

WORK SESSION MEETING OF THE  
HOT SPRINGS VILLAGE  
PROPERTY OWNERS' ASSOCIATION  
BOARD OF DIRECTORS  
9:00 A.M., FEBRUARY 1, 2012  
OUACHITA BUILDING

A work session meeting of the Hot Springs Village Property Owners' Association Board of Directors was held at 9:00 a.m., Wednesday, February 1, 2012 at the Ouachita Building of the Ponce de Leon Center.

Board members attending were: President Jerry Kosoglow, V.P. John Cooney, Bob Brandt, Tom Bryant, Katie Feather, Mike Misch and Jim Owens.

Attending from staff were: General Manager Scott Randall, Chief Financial Officer Don Yucuis, Asst. to Gen. Mgr. Linda Mayhood, Dir. of Golf John Paul, Dir. of Recreation and Club Services Stephanie Stone, Dir. of Public Safety Laroy Cornett, Dir. of Public Works Randy Noles, Dir. of Planning and Inspections Steve White, Marketing Manager Dannel Botkin, and Secretary Suzette Tadlock. Absent: Communications Specialist Michael Fox.

Also attending: Holly Daste, Village Voice and Jeff Smith, Sentinel Record.

Approximately 80 people were in the audience.

Call to Order: President Kosoglow called the meeting to order at 9:00 a.m. Jessieville High School students were in attendance to video the meeting.

Prayer/Pledge: President Kosoglow gave the prayer followed by the pledge of allegiance led by Tom Bryant.

Guests: Representatives of Mt. Carmel Assisted Living representatives were asked to stand. Board candidates Bobbie Bateman, Bob Brandt, Tom Elliott, Keith Keck, Katie Feather and Frank Leeming were asked to stand and identify themselves.

Order of Business: The order of business was approved as submitted upon MOTION by Director Misch, SECONDED by Director Brandt and unanimously APPROVED.

President's Remarks: President Kosoglow stated he appreciated the volunteers who serve on our various standing committees. He requested interested property owners to apply for the committee vacancies. Applications were available at the meeting. Two Board candidate forums are scheduled for Thursday, March 1, 3:00 p.m. at the Woodlands Auditorium sponsored by the Village Voice Newspaper and Friday, March 2, 1:00 p.m. sponsored by KVRE Radio Station.

President Kosoglow stated he was very excited about the addition of the Mt. Carmel Assisted Living Facility in Hot Springs Village and believes it will be of mutual benefit to both Mt. Carmel developers and the community.

Director Bryant commended staff for the cleanup from the tornado damage in Phase 1 and the Danville Gate exit entrance.

Director Brandt read a quote.

V.P. Cooney commended Mt. Carmel for this project. He appreciated the forum for 2012 Board candidates held by the HSV Chamber at the Pink Olive and the coverage in the newspapers and stated there are two more forums scheduled by the Village Voice on March 1 and KVRE Radio on March 2.

Gen. Mgr.'s Report: Scott Randall gave the General Manager's Report (see written report attached). He advised Saline County has offered to install an emergency warning siren to be located on Banderola Circle. It is hoped this will be the first of many sirens to be installed.

Cortez Road will be closed beginning February 6 thru the 8 from the intersection of Cortez and Minorca Road to the southern intersection of Cortez and Baeza Way for the purpose of replacing two large culverts that have rusted and separated.

The first Coffee with the General Manager will be held on Friday, February 3, 9:00 a.m. in Room 3 of the Coronado Center. Subsequent coffees will be held on the Friday following the first Wednesday of each month with the location of the coffees being rotated between the Coronado Center, DeSoto Club parlor and Ouachita Bldg.

Discussion of the General Manager's Report followed.

Standing Com. Reports: None.

Questions Re: the Agenda: None.

Mt. Carmel Presentation: Jimmy Elrod, Managing partner at Mt. Carmel, addressed the Board relative to the proposed Mt. Carmel Assisted Living II Facility in Hot Springs Village. He was accompanied by his partner Randy Jones and Project Manager Dewayne Wilson. They presently have a similar facility in Benton, Arkansas. He advised this facility would be located on 11.2 acres near the Balboa gate. Architect renderings and drawings of the proposed facility were available. Some of the services to be provided are meals, snacks, recreation, laundry. Mr. Elrod next called on Project Manager Dewayne Wilson.

Mr. Wilson gave a power point presentation showing an overview of the project which was initiated in January 2011. 11 x 17 pamphlets for Board members were distributed. Architectural renderings of the facility were also on display. Mr. Wilson advised the facility is comprised of 60,000 square feet with 75 apartments, dining facility

and 120 beds with a secure courtyard. The construction will take approximately one year.

President Kosoglow called for questions from the Board. Mr. Wilson responded that based on previous experience and study, 70 parking spaces would be adequate. Physical therapy will be available. Construction of the cottages will begin following completion of the first phase construction.

Mr. Elrod advised rental of the units was a flat fee on a month-to-month lease with no buy-in. The costs would range in the neighborhood of \$3,200 month for a 400 sq. ft. studio up to \$4,200 for memory care units. The residents would have access to POA amenities with Mt. Carmel paying POA dues on all units.

Questions from the audience followed and were responded to as follows:

- The State of Arkansas regulates and licenses their facilities.
- Temporary construction entrances will be used off of Hwy. 5 during construction.
- Entrances to their property will be gated and will not allow for anyone to bypass the POA gates.
- Availability of water for this project - - President Kosoglow advised we are in the midst of a water treatment plant expansion project that will provide 50% more capacity by 2014.

Patti McDonald spoke up to endorse this project. She called on former resident Marilu Grose who lives at the Mt. Carmel facility in Benton who endorsed this development and is looking forward to moving back to the Mt. Carmel facility in Hot Springs Village.

President Kosoglow advised he appreciated Mt. Carmel's presentation today and was excited about having them here. This has been the first foray where the Board has been involved since we have taken over responsibility of the Architectural Control Committee. Approval for the project now goes to the POA Board of Directors when in the past it was approved by Cooper Communities. There may have been a few bumps in the road trying to get through some of the details but he believes a very thorough involvement by Mt. Carmel representatives, POA staff as well as the Public Works Committee has been helpful. The POA Board needs to complete its review of the Developer's Agreement which covers the details between the POA and Mt. Carmel so there are no surprises for either of us down the road. He thinks this has been an excellent effort by all involved and will be a very successful project.

Discussion of the Development Agreement followed. Mr. Randall summarized the most recent revisions to the agreement. He stated this was the first time the POA has been involved in the review and approval of any commercial development project that was previously in the scope

of authority of Cooper up until last spring. As a result, a Development Agreement has been developed to get us through this project.

Mr. Randall reviewed the most recent significant revisions to Sections 2.1, 2.2, 4.2 a, b, c, d and e of the agreement (see attached).

This project will be on the February 15 regular Board meeting for approval.

Conversion to Ultra-Dwarf Bermuda 2012 for Magellan Greens:

John Paul reviewed the bids for the greens conversion project at Magellan (see memo attached). It was the staff's recommendation that we accept the bid from Champion Turf Farms of Bay City, TX in amount of 66,250. John advised there was an additional \$7,500 in the budget under Maintenance of irrigation systems for conversion of full circle heads around the greens to part circle heads. Discussion followed. This will be on the agenda for the February 15, 2012 regular board meeting.

Declaration Process:

Director Misch gave a preview of the next Board meeting relative to the Declaration process. He advised they were going to have a meeting within a meeting on February 15. He advised the Board voted to present a change in the Declaration to the membership on June 2011 to amend Article X, Section 4 to remove the one year limitation on special assessments. During June through September 2011, presentations were made to clubs, groups, town hall meetings to promote this choice. On September 9, 27,409 proxies were mailed to the members in good standing as of August 11, 2011. The quorum has been met. At our next board meeting on February 15, after the first comments and questions section, we will turn the meeting over to Attorney Don Schnipper who will announce that anyone who wishes to change their vote may do so by going to the lobby of the Woodlands requesting their proxy in exchange for a ballot. Anyone who hasn't yet voted can bring their proxy over and vote it at that time. Following this announcement, the POA Board meeting will reconvene. After adjournment of the regular meeting, Don Schnipper will announce the results.

Questions from the Audience Re: Other Business:

President Kosoglow called for questions from the audience. Deborah Jasicki stated she has started to notice that the people who helped establish this Village who have been here 40, 30, 20 years are just sitting in their homes waiting their time out. They aren't called senior citizens until they are 80 to get any of the benefits at reduced rates. She requested the Board consider dropping the senior citizen age to 75 or less. Her consideration was for the people who helped establish this Village in the first place. She has always been an advocate for challenged and disabled elderly people and sees in this community that we need to see what is going on with these people that have made it possible for us to enjoy what is here now and what is coming. President Kosoglow stated he appreciated her suggestion and would get back to her regarding this.

Director Bryant asked about the Election Day Committee. At the March 7 work session, fourteen names will be drawn to serve on this committee. Their appointment will be approved at the March 21 regular board meeting. Applications are now being accepted.

Mr. Jasicki advised he liked the retirement home and stated we really don't have an inspection system. If we are going to put something like this we should hire a licensed person or somebody with a background for electrical or plumbing so we don't go through all the problems we've had with all other buildings we've remodeled. It probably would pay for itself. Mr. Brandt advised that, starting the first of the year, anyone doing work is required to have a license. Steve White advised he was licensed. Mr. Kosoglow suggested Mr. Jasicki was welcome to visit Steve's office to discuss this.

Adjournment: The meeting was adjourned at 10:30 a.m.

Follow-up: Don Yucuis will review the impact on lowering the Senior rate.