

## LAPOA BOARD SPECIAL MEETING WITH LAYCC AND JOHNSON DEVELOPMENT

Location: Lake Arrowhead Sales Office

Date: 10-28-2011

LAPOA attendees: Johnny DeLoach, Curtis Ranum, Robin Roberts, Pitt Watts

Johnson Development attendees: Thomas Elsberry

LAYCC attendees: James Haslam, Shane Newton, Dotty Bonds

The meeting was called to order by Tommy Elsberry at 11:00 am.

This was an informational meeting to give the board, especially the new board members, an understanding of the Lake Arrowhead management structure.

In the early 1970's Purcell Co. Inc. began developing the area. Johnson Development Co. formed a joint venture called the Lake Arrowhead Communities, LLC in the 1980's. Johnson became and continues to be the managing partner for the development. Tommy Elsberry is the general manager for Johnson Development.

Purcell Co. is still involved and shares a yearly business plan and budget with Johnson. Purcell still owns Phase 1 undeveloped lots, common areas, the golf course, the clubhouse and roads in Lake Arrowhead. The Lake Arrowhead Utility Company is also owned by Purcell.

Lake Arrowhead management is performed through Lake Arrowhead Yacht and Country Club (LAYCC). It manages and maintains the amenities and infrastructure in Lake Arrowhead. LAYCC daily operations are run by HMS Golf, a management company. They are represented by:

James Haslam – Director of Operations

Shane Newton – General Manager/Head Golf Professional

Dotty Bonds – Property Manager

The survey was discussed and LAYCC thanked for their support. It was stated that the survey will be available in the November Environs, on the Website and at mailbox locations.

LAYCC presently carries and pays for liability insurance that includes coverage for the LAPOA board. The cost of the board's portion of the premium is about \$2,000 a year. LAYCC asked if the Board would consider picking up the board's portion of these costs that would be around \$2,000 at this time.

THE LAYCC monthly financial reports show that the uncollected property dues have been reduced by about 24% since the first of the year. Dottie Bonds handles collections during the first 90 days of default. Thereafter, collections are ongoing and a law firm in Canton handles these cases.

Tommy Elsberry stated that building new homes have been a disappointment this year. D.R. Horton is the present builder and has sold several homes but not as many as were hoped for. Next year they will build in the \$170,000 range to match competition in the surrounding areas.

Lots are a big focus:

- The Peninsula – 1 lot left
- Ridge lots – 1 lot developed
- Long View – 0 lots sold
- Next year, lakefront lots in Clearwater Park (old clubhouse) area will be offered for sale. This will not interfere with the present hiking trails in that area.

Phase 1 property values have dropped. Some homes are now available in the \$150,000 range. There have been 58 closings this year.

Prospect traffic is down 30% this year but that is still good for our area.

It was asked if a Conference Center has been considered and the answer was yes. It is felt such a center would bring in visitors from a wide area.

This year's budget shows that over \$20,000 has been spent in the lake and marina area as of the end of September. The marina is part of the common grounds that has five full time employees. Their salaries are not included in the \$20,000.

The welcoming of newcomers was discussed. At present all are given a packet through the sales office. This is an area we can look into if needed.

The meeting was adjourned at 12:00 pm.

---

Pitt Watts, Secretary  
Signature on file