

Lexington Lakes Condominium Association
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Stuart, FL 34994
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November 18, 2021

Dear owner:

Your Board hopes this note finds you, and your family, safe and well.

This year has been a busy one for your Board. Completed projects include exterior painting of all buildings, installation of an upgraded access control system, major repairs to the sanitary sewer system, replacement of garage lighting on condo buildings, and the transition to a new property management firm. We also executed a contract for the playground replacement; the materials will be delivered next month, with completion anticipated by next March.

Your Board also confronted the alarming effect of inflation, and the sharply increasing insurance premiums this year. Our proposed 2023 budget reflects the impact of these factors. For example, this year we budgeted \$250,000 for insurance coverage; in 2023 we increased that to \$408,000 based on actual unbudgeted premium increases this year, and guidance from our broker on anticipated premium increases when our wind liability policy renews in May 2023. We have also incurred significant increases by our various utility providers, ranging from 4% (Comcast) to 13% (FPL) in 2023.

On a brighter note, twenty-two units were sold in the past 12 months, at an average sales price of \$291,395, which is an increase of 35% vs. the same period last year. In the current difficult real estate environment, a powerful message to potential buyers is that our reserves are fully funded.

In consideration of earlier comments regarding inflation, utility costs, and insurance premium increases, the Board has adopted a 2023 budget that increases maintenance fees to \$500 per month.

The Board does not underestimate the hardship this increase places on all owner's personal budgets. Like you, we are hopeful that 2023 brings inflation rate relief, and an easing of insurance premium increases.

The Board struggled with the poor performance by our management company this year. After a careful review, we selected Reef Property Services to manage our community. We determined we would be better served by a smaller firm, one that offers a more personal approach, and one that is more responsive to the needs of all owners. In the short time since we entered into this agreement, the Board believes we made the correct choice. Our full-time property manager is Jim Schmidt. If you haven't met Jim yet, I encourage you to stop by and say hello. Jim is seasoned property manager who has a keen eye for detail; we look forward to working with him to maintain, and enhance, this community.

I appreciate the support, and contribution, by all of my fellow Board members throughout the year, but I want to especially extend best wishes to our long-serving Treasurer, Tony Bartholomew, who has decided to retire from the Board to devote more time to his golf game. Thank you, Tony.

Best wishes to all for a happy and healthy 2023.

Terry Hennessey,

on behalf of your Board.

