

News Letter  
Lakeview Park Villas Home Owner's Association  
October 21, 2016

Dear Members:

Hope everyone is well, and that those of you who have returned to your primary homes had safe and uneventful trips home. Those of you still in Bigfork have continued to see activity around our homes. Speaking for the Board, I can say that we feel that substantial progress has been made in those areas that we laid out in the July annual meeting. The rewarding news is that numerous members let us know over the summer that they were pleased with the new direction and the obvious progress made. Such new initiatives as replacement landscaping utilizing perennial flowers, installing the river rock around the "babbling brook" to eliminate the ongoing landscaping issues there, to the redoing of all the driveways on the Lakeview side of the street. The Park Villa side will be done next year. The entrance to our area was all redone with a large reduction in the amount of area to be landscaped. We also refinished most of the doors. Those not done will be done next year. The bridge over the babbling brook has also been restored and refinished. Those were the areas obvious to everyone, but we were also pleased to hear that there was a consensus from members that our area from an overall perspective looked better than it ever has. That's the good news! By the way, for those of you who were unable to attend the annual meeting, we handed out extensive information packages that also included books of recommended plant materials for your personal patio plantings. If you would like to receive one of those packages, please contact Dave Roberts at Western Mountains and he will forward you one. Lastly, attached to this newsletter, please find the minutes recorded from our annual meeting for your perusal.

Now for the more sobering news. The 17 buildings (34 townhomes) that comprise Lakeview Park Villas were constructed from 2000 to 2006. As a result, our homes and supporting infrastructure are reaching the age where they need thoughtful attention and maintenance. Other than a reserve account that covered painting and roofing, there has not been a budget or plan in place to address those new line expenses. Fortunately, our treasurer Ron Ransom has given a great deal of attention to this, and together with a long term strategic planning committee, has generated and organized a very comprehensive list of everything that might need to be addressed in the long term. The long term strategic planning committee consisted of Greg Oswood, Bob Lust, Ryan Larson, Tony Dyson, myself, and directed by Ron.

Our CC&Rs clearly make it the responsibility of Lakeview Park Villas HOA to take care of the routine maintenance of EVERYTHING on the exterior of your homes with one exception, that being the personal flower beds at the rear deck area of each home. Additionally, our CC&Rs require us to maintain drainage, ground cover, public rights of

way, common areas, lighting, roads, and water resources. Most of these have not been in our budget. As you are aware, the present quarterly dues of \$1,015 cover 3 primary areas: a capital reserve or sinking fund covering roofing and painting, an operational contingency reserve fund, and a general operating budget which takes care of all landscaping and everyday maintenance. The long term planning committee has spent a significant amount of time and thought in developing the following NEW list of items that need or will need to be addressed over the next many years. We have used 20 years since it is a typical time horizon for long range planning such as this. That list consists of the following items: road chip sealing, driveway maintenance, irrigation controller replacement, upper deck restoration, fence maintenance, patio and divider maintenance, pond embankment restoration, outdoor pole light replacement, drainage maintenance, flowerbed mulch, and a small contingency for misc. capital projects. Not only has the committee developed this hopefully all inclusive list, but it has also utilized best efforts to put a price on all these items. Our property manager worked closely with the committee to arrive at the best estimates possible, whenever possible by obtaining actual bids for the work. Flowerbed mulching and upper deck restoration are in the 2017 budget.

To ensure that we all understand our responsibilities, it needs to be pointed out that while the HOA is responsible for all the routine maintenance, non-routine or damage caused by the Member is the responsibility of that Member. This covers the following: garage door repairs and replacements, window repairs and replacements, front door repairs and replacements, security alarm systems, and other alarms systems (smoke and carbon monoxide). Members are also responsible for maintaining their crawl space sump pumps and vent fans. A recent walk through spotted a number of vent fans not working.

The Board committed when we were elected in 2015, that we would spend our first two years living within the prior year's budget, and do everything possible to avoid a dues increase. We have done that, and have actually reallocated some of the funds so that the end result is that for 2016 we have done more than the budget called for, but spent no additional funds. We have established a track record over the past year and a half of actually beating our estimates.

The actual estimate of handling all these NEW items for the foreseeable future is about \$20,000 a year on an averaged basis. That averages out to an additional \$150 per quarter for our 33 Members. Therefore, we have no option available that addresses and pays for this needed new list of long term capital expenses, other than to raise our quarterly dues to \$1,165, slightly less than a 15% increase over today's dues which again, do not cover these items. It will be effective January 1, 2017. With the exception of an extraordinary circumstance, we believe that this will take care of us for many years into the future.

The Board reviewed and voted to accept the recommendations of the Long Range Planning committee. The costs of the recommendations were incorporated into the 2017 Budget, and the Board voted to accept the 2017 Budget on October 20, 2017.

There is one item which might arise that will cause us to move some things around. We feel that there is reasonable evidence that our roofs are wearing faster than they should

be. As a result, we are attempting to make a warranty claim to the manufacturer. If they agree, it could conceivably be for all the roofs or as few as one roof. If we are smiled upon, and they agree to all the roofs, we believe that it would be for materials only. Therefore, we would have to pay all labor, which would fully deplete our projected roofing reserve. It would be great economic news for us, but could expose us to some timing of cash flow issues. Keep your fingers crossed.

Brian Antweil, the third member of our Board, has spent countless hours working as the point person for all the HOAs in working through the long term bankruptcy issues relating to the original developer. The good news is that the loose ends are being cleaned up, and we should be filing shortly.

The last item for discussion is the election of officers. The CC&Rs establish that each officer's term is to be 3 years. 2017 will be Ron's third year, and will be Brian's and my second year. Ron has graciously agreed to extend for another term. There is room for a fourth officer. Enclosed please find a sheet on which you can list nominations for each office. This will serve as the basis for elections to be held next summer. We also would appreciate your thoughts and comments on our committees, and any other issues you would like to see addressed. Thank you for your consideration, and taking the time to read and digest all the information in this news letter. Much has happened in the last few years, and I believe that everyone should be proud of what has been accomplished. According to our Members, the subdivision has never looked better, and there has never been a better understanding of all our expenses, not only today but projected well into the future. The present Board is pleased with where we presently are, and are equally excited about the long term during which the reputation of Lakeview Park Villas as the preeminent HOA subdivision in Northwest Montana will be firmly established.

Thank you for your support of our dues increase which we firmly believe is the method that delivers the first class environment that we all want to live in. With this increase, our annual dues amount to approximately 1% of the estimated value of each townhome based on recent sales transactions. We feel that this delivers tremendous value in protecting your investment.

We will be corresponding prior to next summer. Have a great Holiday season, and we strongly suggest that you utilize your Lakeview Park Villa home in the winter. It is a special time here. Bigfork at Christmas is SPECTACULAR!

Sincerely and on behalf of the Board of Directors;

Paul Lentz  
President – Lakeview Park Villas HOA

Attachments – Minutes from July 2016 Annual Meeting  
Nomination Sheet  
2017 Operating Budget

Nominations for the Board:

Comments and Suggestions:

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Signature and Lakeview Park Villa address

Please return to David Roberts at Western Mountains  
33 Hunter Circle – Kalispell, Montana 59901