



BOARD SHORTS

A Quick Recap to Members of the November 2010 Board of Directors Meeting

BUDGET

The Good News

If you read your letter from Touchstone Properties, then you know that the Board of Directors okayed a 4.31% increase in maintenance fees, and the total including the marina fees will come in just under \$699/month.

The Bad News

Before you celebrate, parts of the island have been re-zoned by the Army Corps of Engineers into a flood zone. Basically, all waterfront units are theoretically in zone AE and flood insurance is necessary. The federal government issues National Flood Insurance. Many people have asked if we had tried to find cheaper pricing. Let me repeat: **THE NATIONAL FLOOD INSURANCE PROGRAM IS ADMINISTERED BY THE U.S. GOVERNMENT** and is managed by FEMA. There is only one source and one price. It is mandatory and **COULD BE** as high as \$89,000 for the homes along the water. The simple math is $\$89,000 \div 124 \text{ units} \div 12 \text{ months} = \$59.81/\text{month}$.

What's covered? National Flood Insurance covers "floods" from rising water such as overflowing streams and rivers, lakes, oceans, etc. Thus if Kuapa Pond (the marina) rises over the seawall and floods our buildings, only National Flood Insurance would cover it. If your toilet overflows and causes a flood in your unit, that kind of flood is not from rising water from a natural source. It is covered under the Association's multi-peril policy, but only to the extent that it damages originally conveyed items (walls, floors, car-

pets.) If your television was ruined by water from a toilet flood it would be covered by your homeowner's policy, otherwise known as an HO-6 policy.

If you don't have homeowner's insurance, it is advised that you purchase this relatively inexpensive coverage. If your unit was uninhabitable from a covered loss, an HO-6 policy will generally cover the costs of living elsewhere during the interim.

What Are We Doing About It ?

Well, the first thing we're doing is having the island surveyed to determine exactly which buildings may be in the proposed new flood zone. We are only obligated to purchase flood insurance for those buildings actually within the flood zone. The Army Corps of Engineers surveys by satellite, so there is a slim chance that some buildings may not be affected. Most of the base surveying has been done, **but we may have to provide access for the surveyors to waterside units next Saturday beginning at 8:00 am, Saturday, December 4th starting in the 100 block.**

It looks like we'll need to get elevations on individual houses. Why should you cooperate? The best reason is that it might save you over \$700/year.

In addition, we've given Touchstone Properties the okay to purchase insurance at current rates. It will save about 10% and that will only be effective for one year. This 'up to \$89,000' is one year's insur-

ance. It is compulsory by law and will be payable every year.

OWNERSHIP

There's an interesting rumor going around that the Association purchased unit 903 and didn't ask anybody's permission. In reality, we exercised our right as a lienholder to take possession of Unit 903. The cost to do this was \$1.00. It remains in our possession until the mortgage company wants to sell it. In the interim, we have rented the house for \$2,600/month. \$700 goes to pay the maintenance fees on the unit and approximately \$1,900 goes into the general fund.

So let's go over this again. The cost is \$1.00. The revenue is \$31,200 per year. Since federal law protects the renter for at least 90 days, and it already has been rented for three months, the minimum return on our one-dollar investment will be \$15,600.

LANDSCAPING

The approved landscaping plan should be available at Rick's office after the January meeting.

Save-the-Date List

Next Board Meeting:

Monday, January 17, 6:00 pm

Annual General Meeting

Monday, March 21, 2011

Registration beginning at 6:30 p.m. and

Call to order at 7:00 pm.



KokoIsle

ASSOCIATION OF APARTMENT OWNERS (AOAO)