

Dear South Seas Club Owners,

We Thank You for your thoughtful and supportive letters, feedback, and comments regarding the ongoing developments at the South Seas Club (SSC) within South Seas Island Resort. It's heartening to hear from concerned and engaged Owners like yourself. We want to express our gratitude and continued dedication to ensuring the best possible outcome for all our unit Owners.

The South Seas Club Board of Directors is actively engaged in discussions through its legal representative regarding Timber's proposed changes to Lee County ordinances concerning the Resort's height/density restrictions, and SSC amenities. Transparency is indeed vital in these processes, and the recommendations from the Captiva Civic Association attorney to have the County Commission clarify the current wording is a reasonable and necessary step to resolve any potential miscommunication. Failing a satisfactory clarification, steps will be taken to advance the matter to State of Florida under the statutory procedure. We will continue to monitor the height/density issues with local association leadership.

As it relates to SSC unit owners' access to Resort amenities, we continue to be in disagreement with Timbers on this important topic. The ability for SSC unit owners to access these amenities is not just about access fees but also about the overall experience and value of ownership. The current stand-off could lead to a lose-lose scenario, which is something we seek to avoid. The Resort amenities are an integral part of our South Seas experience, and it benefits both unit owners and the Resort to have a harmonious relationship.

We continue to engage Timbers, Inc. in negotiations to find a solution that allows SSC unit owners to retain all the amenities and facilities the Resort has to offer. These negotiations are ongoing and proving to be very challenging. At present the Food Trucks, Slide Pool, Main Pool, trolley and Beach Chairs & Umbrellas are the only existing Resort amenities open and operational. At this time, however, South Seas Club and other properties on the island that currently do not have an amenities agreement with Timbers remain blocked from those offerings. Timbers has refused to allow SSC unit owners the unlimited golf privileges they have historically enjoyed. In addition, Timbers is proposing to limit the traditional free amenities that SSC has enjoyed for all owners, guests, and renters to just the current owners of SSC and their immediate heirs. New amenities to be developed by Timbers would be subject to a fee. Amenities for renters would only be available if SSC owners rent their weeks through Timbers.

Know that the your Board of Directors is committed to exploring all avenues to retain access to Resort amenities as was noted in the original sales documentation provided to buyers at closing. However, every good plan requires a "plan B." That plan, which has some risk has been developed. In the meantime, and while negotiations continue we are looking at alternatives to ensure our Owners still have access and/or amenities serviced by other local businesses on the island. There comes a time where change is warranted. We must be flexible in our decision making to ensure the best outcome for all. Having options available to us will also serve us best in terms of the negotiations.

We appreciate your encouragement and will diligently pursue a resolution that aligns with our collective interests. Your support and input are invaluable to the South Seas Club community. We are grateful to have members like you who are dedicated to a win-win outcome. As there are any further developments or updates, we will keep you informed.

Once again, thank you for your letters and your continued support of South Seas Club. We look forward to a positive resolution that benefits all of our Owners.

Warm regards,

South Seas Club Board of Directors