

August 31, 2023

To All Owners
Cedars Townhomes HOA
Cedar Hills, UT 84602

Re: Internet/Insurance/Water Pressure/Street Repairs/HOA Website

Dear Homeowners,

We hope you are well. The HOA has received lots of questions recently about a couple of issues discussed at our Annual Meeting in June. Hopefully this letter will help clarify a couple of changes that will be occurring this year in our community.

Our HOA Board was faced with a couple of new challenges when planning this fiscal year's budget:

#1- An abnormally large increase in cost of hazard insurance. Due to the fact that our community is adjacent to a hillside, insurance carriers classified the Cedars Townhomes as being located in a wildfire zone. With the number of wildfires throughout the nation in recent years this has greatly affected the insurance rates for communities such as ours in wildfire zones. Our premium nearly doubled for fire insurance.

#2- Prior to the Annual Meeting our Board ordered a Reserve Study. A Reserve Study is a guideline that HOAs use to plan for long term projects such as roof replacement, concrete replacement, painting, etc. A copy of the study can be found at www.tpmhoa.com/cedars. While we do have a healthy reserve, the study strongly recommended we increase the amount we are saving each month or we will not have enough funds when the time comes to cover the cost of all of these large future expenses.

To cover the cost of the increased insurance and the recommended reserve contribution, the Board was given choice to either raise your monthly dues significantly or to cut costs. They chose the latter. While hazard insurance is required by the HOA's governing documents, earthquake insurance is not. The Board chose to remove the earthquake endorsement from the policy. Those owners who still wish to insure their homes for earthquake may do so on their own but that coverage is no longer carried by the Association.

In the past the HOA has also provided another nice but not required amenity, bulk internet. With Utopia coming to the neighborhood, years of concerns

from residents about the bulk internet providers speed and service, most HOAs going away from providing bulk internet, and our need to boost the HOA reserves, the Board felt it was time for the HOA to get out of the internet business and let each resident choose the service that best fits their needs as soon as Utopia is available.

In summary there are two items that will no longer be covered by the HOA. Earthquake insurance and bulk internet. The dues will not go down because the funds used to previously pay for these two amenities will now be used to cover:

A) The increased cost in hazard insurance and

B) to cover costs of increased reserve contributions or actual major repairs to the community included in the Reserve Study. The dues will stay at \$127 this year rather than increase the large amount that would have been needed to continue as before.

Low Water Pressure- Another topic discussed at the Annual Meeting (and for several years) was the low water pressure which is under control of the City of Cedar Hills and effects our watering and sod survival in backyards. The city has indicated they are adding new equipment which we hope will increase our pressure and improve our yards.

Street Repairs- We've also received questions about the street repairs on Sage Vista. These repairs are also under control of the City's Department of Public Works. We understand they are working with Utopia on this repair.

HOA Website- To make payments, to report service issues, and to obtain general HOA information we encourage you use our HOA website at www.tpmhoa.com/cedars

Thank you all for making the Cedars Townhomes a great place to live.