

"A set back is a setup for a comeback". Just how true has this been? Back in October immediately after Super Storm Sandy, we were all numb and in disbelief. In my 28 years here at the Landings, having been personally present for two prior hurricanes, I have never seen such wide spread devastation and damage. Everywhere communications were down, electricity out, people isolated, and I was personally marooned on my cul-de-sac for three days, without any services, including electricity, telephone and cell service, for more than 17 days.

Four buildings were heavily damaged: roofs were ripped off, wood shingles and soffits torn from the buildings, leaders and gutters strewn throughout the grounds, railings torn from the ground, and salt water damaged property lighting. As if this weren't enough, in rapid succession, we were hit with several high wind and drenching rainstorms further hampering, and in some cases further damaging units. For those of you that didn't witness the destruction first hand or might have forgotten just how badly damaged we were, I suggest you go to the website and view the pictures.

Our heartfelt thanks has to go to Rashad for his omnipresence here on the property from day 1. Initially, not always able to get in touch with a board member, he took it upon himself to assess the damage and prioritize his response. For the first few weeks, Rashad multitasked. He was invaluable to the board and to quite a few affected homeowners as well. He immediately began venting and drying out lower levels at owners' request, clearing out the soaked contents of the units, minimizing the damage to the sheetrock and the growth of mold. He orchestrated cleanup, scheduled the dropping and removal of dumpsters, contacted tradesmen so the board could obtain quotes for the monumental work that needed to be done. During the succeeding months, with his 6 day work weeks and Fernando's tireless removal and replanting, the set back in October has truly been turned around. Shingles were replaced and painted; walkways and staircases power washed; soffits, leaders, gutters replaced; benches revamped; split rail fencing replaced; boardwalk lighting rebuilt and repaired; in-ground garbage pails which popped out of the ground and lost have been replaced; the meeting room, which was trashed, was completely renovated for our meeting. Uprooted trees were removed, new ones planted; the 60+ aborvitae around the pool which were all burnt from the salt have been replaced; plantings behind the units have been replanted; the grass which also showed heavy salt burn has been cultivated and once again is a lush green; bushes and flowers have been and continue to be planted--again all in just a few months. Although the work is not completed, I think you will agree- we have made a miraculous recovery. Truly a spectacular come back.

The set back in our units also setup some unit owners for their own comeback-- by having them think that since certain repair work was necessary, now might just be the time to upgrade and modernize the lower level.

Never before has there been so much devastation in just a matter of hours especially with the enormity covering the entire North East Coast. No one- state, city and local governments; utilities and services; corporations, insurance companies, adjusters, tradesmen, homeowners, condominium boards-no one had ever had to deal with this magnitude of destruction and loss. The old adage, "just when you think you have it bad, look over your shoulder," was never truer. In the grand scheme of things, by the grace of God, there was no loss of life. No one was physically hurt. We did not suffer from catastrophic fires. No building was moved from its' foundation. Yes, we all suffered some property damage, but property can and has been replaced. This has been a learning experience for everyone involved. Hopefully this new found knowledge will never have to be put to a test.

Confusion abounded immediately after the storm. Did we have coverage? What was covered? Why wasn't work begun immediately? Delivering on our promise of disseminating information as quickly as possible, we shared all that we were told by the agent and the insurance carriers. The problem was that the insurance carriers were overwhelmed and much of the initial information was inaccurate. The problem seems to be with the underwriters who originally did their due diligence prior to underwriting the policy. Our construction was completed in 1972, which we now know labels us pre-firm. Newer construction from 1976 going forward is termed post firm. This refers to the drawing of flood maps by the government. It was the insurance company who mislabeled us as post firm construction, hence no coverage for lower level space. It was only because of the persistence of some unit owners that it was determined by the carrier that our insurance should have read pre firm. Again, remember pre-firm and post firm terminology was never mentioned to the board and quite frankly, I suspect unless you were in the field, you too would not know of its existence. Upon confirming this to be true, the board wrote the community a letter explaining that coverage was in place according to the National Government FEMA guidelines. The downside of the revised classification is the very real risk of higher flood insurance premiums.

There were numerous letters sent to the unit owners as we received information from the insurance companies. The first letter in early November outlined what we as a community needed to do to minimize the potential for mold and fungus. It was in early November when we finally got through to the Hartford insurance agent, and an inspection date was setup. We were told the agent for the flood policy underwritten by FEMA and administered by Hartford would be out to have an overview of the entire complex, not the individual units. The adjuster did indeed visit in mid November and only walked the grounds. The next letter sent to the community was sent shortly after the adjuster's visit spelling out just what was and was not covered. At that time, we were informed that there was no lower level flood insurance coverage available to us. This had been stated to us for the previous two storms as well. Another letter was sent to the community with this information. Discussions continued and as

earlier stated, after more due diligence, The Hartford insurance company realized that our construction date should have been classified as pre firm and not post firm. A date in February was set up by Hartford for the adjuster to view each of the affected units. Once again a letter was sent to unit owners explaining the newest obtained information. Still to this day, there are several owners who cannot accept or choose not to believe what was covered. Our last contact with both insurance carriers confirmed that all claims are closed, and a letter from our broker representing the insurance companies has been sent to those owners still in denial. We need to move on.

The Chubb insurance company who handled our wind damage, stated that they recorded our claim and would get back to us. We called and called with each passing storm. We explained that the extensive damage to the roofs coupled with the repeated wind and rain storms we encountered since the original storm back in October were wreaking havoc with the units. We were given the OK to initiate repair work and document the roof damage with pictures--which we did. Needless to say, finding good roofers, capable of flat roof work of this magnitude and available was very difficult. In addition, they wanted a good portion of what it cost for repairs upfront in advance of work beginning. This took an immediate toll on our reserves, dropping them to a dangerously low level. On January 3, 2013, roof repairs began. It was not until February an adjuster representing Chubb came out to inspect the roofs and assess the wind damage. By this time repairs were well under way. Paperwork was requested from each affected unit. After reviewing the damage recorded by the adjuster, the FEMA guidelines and the FEMA schedule for reimbursement, the insurance company settled our claim.

The settlement from Chubb for wind damage was specific for the 4 building roofs and the three affected unit owners. Disbursement was made according to their worksheet. The settlement received from the flood policy through Hartford was managed by our accounting firm. Disbursement were made by a third party, Suffolk County National Bank in accordance with The Landings' By-laws. We were extremely fortunate that the contractors were honest in submitting their bills for only the actual work necessary to return the units to pre super storm Sandy condition. There were many owners who chose to update, modernize or redesign their units. Insurance coverage was never intended to fund these modifications. The accountants reviewed these actual bills submitted by the contractors and the FEMA schedule as it applied to the Hartford policy. There was depreciation which the insurance company factored into the settlement. Deductibles for each building also needed to be part of the formula for reimbursement. In most instances, the true cost for the actual repair from the damage caused by the storm for those affected units was covered less the deductible. The reimbursement for the A/C units was calculated by the insurance company and these exact figures were utilized for those damaged units. Excess insurance funds helped to offset all damage that was not covered, both completed and still to be completed.

The complex itself sustained a great deal of damage that was not covered by any insurance. After insurance payment, the additional cost for the roofs was \$70,000. The pool equipment was destroyed costing \$4,500. The pool heater had to be replaced. The chain link fence around the pool needs to be replaced-\$7,000. The decking to the pool needs to be resealed-\$7,000. The meeting room, just finished a year before, needed to be redone-\$ 5,000. Exterior damage to the buildings, gutters, soffits, fencing, lighting-\$3,500. We have been working with the landscaper and have not yet finished, spending \$33,000 to date. Other issues which still need to be addressed include: shifting walkways and problems with some sewerage lines which will require . We have estimates for replacement of the sewerage lines and the concrete walkways in excess of \$250,000.

Once the insurance company began researching The Landings, , it came to light that during the construction of these units, aluminum wiring had been utilized. This aluminum wiring was only used for a few years, because issues arose with it. In order to correct these concerns, copper wire "pigtails" were installed at the termination of every aluminum wire as required by the electrical standards dating back to early 1980's. However, even though we are in compliance with today's code, only one insurance company would underwrite a policy with aluminum wiring--Lloyds of London. Last year's insurance premium was \$57,500 with a \$5,000 per building deductible and a 2% or \$25,000 per building wind deductible This year's insurance cost is \$118,000 with a \$250,000 deductible per building per occurrence. Although high deductibles might be around for the next few years until insurance companies recapture their losses, the annual premiums should not be much above the previous year's cost. The only way to become marketable for competitive insurance bids is to replace all the aluminum wiring in each and every unit. Additional estimates are being obtained, but first estimates have the cost for all the units to be rewired in copper to be in excess of \$730,000. Presently, our flood insurance had renewed prior to Super Storm Sandy so we are good until late February. We have been told that once the flood maps are re-written (supposedly in early September) that rates will be astronomical --if obtainable at all. It is our understanding that as in South Jersey, in order to obtain flood insurance, homes will need to be raised a minimum of 3-5' off their present foundations. Impossible for us to do. Only time will tell what the flood insurance market will offer come late September.

Once the board was notified of the twofold increase in the liability insurance premiums, we found it necessary to increase the monthly maintenance by \$100.00. The projected budget for fiscal 2013-2014, with a modest 5% increase, assuming the present cost of liability insurance remains constant at \$118,00 and with no increase in our flood insurance premium, will be \$310,000. This equates to \$6200/year/unit or \$516 per month per unit without any reserve fund. Add the \$50/month reserve fund and this how we arrived at the monthly maintenance of \$580. With an astronomical \$250,000 deductible for each building and with no indication of

any decrease in our insurances, the \$580/month monthly maintenance will need to remain in effect for the foreseeable future.

When you look around at the Landings now and viewing the pictures of October 29, 2012, you can appreciate the labor of love that returned the property to a condition that all of us can enjoy this summer. For those of us that were here and witnessed the devastation, our thanks to the owners who were able to respond to our calls for assistance in removing ruined furniture and fixtures to prevent the growth of mold and possible harm to our neighbors and the structures themselves. Once again, a thank you goes out to Rashad and Fernando for heading up the effort to "bring back The Landings." On behalf of the board of managers and all unit owners, we take pleasure in presenting Rishad Odawally and Fernando Spillari with our Certificate of Appreciation. And for everyone else, we have a lot more to do in the coming months. If the past is any indication, we can expect the same level of success that will enhance and protect the value of our property.

The Landings are Back!

Thank you.