

Fencing. Who would think fencing could be a major issue? Here's the way we see it. We have between 4000 and 5000 linear feet of wooden fencing. At one time it was grape stake, the cheapest fencing you could buy. Then it was cedar lath, not as cheap as grape stake, but still a low cost solution to the fencing problem. Now what we do is buy 5-inch cedar fencing and rip it into one-inch strips. One of our owners recently paid to have his fence replaced and cost of the fence, materials and labor was a little over \$120 per linear foot.

I'm no mathematician, but I think that that makes our fencing perhaps the most expensive enclosure product on the island short of rock walls. And it has the added benefit of making the neighborhood look like an unreconstructed shanty town from Hurricane Katrina.

We need to look at new products that can serve as a better-looking, cheaper and longer-lasting replacement. And we need to start rolling them out this year.

Asphalt. According to our engineers, we have 60,000 square feet of parking area that needs immediate replacement. We have a choice of continuing our process of patching and filling or we can give some serious thought to a better-looking, more durable and longer-term solution.

We're already exploring other options that might require less maintenance, wouldn't flood and would have a longer useful life. Don't let me mislead you... any solution to our current parking asphalt situation will be expensive. But in a time/life benefit analysis, some of the initially more costly options turn out to be the least expensive over time. If they can lower the cost over a 5-10 year period and increase property values immediately, they are probably the best choice.

Roofing. Our entire roofing system was installed about 15 years ago and it was guaranteed for 50 years. The problem with this guarantee is that the company who manufactured it has gone out of business. Our Reserve Study acknowledges that there's a problem and we've been assuming that we would have to go through a complete roof replacement on or around 2022.

Unfortunately, we think this projection has been overly optimistic. We are replacing one roof now, and we have reports of leaks on half-a-dozen different roofs after this last major rain.

There are a dozen great new roof products that we think could serve us well. What we need to do is to make some long-term decisions about what kind of product we're going to use, then set up a schedule of replacement much like what we have done with our continuing flat roof project.

Finally, let me repeat, we need qualified people to step up and volunteer for service on the Board if we're going to maintain our island as the remarkable home that we've all grown to enjoy. The grounds, the buildings and the rest of the infrastructure will require continuing attention.

We think that we've made considerable progress, but we'll need your patience, your participation and your support as we continue toward maintaining the future of Koko Isle.

Submitted on behalf of the Board of Directors,
February 1, 2011.

Chuck Painter



KokoIsle
ASSOCIATION OF APARTMENT OWNERS (AOAO)