

SUBJECT LINE: REOPENING HAMILTON COVE

All Owners,

I would like to begin by re-introducing the Board of Directors who are dealing with the issues raised by the COVID-19 virus. From some of the comments I have received some Owners have the perception that the Board is slanted against Short Term Renting (STR).

I own three units. I do not rent. I use one unit for family members, personal friends, an occasional government official and certain of my employees. Martin Curtin is a long time full time resident and until recently owned a hotel in Avalon. He does not rent. Bart Glass is a long, long time full time resident and the owner of Hamilton Cove Vacation Rentals in the STR business. Mike Owens is a long term Owner and engages in STR. Richard Kirschner is a long term Owner who also engages in STR. In simple terms, most of the Board is personally involved with STR.

Hamilton Cove has 190 Units. How Owners use their Units breaks down as follows:

OWNERS WHO STR	108	57%
OWNERS WHO DO NOT SFR	62	33%
FULL TIME RESIDENTS	20	11%
TOTAL UNITS	190	100%

The interests of all three groups are represented on the Board. Discussions are lively to say the least. The Board also has an additional group to worry about—our employees. The one thing the Board has consistently agreed upon is that our responsibility is to look out for the interests of **all** owners and our employees, not just the interests of one group.

How Owners engage in SFR differs:

HAMILTON COVE VACATION RENTALS	19%
CATALINA ISLAND VACATION RENTALS	51%
DIRECT/AIR B&B	30%
TOTAL	100%

Most of the enforcement matters the Board must deal with involve renters. Direct renting by Owners or through Air B&B has made the Board's job much harder. The Rental Agencies exercise control over who they rent to and are available 24/7 to deal with renter problems. That is not the case with some Owners renting Direct or Air B&B.

Since the pandemic started the Board has repeatedly met in Executive Session by conference call partially made necessary by the pandemic. The Board is authorized to

meet in executive session to deal with contracts, personnel matters, litigation and threatened litigation, enforcement and with counsel. We have done nothing but meet for one or all these purposes.

One thing the Board did early on was to agree to apply for a SBA PPP Loan. On May 13, 2020, the Association received a \$204,000 PPP Loan which the Board expects to be totally forgiven. This will benefit all Owners.

Since May 26th when the State of California and the County of Los Angeles began to ease up on their COVID-19 restrictions, the Board has met in executive session five times by conference call. The Board is dealing with conflicting orders and actions of the State of California, the County of Los Angeles, and the City of Avalon. Board members have communicated with City and County Officials. The Board has reviewed its insurance coverage with experts. Richard Kirschner and I are attorneys. We have used our training and experience to try to get answers.

The first restriction to be lifted dealt with pools maintained by homeowners' associations. The Board has dealt with that **within the restrictions imposed by the State and the County**. As I stated in a previous email, the Board rejected the approach of ignoring the restrictions, not because of fears of enforcement, but because of concerns about liability which could negatively impact all Owners and because of concerns for our employees. This has been a new experience for me. This is the first time in my long career that I have had government officials call me and tell me do not worry about the ordinances or orders they have issued because they have no intention of enforcing them.

The Board is not attempting to enforce anything regarding the word "Essential" used throughout the laws and orders as to individuals simply because it is totally confusing as to who is "Essential". For example, a construction worker is "Essential" while working on construction. Does that mean he can do leisure travel because he is "Essential"? Many think that all they have to do is decide in their own mind that they are "Essential" and they qualify.

The Board agrees that it wants to make Hamilton Cove **safe for everyone**. The Board does not believe the pandemic is a hoax. The Board believes that social distancing and masks reduce the chance of contagion. Masks do not protect the wearer. A mask protects others. Not wearing a mask when you encounter others sends a message—"I don't care about you."

The Board views Hamilton Cove like a cruise ship where infection could quickly and easily spread. We are constantly checking our employees to make certain no one has the virus or has been exposed to the virus. To the extent we can, we want to make certain that no one coming aboard has the virus so we will be screening everyone coming aboard. To do what we can to make Hamilton Cove a safe place we will require everyone to comply with applicable protocols. Lastly, we will require Owners who engage in SFR and Owners who send guests unaccompanied by the Owner or an Authorized User to execute an Indemnity Agreement.

Attached are the following:

- COVID-19 HC PROTOCOLS. These are applicable to everyone entering HC.
- SHORT TERM INDEMNITY AGREEMENT—When signed and returned to the Association, an Owner can resume STR.
- UNACCOMPANIED GUESTS INDEMNITY AGREEMENT—In order to treat Owners who send unaccompanied Guests to Hamilton Cove in the same manner as Owners who engage in Short Term Renting, this agreement must be signed and returned to the Association before sending unaccompanied Guests to HC.

Norris J. Bishton, Jr.
President
Hamilton Cove Homeowners Association