

June 12, 2020

Fellow St. Tropez Owners,

Now that we are open and receiving Owners and guests, a couple of issues are on the minds of our Owners:

- How are we doing financially after the 8-week shut down of the resort?
- Will Owners who lost their vacation due to the shutdown be compensated for those weeks?
- When will the pool be opened?

The Board met via virtual conference on Saturday, June 6th and deliberated on these questions and a number of other topics during the conference. The resort is open but not under the pre-shutdown conditions. The health and safety of Owners, guests and staff are major concerns that affect the way we will operate the resort in the near-term. Lost revenue from the shutdown period coupled with additional sanitization expenses, such as cleaning of the units, operating the elevator and regulating the pool will have a negative impact on our strong cash position which will be closely monitored as the resort recovers.

In this regard, the Board has accepted an offer from the Management Company starting June 1st for a guaranteed \$42,000 annualized revenue; in return for the increase in cash flow to the resort, the Management Company, Capital Vacations, has the exclusive right to rent all of the HOA owned and delinquent units. Revenue in the year 2020 will be less than the guaranteed amount due to the June start date. We saw this move as a necessity to preserve our cash flow and hopefully our strong financial position during this time of uncertainty. We will be monitoring the situation as we move forward.

While we have been advised there is no obligation to do so, the Board believes that compensating Owners for weeks lost during the shutdown is the right thing to do. We will be offering make-up weeks utilizing the off-season pool of HOA owned unit weeks to qualifying Owners who formalize their request to management in a timely fashion, but no later than December 31, 2020. This decision comes at a price; for every unit we remove from the rental pool to compensate Owners, the Association forgoes the equivalent rental for that unit week under the aforementioned rental agreement.

The pool will be opened as soon as all of preparations are in place. Maryland Department of Health and local restrictions will be followed for maintaining health and safety. A full-time person will be hired to monitor the pool. Hours of operation each week will be from 11 AM – 7 PM, Tuesday through Thursday and on Saturday and Sunday; the pool will be closed all day on Friday and Monday. All deck furniture will be removed from the pool area to accommodate swimming only in the pool. The maximum number of patrons inside the pool at any time will be restricted to the guidelines then in effect. Currently, a log of all pool patrons will be kept along with a sign-in requirement prior to pool entry. Additional costs will be incurred by the Association to provide for hiring someone as the pool monitor and to perform the required sanitizing. Entry into the pool will be on a first come first served basis and restrictions on time in the pool area may be imposed.

Updates to resort related activities will be posted on the homepage of the website [www.sainttropezoc.com](http://www.sainttropezoc.com), please visit the website often to stay abreast of the latest news about the resort. As previously stated, the health and safety of our Owners, guests, and staff is of primary importance to the association; please be tolerant of the new operating procedures that were put into place of necessity. Finally, we hope that you and your family have a wonderful vacation in Ocean City.

Sincerely,

*Ron Harrington,*

President