

Dear South Seas Club Owners,

Your South Seas Club Board of Directors thanks you for your thoughtful and supportive letters, feedback and comments regarding the ongoing developments at the South Seas Club, both in terms of the facility itself and as an association within South Seas Island Resort.

First, we are pleased that we were among the first associations to reopen after the destruction of Hurricane Ian. We are grateful to the local Hilton Grand Vacations team who oversaw that recovery effort and hope that you are as pleased as we are with the conditions of our property. There have been some initial glitches associated with the new check-in process, new key system, and a few items within the units, but they quickly are being addressed and, in the meantime, we apologize for any inconvenience you may experience or have experienced.

In terms of our relationship with the Resort, things are more challenging, not only for SSC but for all of the interval associations, as Timbers has sought to dictate a new relationship with the associations in terms of amenities access, duration of that access, and control of rental of our units, among other things. The Board has engaged legal counsel who has worked diligently since these issues were first raised before Ian hit our Island to move Timbers off its demands and reach an accommodation of the issues that separate us while preserving what we view to be our legal rights. Ultimately, however, any successful negotiation takes two parties who are willing to find mutual ground. To date, Timbers has shown limited to no willingness to do so. As a result, the Board is accelerating its review of other options to protect our interests and enhance your enjoyment of your time at SSC.

We also encourage you to stay abreast of the current matter pending before the Lee County Commissioners to amend the comprehensive land use plan. The Florida Bureau of Community Planning and Growth labeled the County's efforts a "false flag" under the guise of "resiliency" to increase hotel room density on SSIR. Another hearing by the County on the amendment is scheduled for December 6, 2023. If it is adopted yet again, we expect that Timbers will then submit its redevelopment plan which will have to go through the zoning process and if approved portends a significant increase in hotel/condominium structures on the Resort, which will, in our judgment forever change the character of the Resort. More information about the hearing will be made available through the Captiva Civic Association in the coming days.

We appreciate your encouragement and will diligently pursue a resolution of the many issues raised by the new Resort ownership group that aligns with our collective interests. Your support and input are invaluable to the South Seas Club community, and we are grateful to have members like you.

Warm regards,

South Seas Club Board of Directors