October 29, 2026

TO: All Pheasant Run Homeowners

RE: **2027 Budget**

For your review, use and file we have enclosed the following:

2027 Operating & Reserve Fund Budgets

After an extensive review of the Association's financial status, the Directors have resolved that it ***WILL be necessary to increase the quarterly association/maintenance fee beginning January 1, 2027.*** This increase of approximately 3.9% will help the Association keep pace with the increase in costs related to maintaining the property. Accordingly, the payment schedule beginning January 1, 2027, will be as follows:

Quarterly Payment Amount Commencing January 1, 2027:

$2239.00

If you are currently using coupons to pay your quarterly fees, we will soon be forwarding you a new coupon book for your use in 2027. If you are paying via electronic funds transfer (EFT), we will continue to withdraw the monthly fee as was done in 2025. **For those of you that have your bank pay your fees, please advise them to send checks to the following mailing address: Pheasant Run, c/o Hunt Management, P.O. Box 1755, Arlington Heights, IL 60006-1755.** ***Note: If you use this payment method to submit your monthly assessments, please double check the payment mailing address on your banking website/app to ensure monthly assessment payments are sent to the correct mailing address as stated above.***

As always, your Board of Directors and Management will continue their efforts toward maintaining and improving the financial and physical soundness of the Association and both thank you for your continued understanding and support. Should you ever have any questions about the Association's financial status, please do not hesitate to contact the undersigned.

Sincerely,

Hunt Management Incorporated, AAMC
Management Company for
Pheasant Run Condominium Homes Association, Inc.

Terry R. Handel

Terry R. Handel, CMCA, AMS, PCAM
Assistant General Manager
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Enclosures

Pheasant Run Condominium Homes Association, Inc.

FY2027 Operating Budget

Your FY2027 quarterly assessment is **$2,239** per quarter | Annual: **$8,957**
Change from FY2026: $84.89 per quarter (3.9% increase)

Description	FY2026	FY2027	% Chg
OPERATING INCOME			
Association Fees	$1,335,779	$1,388,412	
Late Charges	$700	$700	
Miscellaneous Income	$1,500	$1,500	
Total Income	**$1,337,979**	**$1,390,612**	**+3.9%**
OPERATING EXPENSES			
Administration			
Management Fee	$39,391	$40,573	
Legal	$3,000	$3,000	
Accounting	$1,030	$1,030	
Insurance [1]	$113,700	$115,313	
Admin Expenses	$5,000	$5,000	
Miscellaneous	$1,000	$1,000	
Social Committee	$1,200	$1,200	
Income Tax	$5,150	$3,633	
Total Administration	**$169,471**	**$170,749**	**+0.8%**
Building Maintenance			
Fire Sprinkler Repairs	$4,500	$4,500	
Fire Protection	$20,000	$30,000	
Building Maintenance & Repair	$70,000	$80,000	
Roof / Gutters / Fascia	$45,000	$45,000	
Total Building Maintenance	**$139,500**	**$159,500**	**+14.3%**
Grounds & Road			
Concrete & Mudjacking	$20,000	$30,000	
Roadway & Storm Sewers	$12,000	$15,900	
Crack Filling – Driveway/Sidewalk	$7,500	$12,000	
Lamppost	$3,000	$3,000	
Mailbox Repairs	$3,500	$11,000	
Total Grounds & Road	**$46,000**	**$71,900**	**+56.3%**

Description	FY2026	FY2027	% Chg
Landscaping			
Lawn Contract	$195,998	$187,526	
Snow Contract	$96,500	$99,400	
Salting	$10,000	$10,000	
Repairs	$20,000	$20,000	
Rock Walls & Drainage	$5,000	$5,000	
Irrigation	$18,000	$19,000	
Aeration / Mulching	$12,750	$12,500	
Tree Removal & Replacement	$10,000	$11,000	
Driveway Staking	$900	$900	
Total Landscaping	**$369,148**	**$365,326**	**-1.0%**
Utilities			
Water & Sewer	$115,360	$110,698	
Electricity	$300	$318	
Total Utilities	**$115,660**	**$111,016**	**-4.0%**
Total Operating Expenses (excl. Reserve)	**$839,779**	**$878,491**	**+4.6%**
RESERVE CONTRIBUTION			
Insurance Deductible Savings Redirect [2]	-	$23,459	
Owner Contribution to Reserve Fund	$496,000	$486,462	
Owner Contribution to Road Fund	-	-	
Total Reserve Contributions	**$496,000**	**$509,921**	**+2.8%**
TOTAL OPERATING EXPENSE (incl. Reserve)	**$1,335,779**	**$1,388,412**	**+3.9%**
Quarterly Assessment per Homeowner (155 units)	**$2,154.48**	**$2,239.37**	
FY2027 vs. FY2026 Assessment Change	**$84.89**	**+3.9%**	

[1] See Insurance note below. [2] See Reserve Budget page for detail on this redirect.

[1] Insurance note: This budget shows the $20,000-deductible insurance premium. The Association finalized its Auto-Owners renewal at a $50,000 deductible (with sewer/drain backup increased to $50,000 and mailbox coverage removed); the confirmed premium is $91,854, a $23,459 savings redirected into the Reserve Contribution rather than reducing this line. Total operating expense and homeowner dues are unaffected either way.

Pheasant Run Condominium Homes Association, Inc.

FY2027 Reserve Fund Budget

Prepared by Eric Furness, Treasurer | October 2026

Description	FY2026	FY2027	% Chg
RESERVE INCOME			
Beginning Reserve Balance	-	$1,118,892	
Unit Owner Contributions	$496,000	$509,921	
of which: Insurance Deductible Savings [3]	-	$23,459	
Earned Interest	$19,975	$30,211	
Capital Improvement Fund [4]	$49,968	$40,309	
Total Reserve Income	**$565,943**	**$580,441**	**+2.6%**
RESERVE EXPENSES (per 2026 Reserve Study, subject to revision)			
Painting	$55,000	$55,000	
Replace Garage Doors	-	-	
Replace Windows	$25,000	$40,000	
Replace Siding	$15,000	$15,000	
Replace Mailboxes	-	-	
Roof Replacements	$95,000	$95,000	
Replace Driveway / Sidewalks	$15,000	$15,000	
Roads Replacement	$46,200	$46,200	
Replace / Repair Decks	$45,000	$45,000	
Basement Repairs	$25,000	$25,000	
Landscape	$30,000	$30,000	
Drainage	$30,000	$30,000	
Total Reserve Expense	**$381,200**	**$396,200**	**+3.9%**

[3] A portion of Unit Owner Contributions reflects insurance deductible savings redirected into reserves rather than spent — see the Operating Budget page. [4] Capital Improvement Fund revenue, per the Declaration (75% of the annual assessment per home sold, in the year of sale). FY2026 column shows the budget distributed to owners in November 2025. That sheet printed Total Reserve Income of $545,968, which did not include the $19,975 interest line; the total shown here adds all lines ($565,943) so the two years compare on the same basis.

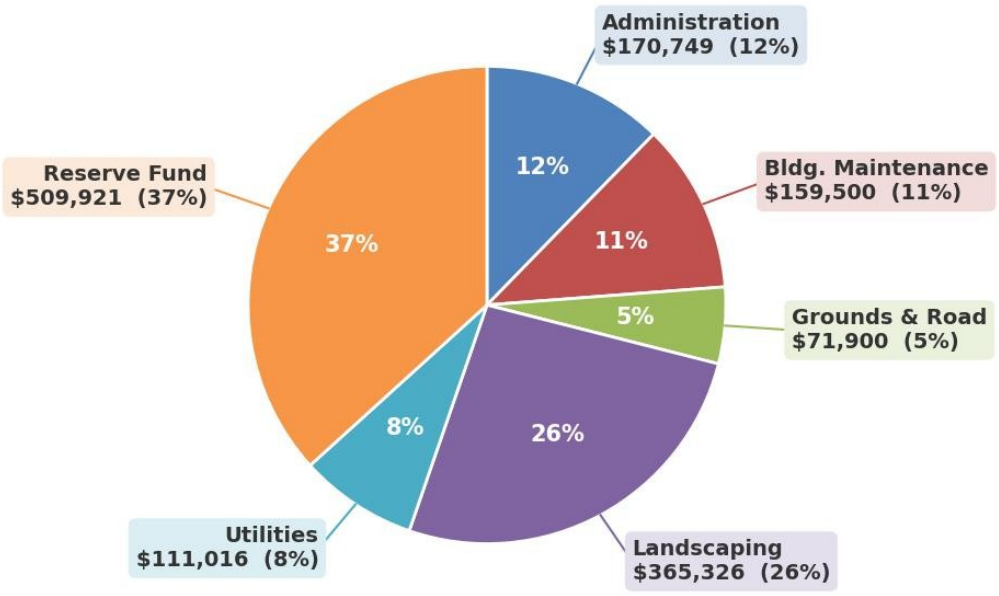
Note: Reserve Fund expenditures are approved by the Board on a year-to-year basis and may differ from the Reserve Advisors study's own planning figures in a given year. This is normal and does not indicate a funding shortfall.

Pheasant Run Condominium Homes Association, Inc.

FY2027 Expense Breakdown

FY2027 Annual Budget — Expense Breakdown by Category

Total FY2027 Budget: $1,388,412



Pheasant Run Condominium Homes Association, Inc.

How the Capital Improvement Fund and Investment Plan Help Keep Dues Lower

Two things are working in homeowners' favor in the FY2027 budget: the Capital Improvement Fund, funded by incoming owners, and the better return the Association now earns on its reserve funds. Both put money into the reserve fund that doesn't come out of current homeowners' pockets. Here's what that means in real numbers.

The Capital Improvement Fund: New Owners Help Fund Reserves Too

- When a home sells, the new owner contributes to the Capital Improvement Fund an amount equal to 75% of the annual assessment — this is required by the Association's Declaration Amendment.
- That contribution goes straight into the reserve fund, reducing how much current owners need to contribute through their regular dues.
- For FY2027, with 6 homes sold, the Capital Improvement Fund is projected to bring in about $40,309 — money that offsets the dues increase dollar for dollar.
- Fewer home sales mean less Capital Improvement Fund income, which has to be made up through higher dues instead. For comparison:
  - At 6 homes sold (the Board's planning assumption): dues increase 3.9%
  - At 3 homes sold: dues increase would rise to about 5.5%
  - At 0 homes sold: dues increase would rise to about 7.0%
- The more homes that sell in a given year, the less current owners have to pay — it's a built-in cushion that grows with the neighborhood's own turnover.

The Investment Plan: Earning More on Money We Already Have

- The Association's reserve funds used to sit in lower-yielding accounts, earning about 2.36% today. The new investment plan — FDIC-insured CDs and U.S. Treasury instruments, laddered so cash stays available — is projected to raise the blended yield on reserves to about 3.43%, or roughly $37,000 a year on about $1.08 million.
- The FY2027 budget conservatively includes $30,211 of reserve interest, so any return above that is money that didn't have to come from homeowners.
- Because reserve balances carry forward and keep earning interest year after year, that one rate decision compounds over time.
- Unlike the Capital Improvement Fund, this doesn't depend on how many homes sell — it's simply a better return on funds the Association already holds.

What This Means for Homeowners

- Both the Capital Improvement Fund and the investment plan reduce what current owners need to contribute to keep the reserve fund healthy — one from incoming owners at the point of sale, the other from smarter management of money already in reserves.
- Together, they're a meaningful part of why the FY2027 dues increase could be held to 3.9% rather than something higher.
- These benefits help toward Reserve Advisors' own long-term reserve targets, but they are only part of the picture — the beginning reserve balance and the FY2027 capital spending plan are larger factors in that overall comparison, which the Board continues to monitor and refine as actual information comes in.

Figures are based on the FY2027 budget (6 homes sold) and the Association's investment plan as currently projected. Actual results will vary with the number of homes sold and actual investment performance.