

LAKEWOOD PROPERTY OWNERS ASSOCIATION, INC.

PROSPECTUS

OCTOBER 2017



MEMBERSHIP MEETING

PURPOSE: VOTE FOR APPROVAL OF MAXIMUM
ANNUAL ASSESSMENT STARTING IN 2018

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Lakewood Property
Owner's Association, Inc.
651 NE St. Andrews Circle
Lee's Summit, MO 64064
Phone: 373.4326
Fax: 373.3091
www.lpoa.com

TO THE MEMBERS OF THE LAKEWOOD PROPERTY OWNERS ASSOCIATION
from
The President of the LPOA Board of Directors
Brandon Banks

Dear Members of the Association,

In 2015 a lawsuit was filed against the Lakewood Property Owners Association's (The Association) interpretation of governing documents used to define borrowing capacity and dues assessment. The Circuit Court ruled in favor of The Association regarding its ability to borrow money. The Court of Appeals ruled in favor of the Plaintiffs regarding The Association's conflicting governing documents' calculation of the maximum annual assessment.

The Court of Appeals ruling is significant because The Association's Board of Directors (BOD) have been making business decisions in the interest of The Association for 45 years using a formula that has now been ruled as not authorized. The difference between the By-Laws and Declarations is the time period for which the Consumer Price Index (CPI) can be applied to calculation of maximum annual assessment. The By-Laws allow change in CPI since inception of the Association while the Declarations allow change in CPI since the previous July. The Appeals Court ruled, as defined in the Declarations, in the event there is conflict between documents, the Declarations take precedent. As a result, the use of the By-Laws formula is not protected under business judgement rule. The Association will take the steps, if necessary, to revise its By-Laws to be in compliance with the Declarations and the court.

Also a result of the Appeals Court Ruling, the Association must set dues for 2018. While The Association waits for the final ruling, the BOD has called a vote of the membership to determine if the 2018 dues shall remain at current levels or to revert to the pre-lawsuit assessment (or thereof in the event 150% of CPI change can be applied). A vote of the membership is necessary to satisfy The Association's Declarations because current dues are in excess of CPI calculations from the pre-lawsuit assessment level.

I invite you to review the attached prospectus with your household. Consider attending scheduled town hall meetings hosted by the BOD and General Manager (GM) to get your questions answered. Ponder your views on The Association and the community to make an informed and appropriate vote for you and your family. As always, feel free to contact me or the GM if you have any questions.

Yours in service,

Brandon W. Banks
President, Board of Directors
Lakewood Property Owners Association



A Message from the General Manager,

The membership of the Association has the right to vote and approve an amount over the 1.5 CPI for the 2018 fiscal year which will set the dues at the \$135.27 per month which exists today. This will offset these cuts and allow the membership to enjoy their Lakewood Community as you know it today should you pass the vote.

If the vote is **not** approved, I will cut the following areas of non-essential services, as approved by the Board of Directors, in order to reduce our expenses by \$1,229,824 for fiscal year 2018.

- Lakewood Patrol- All Department and Vehicles
- Reduction in services provided by Maintenance Department
 - Eliminate Dog Waste Stations
 - Eliminate Porta-Potty Bathrooms and enclosures.
 - Eliminate Trash containers and Dumpster at Marinas.
 - Eliminate Snow Plowing the Streets of Lakewood.
 - Basic services provided by the City of Lee's Summit.
 - Reduce number of Staff
 - Discontinue Monument Landscaping with Flowers.
 - Eliminate Shoreline Trimming.
 - Eliminate Mowing of City Right of Way
 - This will become homeowners responsibility
- Administration
 - Staff Reduction
 - Eliminate all Funding for Committees & Swim Team
 - No Activities, No Concert on the Rock, etc.
 - Eliminate meeting expense.
- Lake Management
 - End Gated Ramps and Zebra Mussel Program
 - End Pontoon Boat Rental – Sell Assets
- Ripples Magazine
 - Eliminate printed magazine
 - Simple Newsletter on website. Mailed only upon request.
- Food and Beverage
 - End Banquet Services
 - All banquets in future to be catered by licensed caterer.
 - Room Rental only.
 - LPOA members who rent to set up own tables.
- Lakewood Improvements Program
 - Discontinue replacement of old Pleasure Docks.
 - Eliminate all future improvements. Maintain only.
 - No Cool Deck for the New East Lake Pool
 - Reduce Rate of Reserves
 - End Program 2020 – No Fitness Center



SCHEDULE OF EVENTS

A. Membership to receive Meeting Notice and Prospectus	10-11-17
B. First town hall meeting	10-18-17
• For Members whose last name starts with A thru M	
• Lakewood Oaks Clubhouse. 6:00 pm to 8:00 pm	
C. Membership to receive Official Ballot and Proxy	10-20-17
D. Second town hall meeting	
• For Members whose last name starts with N thru Z	10-25-17
• Lakewood Oaks Clubhouse 6:00 pm to 8:00 pm	
E. Start of Voting – 8:00 am	11-6-17
F. Membership Meeting	11-15-17
• Lakewood Oaks Clubhouse. 5:00 pm until end of business.	
• Vote Results announced at end of business	
G. End of Voting – 5:30 pm	11-15-17
• Voting at annual meeting begins at 5:00 pm and ends at 5:30 pm	

Alternate Schedule if Quorum is not met at 1st meeting.

H. Membership to receive 2 nd Meeting Notice	11-21-17
I. Membership to receive official Ballot and Proxy	12-4-17
I. Start of Voting – 8:00 am	12-13-17
J. Membership Meeting	12-21-17
• Lakewood Oaks Clubhouse. 5:00 pm until end of business.	
K. End of Voting – 5:30 pm	12-21-17

VOTING INFORMATION

1. You have now received your notification of the Membership Meeting with this prospectus. The Meeting will be held on November 15, 2017 at the Lakewood Oaks Clubhouse.
2. You have received a sample ballot and proxy with this prospectus. You will receive your official ballot and proxy by 10-20-17. This mailing will include a stamped, self-addressed envelope. Please follow these steps.
 - Complete the Proxy and sign. DO NOT detach the proxy from the Ballot.
 - Complete the Ballot by checking either “Yes....” or “No....”
 - Fold the entire Ballot and Proxy and put into the stamped Envelope and seal.
 - Then you may either;
 - Place it in the U.S. Mail
 - Hand carry it into the LPOA office and place in the Ballot Box.
 - If you do not want to mail the Ballot and Proxy then you may;
 - Complete the Proxy and Ballot and bring it to the Membership Meeting before 5:30 pm.
 - Bring your valid LPOA Identification and after being vetted for member in good standing and no duplication of vote, you may complete the Ballot and put it in the Ballot Box before 5:30 pm.
3. The Ballot Box will be located in the office of the LPOA, 651 NE St. Andrews Circle, Lee’s Summit, MO.
4. The Ballot Box will be locked by the Firm of Spilker McKeone & Nelson PC prior to the start of voting on 11-6-17 and they will have the only key during the voting process.
5. The Ballot Box will be unlocked at 1:00 pm on the day of the annual meeting while the Firm of Spilker McKeone & Nelson PC begins to tabulate Proxys to determine if a quorum is met for the 5:00 pm Membership Meeting.
6. Secretary Charles Wells will announce to the President whether or not a quorum has been met at the start of the meeting.
6. The Firm of Spilker McKeone & Nelson PC will tabulate the Ballots after close of voting at 5:30 pm.
7. The President of the LPOA will announce the results of the vote at the end of Ballot tabulation on 11-15-17.
8. Should a quorum not be met at the first meeting, a second notice will go out for a second meeting to be held on 12-21-17. The quorum requirements for the second meeting are 1/2 of the requirements of the first meeting.