

The Villas at Banbury Meadows HOA
c/o Development Services Inc.
9601 W. State Street, #203
Boise, Idaho 83714
208-939-6000



December 13th, 2021

Subject: New Lawn Care Services Contract & HOA Dues (2022)

To: Each Villas Homeowner

Over the last couple of months your Board of Directors have been reviewing options for the selection of our next HOA Lawn Care Service Provider beginning in 2022. Our current contact with Murillo's Landscaping expires on December 31, 2021.

On September 24th the Board issued a "Call for Bids" to a select group of local Lawn Care/Landscaping Companies. In an effort to consider only high-quality companies the request for bids was sent to the following:

1. Sterling Landscaping; 2. Pro Care Landscaping; 3. Cutting Edge Landscaping
4. American Lawn Care; 5. Murillo's Landscaping

To our surprise, and after the deadline for submission of Bids had expired, Development Services and the Board had received only one bid, that was from Murillo's Landscaping (please note, at the time they submitted their bid Murillo's was unaware that the other companies had declined to submit a proposal). In addition, we did reach out to the other companies/candidates, asking if they were interested in being considered for the Villas Contract. In each case they all indicated they were not able to submit a bid due to a lack of available manpower and they considered residential contracts (like the Villas) to not be financially viable. The Board also contacted less known Landscaping Companies and found they were also not interested in submitting a bid or take on additional contracts.

In view of the above, and in accordance with Article XV, Section 2.7.2 of our CC&Rs, amended on April 15th, 2010, the Board held detailed discussions with Murillo's Landscaping to develop a new Lawn Care Contract, beginning in 2022. Following those discussions, and after reaching agreement to our attached Lawn Care Services List, the Board agreed to Murillo's bid/proposal (received October 15th, 2021). It was also agreed that the contract will be valid for three (3) years (2022, 2023, 2024), and the bid/amount will not change during that period.

As expected, the new agreement will require an increase to the cost of our current annual Lawn Care Contract and will therefore also necessitate an increase to the HOA dues charged to our homeowners. The new HOA Dues (which includes DSI and misc. costs required to manage our HOA) will be approximately \$1480.00 per year (versus the current \$1155.00). To put this increase in perspective, as it relates to Murillo's previous contracts, the Board would like to share the following details:

1. Over the last six (6) years Murillo's previous contracts included an average annual increase of \$247.00 per year (or \$20.58 per month or \$.38 cents per homeowner per month). The Board considered this increase to be extremely low.
2. During the Board's review of Murillo's past contracts, it also became clear that their previous cost increase (above) did not allow for or include a minimum annual cost of living allowance enjoyed by most companies and required by other landscapers. Furthermore, the increase did not appear to consider or include increases to their basic operational expenses, which rose at an estimated rate of 5% to 10% during the same period.
3. Under this new contract Murillo's projected operational expenses, such as fuel, labor, materials, applications, etc., have or will increase by 30% to 40% (this does not include the impact inflation is currently having on our entire economy).
4. Murillo's is the only Landscaping Company willing to interact/communicate directly with our fifty-three (53) homeowners. Typically, based on contracts with most HOA's, Landscapers will only communicate with the Association's Management Company or a single designated representative.

Although Murillo's was the only Landscaping Company who submitted a bid, the Board's decision considered the above factors and their prior service to our Association (over 15 years). Furthermore, the Board also compared the rates being charged by other local independent Landscaping Companies which revealed Murillo's proposal was fair and a good value for the services they will be providing.

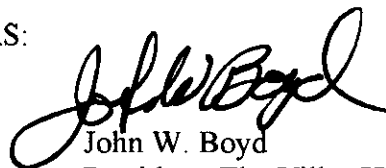
To spread out the increase to our HOA Dues, the Board has decided to change our billing cycle from a Tri-Annual payment system to a Quarterly schedule; billing statements/invoices will be issued on the **1st of the month with a payment due date of the 15th** as indicated below:

1 February, 1 May, 1 August, and 1 November (Quarterly dues approx. \$370.00)

(Note – the Villas HOA payment schedule will start in February 2022 to deconflict that payment with the Main HOA's Annual Dues collected in January of each year)

If you have any questions or need further details concerning the content of this letter, please contact our Association Manager, Jean Cariaga at 208-939-6000 or by email: jean@dev-services.com or contact the Board of Directors at: villashoabbm@gmail.com

FOR THE VILLAS BOARD OF DIRECTORS:



John W. Boyd
President, The Villas HOA Board

Attachment: Villas Lawn Care Services List,
dated 6 Dec 21

Cc: Each Villas Homeowner
DSI - J. Cariaga, Villas Association Manager
Each Board Member