Dear Valued Owner

It is a pleasure to be able to provide you with a year-end update more so than any year that we can reflect on as in the past. We have had years where we dealt with economic downturns, major hurricanes, even setbacks caused by Zika and other challenges. It is fair to say however that none of those presented the unique challenges that we as an Island and industry faced so unexpectedly over the past 9 months.
Putting the frustrations of the economics aside for a moment, upon reflection we as mutual stakeholders should take a pause and feel a moment of relief. We should take comfort that we as a group of owners, operators and employees, have been able to band together and navigate through this year safely. While it would be fool hearty to think we have calm waters ahead, I remain cautiously optimistic that we have some rays of hope shining through. As fears subside, and the realities of winter set in, the value we all see in sunshine, clear blue waters and warm breezes will be stronger than ever before. We would like to take a moment to give you some current updates as we prepare to move forward into a new year of promise.

Market Related Items
In terms of the state of the market, we are certainly presently feeling the effects of the fears associated with Covid-19 travel. This is especially true for the festive period which is heavily reliant on multigenerational stays. It is apparent that there is resistance in organizing and navigating through the travel requirements where the elderly are part of the normal trip and where various members of the family are geographically disbursed. The present reality is that availability to testing is very different in all locations. The Canadian market is almost non-existent at the moment because of the 2-week quarantine requirements still in place for everyone returning from outside the country. We have been closely watching the marketplace and attempting to balance being competitive, with preserving our rate as much as possible. It is disappointing to see some of the rates being advertised by our competitive set (60% plus discounts), but hopefully as they see some booking base, these offers will be lifted. We have taken a stance of doing some specials into the first quarter but at this juncture we have chosen not to extend these past April until we sensibly see what transpires over the next 1-2 months.
We did make the decision not to offer large discounts during the festive period but we opened up the inventory to Wholesalers in order to expand our reach, so commissions will apply in those cases. What this decision means is that we simply won’t see the normal spread of revenues that we typically see over the festive period. We want to give you comfort that the reservations and accounting teams will be doing periodic manual evaluations of revenue distribution to try and give a fair allocation of the revenues we do have among owners, especially those that might not have received festive revenues.

Covid-19 Related Items
Moving on to things that are potential positives for us all are the following:

- The CDC, as some will know, has downgraded the risk of travel to TCI from a Level 4 to a Level 2 which drops us as a destination from VERY HIGH to, just a MODERATE risk. There are very few countries that are ranked this low at the present moment, so lets all hope that the current number of new cases remains low and this encourages more travel to the Island.

- Based on the Governors release, it looks like TCI will be one of the few countries that has been selected to receive the first shipments of a sizable (in relation to the population) amount of the Vaccine. The initial shipment is stated to be just under 10,000 doses which will vaccinate approx. 5,000 residents. As one can imagine, if the vaccine is adopted by the general public and workforce in TCI, it has the potential to have a massive positive impact on the risks of travel related concerns within the country. TCI could be one of the few destinations in the world where a substantial portion of the population are vaccinated against Covid-19. The initial shipment is scheduled to arrive on January 7th, 2021 and hopefully represents a turning point for TCI. It remains to be determined how well the vaccine will be accepted with the local population. We will be carrying out informational sessions with staff so that we can have them as well informed as possible in regards to the decision.

- The Government has announced that it will be providing testing for the hospitality sector and we are in the process of arranging for our staff to benefit from this service. Over all, the Government has stepped up testing within TCI and in some cases, testing reaches over 100 per day.

- Private testing is also available at Accu Diagnostics located within the main IGA retail center. Test results have been reliably returned with 24-48 hours.

- For those needing easy access to acceptable travel insurance we will provide a reminder that you can visit TCISAFE.COM and procure the insurance offered by Aura. This insurance is about $10 a day per person but it covers a medivac from the Island for you and your family should you test positive during your travel.

While all of the above remain moving parts, they are positive influences to overcoming the barrier and risk of travel to TCI , and if aligned properly, could possibly give our destination an advantage or similar Caribbean Islands. We will do our best to keep you informed as things progress.

Cost Cutting Measures

In the meantime, both the Management Company and the Strata Board are doing everything possible to reduce your expenses during this period. From the Management Company side linen and marketing assessments have been reduced by 50%. Also, the preventative maintenance assessments have been suspended for 2 consecutive quarters.

Additionally, we have been asked by the Chairman of the Strata Board to advise that the Strata Board recently approved the extension of the 30% reduction in Strata fees until the end of March 2021. The Board will undertake a review of this again in the upcoming months to see if further reductions can be warranted and absorbed past that date. We have been successful in building some operating reserves during the earlier part of the year so it has made these forward-looking reductions possible.

The decision was also made by the Board to continue the suspension of both the normal Capex assessment as well as the Major long term reserve fund until the end of March 2021. It is acknowledged that this will mean the reserve balances will get lower than ideally preferred over the upcoming year but the sentiment was that these can be addressed when we see a more robust return of revenues.

I would personally like to thank all the Board members for the extensive amount of work and communication they have undertaken on everyone's behalf during this unprecedented and unpredictable period. I would especially like to thank the Board Chairmen at all our properties as they have taken on much more than most owners would be able to appreciate over the past 9 months. The support given by them has been so incredibly valuable.

On behalf of the Management Company and the Board, we would like to thank those who have been diligent in keeping their account balances positive and for those that are not, we mutually ask you to be responsible in that regard. Many of the obligations that are being taken care of continue to exist despite the pandemic. The Management Company has made extensive preparations and commitments to weather through this period safely, and your support is greatly appreciated.

New Restaurant – Almond Tree

We are very excited to announce that we had our soft introduction evening for our newest Shore Club restaurant Dec 28th and the response to its beautiful architect and ambience is heartwarming. The Almond Tree features southern comfort style cuisine in a deep south atmosphere. The center focal point are two large mature almond trees that are warmly lit along with a full display kitchen (with a pizza oven) and inviting bar area. We are aiming to formally open the restaurant on January 7th , 2021 and can't wait for you to come and experience our new creation that the team is very proud of. The menu and some pictures are attached.

Staffing

We would like to advise that the Management Company and Strata Corporation have made the commitment to return all employees back to full salaries effective last November. Additionally, the decision was made to replicate the 2019 Festive bonuses that we traditionally pay before Christmas to the staff so they have some additional resources for the family during this time. This was a big undertaking but one that we feel was essential given that most staff have endured a very trying year financially within the tourism industry. We know you will agree and feel strongly about showing our support to one of our most valued resources

In closing, I would like to wish you and your families a wonderful and prosperous New Year. We look forward to making 2021 the best success it can be, and hope you share in the pride of what was achieved through 2020.

Be well

Stan Hartling