

BELLA VISTA VILLAGE PROPERTY OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
August 17, 2017 6:30 P.M. BELLA VISTA COUNTRY CLUB

BOARD MEMBERS PRESENT: Chairperson Ron Stratton, Directors Bruce Portillo, Patrick Laury, Ruth Hatcher, John Nuttall, David Whelchel, Joshua Hart, David Brandenburg, and Jim Abrahamson.

BOARD MEMBERS VIA TELEPHONE: None

BOARD MEMBERS ABSENT: None

PROXY: None

OTHERS PRESENT: Chief Operating Officer Tom Judson, Treasurer & Director of Finance and Administration Dwain Mitchell, General Counsel Doug McCash, and Corporate Secretary Kyndall Ardoin.

I. CALL TO ORDER

Chairperson Stratton called the meeting to order at 6:30 p.m. There were 50 members in attendance, as well as one media representative.

II. PLEDGE OF ALLEGIANCE

III. INVOCATION - Pastor Dale Schatz from the Heritage Baptist Church gave the invocation.

IV. APPROVAL OF MINUTES

Director Abrahamson made a motion to approve the minutes from the July 13, 2017, Work session seconded by Director Nuttall.

The minutes were presented for discussion. There was no discussion. The motion passed unanimously. Director Hart abstained from voting.

Director Hatcher made a motion to approve the minutes from the July 20, 2017, Regular session seconded by Director Laury. The minutes were presented for discussion. There was no discussion. The motion passed unanimously. Director Hart abstained from voting.

Director Portillo made a motion to approve the minutes from the August 10, 2017, Executive session seconded by Director Abrahamson. The minutes were presented for discussion. There was no discussion. The motion passed unanimously. Director Hart abstained from voting, stating that he had not attended the meeting.

V. PROPOSAL TO PURCHASE ARKMO FROM LINDA LLOYD

Ms. Lloyd presented her proposal to purchase the ARKMO property for \$1.1million. Ms. Lloyd discussed her qualifications and her past development communities. Her preliminary plans for development included one parcel of 80 acres, two 20 acres' parcels, 3 parcels of 10-15 acres, 9 to 11 smaller parcels, an ecolodge of tiny houses, and cohousing of 10 to 15 units.

Ms. Lloyd explained the principals of cohousing. She also stated the \$1.1 million proposal would be financed by the POA at the rate of 5% interest.

Mr. Judson stated that at 1:30 P.M. on August 17, he received an additional offer to purchase the property for \$1.2 million with no cash down, the POA would finance at a rate of 5.25% interest. The offer expires on 8/31/2017.

VI. OPEN FORUM

A member stated she was in favor of selling the ARKMO property.

A member remarked on the timing of the second offer. Mr. Judson stated that the second offer was made by a member of the community, not an employee of the POA or a member of the Board of Directors. He stated that the POA has had much interest in the property in recent months.

A member stated he was in favor of selling the ARKMO property.

A member stated that the offer price was too low.

A member inquired on which state the tiny houses would be in. Ms. Lloyd stated they would be in Missouri.

A member asked about Ms. Lloyd's past developments.

A member asked about the hydrology study and the status of Berksdale.

A member stated that in her opinion ARKMO did not need to be turned into another golf course.

A member asked who owns common property. Mr. Judson stated that common property is owned by the POA. ARKMO is not subject to the declaration of the POA.

VII. BOARD CONSIDERATION OF OFFERS FOR THE ARKMO PROPERTY

Director Jim Abrahamson made a motion to decline the offer made by Shelter Concepts LLC and the anonymous investor representative, seconded by Director David Whelchel.

The motion was presented for discussion.

Director Abrahamson stated that his main concern is the fact that the POA would have to finance both offers.

Director Brandenburg stated that his motivation for refusing the offers are the uncertainty of what is going to happen to the land in the valley.

Director Hart stated that his biggest concern is the price of the offers.

Director Hatcher agreed that her concern was the price, but also that she did not think the POA should finance the offers.

The motion passed unanimously.

Director Nuttall made a motion to take the ARKMO property off the market, seconded by Director Brandenburg.

The motion was presented for discussion.

Director Laury stated that the sign on the property should be taken down.

Director Hart dissented stating that the POA should leave the property on the market and consider offers that are more than \$1.1 million.

Chairperson Stratton reiterated that the Board had not made a decision regarding the valley courses. The motion carried 8 to 1 with Director Hart voting no.

VIII. FINANCIAL REPORT BY DWAIN MITCHELL, TREASURER

Treasurer Dwain Mitchell gave a report on the year-to-date financial reports for July 2017. (Financial Reports are available at <https://bellavistapoa.com/about-us/financial-reporting/>)

VII. RESPONSE TO PREVIOUS OPEN FORUM COMMENTS

None

IX. JOINT ADVISORY COMMITTEE REPORTS

(A) Lakes

Director John Nuttall reported on behalf of the Lakes JAC. Wakeboard boats are the topic of the Lakes Committee. Members of the committee have been assigned to a sub-committee in order to make recommendations on what to do regarding the controversial boats. There was also discussion regarding the Lakes budget proposals for 2018.

(B) Recreation

Debbie Sorensen reported on behalf of the Recreation JAC. Mrs. Sorensen stated that the committee has been planning for their suggestions for the 2018 budget.

(C) Golf

Bill Barr reported on behalf of the Golf JAC. Mr. Barr updated the board on the progress of the Highlands renovation and the committee's 2018 budget proposals.

(D) Young Residents

The Young Residents JAC did not meet in August.

XIII. OLD BUSINESS

Proposal to change the timing of the board meeting schedule by one week. This would require a revision to Policy 1.07. This is the second and final reading of the proposed policy.

Director Laury made a motion to approve the proposed change in the Board meeting schedule, seconded by Director Abrahamson.

The motion was presented for discussion. There was no discussion.

The motion passed unanimously.

XI. NEW BUSINESS

A) Capital Project: Kitchen AC system for Lakepoint.

The update to the equipment in the kitchen to meet code has resulted in an extremely hot kitchen. The kitchen temperature was measured at approximately 115 degrees, this is clearly not a safe or healthy work environment for the Lakepoint employees. A dual AC system has been proposed by Director of Maintenance and Construction, Mike Taggart and Director of Business Development Tommy Lee. The total cost of the equipment, installation, and electrical on the project is \$28,000.

Director Brandenburg made a motion to accept the kitchen AC system upgrade installed for Lakepoint seconded by Director Portillo.

The motion was presented for discussion. There was none.

The motion passed unanimously.

B) Capital Project: Approval of funding for the Hydrology Study for the valley golf courses. Mr. Judson updated the Board regarding the Valley Task Force. The Task Force met with several engineering firms from Northwest Arkansas including: FTN, CEI, Crafton Tull, and Burns McDonnell. Mr. Judson stated the City and the POA met with the Core of Engineers. The task force chose Burns McDonnell. The City of Bella Vista is going to consider authorizing funds for the hydrology study cost share at their August 28th meeting. Mr. Judson stated that with the City's contribution the cost of the study would be \$90,200. If the City did not participate in the study the cost of the study would be \$109,464.

Mr. Judson requests approval for the \$114,464 (109,464 + 5% contingency) for the study with the stipulation that if the City partners the POA will spend \$94,700 (\$90,200 +5% contingenc). The completion date from Burns McDonnell is December 29, 2017. After which the findings of the study will be presented to the community.

Director Nuttall made a motion to accept the proposed funding of \$114,464 for the hydrological study from Burns McDonnell seconded by Director Hatcher.

The motion was presented for discussion. There was none.

The motion passed unanimously.

XV. ANNOUNCEMENTS

- A) COO/Board Meeting – Thursday, September 14th at 2:30 p.m. in the Country Club Board Meeting Room. (This is a closed discussion meeting).
- B) Board of Directors Work Session – Thursday, September 21st at 8:00 a.m. in the Country Club Board Meeting Room.
- C) Board of Directors Regular Meeting – Thursday, September 28th at 6:30 p.m. in the Country Club Board Meeting Room.

XVI. ADJOURNMENT

Chairperson Stratton adjourned the meeting at 8:12 p.m.

Submitted:

Approved:

Kyndall Ardoin, Corporate Secretary

Ron Stratton, Board Chairman