



# THE SOUTH SEAS CLUB CONDOMINIUM ASSOCIATION, INC.

April 4, 2025

Dear Fellow South Seas Club Condominium Owners:

I write to you today on behalf of the South Seas Club Condominium Association, Inc. Board of Directors to advise of action taken by your Board yesterday at its special meeting for consideration of the adoption of a special assessment of all South Seas Club owners to support urgent critical SSC repairs and services.

Three hurricanes in just over two years has taken a considerable toll on the physical structures of SSC which are over 50 years old. In order to recover from these storms and their recurring damage to our buildings and such things as the pool and elevator, as well as the most recent loss of all air conditioning units because of storm surge and sand, the Board has been forced to exhaust its considerable reserves. Considering the significant expense of the repairs that have occurred, we are fortunate that we have had those reserves available, but now those reserves will no longer support the work that remains.

The principal task to complete is the repair of the structural support for our buildings, including the visible columns on the outside, as well as support under the buildings. I recognize that this work in particular has been a large inconvenience to many of you and will now be felt by others as work has moved to the other building. The work is not discretionary: it is essential for the safety of all of us. Other funding is necessary to pay for the Association's portion of the insurance deductible. Funding is also needed for necessary landscaping that continually has been destroyed by every storm (PITO – Property in the Open).

One remaining category of needed funding deserves special focus is for legal services. It is an understatement to say that our Association's relationship with the resort owner has been challenging. We have endeavored to restore the amenities that we previously enjoyed before the Timbers acquisition, but negotiations proved fruitless. As a result, the Board authorized counsel to initiate a Declaratory Judgment action against the resort owners. While it is very early in the proceedings, litigation is expensive, and funding is needed for that initiative. We are also part of the litigation filed by the time share associations against Timbers for its encroachment on the easement that secures our access to the beach.

With the foregoing in mind, this is what the Board considered and approved at its April 3 meeting.

| <b>Special Assessment Log</b>                                  | <b>Amount</b>   |
|--|-----------------|
|  |                 |
| Change Orders from RL James, Karin Engineering and Contingency | \$616,000.00    |
| Deductible (building)  | \$348,000.00    |
| PITO Deductible  | \$50,000.00     |
| Legal  | \$175,000.00    |
| Total  | \$1,189,000.00  |
| Per Unit week owned  | <b>\$971.40</b> |

1224 unit owners

The Board recognizes that the sum of \$971.40 is not insignificant, particularly when multiplied by the number of weeks you may own, but it is the judgment of the Board of Directors that this assessment is essential to preserve and protect what we have. The assessment will be billed to your account and is due in full not later than June 1, 2025. Know that if any of the categories do not result in the full expenditure of the specified assessment, the balance in that category will be refunded or credited to your account. (The assessment may only be used for its stated purpose.)

If you have specific questions about payment of the special assessment, please direct them to Nancy Dean, Nancy.Dean@hgv.com.

Very truly yours,

Keith Arnott  
President, South Seas Club Condominium Association, Inc. Board of Directors