



## Division of Youth Services

P.O. Box 1437, Slot S501 · Little Rock, AR 72203-1437  
501-682-8654 · Fax: 501-682-1351 · TDD: 501-682-1355



September 3, 2019

Anne Laidlaw  
Director, Division of Building Authority  
501 Woodlane St.  
Little Rock, AR 72201

Re: Justification for purchase of the 40 acre tract of land at 750 Lafayette 16, Lewisville (Lafayette County), Arkansas

Dear Ms. Laidlaw:

The Arkansas Department of Human Services, Division of Youth Services hereby submits justification for the purchase of the 40 acre tract of land at 750 Lafayette 16, Lewisville (Lafayette County), Arkansas. The Division of Youth Services certifies the proposed purchase is in compliance with the mandates of ACA § 22-9-104 and provides the following documentation to support this justification:

1. The formal offer and acceptance agreement between The Arkansas Department of Human Services and Farmers Bank & Trust Company for the sum of \$105,000.00;
2. The current appraisal performed by Joshua C. Barkhimer, RF, ACF effective June 12, 2019, valuing the subject property at \$350,000.00, and the signed appraiser's oath;
3. E098-04 disclosure forms pertaining to the agreement;
4. Title commitment and title insurance agent's license

The Division of Youth Services currently owns and operates the existing building on the 40 acre tract of land in reference, as the Lewisville Juvenile Treatment Center. Through state appropriation DYS certifies the purchase of the land in reference and its maintenance and operations will be facilitated within the Division's current FY20 operating budget.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Crump".

Michael Crump  
Division of Youth Services Director



## Division of Youth Services

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September 3, 2019

The Honorable Asa Hutchinson  
Governor, State of Arkansas  
State Capitol Building, Room 250  
Little Rock, AR 72201

Dear Governor Hutchinson:

Pursuant to the provisions set forth in Arkansas Code Annotated §21-1-403 (a)(2), I request permission to purchase the 40 acre tract of land at 750 Lafayette 16, Lewisville (Lafayette County), Arkansas from Farmers Bank & Trust Company in Magnolia, Arkansas.

At this time, Arkansas State Senator Bruce Maloch is the acting Vice-Chairman and General Counsel for Farmers Bank & Trust, and on behalf of the Company has accepted the offer and terms of the agreement set forth by the Arkansas Department of Human Services. The current appraisal valued the subject property at \$350,000.00, and the offer and acceptance agreement between The Department of Human Services and Farmers Bank & Trust totals \$105,000.00.

The Department of Human Services currently owns and operates the buildings on the subject property as the Lewisville Juvenile Treatment Facility. This residential facility has an operating capacity of 32, the total number of current residents is 24. The Division of Youth Services has maintained the subject property as part of the Treatment Facility's operational maintenance.

The approval of this purchase would allow for the Department of Human Services to legally own the 40 acres of land in which its Lewisville Juvenile Treatment Facility is currently located.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Crump".

Michael Crump  
Division of Youth Services Director

[humanservices.arkansas.gov](http://humanservices.arkansas.gov)

Protecting the vulnerable, fostering independence and promoting better health



**STATE OF ARKANSAS**  
**Department of Transformation and Shared Services**  
**Governor Asa Hutchinson**  
**Secretary Amy Fecher**

September 16, 2019

*Approved*  
*Asa Hutchinson*  
*9/23/19*

The Honorable Asa Hutchinson  
Governor, State of Arkansas  
500 Woodlane  
Room 250, State Capitol  
Little Rock, Arkansas 72201

Re: DHS-Division of Youth Services' Purchase of Property/40 acres/Lafayette County

Dear Governor Hutchinson:

In accordance with Ark. Code Ann. §22-6-601, your approval is being sought in the above-referenced matter. The Arkansas Department of Human Services, Division of Youth Services (DYS) is requesting your approval to purchase forty (40) acres of land that is currently being leased from the Farmers Bank & Trust (Lessor/Seller). DYS currently owns and operates the Lewisville Juvenile Treatment Center located on the 40 acres.

The Division of Building Authority (DBA) has reviewed the requisite documents to ensure that all requirements pursuant to §22-6-601 have been met. The DBA has issued a favorable recommendation as found in the letter from Anne Laidlaw attached.

Based upon the above and foregoing, I am also recommending that the proposed purchase be approved in the best interest of the State. Upon your determination, DBA will notify DHS-DYS of your decision. Should you have any questions or concerns, please contact me <phone # or other means for contact>.

Sincerely,

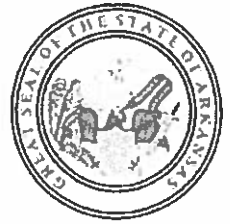
Amy Fecher, Secretary

**OFFICE OF THE SECRETARY**  
P.O. BOX 3522  
Little Rock, Arkansas 72203  
Phone: (501) 319-6565



**Office of Chief Counsel**  
Skye Martin

P.O. Box 1437, Slot S-260 Little Rock, AR 72203-1437  
501-320-6351 · Fax: 501-682-6720  
skye.martin@dhs.arkansas.gov



August 13, 2019

Bruce Maloch  
Vice-Chairman and General Counsel  
P.O. Box 250  
Magnolia, AR 71754-0250

Re: Offer and Acceptance of the 40 acre tract of land at 750 Lafayette 16, Lewisville (Lafayette County), Arkansas

Dear Mr. Maloch:

The Arkansas Department of Human Services, hereinafter referred to as Buyer, herewith submits to the Farmers Bank & Trust Company, hereinafter referred to as Seller, this offer to purchase the below described Property for the sum of \$105,000.00, hereinafter referred to as Purchase Price, subject to approval of the Governor of Arkansas and the seller, and subject to the following terms and conditions:

1. Closing date will occur at a mutually acceptable date to be agreed upon by both parties;
2. Seller shall allow the Buyer, or any of its agents, the right to enter upon the Property during the term of this Offer and Acceptance to make inspections of the Property. Buyer shall repair any damage made to the Property as a result of the inspections made. Buyer shall give reasonable notice to the Seller of its intent to enter upon the Property. Buyer shall have ten calendar days (review period) from date of Seller's Agreement to the Offer and Acceptance, to conduct feasibility analyses, and to determine if the Property is suitable, both physically and economically, for redevelopment. If the Buyer determines that the Property is not suitable for any reason or for no reason at all and at the Buyer's sole and absolute discretion, then the Buyer has the absolute right to terminate this Contract. In the event that no notice to accept the Property is given to the Seller at the conclusion of the review period, then this offer and acceptance will be considered to be terminated. In the event that notice is given to accept the Property, such acceptance is conditioned upon approval of the Governor.
3. a) Seller shall furnish to Buyer, at Seller's expense, a current commitment for owner title insurance policy of the described Property in an amount equal to the Purchase Price within ten calendar days after acceptance of this Offer and Acceptance. Seller shall have the title insurance policy delivered to Buyer prior to closing and pay the premium at closing. Seller shall deliver the policy in enough time to allow the Buyer

to obtain an opinion from the Arkansas Attorney General's office regarding the policy.

b) Buyer shall have the right to inspect the title commitment. Written notice by Buyer that the title is unmerchantable or of any other unsatisfactory title condition shown by the title commitment shall be signed by or on behalf of Buyer and given to Seller prior to closing.

c) Within three calendar days of Seller's acceptance of this Offer and Acceptance, Seller shall provide to Buyer true copies of any and all leases(s) and survey(s) in Seller's possession pertaining to the Property and shall disclose to Buyer all easements, liens or other instruments not shown by the public records of which Seller has actual knowledge. Seller shall disclose to Buyer within three calendar days after acceptance of this Offer and Acceptance, any information known to Seller that would affect the value of the Property including but not limited to litigation, environmental contamination, building restrictions, zoning, soil conditions, environmental studies, flood plain or floodway existence, and any other conditions. Seller shall cooperate with the Buyer in obtaining permits, consents, easements, and other legal processes affecting the Property necessary for Buyer to purchase the Property. Buyer shall have the right to inspect the Property to determine if any third party(s) has any right in the Property not shown by the public records (such as an unrecorded easement, unrecorded lease, or boundary line discrepancy). Written notice of any unsatisfactory condition(s) disclosed by Seller or revealed by such inspection shall be signed by or on behalf of Buyer and given to Seller.

d) If Seller receives notice the title is unmerchantable or any other unsatisfactory title condition(s) as provided in the subsections above, Seller shall use immediate and reasonable effort to correct said unsatisfactory title conditions(s). Buyer may waive objection to said unsatisfactory title condition or Buyer may terminate this Contract.

4. Seller will deliver at closing a general warranty deed free and clear of all liens and encumbrances;
5. Seller and Buyer will pro-rate any applicable real property or other taxes due for the calendar year in which this transaction closes. Seller is responsible for all applicable real property or other taxes for the previous years;
6. Seller shall provide executed Estoppel Certificates for all existing leases on the Property three calendar days prior to closing;
- 7. Seller and Buyer will be responsible for their shares of closing costs and each will be responsible for their own attorney's fees;**
8. Seller will cause any personal property now stored on the premises to be removed prior to delivery of possession;
10. Buyer shall be entitled to possession of Property as of closing;
11. Seller assures that all liens against the premises and all money owed on the

premises are the responsibility of Seller and any items not paid will be disclosed prior to closing;

12. Seller assures that there does not exist any unrecorded right of way for roadway, utilities or other matters;

13. Seller assures that there are no money judgments entered by a court against the Seller which constitute a lien on the Seller's real Property;

14. Seller assures that there are no unrecorded contracts of sale or options to purchase, or both, affecting title to the Property. Seller shall not without the prior written consent of Buyer enter into any new leases or occupancy agreements for space at the Property;

15. Seller will not terminate or enter into any renewal, extension, modification or replacement of any existing Service Contract(s) or enter into any new employment, maintenance, service, supply or other agreement relating to the Lafayette Property that is not terminable on ten days' notice or less without the express written permission of Buyer.

16. Buyer will provide a survey of the Property;

17. Seller shall disclose to the Buyer any environmental hazards contained within or existing on the Property. Prior to closing Seller agrees at its sole expense to remove from the Property, and to repair any damage associated with such removal, any medical waste, radioactive materials or hazardous materials. Seller shall indemnify Buyer and hold Buyer harmless from and against all claims, demands, liabilities, expenses (including but not limited to reasonable attorneys' fees and costs), loss or damage of any nature whatsoever rising directly or indirectly out of such hazards.

18. Seller has received no notice alleging or claiming any violation of zoning, health, environmental, or other laws, rules or regulations affecting the Property and Seller has no knowledge of any such violations and will promptly notify Buyer if prior to closing, Seller receives such notice.

19. This Property is known as the 40 acre tract of land at 750 Lafayette 16, Lewisville (Lafayette County), Arkansas. Its legal description is:

THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER, (SE<sup>1</sup>/<sub>4</sub> OF NE<sup>1</sup>/<sub>4</sub>), OF SECTION THIRTY TWO (32), TOWNSHIP SEVENTEEN (17) SOUTH, RANGE TWENTY FOUR (24) WEST, LAFAYETTE COUNTY, ARKANSAS, CONTAINING FORTY ACRES, MORE OR LESS.

20. The sale includes all oil, gas and other mineral rights with the exception of any prior reservations of oil, gas, or other minerals;

21. Any notice to be given by either party to this Agreement shall be in writing and shall either be delivered personally, or by telecopy or other commercial delivery service addressed as follows:

Seller: Farmers Bank & Trust Company  
P.O. Box 250  
Magnolia, AR 71754-0250

Buyer: Arkansas Department of Human Services  
P.O. Box 1437, Slot S-260  
Little Rock, AR 72203-1437

Notice shall be deemed given on receipt, if delivered by hand or by telecopy, or when delivered to the carrier delivering same, delivery charges paid and properly wrapped, sealed and addressed. Any party hereto may change the address to which notices are to be sent by a written notice given to the other parties to this Agreement in the manner set forth above;

22. The parties acknowledge and agree that Buyer owns all buildings and fixtures located on the Property and upon closing of the Property, the lease between Buyer and Seller pertaining to the Property will be terminated.

23. Failure to make any disclosure required by Governor's executive order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a material breach of the terms of this contract. Any contractor, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the agency.

24. Both parties acknowledge that the real property transfer tax (revenue stamps) imposed by Ark. Code Ann. § 26-60-105 does not apply to this transaction pursuant to §26-60-102(1) since this transaction involves a transfer to an agency of the State of Arkansas.

25. This Agreement embodies the entire contract between the parties hereto with respect to the Property and supersedes any and all prior agreements and understandings, written or oral, formal or informal. No extensions, changes, modifications or amendment made or claimed by Seller or Buyer shall have any force or effect whatsoever, unless the same is contained in writing and is fully executed by the party against who such matter is asserted;

26. This Agreement shall be governed by the laws of the State of Arkansas;

27. If any term or provision of this agreement shall be held to be illegal, invalid, unenforceable or inoperative as a matter of law, the remaining terms and provisions of this Agreement shall not be affected thereby, but each such remaining term and provision shall be valid and shall remain in full force and effect.

This offer terminates three working days from the date of this letter.

Sincerely,



Skye Martin, Attorney for Arkansas Department of Human Services

The foregoing offer is accepted this 13<sup>th</sup> day of August, 2019.



Seller

For: Farmers Bank + Trust Company





June 20, 2019

Michael Crump  
Arkansas Department of Human Services  
Division of Youth Services  
c/o: Richard Rosen, ADHS – Office of Chief Counsel  
P.O. Box 1437, Slot S260  
Little Rock, AR 72203

Re: Appraisal of ±40 acres of land in Lafayette County, AR.

Mr. Crump:

Pursuant to your request and in compliance with the Uniform Standards of Professional Appraisal Practice, I have performed an appraisal of the market value for the ±40 acres of land located in Lafayette County, Arkansas. Based upon inspection of the property and review and analysis of the information I was able to extract from the market, my opinion of market value for the fee simple interest in the subject property as of June 12, 2019, the effective date of this appraisal, is:

**\*\* Three Hundred Fifty Thousand Dollars \*\***  
**\$350,000.00** (rounded)

Please note that this appraisal was performed under a hypothetical condition that the structural improvements located on the property and the ancillary improvements associated with those improvements do not exist. Contained within the body of the following narrative appraisal report you will find my opinions and conclusions. In the addendum of the report you will find supporting data on which my opinions are based. Thank you for the opportunity to assist you in this matter. I have retained a file of all working documents, etc. Should further review be required, please feel free to contact me.

Respectfully,

Joshua C. Barkhimer, RF, ACF  
Certified General Appraiser #CG1789

