



Townhouse Association

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Voting Session March 10, 2023

The Board of Directors Voting Session was called to order by President Dennis Simpson at 9:34am. Simpson led us in the Pledge of Allegiance and gave the invocation. Board members present were Dennis Simpson, O.J. Miles, Paul Merritt, Virginia Pinkley, Diana Gilbert, Bill Foulk, Jean Roberts. Todd Woodward was on a conference call. General Manager, Kevin Meacham, was also in attendance. There was a quorum present. There were 12 people in the audience.

The minutes from the January 10, 2023, Working Session; January 20, 2023, Voting Meeting; February 15, 2023, Voting Session were presented for review. All minutes were unanimously approved.

Paul Merritt, Treasurer, was called on for finance report. January information shows \$1,332,000 in Reserve Operating accounts for the courts. A small amount of interest was made off of our CD's. A discussion about how the interest earned on the CD's will be distributed among the courts and where the interest will be applied to either operating or reserve accounts. This is an ongoing discussion at this time, nothing has been firmed up by the Finance Committee.

THA Architectural Review (ARC) chairman, David Anderson reported requests he had received. One application was from a Magellan owner to build a dog fence. Another request is for a large portable storage container. A Valencia owner wants to install a window and remove a window. He doesn't see any problems with any of the applications.

SC&CIC, Melanie Clark, had no issues at this time. She did want to acknowledge how helpful Gayle Annis has been with getting her information for her committee.

General Manager, Kevin Meacham, summarized his report that is attached. He and Board member, Jean Roberts, have started assessing courts. They are driving through courts evaluating safety concerns, liability risks and immediate maintenance needs. They have sent out emails from the office to Court Reps to send back any concerns the owners have that need to be evaluated. It will take time to get to each court. He will be bringing the bigger issues to the board for evaluation. It was discussed that this is the first time in many years that this has been done. Meacham suggested this review process needs to be done yearly. Melanie Clark suggested this be put on a yearly calendar so this could be spread over the year.

Dennis Simpson questioned a home in Coronado Courts that has been under construction for a while and seems to have stalled. Meacham explained the owner had not permitted the work and it was stopped until proper paperwork is submitted and approved. The original permit was for a ramp, and this was far more than what was on the permit. This discussion led to questions about metal roofs. Metal roofs are an issue for POA.

A discussion arose about raccoons getting into the trash at La Coruna Courts. One of the owners had wrapped flashing to prevent the animals from getting in cans.

Dennis Simpson had asked Meacham to research installing a program called Condo Manager in the THA office. The program offers several ways to improve work production at the THA manager's office, but at this time it appears to be cost prohibitive by costing a minimum of nearly \$10,000 a year.

Dennis Simpson, spoke to the current by-laws. He noted the by-laws state the THA must do a budget every 3 years. As he reads this, it does not say the THA cannot do a budget every year if they choose or need to do one. He then discussed how meetings are set for every other month. They do not say meetings cannot be held every month if necessary. He thinks the Board may

need to get over a hump, and for the next few months may need to meet more frequently, but as issues resolve, the board can return to every other month.

Jean Roberts reported that she and Kevin Meacham have been working to inspect all the courts to document what needs to be maintained, what is broken, what needs immediate attention. They have inspected 7 courts to date. They inspected Divino to help with getting a Reserve Study. In Divino they measured seawalls, sidewalks, steps, handrails and took videos and pictures. They have been to Segovia, Lanza, Majorca 2, Majorca 4, Madrid, and Coronado. She is compiling reports for all of these courts. She noted there was a dead tree in Majorca 2 that was ready to fall. Kevin immediately called Rusty and the tree was taken down that day, because heavy storms were coming in that night. Disaster diverted. Majorca 4 also had a tree issue that was taken care of that same day. Madrid Courts has a huge pine tree that needs to be removed, because of size, this will be very costly. A large erosion problem was also found in Madrid, that has caused large, exposed tree roots around trash corrals causing tripping problem that needs immediate attention. Coronado Courts issues were mostly drainage and water issues. Coronado has a gazebo that has rotten posts that need repair. Coronado owners came out to show water issues behind their homes, ruts that need filling. Some issues were found to include POA issues and Kevin is working with POA to resolve these issues. Jean reported they will be going to the remaining courts soon. Roberts also wanted to commend Kevin Meacham for his dedication and work ethic. It was noted by all the board members that Meacham is a true asset to the THA.

Kevin Meacham reported on Signature Cards. A motion was made by O.J. Miles to remove Joan Smith and Charlie Derryberry from the signature cards and replace them with Paul Merritt and Virginia Pinkley. The motion was seconded by Bill Foulk and passed unanimously.

Dennis Simpson made his suggestion as Board President after reviewing documentation about the Divino Courts matter. He gave account of newspaper articles from 20 years ago that claimed Divino was in the THA, but the THA gave them back to Cooper because of various issues on the Divino site that the THA thought was above the maintenance that could be covered by the \$36 dues. At that time every courts owners' dues were set by Cooper to be \$36 a month. Over the years this has changed, and different courts have a varying amount they pay depending on maintenance needed in the vastly different courts. He also stated the county records show that Divino Courts was assigned to the THA despite the fact Cooper told the Divino owners to send their dues to The Villas and they would be their property manager. In the last few years some owners at Divino quit paying their dues. When this happened, The Villas decided they could not sue the owners for not paying and without them paying they told all of the owners they would stop services as of December 31, 2022. Divino Courts became orphans. Simpson said the Reserve Study was back from the company that was contracted by the board few weeks ago. This was a virtual study and cost \$1,500. Several other companies gave quotes much higher, \$5,000 and more. It did not come in until late yesterday and Kevin Meacham has not had a chance to go over the entire document.

Valarie Derryberry spoke up from the audience. She wanted to go on record as saying she believes legally Cooper waived his rights to reject Divino Courts. She thought the THA should contact the THA attorney, Mark Rioble, to be notified and get onboard with this matter because he knows our contracts and laws. She thought the THA attorney should send a reservation of rights to decline taking Divino Courts into the THA. She asked if Divino residents are sending their dues to the THA. Simpson explained some were, but the THA was not cashing the checks.

Simpson then asked if anyone on the board still questioned if we are Divino's agents after all the documentation from the past has been brought out.

Virginia Pinkley discussed her view of the situation that was different than Simpson. Her view is Cooper has set a precedent over the last 20 years and every home buyer up until the end of 2022 had been instructed at closing to send condo dues to the Village Rental Villas, which is a Cooper Company entity. When Cooper decided to dump Divino and send them to the THA, the Divino Property was in a declining situation and needed thousands of dollars of immediate maintenance, as observed by some of the current board members and Meacham on a walk through in January. Her opinion is the board should not go the path of least resistance but take a legal path. She thinks what is best for the future of the current THA members and the future owners in Divino Court is to let the courts decide how this should be worked out and arbitrated so all parties are taken care of. Her opinion is Cooper needs to bring dollars to maintenance required now and help owners have dollars for a Reserve Budget, as all current courts in the THA.

Simpson again stated Ralph Haynes had found documentation that the Divino Courts are assigned to the THA. Simpson said their assignment is not in question.

Bill Foulk spoke up and seconded everything Pinkley had said. He reiterated the current Divino dues of \$124 do not begin to cover what it takes to maintain that magnificent piece of property. He believes Divino was sold a bill of goods. He thinks all the Divino owners and Cooper agents from the Villa's should be in this room and discussing this issue. He believes the dues for Divino Courts will come to triple or more what they pay now. Paul Merritt interjected that 6 of the current owners are not paying and he and Foulk both doubt they will pay triple that amount.

Simpson told the board he received a letter from 2 of the Divino owners that instructed him to Cease and Desist. The letter instructed Simpson to stop acting like the THA was the agent for Divino Court. Simpson notified Attorney Huber and he told him to ignore the letter.

Simpson then asked to make 2 requests. One, he wants the Finance Committee to review several courts' budgets because they need an increase to their dues now. Two, he wants the budget committee to come up with a budget for Divino based on the Reserve study and prices for maintenance contractors. He stated, if courts refuse an increase, then the THA will assist them in decreasing the services they receive because there will no longer be funds for those services. His point is THE THA HAS NO MONEY. Each court is responsible for paying for all contractors and maintenance in their courts. The dues they pay go into an account and their budgets are made.

Simpson has no doubt that the THA will be sued because of this matter by any number of entities. He wants to go before the Judge and say we have done everything we can to bring Divino into the THA. He believes if we do not go this route, we will be tied up in court for several years and this could cost many dollars in legal fees.

Melanie Clark spoke to things she thought of during the Divino discussion. One was about the seawalls in the courts and who has ownership, the THA or the POA. Simpson said that is still under discussion. Second, who picks up Divino trash. Simpson explained the POA picks it up now. If Divino comes into THA, they will use our sanitizing service, not POA.

Another audience member asked if there were any way townhouses could revert to individual ownership? Simpson said there were two ways for that to happen. One was Judicial Decree, or a 100% of the 928 homeowners would have to vote 100% and agree to dissolve the current THA.

Simpson said his suggestion is offering Divino residents the budget compiled by the Finance Committee and for them to accept or not accept. If they do not accept it, the THA is done, and they go somewhere else. He says this does not prevent at any time suits against Cooper that could be brought by Divino Courts or the THA.

Jean Woodworth, Majorca 2 , asked if the THA is accepting expenses on Divino Courts? Simpson stated he saw the cost of the Reserve Study as coming out of administrative costs as legal fees would be for the THA. Simpson asked Paul Merritt his thoughts on this, and Merritt said we initially paid the bill, but it should be put back on Divino in their budget for them to incur this cost, not any other THA members. Merritt said this could only happen if Divino is accepted to the THA. If Divino is not accepted, then this could not occur. Woodworth took exception that any of her monies she sends to the THA be used for Divino. She stated if the board continued to use THA owners' dollars for Divino issues, she thought this would need to come to a vote of all 928 owners to get permission to continue. Merritt agreed with Woodward that any additional cost other than study cost and legal fees, that came to the THA for Divino should not be paid if they are not a member.

Discussion then was about insurance on the Divino property that is declared THA property. The THA did get insurance coverage to protect us.

Virginia Pinkley then requested the THA Board retain Attorney Huber to take over this problem.

Dennis Simpson stated he thinks our issue is not with Cooper or the Villas. He thinks we need to decide if we are the agency for Divino Courts, if we are, give them a proposed budget. Divino owners either except or deny. Simpson again stated this in no way prevents lawsuits in the future.

Simpson asked Huber about implementing email voting for the THA members. Huber said this would require a bylaw change. Woodworth stated every vote has to have a signature and she wondered how that could happen. Simpson spoke on E-signing. O. J. Miles asked how this could be done.

The discussion returned to courts that need increases to their dues in the immediate future. Merritt explained how the committee is working on this and this should be addressed in the next month.

Virginia Pinkley voiced concerns about the Board trying to decide on what should be done to bring Divino into the THA. She believed we needed to stop and retain a lawyer to guide this process.

Todd Woodward agreed. Paul Merritt made a motion to retain Jonathon Huber for the purpose of any and all legal matters in regard to Divino Courts until such time the board votes to revert that back to Mark Riabie. Jean Roberts and Todd Woodward seconded the motion. The vote was unanimous to take Huber on as THA attorney in the Divino Court matter.

A few people in the audience were interested in being a part of some of the committees. Kevin Meacham explained how the forms are available in the THA office for them to fill out.

Cheri Heinrich from Villa Allegro had put in an application to be a Court Rep. Virginia Pinkley made a motion to except her application. Diana Gilbert seconded the motion. And it passed unanimously.

Gary Smith on the Collection Committee gave his report. We still have a couple of long-term problems because the owners had no estate to file on. Collections are in very good shape. Dennis Simpson spoke about Leans on properties. Judgements can be filed on Leans in order to collect monies due to THA.

At 11:15 am Virginia Pinkley made a motion to adjourn, Todd Woodward seconded the motion. All agreed.

Virginia Pinkley
HSV Townhouse Association Secretary

Sent from my iPad