

On Holiday Isle  
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October 10, 2014

Islander Owners,

You'll soon receive a proxy in the mail. The proxy concerns:

- Revising our condominium documents to change the approval rate for exterior alterations and improvements to The Islander from 75% to 66%.
- Allowing owners the privilege to bring their dogs on Islander property.
- Postponing unit front window replacement.
- The yearly requirement for owners to elect where excess assessment funds, if any, are allotted

The first issue regards a change to our condominium documents recommending a change in the approval rate for exterior alterations and improvements from 75% to 66%. Many owners at The Islander do not take an active role in the voting process. Recognizing a proxy not returned is a "No" vote, unreturned proxies make it particularly difficult to effect changes to exterior alterations and improvements that would benefit Islander owners. It presently takes 96 "yes" votes to effect a change. The change would reduce the number of required "yes" votes to 84. Reducing the approval rate to 66% still preserves majority by a wide margin to enable changes to move forward. The State of Florida recognized the before described situation and amended Florida State 718 to allow condominium documents to be changed by a 66% majority vote of all owners.

At a few of the owner's requests, the board drafted a change to our condominium documents to allow owners the privilege to bring their dogs onto Islander property. Please see the rewrite of the section of our condominium documents attached to the proxy letter for details. In many families, dogs are part of the family but considering a pet's impact upon other Islander owners and guests is a substantial responsibility.

In a previous board meeting, the board voted to replace unit front doors and windows within a two year time frame. It was discovered replacing the widows would void the waterproofing contract put in place during The Islander reconstruction just a few years ago. As it will be necessary to once again waterproof the building in a few years, we think it prudent to wait until then to replace the unit windows. The recommendation for the postponement was from Victor Bowman, the renovation general contractor.

Finally, if budgeted correctly, the excess funds from your monthly assessments should reach zero by years end. If any excess funds are remaining, the ownership must decide whether or not to return the excess or reduce the next year's assessment by a proportional amount.

We've reached our yearly budget target already and at this point reached in excess of \$2.3M, we've reduced our commission rate to 23%, and most of our rental owners have realized an increased income over last year. We sincerely believe The Islander Rental Company has built a better product than other outside rental companies and are trying our best to get our outside rental owners to return. For every outside renter who returns, we gain 450/month in commission income. If all of our outside renters would return, we could increase monthly incomes by \$5400/month. Our ultimate goal is to reduce rental commissions below 23%.

Please participate and vote 'YES' on the above items! Let Stephen, Megan, or any of the board members know your thoughts. The annual owners meeting is on November 8<sup>th</sup> to be preceded by the owners party the evening of the 7<sup>th</sup>. We hope to see you there.

Sincerely,

F. A. Feltenberger

For your Islander BODs.