LEHOA 2025 Annual Meeting Report

Income and Expenses

HOA dues have remained constant at $160 for several years. Last year the HOA ended the fiscal year with a surplus of $1957.22. We will likely break even this year. Beginning in January 2026 it may be necessary to raise HOA dues from $160 to $180. The two largest expenses incurred by the HOA are Insurance and Lawn Care.

<u>Insurance</u>: Due to a Master Deed amendment approved in July 2007, the HOA must provide homeowners insurance for the residents of Limited Edition that covers both the inside and the outside of the units. This is a very unusual insurance requirement and most companies do not offer this type of homeowners insurance policy for condominiums. We only have two vendors willing to offer quotes for this coverage; Widener Insurance and Bill Jones Insurance. Widener only offers a policy with a $5000 deductible while Bill Jones offers a policy with a $1000 deductible. The Board has opted to go with Bill Jones and to pay any deductible so that homeowners will have no out-of-pocket insurance expenses. That said, the limited availability of vendors means that our insurance is not cheap. In fact, for the period of 2019 to 2024 our insurance premiums have increased from $17,697 to $28,547 a year which is an increase of around $331 per unit ($28.50 per month). That is a 62% increase for that period.

Although we budgeted $30,000 for this year, we won't know for sure if that amount will be adequate until we get the bill in October. Nevertheless, given that we have projected that there will be no funds available to be carried over into 2026, and that insurance premiums are sure to continue rising, it will likely be necessary to increase monthly dues to maintain the continued stability of our finances.

Options to decrease cost might include going with a higher deductible policy and passing the deductible cost on the homeowners, or even attempting to change the master deed so that HOA insurance coverage is exterior only; as is the case with most condominiums. This would mean that homeowners would have to purchase their own interior coverage. Neither of these options is desirable to the current Board.

<u>Lawn Care</u>: The Board has accepted the bid from Rustic Ridge landscaping for the past several years. In years prior to employing Rustic Ridge, the Board had selected a vendor with a lower bid, however the community was not satisfied with the quality of the work. The Board does solicit at least three bids each year, but similar to insurance, there are not a large number of quality vendors available to properly maintain a property as large as Limited Edition. The Board will continue to try to minimize cost and maximize the quality of landscaping.

Options to decrease cost might include sacrificing quality of service by choosing a lower bid from a less reputable company than Rustic Ridge or deleting some of the services that are currently provided by Rustic Ridge; such as reducing the number of times plants are trimmed or deleting the addition of mulch each spring. Neither of these options is desirable to the current Board.

<u>Other Expenses</u>: Building repair and grounds maintenance funds are set aside for exterior repairs to units as well as trimming and tree removal not covered by the lawn care contract. These expenses vary by year. Optional maintenance such as tree removal or repetitive treatment of kudzu can be quite expensive and that is why the Board has opted not to entertain such requests in recent years.

LEHOA Board Members and Management

All Board members are residents of Limited Edition. Board members are not compensated for their time. Being self-managed saves the expense of employing a property management service. All members of the community are encouraged to take a turn serving on the Board. Once elected the term of service is for three years. The primary goals of the current Board are to maintain the property at the highest level possible and to be a good steward of the financial health of the HOA. The Board zealously guards and tries to grow the reserve fund every year.

Angela Webb is paid a small stipend to complete bookkeeping tasks each month. The HOA does not have the ability to receive electronic payments. The HOA uses Eastman Credit Union for financial services.

Roofs

The roofs of the units at Limited Edition are currently 25 years old. Hopefully the roofs have 5 to 10 years of life remaining, but there are no guarantees. There is not enough money in the reserve fund to cover the entire cost of replacing the roofs. Be aware that when the time comes for roof replacement, an assessment of the homeowners will be necessary.