

August 4, 2023

Dear South Seas Club Owner:

As your South Seas Club (SSC) Board of Directors, we are writing to provide you with the most up-to-date information available to the Association regarding South Seas Island Resort (the Resort) and the SSC. While the date for the reopening of SSC has not yet been set, we expect that date will be determined soon, and if you are expecting to use or rent your week when that occurs, there are a number of things of which you should be aware.

The good news is that our units will be ready for occupancy very soon. What does that mean? Your unit and the SSC buildings and common areas are being returned to a condition similar to what we enjoyed prior to the hurricane along with some new updates. The SSC pool and spa are being repaired and will be available for use when the SSC reopens. We are replacing the grills and they may be available upon reopening or shortly thereafter. The landscaping is currently being replaced and refreshed. New retrofitted locks using an upgraded key card system controlled and operated by Hilton Grand Vacations (HGV) are being installed at this time and will be operational before the SSC reopens. Your key card will now work for pool access. As of the date of this letter, the elevator is not in service, but repairs are scheduled and every attempt is being made to complete those repairs as soon as possible. The SSC may open before the elevator repairs are completed but a final decision has not been made as of the date of this letter. If the elevator is important for you, it is recommended that you contact the Sanibel Hilton Grand Vacations (HGV) at 239-217-9259 and/or email Nancy Dean at nancy.dean@hgv.com before scheduling your trip.

Although the South Seas Island Resort Instagram and Facebook pages may indicate a repaired or soon to be repaired Resort is in place, it is your Association Board's opinion that the Resort is not ready for reopening. Your SSC Board President Keith Arnott visited the resort in late June to get an overall view of the SSC repairs and the current state of the overall Resort. Driving through Sanibel to get to the Resort was very depressing as the area was devastated by the storm and sustained significant and continuing damage. When he arrived at the Resort, what he saw was a massive construction site. For example, the golf course is gone. There is a large pond where the first tee box and fairway used to be. Your views from your unit will consist of heavy equipment, large concrete pipes, and lots of sand and fencing restricting your access to the beach.

Many of you will, rightly so, want to know what you can experience upon your return to the Resort. Indications are that the lounge chairs and towels on Sunset Beach will only be available to the Resort guests, i.e., not SSC owners and guests as the amenity package provided by the new owners of the Resort (Timbers) to SSC owners is still a subject of significant debate. (As previously communicated, your Board has engaged legal counsel to assist us in this matter.) The only thing left standing at Sunset Beach are the bathrooms but as of the date of this letter they are not functional. There is no beach bar or food stand. Do not expect a sunset with live music and a cocktail. The T-dock has been refinished but you may not have access to it. The North Pool and Tiki Bar have not yet reopened. The Resort dining options consist of two food trucks serving burgers and tacos. In addition, there is no place on the Resort to purchase food, drinks, or groceries. The only retail operation is Starbucks, which opens late in the morning and closes early in the afternoon, i.e., 2:30 p.m. As of the date of this letter there are no options for workout facilities,

Captiva Kids, the Ship Store, Harborside or golf. While your Association has made significant repairs and improvements to our SSC facilities, you should expect SSC to feel like an island oasis surrounded by a very large construction site.

If you do decide to visit, there are currently places for you to eat off the Resort. The Mucky Duck miraculously survived and is open. In addition, Tween Waters is open. Keith had dinner at the new Crow's Nest, and he indicated the service and food was great. Tween Waters also has a new second floor steakhouse restaurant above the Crow's Nest that has fabulous water views. You may recognize many of the staff at Tween Waters as those you saw at South Seas Resort. Although The Bubble Room's Ice Cream Parlor is open, the Bubble Room Restaurant is not. The Captiva Island General Store and RC Otters are also open. The Key Lime Bistro should be reopened by late September. The foregoing information is to let you know that all of your provisions will need to be purchased before you arrive on the Island. Jerry's grocery store on Sanibel is currently open. If you need a pharmacy, know that there are none on Captiva or Sanibel that are currently open. The Publix before you get to the Sanibel Causeway is open and will be your best option beyond a stop at Costco or Walmart.

With this said, the Hilton Grand Vacation (HGV) team is ready to welcome you back. Nancy Dean and her team have done a tremendous job of putting the South Seas Club back together. Check-in will now be in Sanibel. The Resort demolished the old check-in registration building and no longer desires to be involved with the timeshare check-in. All owners and renters must first stop in Sanibel at the temporary check-in trailer while the new Sanibel check-in facility is being renovated. HGV has put in place a 24-hour Answering Service (239-217-9259) to respond to you if there are any problems with your unit. Nancy Dean and her team will be contacting you, or your renter, directly by phone before you arrive at the Resort with more detailed information about this process. A full list of what is open, as well as recreation and entertainment options will be provided to you at the time of check-in.

Your Board's first priority is you and your family's safety. As noted, the Resort is a large construction site. It is imperative that all guests understand the amount of construction that is occurring within the property of South Seas Resorts. If you decide to visit the Resort you must be ready to deal with vacationing at a Resort during reconstruction, while you enjoy the sunset and a drink by our pool.

If you are unsure about your visit to Captiva, please reach out to Nancy Dean (nancy.dean@hgv.com) and her team at HGV. Also, remember to check the SSC and HGV websites, as we seek to provide timely updates on these sites with the status of SSC and the overall Resort.

You may be asking yourself, why reopen SSC now? The actual reopening date is largely determined by the insurance provider based on when repairs have been completed and SSC is deemed to be ready for occupation and operation. As a result, once reopening occurs the business interruption insurance carried by our Association will no longer cover your Maintenance Fee.

Captiva and South Seas Island Resort are facing some very daunting issues and challenges. We believe the challenges will be overcome, but it will take time before the experience returns to that

which we most recently enjoyed. Your board continues to work through these issues and will keep you informed on our progress.

In addition, while SSC will look fantastic and will be operational shortly, the Resort has a long road ahead to be operational. The purpose of this letter is not to discourage you from availing yourself of your unit, but to manage your expectations as to what your overall experience is likely to be.

As a general reminder, you can subscribe to the South Seas Club Owners newsletters and updates by visiting our website at <https://southseasclubowners.com> and completing the subscription details to receive access to detailed, trustworthy information.

Very truly yours,

/s/ Keith Arnott, President, SSC Board of Directors

/s/ Richard Fennessy, Vice President, SSC Board of Directors

/s/ William Kauffman, Secretary/Treasurer, SSC Board of Directors

/s/ Nathan Bradley, Director, SSC Board of Directors

/s/ Sheila Pizza Fernandez, Director, SSC Board of Directors