

Future Capital Expenditures

(09/2022)

As there are new homeowners that we are welcoming to our community, the Board thought that it would be appropriate to update everyone on the state of capital expenditures at LEHOA. Thankfully, we only have three categories of capital expenditure: roof replacement, driveway maintenance, and maintenance of the entry signs. There are NO plans to raise HOA dues. The purpose of this document is only to share information with all homeowners.

Roof Replacement:

History

In an effort to improve the Association's finances monthly fees were raised from \$100 to \$150 beginning July 2008.

At the time the contract was awarded the Association's assets were \$113,715.05 (8/31/2008). After all the roofing bills were paid our assets had declined to \$45,747.03 (11/30/2008), a reduction of \$67,968.02.

Our roofs were last replaced October 18, 2008 by Vanderpool Construction & Roofing, Inc. at a total cost of \$218,670, or \$7,289/unit. Of this amount \$150,000 was financed through an assessment fee of \$5,000 per unit. So, owners were assessed about 2/3 of the replacement cost. Shingles are supposed to last at least 25 years.

(These numbers do not include the cost for re-roofing units #34, 36 and 38, the total cost of which was born by the respective owners).

Current Situation

Assuming our roofs will not need to be replaced before 2033 (25 years of use), and total cost of replacement will not exceed \$300,000 (an increase of 1.5% per year) we will need to save at least \$225,000 over the next 11 years, if the Association wants to be in a position to assume the total cost of replacing the 30 roofs. At current our increase in assets amounts to roughly \$6,500 per year.

Driveway and Walkway Replacement:

The latest quote we have for driveway replacement dates from September 2017 and is based on replacing 4 driveways and walkways at a cost of \$6,000 each (includes demolition, disposal, new stone sub-flooring, compacting, rebar anchored into garage floors, saw cuts, concrete and sealer). This quote came from Ryans Concrete Works in Jonesborough (423/833-4208), whose company, according to our research, originally constructed the driveways of units #s 34, 36, 38, 44 and possibly #56; driveways that are still in good shape as of today. To finance this expenditure we would need to budget another \$180,000. There are no immediate plans to replace any driveways.

Entrance Walls:

In 2018 we collected some budget numbers to replace or repair the 2 entrance walls. One proposal included removing portions of the walls, leaving a "knee" wall and the columns, and installing a wrought iron fence in-between the remaining columns. Total cost: \$12,100. Alternatively, we could place stucco (any color) over the existing walls: cost \$2,500. There are no immediate plans to repair or replace the entrance walls.