



Post-Hurricane Milton Update #5
October 12, 2024 | 11:30 a.m. ET

Good morning,

I spent the day yesterday with a core group of our leadership team surveying South Seas and getting a better understanding of the resources that are going to be needed to recover from Hurricanes Helene and then Milton. First, I want to thank our on-the-ground South Seas team members, led by Shawn Ferrell, who are putting in exceptionally long days in difficult conditions to get the resort accessible for all. This is the fourth storm since we purchased the property and they are truly outstanding individuals, and each cares more about South Seas, our owners and our loyal guests than I think people will ever truly understand.

While we are less than 72 hours into recovery, there are some positive signs to help counter some of the significant damage. While we know that we are going to start getting individuals out to the resort, we want to continue to caution anyone coming out that our top priority remains initial clean-up, supporting infrastructure repair, and securing anything that presents a hazard to life or property. We recognize that folks are curious and concerned. However, if you can, we kindly ask that you wait another 24 to 48 hours until we can get shared roads fully accessible.

Below are the most recent updates and images:

1. Roads:

- As shared yesterday, no passes are required to access the causeway.
- Captiva Drive in front of Tween Waters has reopened to one lane. Lee County sheriff's department is still managing for one-way traffic. We are working to get an update from Lee County DOT on the plan for the road repair.
- Within the South Seas resort gates, we have a single lane available running throughout the resort. There is still a significant amount of sand and debris on the road and in the trees. And there is heavy equipment operating to further clear the road, so please exercise caution and patience as we continue to work.

- There is damage to several areas of the main road to both sections we own and those owned by a couple of the associations. We respectfully ask that we take it slow on the roads so as not to cause additional damage until a repair plan can be established.
- Please do not stage any debris off your property until we can determine a debris removal plan that doesn't impact our ability to perform necessary road fixes.
- For any homeowners and associations that have sand that your contractors need to clear, please coordinate with Shawn Farrell or Bob Walter as to where this sand can be moved to on property. We are only available to take sand free of debris.
- We had vehicles parking in the middle of the road yesterday because they couldn't get through driveways or side roads. Please do not do, or allow, this and find a place out of the way to park and walk the remainder of the way to your destination if needed. The Fire District is actively responding to propane leaks and electrical fires throughout the island and utility crews have large equipment that must be able to pass.

2. Debris:

- The debris throughout the resort is extensive, and there is a lot of material (both natural and personal property) that got washed into in the mangroves, in lakes, and in the marinas.
- We are analyzing the safest way to get some of the debris out of the hard to reach areas, and will either have to use a large land based crane or a barge with a crane to access this larger debris.
- Please use extreme caution with any electric vehicles or carts due to potential fire hazards. Once batteries or power outlets are exposed to or submerged in salt water, there is an extremely high risk of fire. There are electric carts buried in sand under structures, in lakes, and under debris, so please have an expert handle these carts. Amazingly, our team was able to squeeze the South Seas fleet of ~100 electric resort carts in the old conference center site, including in the ballrooms, offices and even kitchens. They are good and will be ready to roll upon our reopening.
- Lee County has contracted with a debris removal company, and we are coordinating with the County to expedite and streamline clean up. In the meantime, again, please do not place any debris along the roadways, as it obstructs travel and delays road assessments. Kindly haul your personal property that got washed onto to the roads and common areas back to your property for eventual disposal. Further instructions from the debris removal company are forthcoming.

3. Security/Gate Access:

- We have restored 24-hour access control at the front gate and will get security moving around the property on regular schedule as well. Additionally, we are working to get other security measures re-established once we can get power to further document who is accessing the property.

- There are a lot of people wandering around the property and we want to try and find the balance of keeping out people that could try and take advantage of this difficult situation while balancing the legitimate access needs for Owners, public works, and your authorized contractors.
- Please cooperate with gate attendants, and ask your contractors to do the same, as we work with Lee County sheriff to keep everyone's assets as secure as possible.

4. Marinas:

- The North Marina is closed indefinitely. A significant section of the promenade was undermined and there is exposed infrastructure running between the marina and the main road. There is damage to the Captiva Cruises building, which houses critical power infrastructure. There are entire palm trees submerged in the water and a container on the point next to the entry to the marina. There is also a substantial amount of sand in parts of the marina that we will need to dredge. We are getting divers in the water early next week to mark all underwater obstacles for removal.
- The South Marina remains accessible during daytime hours only with written pre-approval from South Seas resort. We have staff working at this marina.
- There is a tremendous amount of debris in Pine Island Sound and we urge anyone coming out by boat to exercise caution as there are telephone poles, parts of docks, destroyed boardwalks and other unmarked hazards in the water.

5. Home Inspections:

- Marina Bloetz and our Owner Services team have started inspecting residences in our program and are coordinating access with owners.
- For those outside of our program, we understand third parties will want to start inspections, and we simply ask that we coordinate with our security team and resort leadership just so we have some general understanding of who is visiting both the resort and your homes to try and prevent any unauthorized access. We recently upgraded our phone system, so the numbers will work on mobile phones even if the resort phone system is down.

6. Utilities:

- We have Lee County Electric on-site working to restore power. The LCEC substation on Sanibel was energized yesterday evening. There are quite a few transformers on the ground that were damaged or missing, so please be patient as they work to restore service and please understand that some areas of the resort may have power before others.
- Water has been restored to the Shops at South Seas and they are working to restore water throughout the resort. We would encourage everyone that uses potable water to have their landscape irrigation lines checked and turned off for the time being. The resort does not use any potable water and only uses our own wells or treated water.

- We will have temporary bathrooms staged at the front of the resort later today.
- Comcast was out yesterday assessing their lines, which we understand were damaged in a few spots.
- There were crews checking the wireless tower yesterday to re-establish full service. AT&T, Verizon and Spectrum worked reasonably well for our team yesterday.
- We will get an update from FGUA on sewer today, but we did tour the water treatment plant yesterday and, miraculously, it appears to be undamaged and operational.

7. **Resort Amenities**

- The Bayview Pool complex experienced storm surge during the hurricane. The pool vessels and about 90% of the pavers held up very well. All the cabanas are intact and the Tarpon Bar had superficial exterior damage, but we did lose a lot of the internal electrical components such as refrigerators and coolers. One of our beautiful new bayfront cabanas needs a new cover after a small fire sparked from an electric outlet that was exposed to saltwater. We lost all speakers and power throughout the pool area, but we did install conduit during the lan repair to speed up the recovery. We have several trees down and a few in the pool. Once we get power, we can assess the pump equipment and determine how long it will take to re-open.
- The Clutch golf course took significant damage to holes 5 through 8 along the Redfish Pass revetment, which sustained heavy damage in both Hurricanes Helene and Milton. We are working on a plan to get 7 to 8 holes open at some point, while the full course coming back will take some time.
- The Redfish Pass revetment and the jogging path around Land's End took heavy damage and will need substantial repair, and we are going to re-engineer the approach to hardening this area. Fortunately, we armored the entire pass with sheet piles that performed exceptionally well and prevented a significant amount of land loss for both our golf course and Land's End.
- The under-construction Clutch Clubhouse and resort golf maintenance building made it through both storms high and dry and as designed, with zero flooding. We hadn't installed doors and several panels had not been placed on the maintenance building, so winds whipped through in both storms. Only one panel bent and insulation installed improperly by our contractors needs to be replaced. We will restart construction activities as soon as safe to do so.
- The under-construction Beach House also did not experience any damage and worked as designed and intended. We did have construction material move around the site where water came across Sunset Beach. We are re-securing the site with construction fence is a high priority, and we will restart construction activities as soon as safe to do so.

- The under-construction Redfish Grille, Scoops & Slices, and Harborside restaurants did not sustain any damage. We expect to complete construction on these fantastic outlets once we tackle other priorities. Walking through the interior of the new Harborside restaurant was a highlight for our team at the end of a long day.
- Captiva Landing slide components were un-damaged in the storms and were fully secured at the site. We were scheduled to break ground this coming week on this project. We are eager to get moving on this new South Seas amenity, we must be patient and determine when we can start construction.
- We did not receive any damage at Provisions or Starbucks at the Shops at South Seas, other than loss of power. We donated quite a bit of frozen foods, mostly pizzas and sweet baked goods, to the Captiva Fire District to thank them for their efforts for all of us while many of their homes were damaged and families displaced. As soon as we can get full utilities restored, we will re-open both outlets to help fuel our community's recovery efforts.
- Obviously, almost all our landscaping was destroyed with the storm as was some of our signage that was still being installed. We are going to hold on any repairs to landscaping until we can get through heavy debris removal and have plans and approvals to better secure the perimeter of the resort.

As we move forward with recovery efforts, we deeply appreciate your support, patience, and cooperation. If you don't have an urgent need to come out to the resort, please give us the opportunity to further secure the property and develop a path forward.

Together, we will work through the challenges ahead and create the best family resort in Florida – modern, sustainable, yet honoring the rich history of South Seas. We will continue to keep you informed.

Warm regards,

Greg Spencer
President, South Seas Ownership Group















