

Dear Valued Owners,

After much deliberation and discussion we have formally decided to suspend the resort operations for the period of September 1 to October 15th. While September has always been a slow month regardless of the Covid situation, the forecasted bookings dropped this past week into the low single digits making it completely unfeasible to run full resort services.

We will still be keeping the facilities serviced to be able to welcome owners who may wish to come and enjoy their property. We are working with the Strata Board to agree what levels of costs savings can reasonably be reduced and still cover the needs of the inhouse owners.

We waited until the very last minute to formalize this because we were finding that in many cases the bookings were coming in at the very last minute, due largely to the pretesting requirements. We simply were not seeing remotely the pickup needed over the next 6 weeks. We did a cross market survey of every resort in our compset like Ocean Club etc and they were in the same situation and most have closed for the same period.

We still remain hopeful that as testing becomes more accessible and hopefully affordable, it will be less of a hurdle for the Sands guests. We will also look at ways that we may be able to offset part of the testing cost and additionally continue to lobby for a 7+day window for testing.

At the Palms we have decided to suspend the vast majority of the resort services like Food and Beverage etc and will try to market an extended stay program of 2-week plus stays with limited residential level services for the Sept 1- Oct 15th period. We evaluated this program for the Sands but when we applied similar discounts we felt that it was not going to yield an acceptable result.

The Shore Club will remain operational but that is largely based on the Villas which have been able to get some longer stay rentals versus the hotel based transient guests.

While we are disappointed that we need to close, we remain confident that people's desire to travel will be stronger than ever as the weather turns and better options exist to get to the Island including improved airlift once Beaches reopens on October 15th.

We will continue to watch the markets closely and do everything possible to harness as much demand as we can going forward.

Be well

Stan Hartling