

BANNOCKBURN HOMEOWNERS ASSOCIATION

P. O. BOX 211, FRANKTOWN, CO 80116

August, 2007

Dear Bannockburn Homeowners,

Each February, the Board of Directors reviews issues in the past year that caused the most comments and/or concerns from Bannockburn Homeowners and determines whether to take any action. In the past year, we have had more comments about the condition of our gravel roads than any other item. Therefore, we invited Mr. Sean Owens, P. E., Project Manager, from Douglas County, to come to our April board meeting to discuss the condition of our roads and what may be done.

According to Mr. Owens, the gravel roads have been graded, additional material added, and dust suppressant (magnesium chloride) put down on the roads as needed. He said that the best solution would be to pave the roads but there was very little funding to do so. He provided the following example, to show why there is such a lack of funds to pave any of the gravel roads throughout Douglas County. On a property with the annual property taxes of \$2,448, only \$22.42 goes towards Bridge Replacement & Other Projects. The "Other Projects" category includes building new roads and bridges, paving gravel roads, and improving existing paved roads and bridges within the County. He suggested that there is a very slim chance of Douglas County paving our roads within the next 20 years, and could be much longer. He also said that Tanglewood Road and the entrance to Bannockburn on Deerpath Road, were chip and sealed only because there was left over material from a project nearby.

Douglas County has two methods for assisting in the cost of paving:

A Local Improvement District, (LID) is a bond program with a payback of the bonds over 10 years, would be mandatory for all homeowners and runs with the land. The property owner pays 75% of the cost of construction, bonding costs for the owner's portion, capitalized interest from the time the bonds are sold, bond attorney costs, and a county collection fee of 2% on the remaining balance. The County pays 25% of the cost of construction, engineering, testing, surveying & construction management, general administration of the project, general legal expenses, and future maintenance costs. It would be a total cost in the range of \$6.410 million and cost approximately \$32,000 to \$38,000 per lot. This per lot amount is based on 169 lots participating and 9.77 miles of road. The LID process is a petition process and a County approval process, with 50% or more of the owners who must sign the petition. In addition, the LID has a statutory limitation of \$2 million, so the project would need to be completed with three petitions and in three phases. Multiple LID's can run concurrently so, for example, one petition of \$2 million could be approved this year, \$ 2 million the next year, etc. A choice could be to pave \$2 million worth of primary roads such as finishing Deerpath Road and a portion of Tanglewood Road. If that is the choice, the LID cost would be assessed only to those lot owners that have property that fronts on the roads being improved, however it would probably work out close to the \$32,000 to \$38,000 per lot.

The LID program is very expensive and according to Mr. Owens has not been done by a subdivision since the early 1990's.

The second method is a much less expensive method, named the County Assisted Paving Project (CAPP). It is not mandatory for all lot owners to participate but the cost of the paving will be higher for those choosing to participate. Under this program the County pays a significant portion of the cost, with the lot owners basically only pay for the cost of materials. However, the CAPP program requires this money to be paid up front by all participating lot owners and the lot owners would need to sign a firm agreement with the County, so that the County can appropriate the money in next year's budget. The estimated time frame, for example would be, the funds would have to be collected by the lot owners in 2007, as well as get approval from the County commissioners. In January of 2008, the County would submit the proposal to various construction companies to get bids, then the paving would be completed during the summer of 2008.

There is a limit to three CAPP projects per year for subdivisions in the County, and no more than three miles per project. If all the roads were paved in Bannockburn it would require three years. Cost estimates are based upon the linear feet as well as the number of lot owners participating. Estimates will also fluctuate per year depending on the cost of the materials, etc. At today's prices, an example of costs are 13,110 linear feet (Deerpath Road to Tanglewood Road, then left to Burning Tree Road) by 48 lot owners with 90% of the lot owners (43 lots) participating, would be approximately \$9,209 per lot.

A couple of local banks have offered a home equity loan program, to allow the lot owner to make a monthly payment over a period of time. For example, \$10,000 at 10% interest rate for ten years would be \$132.15 per month.

Since the CAPP program is the most affordable and since it is limited to a three mile length and the cost is a volunteer program, the Board of Directors has decided that if individual homeowners wish to pursue the CAPP program, the board will assist in giving them as much information as we have gathered, but it will be up to the individual lot owners to achieve this goal.

A survey is included in this letter to determine the amount of interest the lot owners have in the CAPP program. Please take time and review and complete the survey by September 15, 2007. The results will be discussed at the Annual Homeowners Meeting in October, as well as published on the website at www.BannockburnHOA.com. Also, copies of the surveys could be given to the various road committees formed for their informational use.

Sincerely,

The Bannockburn Board of Directors

BANNOCKBURN HOMEOWNERS ASSOCIATION

P.O. BOX 211, FRANKTOWN, COLORADO 80116

GENERAL INTEREST FOR ROAD PAVING SURVEY

Due to the large number of comments from Bannockburn Homeowners, the following is a survey to determine the level of interest per lot owner for paving the gravel roads within the Bannockburn Subdivision. Please review and answer all the questions carefully, and return the completed survey to the Bannockburn Homeowners Association, P. O. Box 211, Franktown, CO 80116 by September 15, 2007. Only one survey may be returned per lot. This survey is to be used for general information only and does not obligate anyone to anything, but would be a useful tool for those homeowners that wish to pursue paving sections of roads within the subdivision. Please remember that paving the roads will be up to the individual homeowners and cooperation of their neighbors. The following questions and estimated costs are based upon information received by the BHA from Sean Owens of Douglas County in April of 2007. For a review of the estimated costs and the paving programs offered by Douglas County, please review the enclosed information, or go to the Bannockburn website at www.BannockburnHOA.com

Section I

Do you want the gravel roads, within the Bannockburn Subdivision, to be paved? Yes _____ No _____

If you answered yes to Section I, please proceed to Section II.

If you answered no to Section I, please proceed to Section III.

Section II

A. As a lot owner, would you be willing to pay a portion of the cost of paving the roads?

Yes _____ No _____

B. If yes, the dollar amount per lot owner for the CAPP program is estimated to be in a range of \$10,000 to \$20,000. What is the highest dollar amount you might be willing to consider?

\$ _____ 5,000 \$ _____ 10,000 \$ _____ 15,000 \$ _____ > than \$15,000

C. If you are willing to pay a portion of the cost, there may be a home equity loan available from a local bank that would allow you to pay back the dollar amount over a period of time. The following are estimated monthly costs over a period of 10 years at a 8% interest rate:

\$5,000 per lot owner at a rate of 8% over 10 years, the monthly payment would be \$60.66

\$10,000 per lot owner at a rate of 8% over 10 years, the monthly payment would be \$121.33,

\$15,000 per lot owner at a rate of 8% over 10 years, the monthly payment would be \$181.99

\$20,000 per lot owner at a rate of 8% over 10 years, the monthly payment would be \$242.66

If needed, would you be willing to get a home equity loan to pay for your portion of the cost?

Yes _____ No _____

D. There are approximately 9.5 miles of gravel roads within Bannockburn. The least expensive method for paving the roads is the CAPP program, which allows only a three mile section per year to be paved, so it could take three years to have all the roads within Bannockburn to be paved. How high is your interest in getting a three mile section paved around your lot?

Very high _____ Medium high _____ Low interest _____
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E. Would you be willing to participate on a road committee for the three mile section around your lot?
Yes _____ No _____

Please use the space below, or use a separate sheet of paper to add any additional comments:

SECTION III

What is the reason that you do not want the roads paved, please choose as many as apply?

Cost _____ Keeping the rural character _____ Use roads as horse paths _____

Other (Please describe): _____

SECTION IV

The overall results of the survey (no personal or individual information) shall be posted to the website by approximately October 15, 2007.

PLEASE PROVIDE THE FOLLOWING INFORMATION:

_____ Name	_____ date	_____ Lot Number (if known)
_____ Lot address	_____ Mailing address	
_____ Phone Number		

Please mail this survey back by September 15, 2007 to:

**Bannockburn Homeowners Association
P. O. Box 211
Franktown, CO 80116**