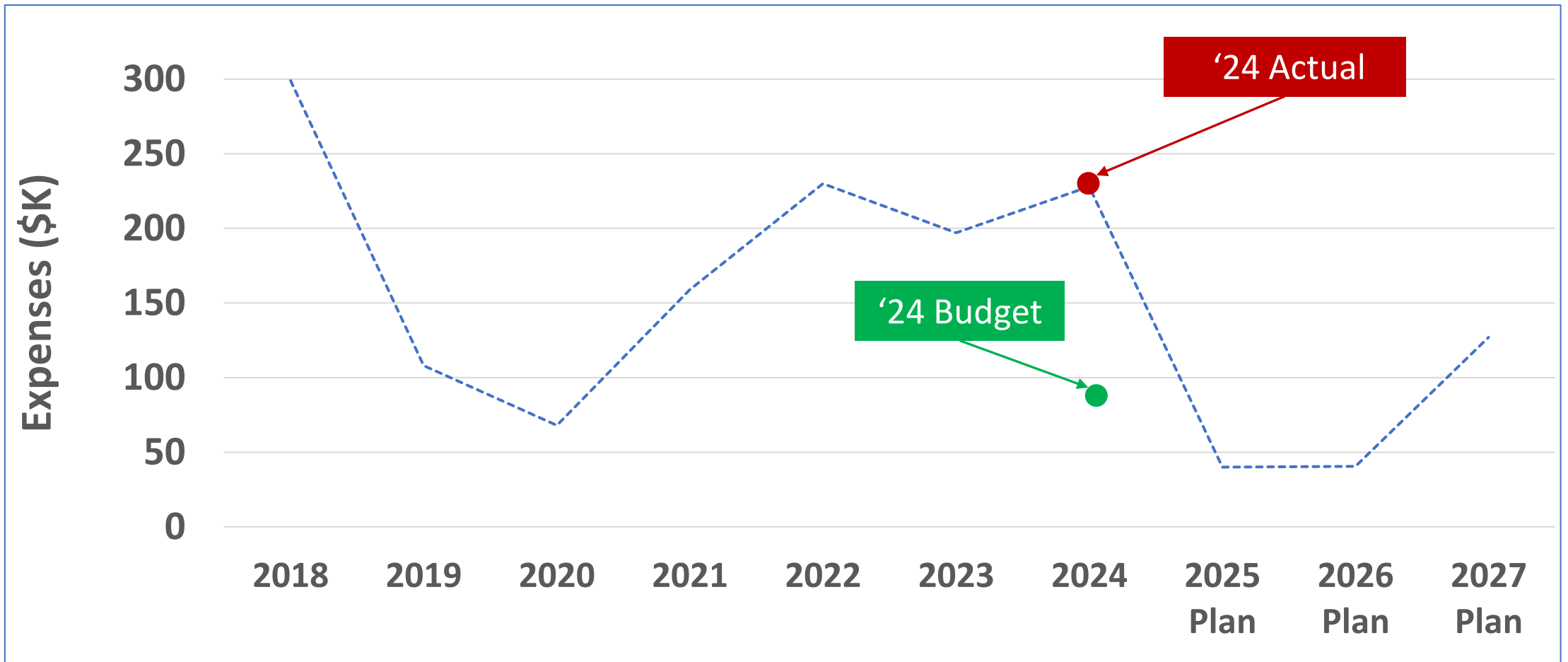


Reserve Plan Projects

Reserve Plan Project	2025	2026	2027	2028	2029	Total
Living Unit Upgrades	\$ 35,000	\$ 20,000	\$ 20,000	\$ 15,000	\$ 5,000	\$ 95,000
Parking Bldg. B		\$ 5,000				\$ 5,000
Exterior Doors Bldg A		\$ 9,381				\$ 9,381
Exterior Doors Bldg B		\$ 6,070				\$ 6,070
Decking Bldg A			\$107,161			\$ 107,161
Concrete Pad - Bldg B				\$ 22,046		\$ 22,046
Roof Bldg B - Architectural Composition				\$ 72,509		\$ 72,509
Common Area Bldg B				\$ 2,208		\$ 2,208
Van				\$ 35,395		\$ 35,395
Decking Bldg B					\$180,186	\$ 180,186
Total	\$ 35,000	\$ 40,451	\$ 127,161	\$ 147,158	\$ 185,186	\$ 534,956

Reserve Expenses

Reserve Expenses fluctuate based on long-term plan.

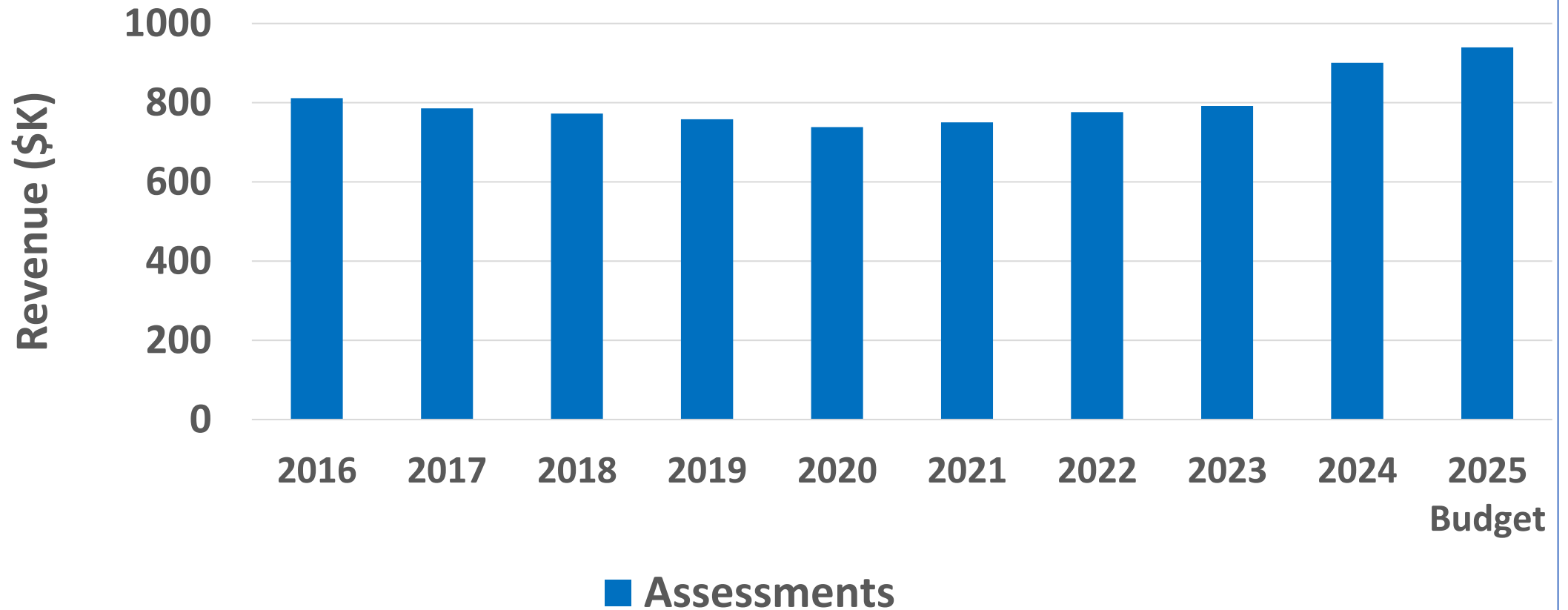


2025 Budget

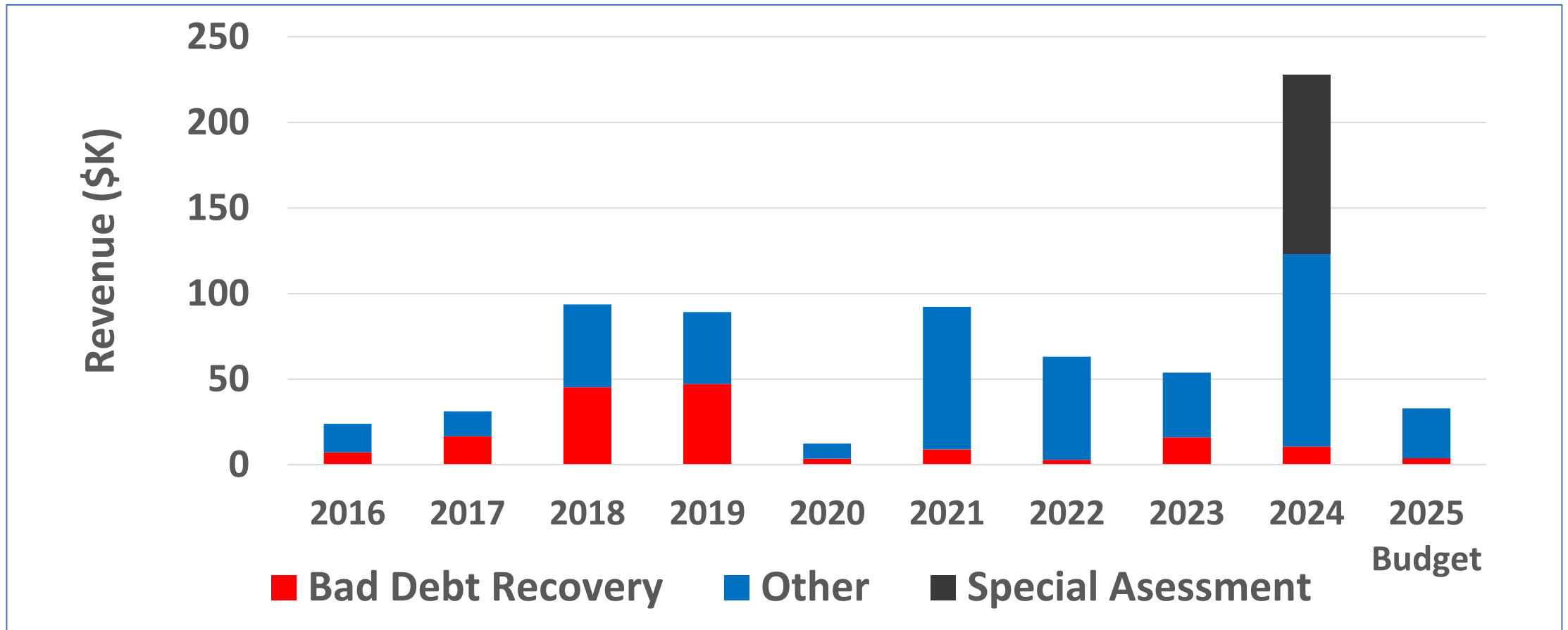
Operating Expenses	\$ 912,785	+6% vs. 2024 Budget
Other/Discretionary Reserves/Improvements	\$ <u>40,250</u>	
Total Budget	\$ 953,035	

- **Maintenance Fees Increased 6% from 2024 to 2025**

Maintenance Fee Revenue

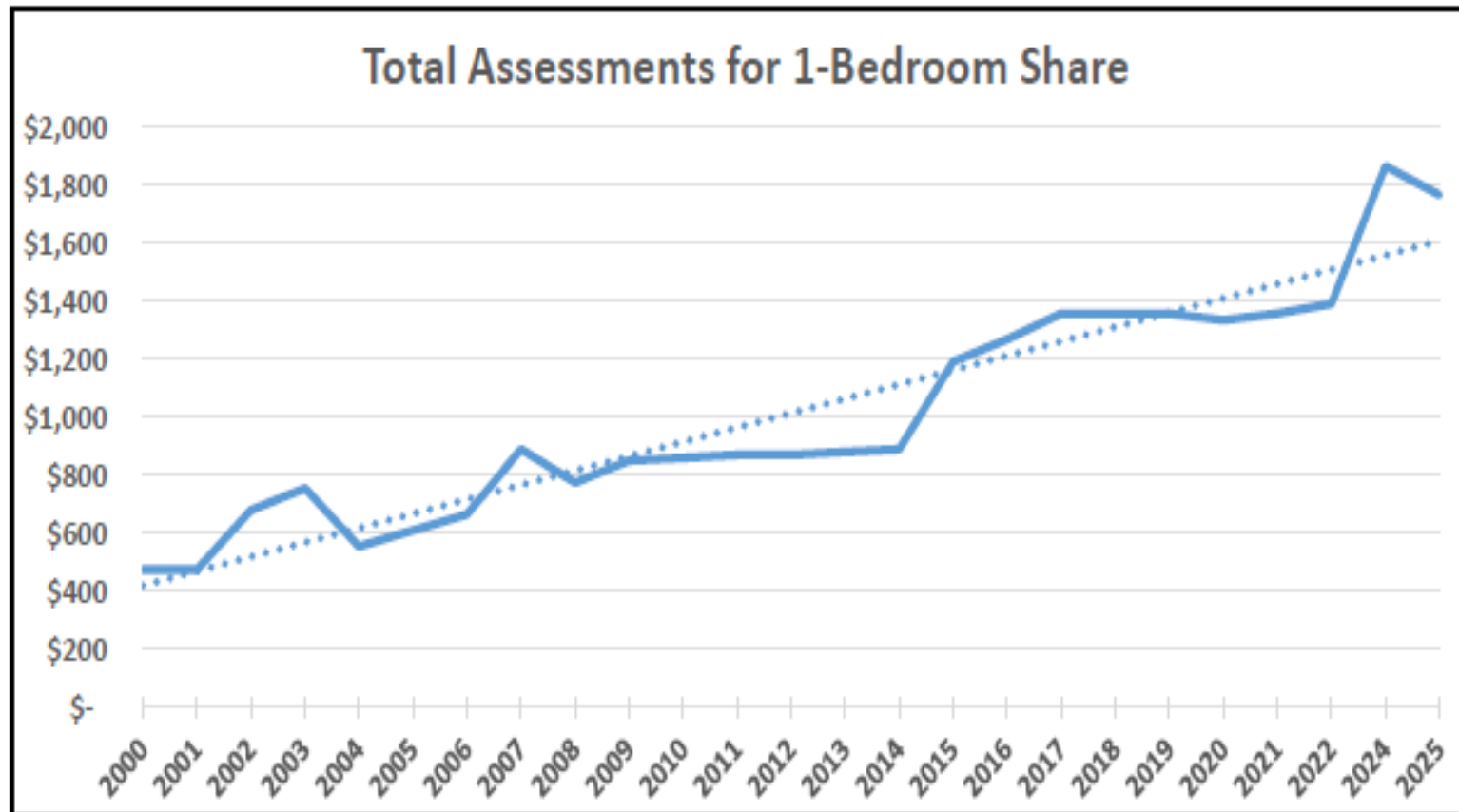


Non-Maintenance Fee Revenue



Note: Other includes sales, rentals, deedbacks, interest, and VRI payments

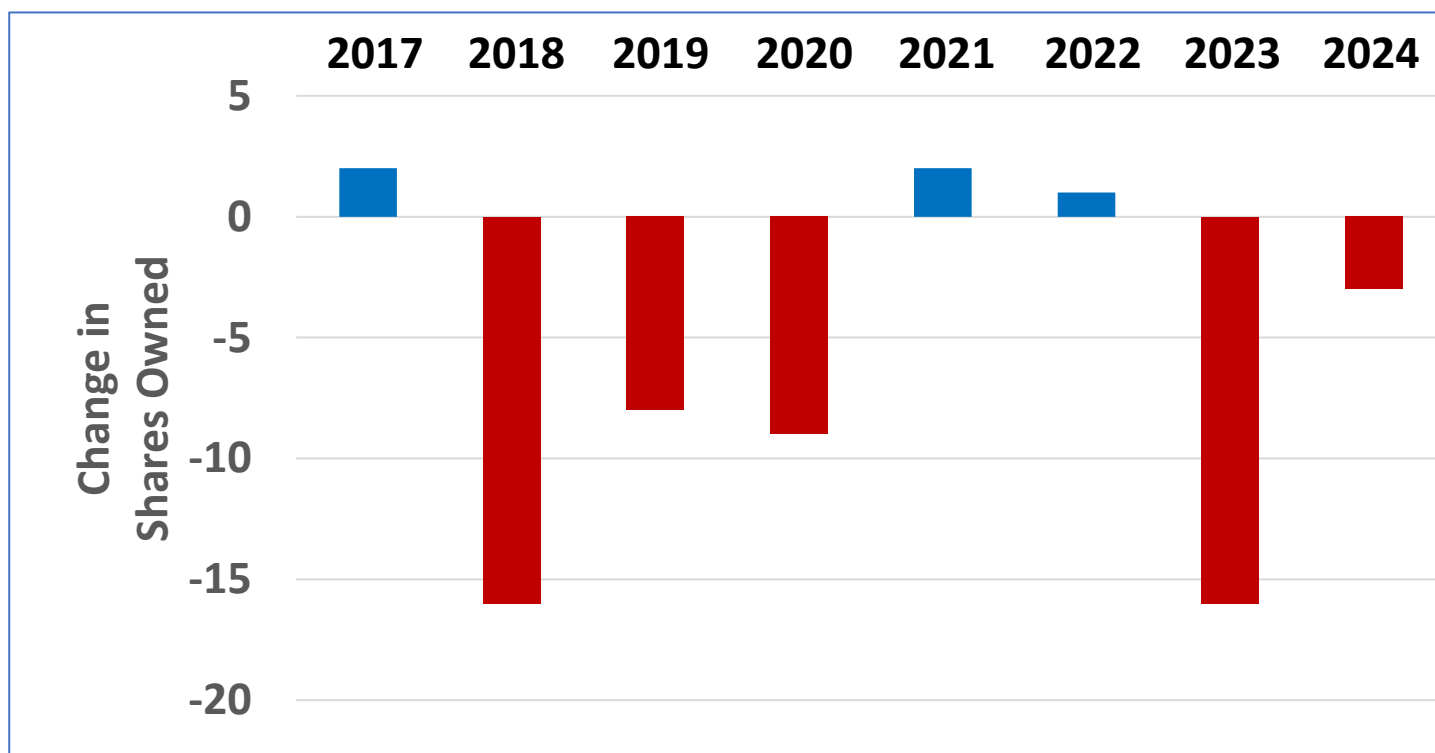
Maintenance Fee History



- **5.4% Compound Annual Growth Rate since 2000**
- **Key Factors For Increases**
 - Block Island Inflation
 - Fewer Paying Shares
 - Aging Facilities
 - Insurance Increases
- **Mitigation Efforts**
 - Spending Efficiencies
 - Supplementary Revenue Sources

Declining Ownership

Fewer owners to share the costs of the resort



- 590 Shares owned in 2017
- 541 Shares owned in 2024
- Average 6 lost per year
- Overall ownership down 8%
- Float week down 25%

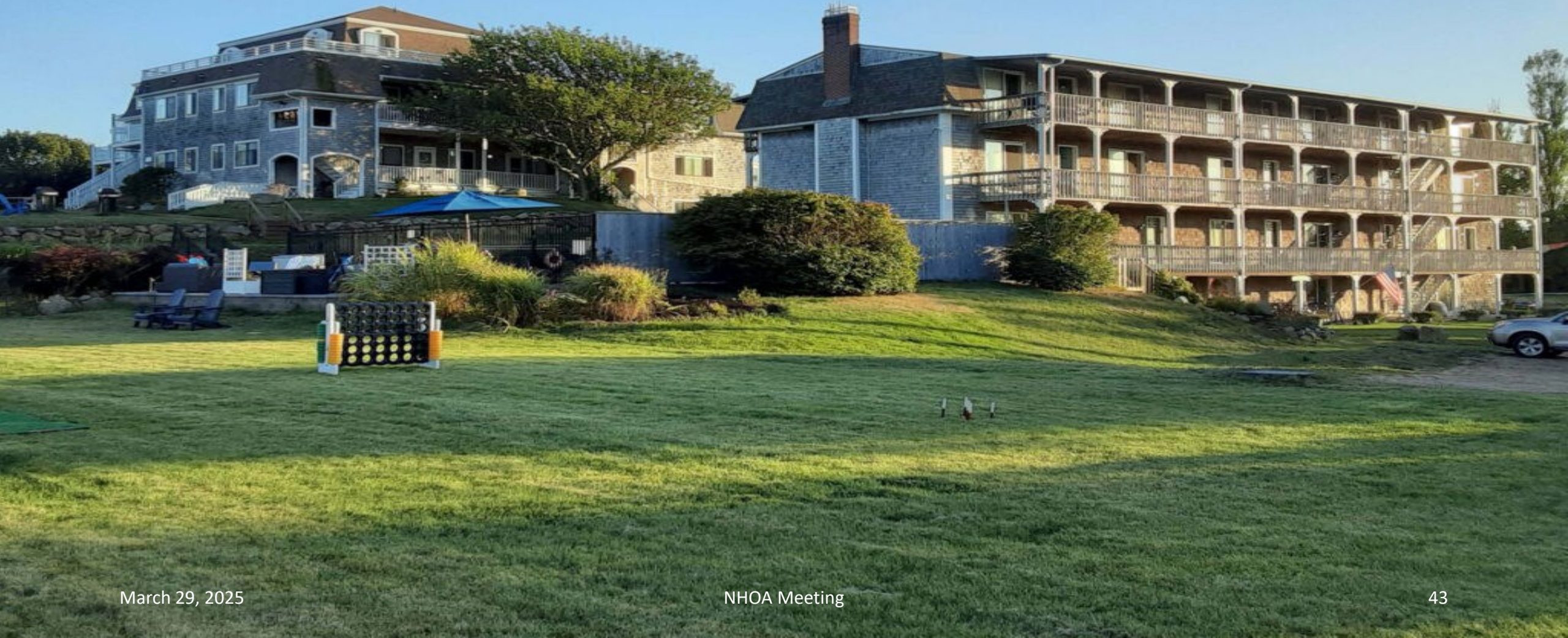
Outlook

- **Slow/steady decline in performing shares remains key issue**
- **Early fee guidance: Anticipate 6% - 8% increase in 2026 and annual increases (5% - 6%) in 2027 and beyond: fund reserves, declining ownership, insurance cost uncertainty, employee housing rehab costs**
- **Board continuing to pursue ways to minimize fee increases while maintaining financial health of resort**

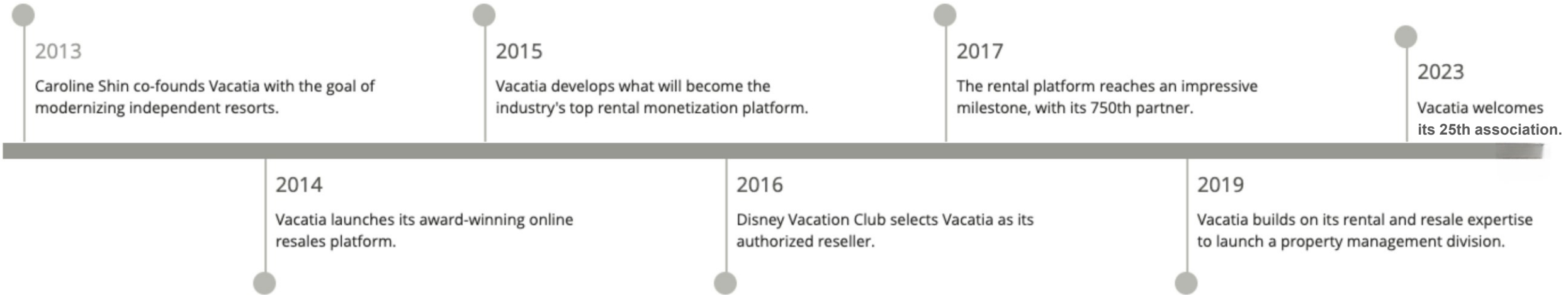
Vacatia | Owner Benefits

Neptune House
Block Island, RI 

Presented by Michelle DuChamp
Head of Partner Services



Vacatia | Our History



Vacatia | Who We Are

- **Hospitality-first approach**
 - Benefits such as flexible internal exchange and easy-to-use owner portal keep owners engaged.
 - Technology platform creates efficiencies for on-site staff, allowing them to focus on delivering elevated owner and guest experience.
- **Passion for independent resort space**
 - We prioritize maintaining the character of the resort.
 - We embrace what makes each resort's community unique.
- **Customized services to meet the needs of each resort**
 - A top-down evaluation enables us to provide the right management services.
 - Ongoing collaboration with the board and on-site staff keeps us nimble and adaptable.

Vacatia | Managed Resorts by State

FLORIDA

All Seasons Vacation Resort | Madeira Beach
Berkshire by the Sea | Delray Beach
Camelot by the Sea | St. Pete Beach
Coral Shores | North Redington Beach
Emerald Seas Resort | Deerfield Beach
Enchanted Isle Resort | Hollywood
Fantasy Island Resort | Daytona Beach Shores
Fort Lauderdale Beach Resort | Ft. Lauderdale
Grand Shores West | North Redington Beach
Lehigh Resort Club | Lehigh Acres
Lighthouse Resort & Club | Sanibel
Nautical Watch | Belleair Beach
Pelican Pointe | Clearwater Beach
The Reef at Marathon | Marathon
Shell Island Beach Club | Sanibel
South Beach* | Treasure Island
Surf Beach | Treasure Island

LOUISIANA

Hotel de la Monnaie | New Orleans

NEW HAMPSHIRE

Cold Spring Resort | Ashland

PENNSYLVANIA

Silverwoods | DuBois
Wolf Run Manor | DuBois

VIRGINIA

Atrium Resort | Virginia Beach
Dolphin Run* | Virginia Beach
Ocean Key Resort | Virginia Beach
Ocean Sands Rort | Virginia Beach

RHODE ISLAND

Neptune House | Block Island

ARIZONA

Arroyo Roble Resort* | Sedona
Scottsdale Camelback Resort | Scottsdale

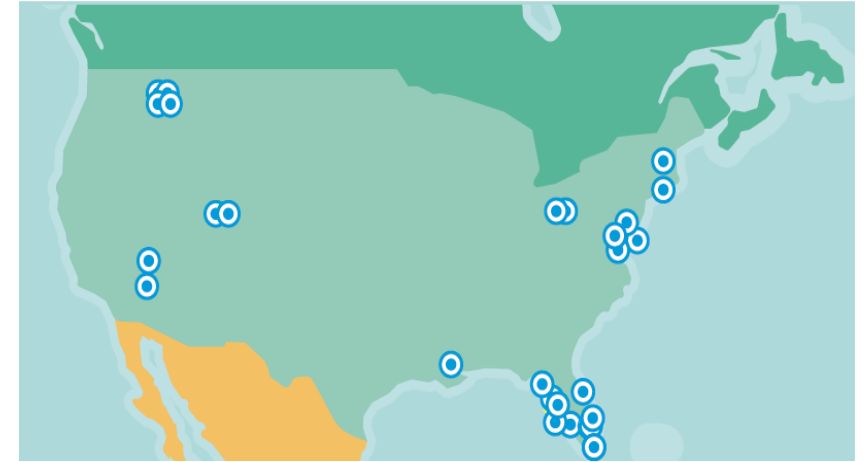
MONTANA

Glacier Village | Columbia Falls
Nenastako Village | Columbia Falls
St. Andrews | Columbia Falls
Spyglass | Columbia Falls

COLORADO

Gold Point I | Breckenridge
Gold Point II | Breckenridge

*Vacation rental resorts



Vacatia | Clubhouse

Vacatia Clubhouse, our secure owner portal, makes it a breeze for owners to manage their account. And it's easy to access from vacatia.com/clubhouse.

STEP

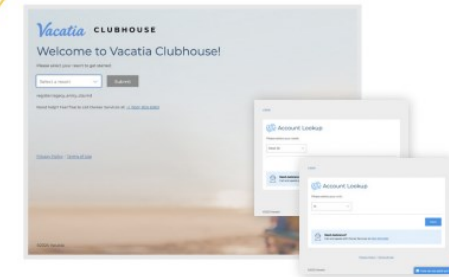
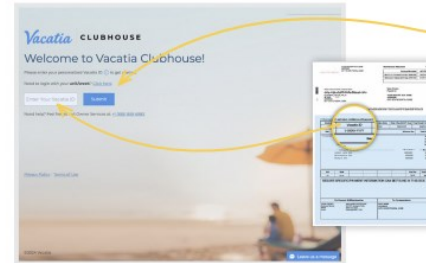
1a

Go to vacatia.com/clubhouse and input the Vacatia ID on your maintenance fee statement.

OR

1b

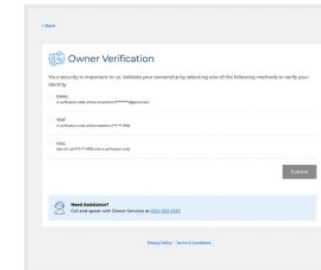
Click [here](#) if you prefer to log in using your resort, week, and unit number.



STEP

2

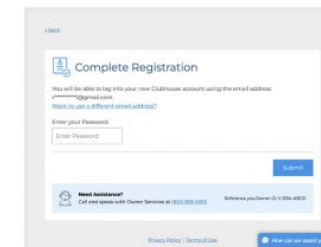
Verify your identity via email, text, or phone.



STEP

3

Complete your registration.



Vacatia | Clubhouse

After logging in, owners can do the following:

- Pay maintenance fees
- Notify intent
- Access important HOA docs
- Read the latest Vacatia news

The screenshot shows the Vacatia Clubhouse dashboard. At the top, there is a navigation bar with links for Ownership, OwnerPLUS, Payments, News, Resources, and Help. The main header features a large image of a snowy mountain range with the text 'Welcome to Vacatia Clubhouse' and a sub-header: 'Access your ownership in one place. Pay your maintenance fee, notify us of your intended use, and get the latest news from your resort and Vacatia.'

FLEX TIME
Learn more about your flexible OwnerPLUS benefit – exclusively for owners at Vacatia-managed resorts.

HERE TO HELP
Got questions? We've got answers. Send a quick note to our Owner Services team, and we'll assist.

USE IT, DON'T LOSE IT
What's your intent? Use? Rent? Exchange? Make it happen. Need to change your plans? No problem.

OWNERSHIP SNAPSHOT
Resort
Contract ID: MLR-1234
Unit: 1A
Frequency: Annual
Week or Rotation Code: 4
[All Ownerships](#)

OwnerPLUS
powered by Vacatia
OwnerPLUS lets you vacation on your terms. Convert your use weeks to FlexPoints and stay at any Vacatia-managed resort or your home resort on different dates.
[Learn More](#)

STAY IN THE LOOP
From upcoming HOA meetings and official association documents to the latest Vacatia news, read all about it here.

PAY YOUR DUES
Paying your maintenance fee by credit card or ACH is a breeze. Never miss a due date again.

UPCOMING PAYMENTS
Resort
Unit: 1A DUE: January 2, 2024 \$1,279.49
Contract ID: MLR-1234
Week or Rotation Code: 4
[All Payments](#)

NEWS
11/4/22 - Welcome to the Vacatia Clubhouse!
[Download](#)
[All News](#)

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Vacatia | OwnerPLUS

OwnerPLUS is an internal exchange benefit exclusively for owners at Vacatia-managed properties. As Vacatia's network continues to grow, so, too, do the exchange options offered to owners.

- Access resorts in New Hampshire, Virginia Beach, western Pennsylvania, New Orleans, Scottsdale, Breckenridge, Montana, and throughout Florida.
- Visit Neptune House outside of their week.
- Flexibility allows owners to trade for another week or split their usage so they can take long weekends and midweek breaks.
- OwnerPLUS is optional from year to year. Owners just have to convert any usage to FlexPoints for only \$149.

OwnerPLUS

Do More With Your Week

OwnerPLUS is an internal exchange benefit exclusively for owners at Vacatia-managed properties. And with Vacatia's nationwide network of resorts continuing to grow, that means you have more exchange options than ever. Here's what makes OwnerPLUS so great.

Visit your home resort ... whenever.

Winter, spring, summer, or fall — all you have to do is call Owner Services and make an OwnerPLUS exchange.



Access other resorts in the Vacatia network.

Visit resorts in Scottsdale, Breckenridge, Florida's Gulf and Atlantic coasts,, New Orleans, Montana's Glacier National Park area, Virginia Beach, western Pennsylvania, and New Hampshire.



The flexibility lets you take shorter vacations.

With OwnerPLUS, you trade with FlexPoints, which allow you to trade for another week or split your usage, so you can enjoy long weekends and mid-week breaks that fit your schedule. You can view FlexPoints charts online by signing in to Vacatia Clubhouse at vacatia.com/clubhouse.



Use it when you want — and exchange for less.

Elect to use OwnerPLUS any year. The choice is yours. Better still, an OwnerPLUS exchange costs a fraction of the price that the major exchange companies charge:



	MEMBERSHIP FEE	EXCHANGE FEE	TOTAL
RCI	\$109	\$299	\$408
Interval International	\$99	\$239	\$338
Vacatia's OwnerPLUS	NONE	\$149	\$149

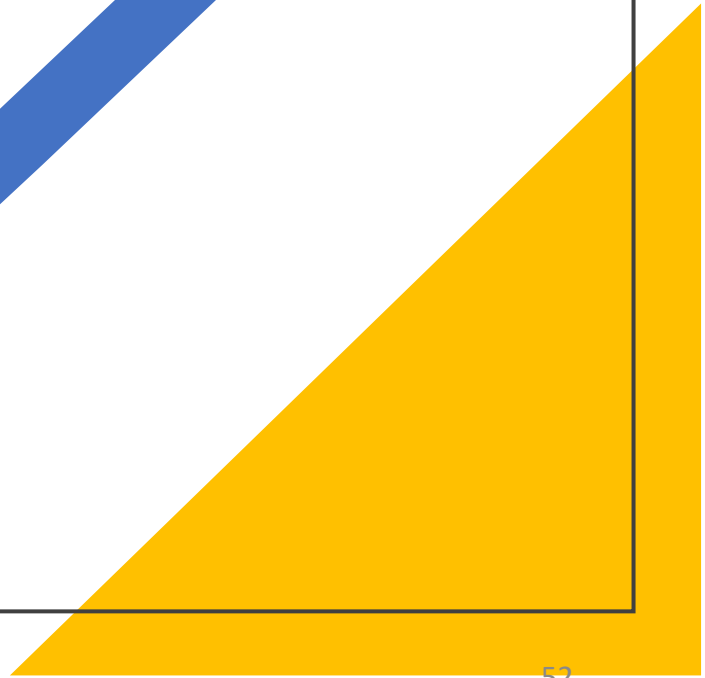
New experiences. Flexible. Optional. Affordable.
Call 855-859-6983 to learn more and make an OwnerPLUS exchange.

Vacatia | Contact Information

- Customer Care
 - 855-859-6983
 - Neptune-House-Owners@vacatia.com
- Sales
 - 855-641-8409
 - Neptune-House-Sales@vacatia.com
- Deedbacks
 - 855-781-9677
 - Neptune-House-Deedbacks@vacatia.com

Election Results

Chris Lindgren



Election Results

- **Candidates**
 - **Cheryl Moore (incumbent)**
 - **Mark Morrissette (incumbent)**
- **3-year terms (expire March 2028)**
- **Congratulations and Thanks for Stepping Forward**



Q&A



Adjournment

