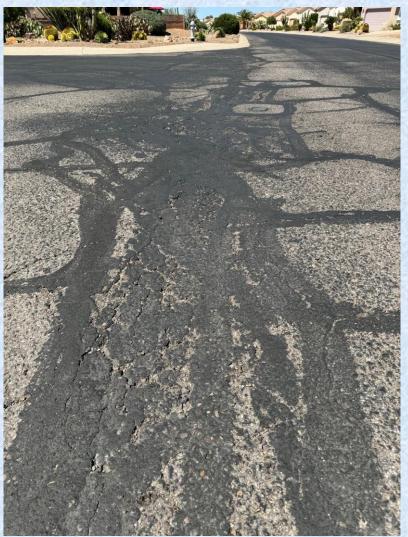


The Legends at a Crossroad: Protecting our Investments with Better Roads

Town Hall Meeting August 27, 2024

Our Roads – The Bad and The Ugly

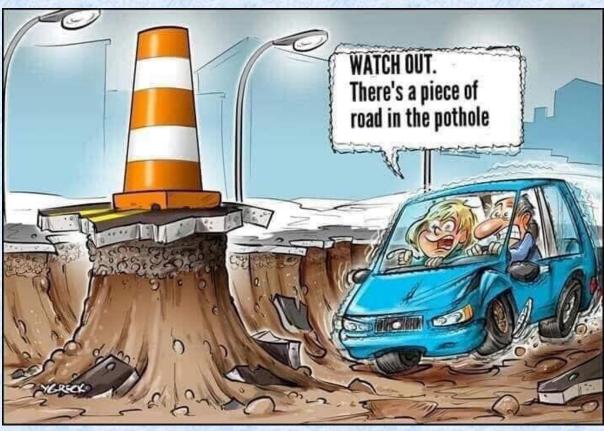






Our future roads without intervention





How Did We Get Here?

- 1. The Legends was established in 2005 with \$25k in reserves
- 2. East roads (Tulum, Alonzo, Espinosa, & Massari) were built in 1999 and west roads (Vespucci, Pompilo, Pecan Vista, Anzavita, & Amerigo) in 2003 with a 40-year life expectance
- 3. Our view of the Santa Rita Mtn is at a cost 4 miles of roads
- 4. As a gated community we are financially responsible for all our HOA roads. This includes Pecan Valley with Sunrise Pointe Vista and Sunrise Vista
- 5. In 2021 the Road Committee started a roads study, which included hiring a consulting firm in 2023 (report is available on our Website)

How Did We Get Here?

- 6. The Result our roads are deteriorating at a higher rate than originally expected and east roads should be repaved in 2027
- 7. Repaving road costs have skyrocketed. We do not have the funds (\$1.5 \$2M) to repave the east roads in 2027 and west in 2035
- 8. On 1/1/2025 we will have \$227k in our reserves for our roads after sealcoating all roads in 2024
- 9. We are working on a funding plan to maintain and repave all roads by 2038 (east 2034 & west -2038) for a cost of \$2.840M (inflated)
- 10. Many HOAs are having the same road funding challenges

Projected Road Work 2024 - 2038

- 1. Sealcoat all roads in 2024 and 2029
- 2. Repave east roads in 2034 (Tulum, Alonzo, Espinosa, Massari & 50% of Calle Astorga)
- 3. Repave west roads in 2038 (Vespucci, Pompilo, Pecan Vista, Anzavita, Amerigo & 50% of Calle Astorga)
- 4. Minor repairs will be completed from 2024 2037
- Sealcoating will be completed as needed to maintain roads

Funding our Roads

1. Create Capital Improvement/Road fund

- 70% of current reserve balance (\$227k as of 1/1/25)
- Entire Transfer Fee (changed to \$1,150 as of 4/17/24)
- 70% of Annual Reserve Contribution (\$25k \$28k)
- Unfortunately, additional funding is needed to cover repaving roads, which is estimated at \$2M in today's dollars
- Limited to increase annual HOA fee to 5%
- Two options: One Time Assessment or Annual Fee
- We need to raise \$2.5M between 2025 and 2038

Funding our Roads

- 1. One Time Assessment (needs a vote to pass)
 - \$7,800 in 2 to 3 years
 - \$3,200 in year 2 and \$5,600 in year 14
 - Does not fund future road repaving projects
- 2. Annual Assessment Fee (needs a vote to pass)
 - Due July 1st in 2025
 - Estimated annual fee \$490 \$520
 - Would increase with inflation
 - Would fund future road repaving projects
 - Could be lowered by future BOD after 2038

Road Work & Funding Timeline Summary

Road Work Costs (2025 - 2038)

Sealing All Roads	\$ 332,000.00			
Road Repair	44,000.00			
Repave East Roads	1,229,000.00			
Repave West Roads	1,333,000.00			
Total	\$ 2,938,000.00			

Funding (2025 - 2038)

Annual Fee with a 2% Inflation increase	\$ 1,741,159.26		
Reserve Contribution	619,000.00		
Transfer Fee	339,250.00		
Reserve Earnings	411,979.20		
Total	\$ 3,111,388.46		
Road Reserve balance as of 12/31/2038	\$ 173,388.46		

Starting at 500/year in 2025 for 218 homes with 2% inflation

70% of 40,000 per year (Contribution to Reserve)

\$1,150 per home sold per year (average 20 homes per year)

2% interest earned on Road Reserve

Road Work and Funding Timeline

ROAD WORK	1/1/2025	2025	2026	2027_	2028_	2029	2030	2031	2032	2033_	2034	2035	2036	2037	2038	Tota
Seal all Roads				WEEK.		156,000			THE ST							156,000
Seal West Roads		5		PARAL			£500			, · · · } · ·	88,000	£50°		V450		88,000
Repave East Roads		CAN			CAMP		100				1,229,000				ZAMES.	1,229,000
Sealcoat East Roads											S. A. Sall	88,000				88,000
Repave West Roads						2010	We be					ALC:			1,333,000	1,333,000
Repair roads as needed			21,000					23,000								44,000
Total				ESE A	24334									是是伊	PHE	2,938,000
				PRESE.												
FUNDING		5-1					£500					2.5				
Annual Fee	0	109,000	111,180	113,404	115,672	117,985	120,345	122,752	125,207	127,711	130,265	132,870	135,528	138,238	141,003	1,741,159
Reserve Contribution	227,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	619,000
Transfer Fee	17,250	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	339,250
Reserve Earnings	4,885	8,183	11,170	15,101	18,737	19,371	26,306	29,847	34,428	38,691	16,750	45,342	51,740	56,559	34,870	411,979
Total	249,135	417,318	590,668	770,173	955,581	1,143,938	1,341,588	1,545,187	1,755,821	1,973,223	2,171,238	2,400,450	2,638,718	2,884,515	3,111,388	3,111,388

Benefits to the Residents

- 1. Per local real estate agent Good roads are a critical component to our home's market value
- 2. Taking care of our roads will reduce possible repairs to our vehicles
- 3. We will have a desirable place to live
- 4. The Legends will continue to be an exceptional community

Update Since Last Meeting

- 1. Obtaining bids for seal coating all roads
- 2. Talking to other HOA Presidents who have repaved their roads
- 3. Confirming repaving cost with other construction companies
- 4. Getting details on our road top and base layers
- 5. Holding one off meetings to answer road concerns

Questions & Answers