



September 26, 2022

Dear Property Owners,

Unfortunately, due to the drastic increase in pricing for the overall expenses that the Bridgeberry Homeowners Association (the "HOA") must incur, your Annual Assessment (the "Dues") rate must be raised to allow for the Bridgeberry community's homeowners association to continue to operate on a balanced budget. The overall expenses include, but are not limited to, services for the repair and maintenance of community features, utility expenses, administrative fees, and funding the Reserve Accounts.

Therefore, your Board of Directors (the "Board") will be implementing a Dues rate of \$2,400 to the Property Owners (the "Membership") effective January 1, 2023. This was not an easy decision, but it was a unanimous one.

We are sure you have many questions. We have tried to anticipate many of those and have included a Q&A sheet. Also included is a copy of the HOA's expenses that your Dues income presently covers.

Thank you for your understanding in this matter.

On Behalf of the Board of Directors,

Candice Blakeslee, President



## **FREQUENT DUES INCREASE QUESTIONS**

**Q: WHY IS THIS THE FIRST TIME WE HAVE HEARD OF IT?**

A: The Dues increase proposal was brought to the attention of the Board of Directors during the 2023 Annual Budget review in September, 2022. It is a standard practice that the Annual Budget review for the following year is conducted in the Fall.

**Q: WHY DO WE NEED A DUES INCREASE?**

A: In addition to the actual, and anticipated, expenses, of the HOA for 2022, the Board had to incorporate the recent Request for Proposal responses from various vendors. These vendors, such as landscapers and cleaners, are necessary to be under contract to perform work on behalf of the HOA throughout the community going forward.

**Q: WHAT DO ANNUAL ASSESSMENT DUES PAY FOR?**

A: Dues help cover all expenses incurred by the HOA. Those expenses include, but are not limited to services for the repair and maintenance of community features, utility expenses, administrative fees, and funding the Reserve Accounts. See the current and proposed Annual Budgets for more details.

**Q: CAN WE JUST CUT THE HOA'S EXPENSES?**

A: Cost savings have been found in a number of areas, such as negotiating a lower contract rate with vendors or retaining an alternative vendor for a service. There is only so much that the HOA can be cut without harming services to the community.

**Q: IS ONLY OUR HOA SUBJECT TO AN INCREASE IN DUES?**

A: No, numerous HOAs in the country are raising their Dues in response to the increase in expenses that they have incurred in 2022 and/or anticipated to incur going forward. General information related to the inflation impacting our HOA, as well as the rest of the country, please visit [www.usinflationcalculator.com](http://www.usinflationcalculator.com).

**Q: CAN A DUES INCREASE BE DELAYED?**

A: The current Dues rate is not enough to keep up with inflation. There is only so much that can be cut from the Annual Budget, so it is essential for the HOA to operate on a Balanced Budget.

**Q: WHAT IS THE IMPACT OF NOT INCREASING DUES?**

A: By not increasing Dues, the HOA cannot operate on a balanced budget without reducing the Memberships use of the community features. For example, the pool season would have to be drastically shortened to allow for the reduction of the pool company's service fees.



Q: WHAT WILL KEEP THE HOA FROM REQUIRING ANOTHER DUES INCREASE NEXT YEAR?

A: The proposed Dues increase approach is designed to avoid having to ask for another Dues increase for no less than five years.

Q: WILL THE PURCHASE OF THE REMAINING HOMES IN THE COMMUNITY ALLEVIATE THE DUES INCREASE PROPOSED?

A: The additional property owners in future will coincide with the completion of the additional Common Areas and community features, which will continue to add to the HOA's expenses.

Q: IF I WILL NOT BE LIVING IN THE COMMUNITY IN 10 YEARS WHEN MAJOR REPAIRS OR REPLACEMENTS ARE ANTICIPATED TO TAKE PLACE, WHY SHOULD I HAVE TO PAY FOR AN INCREASE IN DUES NOW?

A: Regardless of the anticipated length of time a Member of the community, each Member, or their tenants, benefit from the use/accessibility of the parking lot, mailbox structure, fitness center, pool, and other community features. The active use of any of these community features by an individual Member does not remove the Member's obligation to contribute to the cost of these community features.

Q: CAN HOAS RAISE THE DUES?

A: A homeowners association has the legal right to raise regular Annual Assessment Dues. The HOA Board determines how much to increase the Dues in compliance with North Carolina state laws and as further defined in the HOA's Governing Documents.