

January 20, 2021

Fellow Owners,

I am writing to update you on the status of the 2020 Annual Meeting, the association's financial condition, the new office status and some personnel changes within the management company.

As you are aware, the 2020 Annual Meeting was postponed to avoid in person exposure to the Coronavirus. Other resorts have taken similar action. The question remains; when, and in what format, will this meeting take place. Unless the pandemic suddenly disappears, the options include waiting until it is safe to meet indoors, holding a meeting outdoors when the weather is warmer or having it online. Since two owners have submitted resumes for election to the board, an online meeting has possible issues related to balloting. I will keep you posted as the situation develops.

While the association remains financially strong, we continue to seek out additional ways to bring in revenue. Owner attrition is still a factor that will affect our financial condition in the long term; for every owner that defaults, a source of revenue needs to be identified to fill the void left behind. The Guaranteed Rental agreement with Capital Vacations is one way we have been successful in generating additional revenue; other revenue streams such as selling off-season association owned weeks are being considered. Managing expenses while providing owners and guests with a topnotch vacation is a major consideration.

As of today, the new office on the G1 garage level has been mainly completed with the exception of a few minor items that have been identified during a walk-through on January 6, 2021. The Fire Marshal needs to sign off on the new handrails and the fire alarm system in order to secure an Occupancy Permit, which is expected within the next week. We anticipate moving into the space sometime in February.

Johnny Tramel, the management company Regional Director, has announced his retirement effective December 31, 2020. Ionela (pronounced like "Vanilla" only with an "Y") Breha, former GM at Club Ocean Villas II, has replaced him; Johnny has agreed to work with Ionela until she is up to speed at an efficient level. Luke Kowalski our new maintenance man continues to impress us with his abilities and knowledge.

Despite the challenges that the resort has faced in 2020 with a pandemic, the shutdown, and personnel changes, the resort remains viable and strong, a situation that is made possible through the encouragement and support of our owners. We appreciate your continued loyalty and wish you and yours a very healthy, prosperous and happy 2021.

Sincerely,

*Ron Harrington*

President