



October 13, 2023

Subject: Updates to Onsite Vacation Rental Program

Dear Rental Condo Owners,

As we continue to strive for excellence in our onsite vacation rental program, we are excited to inform you of some important changes that will enhance the experience for both property owners and guests. These changes are designed to improve the overall quality of our rental units and increase the efficiency of our program. Below, we outline the key updates to our onsite vacation rental program:

1. **Keyless Entry Requirement:** To improve the convenience and security of our rental units, we will be implementing a keyless entry system. The keyless entry locks (and matching doorknob) will be installed by our ORC maintenance team. These locks will be in an antique bronze color to mask any pitting that may occur over the years. The cost for this upgrade is approximately \$225 per unit, and it will be billed to the owner's rental income account. *Owners will provide ORC a 4 digit "owner code" for personal use.
2. **New 3-Tier Unit Rating System:** We will be introducing a 3-tier unit rating system for our rental properties. The tiers are as follows with specifics on each tier available upon request:
 - Premier
 - Standard
 - Budget-Friendly

*Premier units will be required to maintain additional inventory items to provide a premium guest experience.

3. **New Rate Structure:** Each tier will have its own pricing structure, with different nightly rates. Additionally, a 10% increase will be applied to units that are direct ocean front with direct ocean view. Please note that first-floor units will not be considered for the 10% increased rates, as these units do not have the ocean view.
4. **Incentive Program for Office Staff:** We are introducing an incentive program to motivate our office staff to actively grow the rental program and secure bookings. This will help us maintain a high occupancy rate and increase the profitability of our rental program. The commissions will come from the booking fee so the profitability of our owners will not be affected.
5. **Contactless Check-ins:** Through the new software, ORC is now able to offer guests contactless check-ins. All of the necessary information is automatically emailed to the guests prior to arrival. This process streamlines efficiency and reduces overhead costs with the elimination of printed materials. *Parking passes are still being created and provided to CSOs for check-ins.



6. **Enhanced Advertising, Marketing, and SEO Management:** We will be investing in enhanced advertising, marketing, and SEO (Search Engine Optimization) management to increase the visibility and desirability of our vacation rentals. This will help attract more guests and improve your rental income.
7. **Re-evaluation of Linen Program:** In the Spring, we will conduct a comprehensive evaluation of our linen program. This evaluation will consider the quality of towels and sheets to ensure that our guests have a comfortable and enjoyable stay, without a large increase in linen fees. Currently, ORC has enough linens to allow for 4-6 months before new inventory needs to be purchased. Therefore, there will be no large linen fee charged against your rental owner income account this fall.
8. **Insurance Claims:** From time to time, accidental damage in a unit can occur during a guest stay. This is why ORC requires the guests to either pay a refundable security deposit or purchase a damage waiver insurance policy. The insurance policy is used when housekeeping or our inspectors report damage. Once the damage is reported and the photos are provided, the office staff will file a claim. If the claim is approved, when payment is received, the funds will be deposited into the owner rental income account. This process can take 60-90 days from when the claim is submitted. In the interim, ORC will repair or replace the damages and charge your rental income account. Theft is not included in the policy coverage.
9. **Payouts:** Owners will receive their rental income funds on the month following a guest check-out. As an example, if a guest arrives September 30th and checks out on October 7th, the funds from the reservation will be distributed on the October rental statement. Owner statements are processed by the 15th of each month for the preceding month. For multi-month reservations (snowbird stays), partial rental income will be distributed monthly. Owners will no longer be receiving the full payout on their January statements.
10. **Maintenance:** ORC has a dedicated maintenance team on staff to handle minor repair and guest relations. If a guest reports an issue during their stay, maintenance will be dispatched to handle the concern promptly. In the past, some owners have "opted out" of this service or such owners have requested a call prior to sending maintenance. In today's market, timing and efficiency are instrumental to the guest experience, so repairs totaling less than \$300 will just be handled and billed against the owner's rental income account.
11. **Housekeeping:**
 - a) **New Housekeeping Vendor:** We are pleased to inform you that we have partnered with a new, professional housekeeping vendor to improve the cleanliness and presentation of your vacation rental condos. This vendor comes highly recommended for their dedication to quality and reliability.



- b) Increased Cleaning Costs: Effective immediately, the cost of owners' cleans will be adjusted from \$130 to \$160 per cleaning. This change is necessary to ensure our cleaning standards and quality are upheld to the highest standards, making your property the most appealing to guests.
- c) Inclusion of Starter Kits: To enhance the guest experience, every cleaning service will now include starter kits with basic supplies. This will provide guests with the essentials they need upon arrival, improving their overall stay. *Included in the cost of housekeeping fee.
- d) Quality Control and Inspections: Our office staff will now conduct thorough inspections (as often as possible) to ensure that the cleaning service meets our high standards. Checklists will be utilized to track and verify that everything is in order. This will help us maintain a consistent level of cleanliness in each unit and provide the best first impression. *Stained or worn items will be removed from the unit and donated/trashed. ORC will not be responsible for storing these items and these items cannot be left inside the unit. Owners are responsible for replacement and associated costs.
- e) Deep Cleanings: Beginning January 1, 2024, owners will no longer have the option to complete the annual deep cleanings. With our new housekeeping teams in place, we can ensure a high-quality service is delivered. This also allows ORC the discretion to request a return visit should our expectations not be met.
- f) Interactive Vendor Portal: We have implemented an interactive vendor portal that allows our housekeeping teams to upload photos of any concerns or damages immediately. This feature ensures that issues can be addressed promptly and effectively. It also allows for seamless communication with our office staff.
- g) Notification of Completion: Once a cleaning is completed, our housekeeping teams can notify our office staff through the portal. This will help us keep track of when your unit is ready for the next guest arrival, ensuring a smooth transition and better guest satisfaction.

We believe that these updates to the onsite rental program will result in a more attractive and lucrative vacation rental program. As we make these changes, we remain committed to your satisfaction and the success of your rental units.

If you have any questions or concerns regarding these updates, please do not hesitate to contact our office. Your feedback is valuable to us, and we are here to address any inquiries you may have.

Thank you for your continued support, and we look forward to a successful year ahead.

Sincerely,

Jamie Serenati, Director of Association Management
Sovereign & Jacobs Property Management Companies