

Dear Alys Beach Homeowner,

Happy new year and best wishes for a healthy and prosperous 2023!

On December 24th, the Association received notice of a valid petition for a Special Meeting of the Membership. This petition pertains to the 2023 budget which was approved on December 5th by the ABNA Board of Directors. In response to this petition, the Association has scheduled a Special Meeting of the Membership to be held on January 23rd at 3:00PM CST. During this meeting, the 2023 approved budget will be presented and there will be an opportunity for questions. If a quorum of Members (30%) is present, in person or by proxy, and a majority of those present vote to reject the budget, the ABNA Board will have 10 days to adopt and distribute a new budget. If you are in support of the current budget, it is important that you participate and vote accordingly should a vote be called. Votes can only be cast in person or by designating a proxy.

I'd like to take this opportunity to step back and provide a perspective. I understand the 2023 Budget has generated varying emotions and perceptions from Owners. This is understandable and a healthy part of the budget approval process. However, I want you to clearly understand that EBSCO's focus is on the well-being of Alys Beach. The decision to increase homeowner assessments is directly related to the increased costs associated with the growth of the development (e.g. the addition of Zuma and the Beach Club) and related increases in operating costs along with the general increase in costs associated with inflation. Absent the increase in homeowner assessments, operating and maintenance costs must be lowered which will directly impact the homeowner experience.

There's value in what the Association provides and even more importantly, there's value in the sense of community that has been established at Alys Beach. Please see meeting details below and please find a way to participate- either in person or by completing the proxy form included at the link below.

***If you are in favor of preserving the current Alys Beach quality of character and services provided that the Board-approved 2023 ABNA budget represents, please assign your proxy to Jim Rode, Homeowner at Alys Beach and member of the Alys Beach Homeowner Advisory Committee, or myself, David Everett, Representative for Founder (EBSCO) and President of Alys Beach.***

[Meeting Notice for Special Meeting of the Membership](#)

[Proxy Form for Special Meeting of the Membership](#)

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We've established strong working relationships with all members of the Homeowner Advisory Committee and several of these members would like to share the following message.

### **STATEMENT IN SUPPORT OF 2023 BUDGET FROM ALYS BEACH HOMEOWNER ADVISORY COMMITTEE**

*We are members of the Alys Beach Homeowner Advisory Committee, which was formed to provide an avenue for Alys Beach management to seek input and advice from homeowners regarding the management, operation, and stewardship of the Alys Beach community. Since September 2022, members of the HOAC have met with Alys Beach management on at least six separate occasions to discuss the proposed ABNA Budget for 2023 and, in particular, the proposal to increase the general assessments charged to Alys Beach homeowners for the coming year to \$3,000/quarter (i.e., \$12,000/year). We have reviewed information relating to the historical levels of general homeowner assessments, the expenses associated with the operation of the Alys Beach amenities in a first-class manner, and the current plans for the development of additional amenities at Alys Beach in the future. We have also had the opportunity to ask – and have answered – thoughtful and probing questions about the basis for the proposed increase in the assessments. Based upon this review and upon our desire to maintain the current high quality of service afforded to us as Alys Beach homeowners, we support the proposal to increase homeowner assessments.*

*We encourage each of you to do your own homework about this important matter. Alys Beach management has provided to all homeowners comprehensive background material on the 2023 ABNA budget and the reasons underpinning the proposed assessment increase, including detailed descriptions of various budget line items and supporting documents responsive to over 100 questions submitted by Alys Beach homeowners. We write to emphasis a few very important points:*

*1. During the period from January 2011 until November 2022, EBSCO made contributions to the ABNA of approximately \$19.9 million to cover deficits and support the operation of our Alys Beach amenities. Of that \$19.9 million, only approximately \$5.8 million represents assessments attributable to lots owned by EBSCO and subject to assessments; the remaining contributions above that amount have been made on a discretionary basis.*

*2. The proposed budget for 2023 is based upon general homeowner assessments of \$12,000/year; a reduction in that amount due to a rejection of the proposed 2023 budget will create budget shortfalls that will have to be addressed through a reduction in operating and maintenance expenses. Such cuts could impact services currently offered at the amenities which would impact the character of life at Alys.*

*3. Finally, given that the current level of homeowner general assessments fails to support the existing amenities, it's certainly reasonable that EBSCO could reconsider future amenity investments if homeowners are not supportive of the current budget. This would be an outcome that benefits no one.*

*We do not consider an annual assessment amount of \$12,000 to be an unfair or "above market" price tag given the beauty, quality, and uniqueness of the amenities we enjoy here at Alys Beach. Indeed, we believe that most Alys Beach homeowners would happily pay that amount simply for the right to use the owner-only Beach Club. In order to preserve the exceptional quality and value that are hallmarks of the Alys Beach community, we support the proposed increase in the assessment amount and intend to vote in favor of the 2023 budget if a vote becomes necessary.*

*Signed,*

*Leon Ashford*

*Kent Clothier*

*Becky Hurley*

*Jim Rode*

*Laura Weaver*

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I thank Leon, Kent, Becky, Jim and Laura for their time and willingness to share their opinions of the 2023 Budget. I'd like to thank all Owners for your participation in this process and again, with an interest in preserving the sense of community and quality at Alys Beach, I urge you to support the 2023 budget through your participation in the upcoming meeting.

Sincerely,

David Everett

President, Alys Beach