REGENCY HOUSE
CONDOMINIUM

July 13, 2026

Dear RHCA Owner,

August 1, 2026, marks the beginning of our new fiscal year. Unlike past fiscal years, this one is abbreviated, from August 1, 2026, to February 28, 2027. On March 1, 2027, we will start our first new fiscal year, as previously communicated.

To mark the new fiscal year, you are invited to an important RHCA meeting on July 20, 5:00 pm, in the Club Room, followed by cocktails. There are three important components to this meeting:

- New reserve study: Full physical and financial analysis of the property, and recommended funding plan. (abbreviated portion attached/linked)
- New annual budget: August 1, 2026 – February 28, 2027 (attached/linked)
- New HOA dues: August 1, 2026 – February 28, 2027 (attached/linked)

HIGHLIGHTS

Reserve Study

We are pleased to report that we have conducted a 30-year reserve study performed by Superior Reserve Engineering & Consulting of Milwaukee. Findings will be presented at the meeting.

Condominiums use reserve studies as a long-term financial planning tool to evaluate the condition of shared property components. They also estimate the funds needed for future repairs and replacements.

RHCA was due for a new study, as recommended by our auditors. The present study was nine years old and had outlived its useful life, making it impossible to use as an effective planning and budgeting tool.

We are pleased with the professional expertise of Superior Reserve in preparing this study.

HOA Dues

Based on the extensive and intensive budget planning conducted by the Board and Diane, the Board of Directors has unanimously voted to increase homeowner dues by 7% for the new fiscal year. As such, the range of monthly increases per unit will be $38-$69.

Key reasons for the increases are:

- Three major building components have been identified as needing major repair and/or replacement within the next 0-5 years -- the chiller, roof, and fire pump. Costs are anticipated to total approximately $1.3 million. In addition, the elevators may need repair or replacement in the coming years.
- Inflation has been a driver of increased costs in property insurance, mechanical, HVAC, and plumbing maintenance/repairs. From May 2026 when we began developing this budget, the U.S. Consumer Price Index (CPI) which measures inflation, increased by 4.2 percent from May 2025. That's the largest annual increase since April 2023. Certain RHCA operating expenses such as mechanical and plumbing costs exceed the CPI.
- We want to continue the high level of staffing, services, and amenities that the Regency House enjoys, including:
  - On-site general manager and assistant manager
  - On-site building/unit maintenance and repairs
  - 24-hour maintenance emergency service
  - 24-hour front-desk security and service
  - Valet parking (necessitated by our garage design)
  - Outdoor pool, garden, and grounds

The Board is well aware of local condos that have levied assessments recently. While assessments are sometimes necessary, especially for aging buildings, our goal is to use the new reserve study as a guide so that we can do everything possible to absorb costs for current and future needs on an annual basis.

Association Meeting – Annual Budget & Reserve Study Findings

July 20, 2026, 5:00 – 6:30 pm Club Room

Agenda

Topic	Speaker(s)	Handout
Welcome, introductions	Keith Lester	
Reserve Study – Superior Reserve Engineering & Consulting	Keith, Diane and Board Nik Clark, Superior Reserve	Yes
Reserve components		Included in reserve study.
Modifications	Diane	Yes
Recommended reserve funding plan and contributions schedule	Keith, Diane, Board	Included in reserve study.
Budget: 8/1/26 – 2/28/27	Sara Thompson	Yes

HOA Dues and Fees – 8/1/26 – 2/28/27	Sara, Diane Duhig	Yes
Rationale: • Mechanical: Chiller replacement • Safety: Fire pump, jockey pump and controller replacements. • Structural: Roof repairs	Diane, Sara	
Discussion, Q&A	All	
Adjournment	Keith	
Refreshments	All	

Phone it in

If you wish to join the meeting by phone call 605-472-5642. The meeting access code is **1299717#**

We encourage everyone who can attend the meeting in person to do so. If you cannot make it, you will receive meeting minutes.

Thank you.

Sincerely,

RHCA Board of Directors

- Keith Lester, President
- Mark Smith, Vice President
- Sara Thompson, Treasurer
- Michael J. Steinle, Secretary
- Kathleen McQueen, Director
- Lauren Salaymeh, Director
- Dave Jackson, Special Appointment Director