



## Ocean Club Management Company LLC

### Questions and Answers

1. Q: Am I able to manage my own unit or hire an outside manager?  
A: Yes. You own the unit and are free to have whomever you want to manage your unit. However, we are the resort manager and manage all the resort amenities (guest services, towel service, maintenance staff, bar (expected to lose money). None of these costs are in the HOA budget. Therefore, we will not be providing any of these resort services should you choose to self-manage or use an external rental manager. It is also very important to note that our fee for management is at par with what external managers charge and a fraction of what other in-house management companies charge.
2. Q: Why the fee for concierge services?  
A: This is not a regular condo vacation property that you purchased. You purchase a hotel unit and therefore the intent is to have it operating as a boutique hotel with gulf front 2-bedroom suites. This fee is not in the HOA budget. Next year we plan on incorporating this cost in the new HOA budget and this fee will then disappear or be netted out to the same money.
3. Q: Are the cleaning fees reasonable?  
A: We set the rates at or lower than what we should be setting these rates. The expense is a true pass through. All our clients get charged a check-in cleaning that brings the room to our hotel standards, including room supplies and decoration that gives our guests a luxury hotel experience. We also provide our guests with complementary gourmet cookies and bottled water. Every third day of stay, or upon request, we will come in and clean the room and replace towels and linens. We do not use the machines inside your units unless in case of emergency. We use professional commercial cleaners. Reservations received through Airbnb and Vrbo have cleaning fees of \$180, and those fees count towards the room revenue you receive.
4. Q: How will management be able to determine if owner's guest(s) are entitled to use the resort amenities and services?  
A: We will be giving our guests an elastic bracelet with an RFID chip that acts as a room key. Only those guests will be able to use our bar, guest services, beach chairs/umbrellas or room services. Our guests will have a phone in their room to call the front desk if they require any room service. Other guests will still be able to use the pool/hot tub and the fitness center. The condo docs you received have all the areas of the hotel that belong to the management company (observation deck, bar, concierge area and housekeeping rooms and all cabanas.)
5. Q: Do my friends and family pay to stay in my unit.  
A: If you are staying with them, then the answer is no. However, if you or your spouse is not the one who will be staying in your unit, then we would charge 20% of the lowest published price for your unit. This is the only way we can make sure owners don't rob us of our fees by getting their own reservations.



6. Q: Are owners restricted on how many days they can stay?  
A: Only during peak season. Peak season is defined as to all calendar days between January and April. We restrict no more than 20% of owners in the rental pool from staying at the hotel during "peak season." The reality is that most of the buyers are investors that if they are going to stay, it would be outside of these months. We have never had to come close to enforcing this at our other property that only has 34 units.
7. Q: Why is the fee 20% of gross revenue?  
A: We want to give owners the best possible deal. We charge the same price as most offsite managers and give you all the services and amenities of using onsite management companies that charge upwards of 55%. I truly believe that for us to truly do well and get the most amount of money for our hotel units, we need to manage the hotel by one manager, just like every other hotel in the marketplace. Who better to give your unit to than the manager of the #1 beach resort in Clearwater Beach.
8. Q: How many room types are in the Hotel?  
A: There are 6 different room types. Each room type has its own prices determined by our revenue manager. Our revenue manager's job is to study our competitors and adjust our pricing on a frequent basis to make sure we are picking up enough reservations at the best possible price.
9. Q: What about credit card fees and OTA commissions?  
A: The vacation industry leans heavily on people booking through OTAs and paying through credit cards. This is a direct pass-through expense to our owners. OTAs include but are not limited to VRBO, Airbnb, Expedia, Booking.com and all the various partner sites. These commissions range between 3% to 20%. The good news is that we have developed our own website and joined a loyalty plan that over time will reduce the dependency on these OTAs. My other property is approximately 30% direct bookings, and the goal is to get this number higher as we build a loyal following of happy guests.
10. Q: What percentage of the units do we manage at our other condo hotel property?  
A: We manage 100% of all units at our other condo hotel property. Our clients realize that to get the most amount of revenue, we need guests to have a consistently great experience. The Avalon Club in Clearwater Beach has the highest Expedia guest rating, preferred host status at all the OTAs (Expedia, Booking.com, Airbnb and VRBO) and we were recently ranked by Leisure magazine as the #1 Beach Resort in all of Clearwater Beach. Our hotel even hosted the President of the United States' granddaughter.