

**BELLA VISTA VILLAGE PROPERTY OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING (SPECIAL BOARD MEETING)
November 2, 2016 ° 4:30 P.M. ° RIORDAN HALL**

BOARD MEMBERS PRESENT: Chairperson Bob Brooks, Vice Chairperson Ron Stratton, Directors John Nuttall, Joshua Hart, Andrew Davis, Bruce Portillo, and Patrick Laury.

BOARD MEMBERS ABSENT: Director Ruth Hatcher.

OTHERS PRESENT: Chief Operating Officer Tom Judson, General Council Doug McCash, and Corporate Secretary Kyndall Ardoin.

I. CALL TO ORDER

Chairperson Brooks called the meeting to order at 4:30 p.m.

II. ASSESMENT VOTE RESULTS

Mr. Judson introduced a presentation reviewing the assessment vote results. He reported that question #1, which was a \$9 increase for improved properties, had 9,615 Yes votes, 9,144 No votes, and 147 Abstained votes. He stated that a simple majority is not enough to pass the vote. According to the Bella Vista POA Governing Documents, 51% is required to pass the vote. He reviewed the calculations which determine whether the question reached the required 51% of the vote, stating that the question was how to treat the Abstentions and whether they should be included in the calculation. He stated that $9,615 \div 18,906 (9,615 + 9,144 + 174) = 50.85\%$, which is less than the threshold for the vote to pass, and that $9,615 \div 18,759 (9,615 + 9,144) = 51.25\%$, which is greater than the threshold for the vote to pass. He stated that Abstentions are not Yes votes, nor are they No Votes. As a result, the Association had a legal question as to how to count the 147 Abstentions. In conjunction with outside legal counsel, the POA's legal counsel, Doug McCash, thoroughly reviewed and determined the appropriate treatment of Abstentions. Mr. Judson reported the legal opinion stating that Article X, Section 5 of the Declaration specifies that the Association may change the amount of assessments "provided that any such change shall have the assent of 51% of the votes of each Class of Members who are voting..." Therefore, the Declaration requires the Yes vote of at least 51% of those members who are **voting**. This means that even though a Member leaves one question blank, but votes on the other question, his or her ballot will count as a vote and will be included in the total number of ballots. You then must compare the total number of Yes votes to the total number of Members **voting**. The total number of members voting in this election is 18,906. He stated that for each question to be approved, at least 51.0% of those who voted for Class A and Class B must have voted Yes. Mr. Judson presented the delayed results, reporting that Question #1 (\$9 increase for improved properties) was denied at 50.86%, falling 27 votes short, and Question #2 (\$3 increase for unimproved properties) was denied at 50.35%, falling 122 votes short. Both questions failed to achieve the percent of the votes necessary for approval.

Mr. Judson presented the Official Election Certification Letter from the Inspectors of Election. Mr. Judson reviewed future improvements to the process, which would include a 30-minute review period for the Election Committee before the results are announced. He said that votes are accepted until the start of the meeting, which leaves little time to review the results. This reasonable amount of time will give us the ability to thoroughly review the results to ensure there are no irregularities. He stated that it is too soon at this time to determine if or when the Board will attempt another vote to increase the assessments.

III. THE NEW PLAN

Mr. Judson reviewed the New Plan, stating that the goal to improve Bella Vista remains unchanged. With funding now limited, certain projects outlined in the Rejuvenation Plan may either have to be

delayed or eliminated. Certain amenities currently offered may need to be evaluated. Over the coming months the Management team, in conjunction with the Board, will develop a Plan for the future. The end goal of improving Bella Vista remains unchanged. He added that projects which have already been funded, such as Lakepoint, will continue as planned.

IV. MEMBER COMMENTS

Chairperson Brooks opened the floor to the membership for comments.

A member asked for clarification of the election results. Mr. Judson clarified the results explaining that the Abstentions count as cast ballots and though the majority voted Yes, it still did not reach the 51% which is required to pass.

Vice Chairperson Stratton commented on how close the election results were and stated that the Board and Management will work as diligently as they can to act in the best interest of everyone. He added that there are three Board of Director positions coming available and encouraged members to run for them.

Jim Parsons, Chairperson of the Bella Vista Patriots who lives on Lake Avalon, stated that the lawsuit he filed is still active, but upon receiving the election results, he started the process of withdrawing the lawsuit and believes it should be complete by the end of the week.

A member asked why the Abstentions count as votes when the word abstention means to not take part. Mr. Judson clarified that there is specific wording on the ballot that states that an Abstention counts towards quorum.

Director Laury further clarified Abstentions as well as quorum, and stated that the outcome could be decided by the legal system.

Members commented on the 668 votes cast on behalf of the Association's owned lots and the legality of casting those votes. Mr. McCash responded, stating that in his opinion the voting of these lots complies with the POA's Governing Documents.

A member asked if it is possible for members to voluntarily pay higher assessments if they so choose. Mr. Judson stated he would research the suggestion.

Members commented on the ballot having two separate questions, one for the approval of an assessment increase for improved properties and one for the approval of an assessment increase for unimproved properties.

A member asked what the total cost of the election was. Mr. Judson responded that the cost was about \$36,500, but that the exact cost is recorded in the Board meeting minutes.

A member asked how many total members were in good standing for the election. Mr. Judson replied that there were approximately 33,500 members in good standing.

A member asked what criteria determines whether or not a property owner is in good standing. Mr. McCash responded that, in the Bylaws, a member in good standing is described as one who's assessments, and/or fees to the association are no more than 90 days past due.

Chairperson Brooks addressed the fee schedule, specifically the Photo ID cards, stating that at this point the fees will be reviewed and the Board will make a determination based on the POA's financial needs.

Director Laury reviewed and outlined roles of the Board of Directors, emphasizing that the Board is tasked with acting in the best interest of the community.

A member asked why Cooper Communities does not improve more of their properties. Mr. Brooks stated that they should bring this up with Cooper Communities.

A member asked, since the vote did not pass, how the Association was going to raise money so the improvements can continue. Mr. Judson responded that at this point the Association would reevaluate and develop a new plan, adding that some adjustments will need to be made but that our goal of improving Bella Vista remains the same.

A member asked why the Association began remodeling the Yacht Club. Mr. Judson responded that the improvements to Lakepoint were approved before the topic of an assessment increase was contemplated.

V. ADJOURNMENT

The meeting was adjourned at 5:19 p.m.

Submitted:

Approved:

Kyndall Ardoin, Corporate Secretary

Bob Brooks, POA Board Chairperson