

Questions about the Road Paving Program

1. What road improvements are planned?

The goal is to pave every road and street in Hawaiian Paradise Park.

2. When will the road paving be done?

Road paving will begin in 2007 and is expected to take less than 36 months to complete. There is no guarantee that all of the roads will be paved on time. The HPPOA Board estimates there will be enough money for the entire project. However, if costs increase, or there are unforeseen costs, it is possible that not every roadway will be paved. The HPPOA Board will work closely with the selected contractors to stay on schedule and within budget.

3. Why do the roads need to be paved?

There are many reasons to pave the roads in our community. The current condition of the roads is poor - most are not paved. Improving the roads will make driving in our community a much more enjoyable and safe experience for everyone. It will also reduce average drive time, decrease airborne dust, lower noise levels, substantially reduce road maintenance costs and enhance the overall appearance of the community. Further, it is recognized that improving the roadways will also enhance property values for all HPP residents.

4. How long will the new roads last?

Depending on weather, traffic patterns and the quality of maintenance, the new roads are expected to last approximately 20-25 years. The most heavily traveled roads may wear out sooner, while the least used roads may last even longer.

5. When will the road improvements be completed?

Construction of the road improvements is planned to begin in 2007 and is planned for completion by the end of 2009.

6. Will homeowners be inconvenienced while the roads are being paved?

There is always some inconvenience with this type of project, but the HPPOA Board will take several steps to minimize any inconvenience. Everyone will be provided with a detailed street paving schedule and coded map before paving begins. The schedule and map will indicate the specific time frames when each road will be paved.

7. How much will the road improvements cost?

The total cost of the road improvements is estimated to be approximately \$12 million.

8. How will the road improvements be financed?

In order to raise the \$12 million needed to pay for the road improvements, the Association reviewed several financing alternatives, including securing a commercial bank loan, USDA Rural Development, a private placement of debt, or the issuance of bonds payable from Road Maintenance Fees. The HPPOA Board will choose the most overall cost effective method of financing that will meet the project timetable.

9. How much will the road improvements cost and who will pay?

The road improvements will cost approximately \$12 million. Repayment will be made from the regular annual lot owners Road Maintenance fees paid by each lot owner. After the first few years, approximately 54% of the annual fees will be used to pay the financed road improvements. As long as Road Maintenance fees are kept current there will be no encumbrances on any lot owner's property.

10. Will HPPOA fees increase to pay for the improvements?

Road Maintenance fees are expected to increase by 10% each year as they have historically. These increases will pay for the road improvements and the other costs related to the increased traffic on the roads of Hawaiian Paradise Park.

REFERENDUM

Please check one box and return by February 7, 2007 by mail or e-mail your vote, owner name and TMK # to hppvot@gmail.com by February 12, 2007.

In order for your e-mail vote to be counted it must contain the lot owner's name and TMK number.

- Yes**, I approve the proposal to improve the roads.
- No**, I do not approve the proposal to improve the roads.

Print Name

DATE

TMK NUMBER

Return Address:
HC3 Box 11000
Keaau, Hi 96749

DO NOT INCLUDE
BYLAW BALLOT