



BETTER TOGETHER: TRANSPARENCY SERIES

The LPOA and Lakewood Oaks Country Club

Presented by the Lakewood Property Owners Association

General Manager Mark Reid

Published: May 1, 2017

Updated: March 20, 2024

Part 1: Timeline of the Lakewood Oaks Golf Course (1977 - 2005)

Introduction:

Since 2007, Lakewood Oaks Country Club has been under the ownership of Lakewood Holding Company, a subsidiary of Lakewood Property Owners Association (LPOA). This acquisition stands as a significant investment by LPOA, anchoring stability since its establishment in 1976.

This series of Transparency Reports aims to chronicle the history of LPOA in conjunction with Lakewood Oaks Country Club, from the LPOAs inception in 1972 to the present day, detailing the benefits to the Lakewood community.

Summary:

The Golf Course was originally built in 1976 by the Farm & Home Developers who planned Lakewood as an upscale community. The Golf Course was designed to anchor the community and to enrich home values for the future. After almost 50 years of operation, the golf course has indeed provided immense value to our community.

In 2007, the LPOA had the opportunity to take control of the golf course when previous equity members sold the course. The LPOA was able to acquire the course while retaining tax exempt status for both entities, and the LPOA has been charged with overseeing the growth and operations of the club ever since.

After 18 years, the LPOA has seen the Golf Course thrive and expand, while consolidating resources and providing an excellent location for LPOA staff and operations.

This ongoing series is designed to factually document the progression of one of the most important assets of our community, the Lakewood Oaks Country Club.

***NOTE:** During the April 13, 2017 LPOA/LHC Board Meeting, the Board approved a motion to change the name of Lakewood Oaks Golf Club to Lakewood Oaks Country Club.

Timeline History of LPOA and the Golf Course

The development of the Lakewood community was a joint venture of Farm & Home Savings Association (F&H) of Nevada, Missouri as the lender, and Astro Building Corporation (Astro) as the developer, beginning 1970.

- | | |
|------|--|
| 1971 | The first Declaration of Covenants, Conditions and Restrictions (DCCR's) were recorded on file. |
| 1973 | The Lakewood Property Owners Association was incorporated, and managed by the original developers, Farm & Home. |
| 1973 | The Cove Clubhouse was built and contained offices for Farm & Home staff. It also included the Cove Restaurant, which was Lakewood's primary Food and Beverage amenity for 35 years (1973 - 2008). |
| 1974 | The first homes were constructed under LPOA bylaws, and a series of Parcels were annexed into the LPOA. |
| 1976 | F&H bought out Astro. F&H assumed full control of the development at that time, including control of the LPOA Board of Directors. When F&H assumed control, they inherited a sizable amount of debt. Over 75 percent of Lakewood was still to be developed, and many homes that were in various phases of construction that builders could not complete. F&H was forced to finish them. |

F&H had several options for how to finish Lakewood:

- Option 1 would be to spin through the undeveloped acreage with inexpensive homes that would produce much higher annual lot sales.
- Option 2 was to finish the development as an upscale community.

F&H made several decisions about the future of the LPOA this year:

- **Horse stables** had been made available for lease to Lakewood residents, and this amenity was canceled, as the subsidy was too great (only 3 families used them).
- There was a very **large red barn** that was located in the area now known as The Shores that had been converted to a large recreation hall and basketball courts. When F&H took over, they had the barn demolished.
- They evaluated the desired culture of Lakewood, **and chose to continue developing Lakewood as an upscale development.** They retained the services of J. H. McNaughton, a successful developer partner from Houston, to consult with their local development team. **The end result was the building of the Lakewood Oaks Golf Club.**
- The development team thought this would take pressure from the lakes, and add another amenity to attract home buyers to the development of the homes around the front nine of the golf course known as Fairway Homes Village Section One and The Village Shops.

- 1976 **The Lakewood Bay Parcel** was formed, and Bayview was built. The Edgewater section was developed in the mid-80s. The Bayview Clubhouse and Pool were established during this time. Bayview residents were responsible for this cost in the beginning, but agreed to offload the responsibility of the maintenance expenses to LPOA in the 80s.
- 1977 **Golf Course Construction began,** Designed by renowned architect B. Jay Riviere. The Golf Course was designed with a restaurant that was private to golf club members only.
- 1978 **LPOA transferred control from F&H to the Residents:** From 1971, F&H controlled the LPOA and funded all the deficits. They occupied six of the

nine Board of Director seats. In mid-1978, F&H grew weary of dealing with the LPOA and a lot of resident unrest; and they decided to turn over 100% control of the LPOA to the residents.

- 1978 In 1978, F&H started the development around the “front nine” of the golf course, and called it **Fairway Homes Village**, Section One. The **East Lake Association** was formed as the HOA. The first new lots to be developed by F&H in 1978 around the West lake were known as West Lake Village.
- 1980 **Village Shops:** F&H also developed the commercial area on Lakewood Boulevard, and the original Quik Trip was located at that site. It was deeded restricted by DCC&R as Tract M. While the DCC&R was similar to those of Lakewood, there was to be no involvement by either the LPOA or ELA.
- 1979-1992 **The Golf Course opened for Business by F&H.** The Founders, Farm & Home Savings Association, operated the Golf Course as an anchor for their planned Lakewood Community Development. (13 years).
- 1985 BETTER TOGETHER: After 7 years apart, **F&H agreed to merge the ELA back to the LPOA**, at the request of the LPOA. The merger happened because West Lake and East Lake are “Better Together.”
- Better Together: The Association had grown so large that the East Lake and West Lake depended on each other.**
- The LPOA didn’t have enough dues income to adequately take care of West Lake shorelines and their Clubhouse, whereas East lake had big houses and they put in their own shoreline, however by merging the HOA’s again, they could collectively raise enough funds to manage both sides of the association.
- 1989 **F&H Divestiture of Lakewood and Lakewood Oaks Golf Club:** As part of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA), F&H was directed to sell all the undeveloped land in Lakewood, and divest itself of the Club. This had to be done by December 31, 1992.
- 1991 The undeveloped land comprising the “back nine” of the golf club was sold

to Don Julian and Bob Morrissey. The Club was sold to the members. The rest of the land was sold to either Julian and Morrissey (The Shores), Koehler Building Corp (The Forest), or Longhorn Asset Management of Dallas, Texas (East Lake Village, SouthPointe, The Enclave and the Lakewood Pointe Villas).

- 1992 **Farm & Home Savings sold the properties to Lakewood Oaks Golf Club, Ltd. I,** to be operated as a private Golf Club with equity memberships.
- 1992-2007 **Lakewood Oaks Golf Club Ltd. I** successfully operated the Golf Club and made many quality improvements including a lake drawn irrigation system throughout the course, a beautiful water feature cascading down a portion of the back nine, and a large clubhouse expansion to include new dining and banquet space. (15 years).
- 1998 Staff moved from the Cove Clubhouse over to Bayview Clubhouse. Motion was made 10/9/1997 to relocate. Then the Cove Clubhouse underwent a major renovation of the interior and the deck. Total renovation was close to \$800k. (Equal to \$1,523,072.39 in 2024, with inflation).
- 2006 The Golf Club private equity members began to seek opportunities to sell the golf course.
- 2007 LPOA established the Lakewood Holding Company (LHC), controlled as an LLC. The LHC purchased the assets of the **Lakewood Oaks Golf Club, Ltd. from the equity owners.** The name became “Lakewood Oaks Golf Club.”
- The LPOA Board of Directors became the BOD for the Lakewood Holding Company (LHC), and became responsible for the wellbeing of the Lakewood Oaks Golf Club. The LHC has successfully operated the facilities as a private golf club since its acquisition.
- Through this acquisition in 2007, many of the equity owners rejoined the Golf Club. The Food & Beverage fee of \$100/qtr was canceled. Additionally, the members of the LPOA became social members of the Golf Club facility, where they could dine and use the facilities, also without a quarterly fee.

The LPOA DCCR's do not allow for the association to charge automatic fees, other than dues, to residents. So in order to let the residents enjoy access to the Golf Course facilities, they did so without imposing a quarterly fee.

2007-2009 The LPOA hired EAGL Golf Management (Evergreen Alliance Golf Limited, L.P) for a 3-year contract to manage the Lakewood Oaks Golf Course. The financial outcomes were unfavorable, and the contract was ended prematurely in order to mitigate losses under their management.

2008 **The Cove Restaurant** closed, and the Food & Beverage expenditures of Lakewood were eliminated. The LHC continued to operate the Golf Course restaurant, and absorbed the \$120k in food and beverage expenses, temporarily saving the LPOA from having a Food and Beverage department.

2010 This is the first year the LHC was fully in charge of the Golf Club budget, after the release of the EAGLE GOLF management contract.

2010 **The Bayview Clubhouse closed.** This Clubhouse housed Lakewood administrative staff and reached the end of its life cycle, and was torn down. Originally it was built by the Bayview Parcel developers as a part of The Lakewood Bay Townhome Parcel, and the Bayview residents requested support in funding the facility. They eventually gave ownership of it to the LPOA. But neither the Parcel residents or the LPOA had established a reserve fund to replace the clubhouse at the end of its life cycle.

In January of 2010, the LHC was relieved of bearing the expense of the Food & Beverage department on behalf of the association. After 2 years of the LHC funding the costs of the Food & Beverage amenity, the LPOA regained responsibility for their food and beverage amenity that all residents had access to.

LPOA administrative offices then relocated to the Lakewood Oaks Clubhouse. This was a very timely change, because it was extremely beneficial to be able to move the staff offices to the Clubhouse. There would have been no other place to house our staff at this time.

The LPOA would have had to have either created a lease with an outside commercial property owner, or invested in building a new clubhouse for staff on LPOA Common Ground. With the merger of staff into the LHC facility, LPOA began paying rent to the Lakewood Oaks Golf

Club at a reduced rate. Rent was paid to follow the IRS tax code and maintain arms-length transactions with payment in return for services.

2014 **The Cove Clubhouse was inspected**, and found to be mold-filled, non-compliant with ADA requirements, with a percentage of majority of space unusable, and upside down in equity. It was deemed unsalvageable.

2015 **The Cove Clubhouse was demolished.** Like the Bayview Clubhouse, there had been no reserve funding set aside to replace this building.

The first official Reserve Study was commissioned by the LPOA. Subsequently, the **first Reserve Fund was established**, which would allow the LPOA to save earmarked funds for 30-40 years of specific projected maintenance and expenses, ensuring that future amenities would not be discarded due to lack of planning.

2015 **Project 2020 was developed**, which provided a 5-year Strategic plan for allocating dues towards major amenities. The LPOA Board had recruited the collaboration of the Finance Committee and the Facilities Development Committee, to work together to establish a 5-year plan.

Additionally, the **East Lake Village pool failed to achieve certification** this year, and reached the end of its life cycle. These funds had not been reserved in advance, and so the funds for the rebuild of the East Lake Pool were expedited into Program 2020.

Project 2020 was then rolled out to the community, and dues were to be increased over a 5-year period to meet the objectives of the plan.

2016 **Project 2020 was rejected by several residents**, and the Davis et. al vs LPOA lawsuit was launched. This lawsuit would last through 2018, and derail one of the major objectives of Project 2020: to replace the Cove Clubhouse with an outdoor Pavilion and an Activities Center.

2016 **The LPOA budgets were adjusted to properly reflect the costs associated with the LPOA.** Up until this point, the LHC and Golf Course had been shouldering many expenses on behalf of the HOA.

Additionally, the LPOA began to pay fair market value to the Golf Course

for use of their banquet room, staff offices, restaurant, and rooms that were being used for No Fee by committees and clubs.

2017 **The “Lakewood Oaks Golf Club” changed their name to “Lakewood Oaks Country Club”** to reflect the country club lifestyle that had evolved after the acquisition and its location in Jackson County’s premier lifestyle living community, Lakewood.

2024 **The Lakewood Oaks Country Club** continues to thrive in our community. Membership has run at maximum levels for the past several years.

The LHC has reduced their bank debt from \$2.8 million down to \$0.8M. Throughout the years, the LHC has also reinvested \$940,000 back into the Golf Course and the Clubhouse.

2024 **Lakewood Oaks Renovation**
In 2024 the Lakewood Oaks Country Club, in concert with Nationwide Insurance and the Lakewood Property Owners Association, completed \$925,000 renovation of portions of the Main Floor and the Lower Level.