

August 1, 2006

All 120 of the timeshare units at the resort have been open since March 17, the beginning of week 11. Though few resort amenities were initially available following the reopening, progress has since been made throughout the resort, and additional amenities have been restored.

The trolleys are running and are even making their way to “downtown” Captiva, enabling guests to get on and off at the four-way stop by the Island Store. From there, it’s just a short walk to shops and restaurants such as the Mucky Duck and Green Flash. We do not know if this will become the trolley’s permanent route, or if the reopening of additional shops and restaurants at the resort will result in the trolley route remaining on resort property. The only restaurant currently open at the resort is the Harbourside Bar & Grill, formerly Capt. Al’s.

The new owners of the resort, The Blackstone Group, have not yet made decisions regarding all of the resort’s dining establishments. A new facility is being constructed on the former site of Uncle Bob’s and Mariner Hall. This building will house some food and beverage service. CW’s Market and Deli is currently open, as is the Sunset Beach Bar which is open from 11 a.m. until 8 p.m. Beach chairs and umbrellas are offered complimentary at Sunset Beach. The Captiva Island Golf Club, an Executive Course, is currently open for play five days per week, (closed Monday and Tuesday at this time). The Bayside and main Marina are open and fishing charters are available there. The popular “T-Dock” is open for enjoyment and Holiday Water Sports operates their bicycle and wave runner concession from there. There is now a Starbucks at the resort in the location formerly occupied by Mama Rosa’s.

August 7th marked the opening of the Promenade, an open air café outside the Harbourview Bar & Grill. Throughout the next few months, additional facilities are scheduled to open including more Harbourside Hotel rooms (the 1700 building, is scheduled to open August 15th), and the Ships Store should re-open on September 1st. The Fitness Center is projected to be open on October 1st. If the project remains on schedule, the new North End Lagoon Pools, decking, cabanas, as well as a new restaurant at the Mariner Hall Complex and Anglers Arcade should open the beginning of December.

Still to be determined is the status of the South Seas Shops, Spa services and Bayside Outfitters, and the King’s Crown (which may be used for banquet space and an ice cream shop but not as a restaurant as it was in the past). Plans for the pool that accommodated guests of the Plantation House and The Cottages at SSP are also yet to be finalized.

Many owners have asked about the availability of high speed internet service. Currently this service is not available in any of the resort units. However, the resort has indicated that a wireless system should in place by the end of the year. The resort had contracted for the installation of TV cable boxes in each unit so more channels could be viewed. However, challenges and equipment failures have arisen, and the installation process is currently being evaluated. We will keep you posted as this project progresses.

On an operational note, LXR, the management company for Blackstone, is installing a new reservations system. Until the transition to the new system has been completed, there will be some challenges to overcome. Currently, the new system is unable to set-up the “share with” accounts we were able to create in the past. (These accounts enabled two or more families who shared a unit, to each be registered and set-up with a separate account). Now, only one account can be set-up per unit, so all occupants will share one room account. The Interval Management Office will continue to provide the names of everyone staying in each unit, as we’ve done in the past, but the Owners’ guests will not have separate accounts. The resort will create a “phone list” which includes all guest names, so the phone operator will know who is in each unit and Security can use this list for the gate passes. Unit occupants will need to determine which charges are applicable to each family, especially for charge card use in the resort outlets. All charges will be posted to one account, (in the name of the Owner of the unit), and the Owner will be responsible for seeing that all charges are paid. Signatures on all charge slips should be legible to clarify charges. As additional facilities and amenities are opened, this may become more of a challenge. Although we have been told this is a temporary situation, the single account per unit may be in effect for several months.

Currently we do not have recycling service available on the resort, but we intend to implement such services in the future.

Filling staffing vacancies remains a challenge due to the very low rate of unemployment in the area, as well as the time and distance employees and vendors must travel to reach the resort. Many contractors are reluctant to (or refuse to) work on the island due to the cost of doing business ... and those who will come charge accordingly. Contractors are busy with big jobs so they do not typically respond quickly to requests for small repair jobs. We have completed the major reconstruction, but are having challenges with the finishing details. That work will be done, but not as quickly as we all had hoped.

While not everything has been restored to the way it was prior to that day nearly two years ago when Charley arrived, much progress has been made. Many Owners have expressed their approval for what has been done, and the improvements that have been made. Even though there work remains to complete the restoration of the resort, the one comment that we hear from nearly everyone who has returned to the resort is that they are glad they made the decision to come back after being away for so long.