



## Memo

**To:** Board of Directors  
**From:** Tucker Omohundro, Vice Chair  
**Date:** February 16, 2022  
**Re:** Motion – Approve Revision to Chapter 1, Article 15 Property Owners Association Identification Cards

### Motion

I move to approve the revision to Chapter 1, Article 15 Property Owners Association Identification Cards Policy to include the following:

Section 2, (I), 2. Acquisition of Title Through Inheritance. A new property owner will not be charged a buy-in fee if it can be documented that the new owner acquired title through a testamentary transfer. This applies to a beneficiary under a will, an heir by intestate succession or a distributee of a statutory small estate all as established by the state law of residency of the decedent and the laws of the State of Arkansas. Proof of said inheritance will require a copy of a court order and recorded deed of transfer.

### Background

The Board of Directors approved the new Buy In Fee with the 2022 Fee Schedule at the Board Meeting on October 20, 2021. After further deliberation, the recommendation has been presented to allow an exception for individuals who inherit title to a property in Hot Springs Village. The addition of Section 2, (I), 2. Acquisition of Title Through Inheritance, will officially allow for this exception.

Per this update to policy, the Buy In Fee would not apply to testamentary transfers, or those transfers passing under a will or by intestate succession.

The Board discussed this topic at the February 2, 2022, Board Discussion Session.

**ARTICLE 5**  
**PROPERTY OWNERS ASSOCIATION IDENTIFICATION CARDS**

**SECTION 1. GENERAL POLICY:**

Identification cards for members, guests, visitors and others will be issued so as to facilitate entry into Hot Springs Village by those authorized to do so.

**SECTION 2. DEFINITIONS:**

A. Member

As defined by the Declaration Article III, Section 1.

B. Member in Good Standing

As defined by the Bylaws Article I, Section 9.

C. Assignee – Anyone who is not a Member but assigned limited membership privileges on an “Assigned Privilege Designation Form”.

D. Membership Transfer Fee

An administrative service charge for any membership change from a recorded deed.

E. Assignment Fee

An administrative service charge for any assignment in membership privileges.

F. New Property Owner

Property owner acquiring legal title to an improved or unimproved parcel (“Parcel”) within Hot Springs Village for the very first time after January 1, 2022. New property owners will also include those who have acquired a Parcel and also previously owned a Parcel in which title was divested more than one year prior to the acquisition of the present Parcel.

G. New Property Owner Buy In Fee

A fee charged to new property owners for their share of the various Hot Springs Village amenities in comparison to the long term financial support provided by existing property owners. Fee is applicable only to new property owners who acquire legal title on or after January 1, 2022.

H. New Property Owner Transition Fee

A fee charged to a new property owner transitioning from an unimproved to an improved Parcel. Fee is applicable only to new property owners who acquire a Parcel on or after January 1, 2022.

I. New Property Owner Buy In Fee Exceptions Grace Period

1. Prior Ownership. A new property owner will not be charged a buy-in fee if it can be properly documented that the new owner was legally vested in a Parcel up to one year prior to the acquisition of the present Parcel. The owner of the new Parcel must have the same federal tax ID as the previous Parcel owner. HSV Administration will be able to verify previous ownership up to and including 90 days prior to the acquisition of the present Parcel. Beyond 90 days the burden of proof will shift to the property owner to demonstrate with appropriate documentation that the property owner previously held legal title to a Parcel within the applicable one year period. The decision of HSV Administration shall be final as to whether or not the burden of proof has been met.

2. Acquisition of Title Through Inheritance. A new property owner will not be charged a buy-in fee if it can be documented that the new owner acquired title through a testamentary transfer. This applies to a beneficiary under a will, an heir by intestate succession or a distributee of a statutory small estate all as established by the state law of residency of the decedent and the laws of the State of Arkansas. Proof of said inheritance will require a copy of a court order and recorded deed of transfer.

**SECTION 3. POA IDENTIFICATION CARD POLICIES:**

- A. Issued at the Property Owners Association administration office to all having authorization to enter the Village.
- B. Two types will be issued, a photo, and a non-photo.
- C. The issuance of all POA Identification Cards is contingent upon the Member being in good standing.
- D. No more than two membership cards are to be issued per lot or living unit.
- E. Except where noted, the POA Identification Cards gives unlimited access to the Village to amenities and facilities owned and operated by the Property Owners' Association at the published rate for the card classification.
- F. Privilege Designations may not be changed more often than annually.
- G. If two individuals, not in the same household, are designated to receive a membership card, dependent cards are not allowed for either.

**SECTION 4. ASSIGNMENT OF PRIVILEGES:**

- A. The Member's privileges of use of amenities and facilities is assignable. Such delegation of privileges is a matter between the Member and the Assignee. The POA shall not assist the Member in obtaining assignees, nor in the collection of fees and assessments after the initiation of the assignment. The Association will provide the necessary forms and guidelines to complete an assignment.
  - A. An "Assigned Privilege Designation Form" must be submitted along with an assignment fee charged by the Association for handling such assignments.
  - B. Assigned Privilege Designations may not be changed more often than annually.

The Member's privilege of use of facilities (except ingress and egress to property) shall be suspended during the period of the assignment. An assignment shall be canceled by either party at any time upon proper notification to the Association

**SECTION 5. POA IDENTIFICATION CARD CLASSIFICATIONS:**

A. Member - Issued to those persons who are identified on the recorded deed or on the Privilege Designation Form. Eligible for "Member" rate.

B. Assignee – Issued to those persons who are identified on an "Assigned Privilege Designation Form". Eligible for "Member" rate.

C. Dependent - Issued to those persons who meet all of the following criteria:

- a. Are related by blood or by law to the Member/Assignee.
- b. Are provided living facilities by the Member/Owner.
- c. Are solely, or partially dependent on the Member/Assignee, and/or mentally, or physically disabled.
- d. Are accepted by the IRS as a dependent. Eligible for "Member" rate.

D. Family - Issued, upon request of Member, or Assignee, to the following who are related by blood, or law:

1. Sons and Daughters
2. Sons-in-law and Daughters-in-law
3. Parents
4. Grandparents
5. Grandchildren

Eligible for "Family Member" rate.

E. Resident/Tenant

Residents who do not hold another classification of identification card are entitled to a Long-Term Renter Card, provided that they are sponsored by a Member, or a bona fide rental agent. Eligible for "Guest" rate.

F. Temporary - Issued as an interim Membership Card until such time as a regular Membership Card is issued. This card is for a limited (dated) duration. To be issued to Los Lagos owners for utilization during their time-share allotment. Eligible for "Member" rate.

G. Guest - Issued to guests of Members and individuals with a short-term rental arrangement. The name of the guest, the sponsoring party and an expiration date must appear on the card. The expiration date will not exceed the length of stay or term of lease and generally, should not exceed thirty days. Eligible for "Guest" rate.

H. Visitor – Issued to persons who are not Members nor guests of Members who seek to enter the Village and have proof of authorized entry from a POA approved entity such as a church, service club, business, professional practice, or ticketed event or activity at which Visitor attendance has been approved. Vendors who provide services to Members and residents are considered Visitors and must have proof of authorized entry. Visitors are eligible for access only to their sponsoring entity and are not eligible for access to POA recreational amenities (unless included in a purchased event or activity).

I. Employee - Issued to persons employed by the P.O.A. Eligible for “Employee” Rates.

J. Volunteer - Issued to volunteers serving the P.O.A. Eligible for special rates.

K. Work - Issued to those persons who are working in the Village that are not residents nor Members. This identification card is only for access to the Village, and not for recreational uses.

#### **SECTION 6. MANAGEMENT CONTROLS**

A. A POA Identification Card must be shown to a P.O.A. employee on demand for the purpose of identification and/or access to P.O.A. amenities and facilities. Additional identification procedures may be initiated from time to time by management to facilitate control and equitable use of facilities.

B. Abuse of the Guest or Visitor passes by any sponsoring party or entity could result in the revocation of privileges. These cards are not to be utilized in lieu of a work pass.

#### **SECTION 7. AUTHORITY**

The GM and staff are responsible for the development of a standard operating procedure (SOP) to insure the most effective and efficient implementation of the policy.

01-18-99, Adopted BOD 01-27-99, 03-24-99, 09-19-01, Rev. 09-20-06, Rev 10-17-07, 01-16-19, 01-15-20, 06-17-20, 12-15-21