

April 16, 2020

Dear Fellow BSBCCA Owners and Members,

Our Team continues to work towards opening the facility. All projects --- the re-model of ten bathrooms, the additional showers in the bathhouse aisles east of the pool, the tennis court side of the Quicksand aisle, the Ice Cream Parlor ---- are at or near completion. The awnings have all been installed. The water will be turned on to the kitchen, the pit, and the snack / pizza / ice cream bar shortly. The water to the cabanas is scheduled to be turned on in May. The pool will be filled soon.

With guidance from our accountant at Piccerelli & Gilstein, we are researching the federal Payroll Protection Plan (PPP) to determine its applicability to a mainly seasonal operation such as ours.

We are monitoring the Governor's current Executive Order (which expires on May 8<sup>th</sup>) with anticipation for the next one. As soon as the Governor issues her next Executive Order, the Board will meet in order to assess its impact on the Beach Club and to make difficult decisions. We will have to decide to open as scheduled, to delay the opening, or to open in a limited capacity. Decisions will have to be made regarding food venues, bar, common area furniture, pool / beach access, increased security demands, increased cleaning regulations, whether or not to allow guests. As you can see, this is not a time for fantasy; we must all accept the ramifications of living through a pandemic.

Which leads us to a discussion of assessments. Owning property in a Condominium Association brings with it a financial responsibility. The Condominium Association relies on the assessments collected from the owners. It must be understood that our Condominium Association has on-going financial commitments that continue on a year-round basis e.g. salaries of year-round employees, healthcare fees, property insurance fees, legal expenses, accounting expenses, licensing fees, leased equipment fees, improvement project costs, costs for consistent maintenance of a building that is continually pounded by the salt spray from the ocean.

Accordingly ---- and as much as you may not want to hear it ---- the assessments must be collected in full regardless of whether the 2020 Season exists in its entirety, on a limited basis, or not at all. The 2020 Budget was ratified at the November 25, 2019 Budget Meeting to which all owners were invited. It was at that time that the 2020 Assessments were fixed. RI Condominium Law requires that once an annual budget is passed, the assessments must be collected and cannot be waived.

Inasmuch as we may not want to think about the negative impacts of the pandemic, we could be facing added expenses as well as reduced income. What if we are required to professionally sanitize the facility prior to opening? Imagine the cost of that. And what if we must limit capacity by eliminating guests? Are you aware that guest income is approximately \$225,000 per year? Granted, we cannot live by "what ifs." Nonetheless, it is not an exaggeration to say that we are facing an uncertain financial year.

As you can see, there are many variables this year, not only affecting the length of the Season, but also impacting the budget. We may have to adapt to change as never before at our beloved oasis by the ocean.

Stay safe.

Board of Directors  
Bonnet Shores Beach Club Condominium Association