

BLUE HERON POINTE CONDO. ASSN. 2015 SUPPLEMENTAL ASSESSMENT

OVERVIEW

A "Supplemental Assessment" has been approved by the Board and is being levied to cover the extraordinary costs that will be incurred later this year and over the next two years to replace weather-damaged and aging shrubbery, trees, concrete curbs and adjacent asphalt, and to replenish and repair weather-damaged beaches as needed. Total project cost is estimated at \$285,000 which equates to \$2,100 per Unit.

HISTORY

The Association has budgeted a studied amount of Reserve funds to cover replacement of capital assets each year, intentionally reducing working capital to avoid dues increases. But with the unusually cold winters the past two years, the resulting high toll on shrubbery, trees, and concrete has advanced the date by one year when minimum acceptable Reserves will be reached, and forced the postponement of other planned capital replacement projects.

Beaches have also been damaged through the unusually heavy rains the past two summers. Sand erosion, aging timbers and clogged drainage pipes have resulted in additional costs that are beyond our normal budget. This needs to be addressed, as the reduction of sand and the accumulated organic matter on the lake bottom makes for diminished enjoyment of the lake for walking the beaches, wading and swimming, and in some cases when lake levels are low, for docking and navigating without boat damage.

PURPOSE

Maintain the high standard of lake utility, grounds and road appearance expected at Blue Heron Pointe Condominiums by scheduling replacements of dead, dying or overgrown trees and shrubbery; broken, sunken and heaved concrete curbs,; and beach sand erosion control systems.

SCOPE

1. Replace freeze-damaged out-of-warranty or aging, overgrown junipers, boxwoods, other shrubbery and 30 dead or diseased trees. This actually started with Budgeted funds, but this Assessment will enable us to complete all shrubbery in Fall of 2015, and all trees in 2016.
2. Replace beach erosion control (drainage) systems and timbers. This will start this Fall and be completed by Memorial Day 2016.
3. Replace/add mulch to the remainder of the site. This is also to be completed by Memorial Day 2016.

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4. Replace broken, heaved or sunken curbing. This will start in Late 2016, and continue through 2017.
5. Continue the dredging program to address additional areas as needed.

COST DETAILS

Overall Capital Replacement Expenses for the three years 2015-2017 are estimated at \$441,000. Only \$156,000 is available from projected Reserves, leaving \$285,000 shortfall to our studied needs, which equates to \$2,100 per Unit.

FUNDING MECHANISM

Under Article II, Section 2(b) of the Association By-Laws a Supplemental Assessment of \$2,100 has been adopted by the Board of Directors that's payable in three \$700 installments due by December 1, 2015, August 1, 2016, and August 1, 2017.

SUMMARY PERSPECTIVE

Our community has been maintained and enhanced to a high standard culminating in a state-wide award for landscape beauty last year, even while avoiding an increase for 10 years in our Basic (monthly) Assessment. There has only been one minor increase since, and that was two and a half years ago. We have judiciously used the Reserve Fund to achieve those ends. The Co-owner base can be proud of both ends of that equation, and benefit from the resulting substantial increase in our property values during that time. That doesn't mean that the Basic Assessment will not have to increase in the future, but it does demonstrate the Board and management Company's commitment that it will not go up unless it is absolutely necessary. The Board invites your constructive comments on these matters on the cards that will be available at the Annual Meeting.

In conclusion, your generous contributions of time and timely payment of assessments have been and will continue to be important to the well being of our great neighborhood!