

On Holiday Isle
502 Gulf Shore Drive
Destin, FL 32541



CONDOMINIUM ASSOCIATION

1-850-837-1000
1-800-477-8837
1-850-837-7385 - Fax

February 24, 2016

Islander Owners,

We have just completed our February Islander Board of Directors meeting. We recently had an exchange of emails with one of our owners questioning the necessity and expense of replacing our sliding glass doors (SGDs). He rightly reasoned his door was functional and the glass was in good shape so why should he bear the cost of a new SGD. After the email exchange, I wondered if any other of the owners had similar questions.

Our sliding glass doors replacement is part of the reconstruction begun six or seven years ago but was delayed, along with the front doors and front windows replacement, to spread out the cost over a number of years. Because of the poor state of the SGDs, there were sixteen owners who elected to replace their doors during the major reconstruction. One owner replaced his door in January and there about five more who didn't want to wait and will get their SGDs done this Spring. My own SGD is functional but is getting more and more difficult to open. The lock is rusted to the point of being unusable. I'm certain there are those owners with functional doors but the new SGDs are attractive, hurricane compliant, and are in keeping with our uniform exterior appearance. I know it's costly but in short, the refurbishment project started seven years ago has made a difference to The Islander Rental Company's gross revenue as illustrated below:

2008	\$1,869,160.39	(Commission 28%)	
2009	\$1,797,449.40	(Commission 28%)	
2010	\$ 986,301.68	(Commission 28%)	(BP Oil Spill)
2011	\$1,699,953.06	(Commission 28%)	(Islander Makeover Complete)
2012	\$1,996,314.27	(Commission 28%)	(Inception of the Gold Silver Bronze Ratings)
2013	\$2,325,744.97	(Commission 28%)	(Megan and Stephen take over Management)
2014	\$2,358,399.97	(Commission 25 %)	
2015	\$2,413,452.13	(Commission 23%)	

The above annualized gross revenue report, really underlines the success that the Olympic standard has brought to the Islander, hand in hand with one of the most attractive resort remodels in Destin. Our new front door and lock installation should resume in April and be completed in May. We continue to look at front window and first floor paver replacement in the years to come.

I'd like to mention some of the other improvements made by Stephen, Megan, Todd, etc. In 2008, our owners paid \$50 towards cleaning and the rental company paid \$35 for every clean. In 2015, the guest pays \$105 of which \$10 goes to fund our laundry. This again is a movement of over \$200,000 from the owner and rental company expenses to the guest expenses plus a credit of around \$30,000 against our laundry expenses. With the above successes, Stephen is examining the possibility of reducing the commission rate to 21%.

Another comparable is our monthly dues. Magnolia House in Destin Pointe's quarterly dues were \$2,349.48 when last checked. Our monthly dues are slightly higher than Holiday Surf and Jetty East, but it may be Holiday Surf and Jetty East are not both fully funding their reserves as we are. Of course, more good news is that we now have reserves approaching \$1m, a very secure place to be. Clearly, given the above statistics along with the other services The Islander Rental Company provides, our Rental Association owners enjoy a superior product and revenue when compared to other local rental companies. We encourage questions and owner participation. Our next board meeting will be May 14. Please make plans to attend.

For Your Islander Board and Management

F. A. Feltenberger, President