

On Holiday Isle
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March 5, 2014

Islander Owners,

The purpose of this letter is to keep you informed of current and upcoming events at The Islander. The February Board of Directors meeting concluded February 22nd. The board voted to replace the board member who resigned. Three candidates volunteered to fill the void; Dr. Linus Carroll, Mr. Jerry Moore, and Mr. Larry O'Bryan. The board voted Larry O'Bryan to fill the vacancy. Larry has been an owner at The Islander for many years and resides in Kentucky. Our thanks to Jerry Moore and Dr. Carroll for volunteering for the position.

Leo Rolfes reported on the 2013 financials. The Rental Association ended 2013 with a net profit of over \$106,000. Leo Rolfes, Ken Klus, and Megan along with our new CPA Tim Fulmer are trying to determine how to manage Rental Association profits situation of profit in the future.

Stephen reported our 2014 year to date revenue is \$100,000 over our revenue in 2013 at this point. Stephen is pushing hard and has realized an increase in our average daily dollars/ night rate. Last year's decision to reduce Islander commissions from 28% to 25% and other enhancements make it even more attractive to be in The Islander rental program. For those few of you not in our rental program, I'd ask you take a second look at returning. Stephen and Megan are trying to make The Islander Rental program a better product than you'll find elsewhere.

The cold snap in Florida has cost us many of our plants and will have to be replaced. Todd has ordered new plants and more native/ cold weather resistant plants to replace the ones that were killed by the cold weather. A bit of good news is a \$5600 renovation overage heretofore earmarked to be credited to our reserve fund can be credited to the purchase of new plants. The new patio and pool furniture looks very nice. As The Islander is a family friendly place, Rosemary Bubien has "volunteered" to chair a committee on playground equipment selection and placement to be presented at the May board meeting. Thanks to Rosemary again.

Victoria Waldie and Carol Marie Stuart have volunteered to chair a committee to amend our "owner docs" to allow owners, and owners only, to allow their dogs at The Islander. The issue was discussed at length during the committee meeting on the 21st. Carol Marie and Victoria will present to the board a proposal to allow owner pets along with a list of stipulations regarding owner pets at The Islander. If the board approves, a proxy on owner pets will be sent later this year.

You can expect to see two proxy items in the near future. The first is to amend our by-laws to be changed from a 75% majority to a 66% majority for external appearance, finance, and by-law

changes. As you may know, when proxies are sent to our owners, proxies not returned are counted as an abstention which is essentially a “NO” vote. Because we have a high percentage of owners who simply do not respond, it is very difficult to get a 75% majority. We are therefore recommending approval of changing the majority approval to 66%. The second proxy item will ask the owners to approve owner document language to reflect changes, to our advantage, in state law regarding liens and foreclosures. Both issues will be explained more fully when the proxies are sent to our owners.

We are looking for volunteers to serve on a “Front Windows and Doors Replacement” committee. As you may recall, in August of 2013, the board voted to move forward to replace the front windows and doors not replaced during our major reconstruction. The goal was set to have door and window replacement done in the next two years. The replacement can be completed on an individual basis and will not cause The Islander to be closed. If you are interested, please contact Stephen, Megan, or any board member.

In order to best represent our owners, Stephen, Megan, and the board need your input! If you have questions, concerns, or suggestions, please contact us. One final comment, a special thanks to Dr. Linus Carroll who has been a board member since The Islander’s inception. Dr. Carroll has been a mainstay in Islander leadership for many years and his service to The Islander and our owners is greatly appreciated.

Sincerely,

For your Board of Directors,

F. A. “Ax” Feltenberger