



## SOUTH SEAS ISLAND RESORT

CAPTIVA ISLAND, FLORIDA

September 2007

Greetings,

As summer draws to an end, I hope each and every one of you all had a truly enjoyable summer. This time of the year marks the change from the lazy days of summer to busy schedules with our children and grandchildren heading back to school. I want to thank those of you whom I have had an opportunity to meet with in the past months, and I'm looking forward to year's end and becoming acquainted with those of you whom I have not yet met.

In response to comments and inquiry from many of you, we are continuing to improve our communications with you to keep you involved in the goings on at the resort, both operationally as well as development progress. Membership Director Sarah Sterling recently implemented a monthly Premier Club membership newsletter and special membership section on the SSIR Owners website at [www.southseasowners.com](http://www.southseasowners.com) (password="ssiowner"). I will also be writing a bi-monthly newsletter to you to be posted on the website as well. I hope this will adequately address some of the questions and feedback we've been receiving.

So here's what's new!

### Association Management

- In early March of this year, South Seas announced plans to withdraw from the association management business. Association management is not LXR's primary line of business and it turns out that the resort's provision of this service to your associations was neither cost effective (for either party) nor did the resort provide the level of service all of us could be happy with. Furthermore, and not that there were ever any issues raised, the association boards were never quite comfortable that intrinsically, association management provided by the resort by definition could ever be completely arms-length.
- Therefore, effective August 1, 2007 eleven of the twelve home owner associations at South Seas transitioned their management and HOA accounting to *Island Management*, while retaining former South Seas employee, Virginia Trent, as your Association Manager. This, everyone believed, would accomplish the most orderly and least disruptive transfer of services to your new management company. And even though Virginia is no longer an LXR employee, we wish her well and are pleased to tell you that both Island and the resort are maintaining the same cooperative working relationship. For the immediate future, the resort is providing Island Management with offices (at no cost to the associations) located in the *Plantation View* building (just to the west of *Starbucks*). You can reach Virginia weekdays

between the hours of 9:00 AM to 5:00 PM via her cellular number 239-395-1656 or by email at virginia@islandmgmt.com.

- Land's End owners have not retained Island Management, so please contact Steffaney Price at 239-218-4946 if you have any questions.
- Additionally, in the process of transferring association management, many associations also have elected, or are in the process of electing, to obtain other services (such as association common area housekeeping or landscaping) through outside providers. As was the case with association management, although the resort had historically provided these services below its cost, neither party was happy with this arrangement. Comments or requests pertaining to these services can be directed to your association manager.
- For owners with questions related to content or association insurance, requests can be directed to AON c/o David Roque at (305) 961-6071. Requests for *Certificates of Insurance Coverage* can be faxed directly to Lisette at (305) 372-1455.

### **Mangrove Restoration Project:**

- ***Phase One*** – Last fall, LXR spent approximately \$50,000 for a video survey and suctioning of the debris from the culverts running underneath Plantation Road from the bayou to the “inland” mangroves. This course of action was only partially successful in restoring the tidal flow and storm water drainage, and resulted in the consultants’ conclusion that the mangroves had “done their job” in raising soil levels in these areas.
- ***Phase Two*** – This extensive replanting following the westerly side of Plantation Road for about one mile included a “hedge” of green buttonwoods along the road as well as an experimental planting of about 300 red mangrove seedlings (1- to 3-gallon containers) in the “dead” mangrove regions in the same area. The Resort completed this installation with the permission of the homeowners and associations who own those mangroves and portions of Plantation Road this August at a cost of about \$60,000. Over the next several months, we will evaluate whether these new plants will survive and support proliferation of further growth.
- ***Phase Three*** – If phase II is successful, we will then discuss planting some larger (probably 25-gallon container, 6-7' high) mangrove trees in the same areas to expedite the restoration. Mangroves grow slowly, and particularly where ideal conditions don't exist.

### **General Resort Development/Redevelopment Projects:**

- ***Jogging/biking trail*** – Subject to obtaining permission from the various South Seas associations who own the portions of Plantation Road targeted for this improvement, the

resort is planning to construct a compacted, crushed-shell jogging and bike trail adjacent to the East side of Plantation Road. This will run from the 4-way stop at the Reception Center up to the Sandrift driveway (crossing Plantation Road just south of the S-curve). Assuming all approvals (and barring unforeseen events), we hope to have this path completed before season. It will take about two months to construct and isn't anticipated to create a significant disruption in traffic.

- **North End Pool Complex** – The final phase of the resort pool complex will begin its ground breaking this month on the new family/slide pool. This third swimming pool will feature extensive landscaping, additional pool deck area and seating, two separate waterslides (one speed slide and one looping slide) on the westerly side, and a zero entry section on the opposite end (please note the illustrative section drawing below). The initial work of relocating some existing underground utilities and fireplugs will begin shortly and if permits are finalized by early October, full construction of this addition will start immediately thereafter and should be completed by early January. Otherwise, construction is likely to begin after season in 2008. There is only minimal disruption expected for the existing pool area during the construction process.



- **Cabañas** – As popular as ever! They now feature flat screen televisions, your own refrigerator, and many other comforts of home. Remember to please call in advance of your arrival to make reservations for your family cabaña; or, these may be booked online at [http://www.southseas.com/resort\\_experience/poolside\\_cabana\\_rental\\_request.cfm](http://www.southseas.com/resort_experience/poolside_cabana_rental_request.cfm)
- **SeaBreeze Sea Wall** – Reconstruction of the sea wall in front of Sea Breeze has been completed. We are in the final stages of installing the landscaping and pavers.
- **Bayside Sea Wall** – Beginning shortly, the first of three phases of dredging the Bayside marina and replacing the sea walls will commence, beginning with the northernmost portion of the marina. Although much of the work will be done with marine-based equipment, there will be some land-based equipment on site as well. The seawall repairs will tend to be somewhat noisy so the subsequent two phases will begin again after the season ends.
- **Coming Soon** – South Seas Island Resort will soon have a new look! LXR will be installing the permanent signage package in the coming months.

- ***Harbourside restaurant repositioning*** – In September and early October, *Harbourside Bar and Grill* will undergo some modest renovation, primarily in the kitchen but also in creation of a new outdoor “lounge” area. The completely revamped menu will feature an array of grilled steaks and seafood. During the renovation, Harbourside will have more limited hours from time to time, but *The Pointe*, the newly expanded *Ship’s Store* deli, *Scoops ‘n’ Slices* (pizza delivered until midnight hot and fresh to the doors of South Seas club members), and *Captiva Provision Company* (see below) will be more than happy to serve you. Thank you for your patience through this repositioning if you or your guests happen to be on property during this short period.

### **Retail Development/Redevelopment Projects:**

- ***Captiva Provision Company*** – The convenience of your grocery needs right here at South Seas. At CPC we invite you to choose from our great wine selections, prepared entrees for lunch or dinner (such as Filet Wellington or BBQ Chicken), an extensive menu of deli sandwiches (including breakfast items!), prepared salads, side dishes, muffins, bagels, locally baked breads (fresh daily)...and don’t forget the dessert!
- ***Chadwick’s Square*** is getting a different look! This area is in the final stages of completion with new landscaping, gallery and boardwalks with an ADA access ramp and crosswalks with inset pavers.
- ***H2O Outfitters*** and ***Footloose*** have reported their best sales ever (including pre-hurricane periods) since their re-opening, particularly during the normally slow summer months (resort business has generally been booming this summer as well). They also note that business appears to be shifting more to higher-end clients than what they had seen during their previous tenancy, so the demographics here are definitely changing. So much so, that the store is looking to expand their retail space to accommodate a wider range of apparel for all ages. They are currently open until 8:00 pm daily, but in October, will extend hours of operation to 9:00 AM to 9:00 PM.

There are some other retail shops and a new seasonal resort-run F&B “event” coming soon, plus, we are still trying to interest a restaurant tenant or two to set up operations in the South End, but we’ll tell you more about those next time.

### **Owners in LXR Lease or Rental Programs**

- ***LXR Model Unit*** – This contemporary design is nearing completion in a 2-bedroom Land’s End unit, but many elements of the program could be appropriate for other unit types as well. If you are considering your own renovation and would like to see this beautiful model, please contact Amanda Lipman at (239) 472-7524 or Yolanda Valenti at (239) 472-7556 to schedule your private showing/appointment.

- **Program Status** – Since their initial release 12 months ago, more than 70 owners have signed up for one of the new LXR rental or lease programs. We’d like to extend a special “*thank you and welcome*” to owners who are participating in resort programs for the first time, and to all of our long-time “partners,” a most gracious thank you for your continued participation and support! We are extremely glad to announce that most of our owners enrolled in resort rental programs are reporting to have received their highest rental income checks ever!
- **Lease Program Turnover** – If you are enrolled in one of the resort’s legacy lease programs and your lease is coming up for renewal in the next couple of years, it may benefit you to explore one of the alternative programs the resort has to offer. As noted above, many owners enrolled in rental programs are currently experiencing the positive results of LXR’s more sophisticated approach to yield management and national marketing, in addition to the more than \$150 million of recent resort capital improvements. Although many of these new rental programs don’t offer the safety net of a guaranteed lease payment, they do tend to be more flexible and lucrative (depending upon timing and quantity of desired owner usage) for those owners interested in maximizing their economics. Amanda will be attempting to contact those of you who are entering this renewal window in the upcoming months, or please feel free to contact her directly.
- **Premier Club and MyLXR** – Just as a reminder, Captiva owners participating in qualifying lease or rental programs receive *Premier Club* membership and *MyLXR* benefits at no additional cost. Membership Director, Sarah Sterling, would be happy to schedule an appointment to review any of these programs with you in person or via teleconference. Don’t forget to see stop by and check out what’s new around the resort, in addition to special membership offers, at [http://www.southseasowners.com/membership\\_news/](http://www.southseasowners.com/membership_news/) (this is a link to the Membership News section of the SSIR owners’ website).

### **Owner Services Staff Directory**

- **Property Managers** serving owners participating in resort rental and lease programs are listed below for your information (contact details also posted on the SSIR Owner website:

**Tony Whitcomb** – Beach Homes; Private Homes; Sandrift; Gulf Cottages; Seabreeze; Beach Cottages; and Lands End  
 (239) 472-5111 ext 3482 or via email at  
[twhitcomb@luxuryresorts.com](mailto:twhitcomb@luxuryresorts.com)

**Garnet Dasher** – Marina Villas; Beach Villas III; and Tennis Villas  
 (239) 472-5111 ext 3393 or via email at  
[gdasher@luxuryresorts.com](mailto:gdasher@luxuryresorts.com)

**Judy Cowan** – Beach Villas  
 (239) 472-5111 ext 3491 or via email at  
[jcowan@luxuryresorts.com](mailto:jcowan@luxuryresorts.com)

**Leighanne Bryan** – Bayside Villas  
(239) 472-5111 ext 3461 or via email at  
[lbryan@luxuryresorts.com](mailto:lbryan@luxuryresorts.com)

- **Gina McVearry** – Owner Services Office Manager  
(239) 472-5111 ext 3340 or via email at  
[gmcvearry@luxuryresorts.com](mailto:gmcvearry@luxuryresorts.com)
- **Amanda Lipman** – Director of Rental/Lease Program Sales  
(239) 472-7524 direct or via email at  
[alipman@luxuryresorts.com](mailto:alipman@luxuryresorts.com)
- **Sarah Sterling** – Director of Membership  
(239) 472-7584 direct or via email at  
[ssterling@luxuryresorts.com](mailto:ssterling@luxuryresorts.com)

### **Venues Extension Directory**

- Captiva Island Golf Club – extension 3327
- Captiva Tennis Club – extension 4151
- Zen Spa & Salon – extension 3805
- Parrots Arcade – extension 3579
- Cabana Rentals – extension 3527
- Bike Rentals – extension 3433
- Holiday Water Sports – extension 3433
- Best Boat Club – extension 3455
- Golf Cart Rentals – extension 3455
- Captiva Cruises – extension 3329
- Holiday Water Sports - 3433
- Bayside Outriggers – Extension 3326

So as you can see, we've been very busy this summer. I do welcome your feedback, so if you have comments or questions please feel free to e-mail me directly at [yvalenti@luxuryresorts.com](mailto:yvalenti@luxuryresorts.com)

Warm Regards,

Yolanda A. Valenti  
Director of Owner Services