

### **HOA Cost increase explained:**

With the information we know as of September 2025 and this is a non-binding document:  
The annual operational cost for the HOA and trash/recycle collection remains the same as 2025:  
\$675

Road assessment: \$2,000 per year for 2026 and 2027

The Increase supports a total mill and fill road improvement for the full HOA planned for calendar year 2027. The total estimate for this project is \$610,000 but that is based on 2025 cost. Actual cost in mid 2027 remains unknown and will not be finalized until end of Q1 2027. We have a total of 159 homeowners that need to share this cost for an estimate of \$3836/home for the entire project without inflation.

Planned increase: \$2000 per homeowner for calendar years 2026 and 2027. This will collect a total sum of \$636,000 for the project.

If total project cost comes in higher than the \$636,000, the deficit will need to be added to the calendar 2028 HOA dues under road improvement.

If the total project cost comes in less than the \$636,000, a reduction for the calendar year 2028 HOA dues will be given. This is not a likely situation as this would only be a 2% cost increase per year for the next 2 years.

Recent road improvements made on Elkrum and intersection of Morning Mist and Elkrum are not planned to be done again unless contractor deems it is absolutely necessary and does not add significant additional cost.

Based on historical data, this improvement will provide good quality roads for 10-12 years. Pot hole and major crack repairs will still be required after each winter thaw. All homeowners should benefit from this improvement and will support home values for all.

On November 19, 2025 the Board decided to hold a vote of support for the road project. The results are 34 for, 14 against.

Best Regards,  
The Manors of Deerwood Board of Directors