



The state of our streets ...

Our Association streets rate as “Failed” ... and our New Roads Paving Project is ready to go.

The roads managed by The Foothills Clusters Homeowners Association (FCHOA) date back 40+ years to the original neighborhood’s construction and are failed according to paving standards.

The FCHOA has saved nearly half the cost for new roads, with \$650,000 in reserve to support the paving project.

In 2021, 80% of our Association members voted to amend the Articles of Incorporation to increase our Association’s loan limit to \$950,000 — a key to the paving project. Now we ask you to approve a specific loan from a bank that specializes in homeowner associations. This loan, with our Association savings, can pave our key community asset.

We ask approval for the New Roads Paving

We’re ready to launch the New Roads Paving Project for the Foothills Clusters Homeowners Association. At the HOA’s February 2022 meeting, the board voted to support the project and to request that HOA members approve a loan for the paving.

The New Roads Paving Project is ...

Achievable:

- Replacing 40-year-old failing pavement
- Paving planned for 2022 — timing and cost determined by price of oil/asphalt

Paired use of HOA funds and financing:

- Total cost not to exceed \$1.45 million
- HOA Reserve Fund: up to \$650,000
- Loan: Not to exceed \$800,000

Fiscally secure:

- Funds managed via bank escrow, paid directly to paving contractors
- Projected annual median balance in HOA reserve funds, 2022-2037: \$180,000

It’s time to complete our support

To complete our funding process, we ask two-thirds of homeowners — 245 FCHOA members — to approve a 15-year loan, up to \$800,000, to be paid directly to paving costs. This loan will be re-paid over 15 years with

income from our annual assessment, based on a maximum 5% annual assessment increase (an amount defined in our CC&Rs). *We can pave our roads without a special assessment.* Projected budgets support loan payments, road maintenance and HOA operations. Loan collateral is based on the HOA’s future assessments, with *no personal liability to homeowners* beyond regular annual assessments.

We ask your Approval by April 20

This is a request for approval, not a yes-no ballot. Once we receive approval, we can secure the loan, select and approve a contract, and initiate the paving. The Loan Approval letter asks you to support ...

___ Approval for the Foothills Clusters Homeowners Association to secure a loan, not to exceed \$800,000, for the HOA road paving project.

We ask you to return your signed Loan Approval soon. We seek support from two-thirds of HOA members by April 20, 2022.

The specifications and potential contractors are being reviewed. We can commit to the funding and to a paving contract and schedule — once we have your approval for the loan.

INFORMATION: <https://foothillsclusters.com/>