Hot Springs Village Property Owners Association (HSVPOA)
Policy Guide

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CHAPTER ONE - GENERAL ADMINISTRATION

ARTICLE 1 - PERSONNEL POLICY

SECTION 1 - HANDBOOK ADMINISTRATION

The HSVPOA shall have a written Manual (Employee Handbook) administered and maintained by the General Manager (GM) that shall provide employees with information regarding their employment with HSVPOA.

SECTION 2 - HANDBOOK COMPLIANCE

The Employee Handbook shall contain provisions intended to comply with all applicable federal and state law.

SECTION 3 - DEFINITIONS

The Employee Handbook shall define and describe personnel rules and regulations including pay treatment, fringe benefit administration and grievance and disciplinary procedures that are intended to be fair and equitable among all employees. The Employee Handbook shall be within HSVPOA's ability to fund in accordance with appropriate budget approvals by the Board of Directors.

SECTION 4 - COMPETITIVE MARKETPLACE

The Employee Handbook shall be competitive in the marketplace to attract and retain employees.

SECTION 5 - HANDBOOK AMENDMENT

The Employee Handbook can be amended by the GM in compliance with the above provisions.

SECTION 6 - EQUAL EMPLOYMENT OPPORTUNITY

In order to provide equal employment opportunities to all individuals, employment decisions at HSVPOA shall be based on merit, qualifications and abilities. HSVPOA does not discriminate in employment opportunities or practices on the basis of race, color, religion, sex, national origin, age, disability, veteran status or any other characteristic protected by law.

SECTION 7 - EMPLOYEE STATUS

All hiring and changes in employee status shall be approved by the GM. The GM shall review all terminations of Division Directors with the Board of Directors prior to final action unless immediate action is otherwise warranted. Hiring for newly created positions shall be in accordance with the approved annual budget. Hiring of the GM shall be the responsibility of the Board of Directors.

SECTION 8 - GM EMPLOYMENT AGREEMENT

Compensation of the GM shall comply with the GM Employee Agreement and shall be administered by the Board of Directors.

SECTION 9 - GM ANNUAL PERFORMANCE

The annual performance of the GM shall be administered and maintained by the Board of Directors.

SECTION 10 - CONFIDENTIALITY

Personnel matters shall be considered confidential.

Adopted B.O.D. 2-21-01, Amended 1-21-09, 5-16-12, 12-19-12, 04-18-18, 01-15-20, 06-17- 20, 7-3-24, 04-16-25

ARTICLE 2 - VEHICLE ASSIGNMENT & USE

SECTION 1 - HSVPOA VEHICLE USAGE

HSVPOA personnel required to travel each day in the performance of their job may use or be assigned a HSVPOA owned vehicle for business purposes only. Personal use of any HSVPOA vehicle is not allowed, except for de minimus uses in connection with work related travel.

SECTION 2 - VEHICLE ASSIGNMENT

HSVPOA vehicles or a car allowance may be assigned by the General Manager to an employee for transportation to and from his/her home, when such is a condition of employment or required by their job duties. All appropriate Internal Revenue Service tax codes shall be followed with respect to any benefit received.

SECTION 3 - REIMBURSEMENT FOR PERSONAL VEHICLE USE

Personnel required to use their personal vehicle for business purposes will be reimbursed, using the Internal Revenue Service mileage allowance as a guide, and by established reimbursement procedures.

SECTION 4 - REQUIREMENTS

Personnel will be required to meet the personnel policies, insurance, reimbursement policies, and all other requirements as set forth in the vehicle use and credit card procedures.

Adopted 10-76 B.O.D., Amended 6-21-89, 7-25-89, 1-25-95, 7-20-05, 2-21-18, 06-17-20, 07-03-24, 04-16-25

ARTICLE 3 – REFUNDS OF ANNUAL FEES

(green fee, cart lease, fitness center or Coronado tennis)

A refund will be given in case of death, to be prorated monthly from the month after death and paid to the surviving spouse or estate. A refund will be given in case of a permanent medical disability for duration of fee year with a statement from his/her physician, (medical information will not be stored by HSVPOA) to be prorated monthly from the month after disability. Prorated is defined as annual fee divided by 12 months then multiplied by number of full months to the end of the calendar year.

The permanent medical disability refund is a one-time occurrence and the Property Owner forgoes the ability to purchase the same annual fee pass for any future year.

Disabilities that are not permanent do not qualify for a refund.

A prorated refund will be given to employees of HSVPOA with a hire date after date of purchase of annual fee and within the same calendar year. Refund must be in the form of a credit to employee's HSVPOA account.

New volunteers are not eligible to receive annual refunds.

Property Owner refunds must be requested in writing to the Controller. Prorated refunds will not be considered for anything other than an annual fee listed above.

HSVPOA employee refunds must be requested by the employee's supervisor and approved by the Human Resources Department and General Manager.

BOD approved: 12-16-09, 05-18-16, 06-17-20, 06-15-22, 07-03-24, 04-16-25

ARTICLE 4 - HSVPOA IDENTIFICATION CARDS

SECTION 1 - GENERAL

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

SECTION 3 - HSVPOA IDENTIFICATION CARD POLICIES

A. Issued at the HSVPOA Administration office to all having authorization to enter Hot Springs Village.
B. Two types will be issued, a photo, and a non-photo.
C. The issuance of all HSVPOA Identification Cards is contingent upon the Member being in good standing.
D. Membership cards are to be issued to one household per lot or living unit, as described in Section 3(f) of Article VIII of the Declaration.
E. Except where noted, the HSVPOA Identification Cards give unlimited access to Hot Springs Village amenities and facilities owned and operated by HSVPOA at the published rate for the card classification.
F. Privilege Designations may not be changed more often than annually; must comply with Section 3(f) of Article VIII of the Declaration, cannot exceed the one household restriction, and are subject to published rules and regulations of HSVPOA.

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. HSVPOA shall not assist the Member in obtaining assignees, nor in the collection of fees and assessments after the initiation of the assignment. HSVPOA will provide the necessary forms and guidelines to complete an assignment.
B. An "Assigned Privilege Designation Form" must be submitted along with an assignment fee charged by HSVPOA for handling such assignments.
C. Assigned Privilege Designations may not be changed more often than annually.
D. 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 and return of ID cards to HSVPOA.

SECTION 5 - HSVPOA 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
    i. are related by blood or by law to the Member/Assignee
    ii. are provided living facilities by the Member/Owner
    iii. are solely, or partially dependent on the Member/Assignee, and/or mentally, or physically disabled
    iv. 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
    i. Sons and Daughters
    ii. Sons-in-law and Daughters-in-law
    iii. Parents
    iv. Grandparents
    v. Grandchildren

    Eligible for "Family Member" rate
E. Resident/Tenant, issued to 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 Bonafide rental agent, eligible for "Guest" rate
F. Temporary, issued as an interim Membership Card until such time as a regular Membership Card is issued
    i. This card is for a limited (dated) duration
    ii. To be issued to Los Lagos owners for utilization during their time-share allotment
    iii. Eligible for "Member" rate
G. Guest, issued to guests of Members and individuals with a short-term rental arrangement
    i. The name of the guest, the sponsoring party and an expiration date must appear on the card
    ii. The expiration date will not exceed the length of stay or term of lease and generally should not exceed thirty days
    iii. Eligible for "Guest" rate
H. Visitor, issued to persons who are not Members or guests of Members, who seek to enter Hot Springs Village and have proof of authorized entry from an HSVPOA approved entity such as a church, service club, business, professional practice, or ticketed event or activity at which Visitor attendance has been approved.
    i. Vendors who provide services to Members and residents are considered Visitors and must have proof of authorized entry

ii. Visitors are eligible for access only to their sponsoring entity and are not eligible for access to HSVPOA recreational amenities (unless included in a purchased event or activity)

I. Employee, issued to persons employed by HSVPOA, eligible for "Employee" rates

J. Volunteer, issued to volunteers serving HSVPOA, eligible for special rates

K. Work, issued to those persons who are working in Hot Springs Village that are not residents or Members, this identification card is only for access to Hot Springs Village, and not for recreational uses.

SECTION 6 - MANAGEMENT CONTROLS

A. HSVPOA Identification Card must be shown to an HSVPOA employee on demand for the purpose of identification and/or access to HSVPOA 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 ensure the most effective and efficient implementation of the policy.

01-18-99, Adopted BOD 01-07-99, 03-24-99, 09-19-01 , Rev.0 9-20-06, Rev 10-17-07, 01-16-19, 01-15-20, 06-17-20, 12-15-21, 02-16-22, 02-21-24, 04-16-25

ARTICLE 5 - MANAGEMENT CONTROL

SECTION 1 - GENERAL

The affairs of HSVPOA shall be governed by a seven (7) member Board of Directors, elected by the Membership, and managed by the General Manager (GM), who shall serve as a non-voting member of the Board.

Management authority for the affairs of HSVPOA shall be delegated to the GM, hired by the Board for that purpose. The GM shall operate within the framework of the policies, general procedures, and budgets approved by the Board.

SECTION 2 - BOARD OF DIRECTORS

After the term expirations of the initial Board, all members are elected by the Membership for three (3) year terms. Members of the Board receive no remuneration for service.

The Board shall exercise budgetary control of HSVPOA funds and approve capital improvement programs for the development of Hot Springs Village. The Board shall review and approve operational policies proposed by management.

The Board shall sit in public session once each month to review current operation of HSVPOA, make decisions on member related requests not within the scope of established policy, and consider budgetary changes.

SECTION 3 - GM MANAGEMENT

The GM is appointed by the Board and serves at the pleasure of the Board. Individual members of the Board shall not normally assume duties in the actual daily management of HSVPOA affairs, nor individually direct any activity specifically delegated to the GM.

Management of HSVPOA is delegated to the GM who shall exercise full management authority over the daily affairs of HSVPOA. The GM, in accordance with Article 1, Personnel Policies, shall organize and employ personnel to effectively perform the functions of HSVPOA, prepare the necessary budgets, and establish controls.

Adopted 11-83, B.O.D., Reviewed 5-17-89, No change, Rev. 04-15-15, 04-18-18, 06-17-20, 4-16-25

ARTICLE 6 - COMMUNICATIONS

SECTION 1 CENTRALIZATION

A. Outward facing communications, verbal or written, shall be submitted only by the person(s) designated by the General Manager. The exception are emergency releases relating to official law enforcement, which shall be created and distributed by the Police and or Fire Department.
B. Communications derive from one account, from a compiled list of subscribed member and non-member email addresses. The subscriber list shall be maintained and updated for addition or deletion, upon the request of the recipient.
C. Normal communications consist of
    i. Weekly Digest
    ii. Public Service Bulletins
    iii. Marketing e-blasts, at the request of each department, and the approval of the GM
    iv. Board Briefs, at the request of the Board President, and created by their designee, published on an as needed basis
    v. Press Releases, as approved by the Board President or GM

SECTION 2 - BRANDING AND CONTENT

A. Outward-facing communications, verbal or written, must align with and be consistent with the branding and messaging established by the HSVPOA Marketing & Business Development, and be approved, in advance, by the General Manager or their designee.
B. Mass e-mails will not be used for political statements, expressions of personal opinion, personal business, unauthorized fundraising, solicitation or commercial promotions.

SECTION 3 - FORMATTING

A. Outward-facing communications must include the current HSVPOA logo at the top of the first page. The logo can be placed right, left or center and should be the correct color version whenever possible. Communications must be approved by the General Manger or his/her designee.
B. All outward-facing communications must include a footer, when applicable, containing, at a minimum, the date the original document was created plus the date of any revision(s).

Adopted: 9-18-24, 04-16-25, Revised 04-16-25

ARTICLE 7 - MASS EMAIL

Purpose: This policy reflects HSVPOA decision to use email as a form of communication with property owners and residents of Hot Springs Village.

To facilitate electronic communication among property owners and residents, HSVPOA offers electronic mailing list services to all property owners, residents and any other recognized group which are issued unique ID numbers.

Mass emails are electronic mailings in which the message is sent to members of various groups. Those property owners wishing to receive information must enter their email address and subscribe to receive the information/email alerts.

Email messages are limited to official HSVPOA communications and must be approved by the General Manager or his/her designee before any messages are sent.

Mass email will only be used for items related to HSVPOA. Mass emails will not be used for political statements, expressions of personal opinion, personal business, unauthorized fundraising or solicitation or commercial promotions.

Adopted 1-21-09 B.O.D., 04-15-15, 01-16-19, 06-17-20, 04-16-25

ARTICLE 8 - RECORDS AVAILABILITY

As stated in the Bylaws, Article XV, Section 1, The Books, records, and papers of the incorporated Association may be inspected by any member for proper purpose at any reasonable time.

SECTION 1 - REQUESTS

Members may request copies of records, for proper purpose, at their expense. Fees will be based on volume and staff availability.

SECTION 2 - AUTHORIZED AGENCIES

Upon proper identification, all federal, state or local agencies authorized by law shall have access to HSVPOA records. If information in excess of contact information is accessed, the affected Member(s) will be notified, if legally allowed, and informed of the identity of the party making the request.

SECTION 3 - EVALUATION

Proper purpose for access to personnel records will be evaluated by the Human Resources director. Access to all non-personnel records will be evaluated for proper purpose by the General Manager (GM).

SECTION 4 - DENIALS & APPEALS

Access denials to HSVPOA records will be evaluated by the GM. Members may appeal the GM's denial decision to the HSVPOA board.

Adopted 10-76, B.O.D., Amended 11-76, 02-21-18, 01-15-20, 06-17-20, 04-16-25

ARTICLE 9 - RULES VIOLATION, VERBAL/PHYSICAL ABUSE OR ABUSE OF PROPERTY

SECTION 1 - GENERAL

All rules, regulations and procedures for the operation of all HSVPOA facilities shall be duly enacted to ensure equitable use by all members, guests and visitors to maintain acceptable standards of operation.

It is the responsibility of all HSVPOA employees to prevent abuse of HSVPOA property and to help ensure that all members, guests and visitors abide by all HSVPOA rules and regulations. Members are responsible for the actions of their guests and visitors.

SECTION 2 - RULES VIOLATIONS

Observation by an employee of a rule violation shall be called to the attention of the offending party by the employee or his/her immediate supervisor along with an explanation of the correct procedure. Such contact with a member, guest or visitor must be conducted in a courteous, firm and reasonable manner.

In the event the member, guest or visitor refuses to accept direction and explanation of rule violations, the observing employee will advise the member, guest or visitor that such violation will be referred to his or her immediate supervisor

The employee's supervisor, after being advised of the violation, shall attempt to obtain compliance of the member, guest or visitor. Failure to secure cooperation of the member, guest or visitor shall be sufficient cause to direct the party to leave the facility. The supervisor will, as soon as possible, advise the General Manager (GM) of such incident and also prepare a written report.

SECTION 3 - VERBAL OR PHYSICAL ABUSE

Engagement in any abusive or harassing behavior, either verbal or physical, or any form of intimidation or aggression directed at HSVPOA employees, Board members, members and all others is prohibited. Employees shall report such incidents to their immediate supervisor, prepare and submit a written HSVPOA Incident Report, and inform the Community Support.

SECTION 4 - ABUSE OF PROPERTY

An employee observing physical abuse of HSVPOA property shall immediately request cessation of such action. Failure to secure cooperation from the offending party shall be pursued in the same manner as rule violations except that expediency is much more critical where destruction or damage to property is involved.

SECTION 5 - OBTAINING COMPLIANCE

An employee shall not attempt to secure compliance by physical force. Neither shall the employee submit to verbal or physical abuse. Should such action appear imminent, the employee or supervisor should leave the area immediately and refer the matter to the Hot Springs Village Police Department (HSVPD) for further action.

Threats of violence or retribution against HSVPOA shall be pursued with all diligence as provided by law. Personal threats against individuals resulting from their performance in carrying out their HSVPOA responsibilities should immediately be reported to the HSVPD and Community Support for a determination of appropriate action.

Repeated violations shall be reported in writing to the GM through Community Support. Repetitive violations shall be sufficient cause for an immediate suspension of privileges.

Any incident or violation involving threats or violence shall be referred to the GM at the earliest possible moment after the HSVPD is notified. All employees (except HSVPD Officers) shall abstain from further contact upon arrival of the HSVPD at the scene. A copy of the HSVPD incident report shall be furnished to the GM upon completion.

SECTION 6 - PENALTIES AND APPEALS

Violation penalties provided in Article VIII, Section 3 (c) and (j) of the Declaration and Article III of HSVPOA Bylaws are referred to the General Manager and may determine that suspension of membership privileges, denial of access to non-members, contractors, and employees or other action is necessary.

A. An Administrative Fines Review or Appeals form will be provided to the Property Owner along with the written notice of the fine. This form must be completely filled out and returned to HSVPOA within 30 days of receipt if the Property Owner wishes to contest the fine.
B. Property Owners may request a review by the General Manager (GM) if they believe fines have been assessed in error.
C. Staff will provide any contributing documentation for GM's review.
D. GM's decision will be communicated in writing to the Property Owner within 14 days of receipt of the form. If the Property Owner wishes to appeal to the Board of Directors (Board) further, they must notify the GM using the Administrative Fines Review or Appeal Form within 10 days from receipt of the GM’s decision.
E. GM will notify the Board Chair of the Appeal and provide the completed Administrative Fines Review or Appeals Form as well as any contributing documentation for the Board's review.
F. The appeal will be decided by the Board no later than 60 days from the initial receipt of the Administrative Fines Review or Appeals form.
G. The Property Owner will be given an opportunity to present their case to the Board in person, or they can rely on the information they have furnished with the Administrative Fines Review or Appeals form.
H. The fine will be upheld unless the underlying complaint was issued improperly, or in error, or unless the appellant had no opportunity for timely compliance.
I. A written letter detailing the decision of the Board will be mailed to the property owner within 5 days of the decision.
J. The Board will state the basis for its decision on the Administrative Fines Review or Appeals form.

K. All notes and file attachments will be retained by the HSVPOA Community Support Manager as part of the official record.

L. The decision of the Board of Directors will be final.

Adopted 10-76, B.O.D., Amended 11-76, 4-25-90, 01-16-19, 06-17-20, 11-18-20, 12-21-22, 04-16-25

ARTICLE 10 - CONDUCT

SECTION 1 - CONDUCT

All who enter the gates of Hot Springs Village are expected and required to conduct themselves in a reasonable, lawful and courteous manner at all times. By Policy members are responsible for the conduct of their guests. Conduct contrary to this requirement will subject the person(s) to punishment by suspension of privileges in accordance with Article VIII, Section 3(J) of the Declaration and Protective Covenants and Article III of HSVPOA Bylaws. The requirement shall apply to all household persons of such members or guests.

SECTION 2 - MEMBERSHIP & GATE CARDS MISUSE

Membership cards and cards issued for the operation of the electric entrance gates are for use only by the person to whom the card is issued.

Misuse of a membership card or a gate card is in violation of Article VII Section 3 c) and f) of the Declaration. Violators are subject to possible suspension for a period not to exceed thirty (30) days under Article III of the Bylaws.

The use of electronic gate cards that are attached to a lot that is more than ninety days delinquent will be suspended. When the assessment account returns to good standing the electronic gate cards will be reinstated.

Adopted 3-23-83, B.O.D., Amended 5-17-89, 4-25-90, 6-17-09, 04-16-25

ARTICLE 11 - INFORMATION SYSTEMS

SECTION 1 - PURPOSE

The intent is to safeguard the HSVPOA Information System against loss, damage, misuse, compromise, and system failure. This policy also includes all forms of HSVPOA owned electronic communications and computing devices including, but not limited to, electronic mail, internet services, voice mail, cellular communications, personal computers, network servers, cellular/mobile phones, and all other information technology devices used to communicate or transmit HSVPOA owned information.

SECTION 2 - RESPONSIBILITY

The Information Technology Department is responsible for ensuring proper handling, and maintaining confidentiality, integrity, and availability of all of its network resources and data.

SECTION 3 - PERSONAL COMPUTER SYSTEMS

The departmental users are responsible for the proper handling of computer equipment, maintaining the confidentiality of the information contained within the software and files they use, and ensuring that overall information security is properly maintained in their usage of those computer resources.

SECTION 4 - COMPUTER AND TELECOMMUNICATIONS USER RESPONSIBILITIES/RULES

Computers, and telephones provide access to resources on and off HSVPOA premises, and the ability to communicate with other users. Such open access is a privilege, and requires that individual users act responsibly. Users must respect the rights of other users, respect the integrity of the systems and related physical resources, and observe all laws, regulations, security best practices, and contractual obligations.

Users will protect the confidentiality and privacy of computer data, including personnel information, individual property owner financial information and any other personally identifiable information (PII) protected by applicable law. All electronic communications transmitted, received and stored are the property of HSVPOA, as allowed by applicable law.

HSVPOA management reserves the right to access personal computer files, emails, and other network communications as appropriate and necessary to protect the integrity and confidentiality of the systems. HSVPOA may audit accounts that are suspected of unauthorized use or misuse, or that have been compromised, corrupted or damaged.

Examples of misuse include, but are not limited to, the activities in the following list.

A. Using a computer or user account without authorization
B. Breaking into other user accounts: for example, using password-guessing or other password-stealing programs

C. Using the HSVPOA Network to gain unauthorized access to any computer systems within or outside the HSVPOA network
D. Sabotaging normal operation of computers, terminals, peripherals, or networks
E. Installing, running, or providing to other users malicious software intended to damage computing resources or compromise data security
F. Attempting to circumvent data protection schemes or uncover security loopholes
G. Violating terms of applicable software licensing agreements or copyright laws
H. Deliberately wasting computing and other information resources
I. Using any electronic, or voice communications to slander or harass others
J. Forging electronic communications from other users
K. Masking the identity of an account or machine
L. Posting online materials that violate existing laws
M. Unauthorized monitoring or tampering with another user's electronic communications, or reading, copying, changing, or deleting another user's files or software without the explicit approval of the Information Technology Department, within the limits of applicable laws
N. Use of any HSVPOA information systems in a manner that violates local, state, or federal laws
O. Altering any computer system, network server, networking device or any other computing resource without the explicit permission of the Information Technology Department
P. Using HSVPOA computing and communication resources to attempt to gain unauthorized access to any outside entity, vendor, or partner networks, data, or computers

Adopted 7-28-82, Amended 10-22-97, 9-12-01, 10-17-01, 05-19-21, 04-16-25

ARTICLE 12 - INSURANCE CLAIMS & LITIGATION

Contract execution policy and related spending limits in Chapter 9, Article 2 shall govern decisions to enter into agreement or litigation under this policy.

SECTION 1 - INSURANCE CLAIMS

Through its daily operations, the Corporation is subject to claims being filed against a direct liability or a liability against its insurance. The GM or their designee is assigned the responsibility to manage and control the disposition of claims.

SECTION 2 - LITIGATION

A. Delinquent Assessments - All legal action necessary to pursue the collection of assessments is to be administered by the GM under the provisions of applicable federal and state law, the Declaration, Bylaws and Policies.
B. Enforcement of Declaration and Governance Policies - Any legal action required to pursue the enforcement of the Protective Covenants, Bylaws, and Policies of HSVPOA must receive the prior approval of the Board of Directors. Enforcement of Operational Policies shall be administered by the GM.
C. Personnel - All legal action related to personnel under the GM's authority shall be pursued by the GM, in coordination with the HR Director and an Employment Law attorney. Legal matters relating to the GM's employment are pursued by the Board of Directors.
D. Damages - All legal action necessary to pursue the collection of damages is to be administered by the GM under the provisions of applicable federal and state law and within the spending authorities stated in Chapter 10, Article 3.
E. Litigation Defense – Any litigation, naming HSVPOA as a defendant, shall be managed by the HR Director, working in close coordination with the GM and the Board of Directors.

5-15-89, 9-12-01, 10-17-01, 6-11-03, Approved 7-16-03 BOD, 04-15-15, 2-21-18, 1-16-19, 06-17-20, 04-16-25

ARTICLE 13 - SAFETY

SECTION 1 - COMMITMENT

The health and safety of employees, guests, and property owners on HSVPOA. property are of the utmost concern. It is the policy of HSVPOA to strive for the highest level of safety in all activities and operations. HSVPOA is committed to comply with all health and safety laws applicable to our business. Employees will help ensure that public and work areas are free of hazardous conditions.

SECTION 2 - PROVISIONS

HSVPOA will make every effort to provide the safest possible working conditions that are in compliance with industry standards, federal and state laws. Employees are expected to be equally conscientious about workplace safety. This includes proper work methods, reporting potential hazards, and alleviating known hazards. HSVPOA provides its employees required and appropriate personal protective equipment relative to their job.

SECTION 3 - REFERENCE MANUAL

HSVPOA shall have a written safety procedural manual administered and maintained by the General Manager. The procedures shall contain provisions intended to comply with all applicable federal and state laws.

9-14-01, 10-17-01, 04-16-25

ARTICLE 14 - ADMINISTRATIVE FINES REVIEW & APPEALS

SECTION 1 - PURPOSE

The intent of this policy is to provide a process by which members may contest administrative fines assessed by HSVPOA or its authorized representatives for infractions as provided in Article VIII, Section 3, paragraph (j) of the Hot Springs Village Declaration; Protective Covenants; published policies**,** rules and regulations.

SECTION 2 - ENFORCEMENT PROVISIONS

It is the intent of HSVPOA to use all available remedies at its disposal to seek correction of violations. Any Property Owner having been notified in writing of being charged any monetary penalty shall have the right to contest such by written notification to the Community Support Manager within 30 days of receiving the written notice.

SECTION 3 - REVIEW PROCESS

A. An Administrative Fines Review or Appeals form will be provided to the Property Owner along with the written notice of the fine. This form must be completed and returned to HSVPOA within 30 days of receipt, if the Property Owner wishes to contest the fine.
B. Property Owners may request a review by the General Manager (GM) if they believe fines have been assessed in error.
C. Staff will provide any contributing documentation for GM's review.
D. GM's decision will be communicated in writing to the Property Owner within 14 days of receipt of the form.

SECTION 4 - APPEAL PROCESS

A. If the Property Owner wishes to appeal to the Board of Directors (Board), they must notify the GM using the Administrative Fines Review or Appeal Form within 10 days from receipt of the GM’s decision.
B. GM will notify the Board Chair of the Appeal and provide the completed Administrative Fines Review or Appeals Form as well as any contributing documentation for the Board's review.
C. The appeal will be decided by the Board no later than 60 days from the initial receipt of the Administrative Fines Review or Appeals form.
D. The Property Owner will be given an opportunity to present their case to the Board in person, or they can rely on the information they have furnished with the Administrative Fines Review or Appeals form.
E. The fine will be upheld unless the underlying complaint was issued improperly, or in error**,** or unless the appellant had no opportunity for timely compliance.
F. A written letter detailing the decision of the Board will be mailed to the property owner within 5 days of the decision.
G. The Board will state the basis for its decision on the Administrative Fines Review or Appeals form.

H. All notes and file attachments will be retained by the Community Support Manager as part of the official record.
I. The decision of the Board of Directors will be final.

Adopted 3-18-2020; 06-17-20, 04-16-25

CHAPTER TWO - FACILITIES & AMENITIES

ARTICLE 1 - GENERAL

A. The properties and facilities of HSVPOA are maintained for the use, benefit and enjoyment of members and guests.
B. Members in good standing of HSVPOA may request the use of designated facilities.
C. The use of HSVPOA facilities for commercial activities is permitted upon approval of the appropriate facility manager. HSVPOA reserves the right to deny rental/use of HSVPOA facilities for any activity deemed not appropriate or in the best interest of the membership.
D. All users must abide by the rules and regulations of each HSVPOA facility. All HSVPOA operated facilities are non-smoking.
E. Except for official business meetings of HSVPOA, all individuals/ organizations conducting activities at HSVPOA facilities will pay a fee in accordance with rates and schedules established by the HSVPOA Board of Directors.
F. Use of profane, obscene, threatening, or inappropriate gestures or language is prohibited within HSVPOA facilities.
G. HSVPOA staff members have authority to enforce all HSVPOA Rules and Regulations.

12-19-84. 1-28-97, 2-25-87, 2-6-02 , 2-20-02, 4-16-14, 5-18-16, 02-17-21, 04-16-25

ARTICLE 2 - DESOTO RECREATION AREA, PONCE DE LEON, & CORONADO COMMUNTITY CENTER USE

SECTION 1 - SMOKING

All HSVPOA facilities are non-smoking.

SECTION 2 - ALCOHOL

Arkansas State Liquor laws regulating DeSoto Recreation Area, Ponce De Leon and Coronado Community Center require all alcoholic beverages to be sold and dispensed by the facility. There will be no exceptions to this policy.

SECTION 3 - RENTAL, RESERVATIONS, RATES, SCHEDULES, & ENTRY FOR EVENTS

Advance reservations and a signed contract are required for rental of all facilities. All users must abide by the rules and regulations of each facility and sign a liability waiver.

Except for official business meetings of HSVPOA, all individuals/organizations conducting activities at the DeSoto Events Center, Ponce De Leon or Coronado Community Center will pay a fee in accordance with rates and schedules established by the HSVPOA Board of Directors.

Tickets purchased for events held at HSVPOA facilities may be used for security gate access.

12-19-84, 7-27-88, 8-20-91, 8-21-91, 8-28-91, 9-25-91, 10-7-91, 10-18-91,10-21-91, 10-23-91, 12-18-91, 6-26-96, 2-6-02, 2-20-02, 4-16-14, 04-16-25

ARTICLE 3 - ART DISPLAY

SECTION 1 - GENERAL

All artists/groups must contact the appropriate facility manager to request display space. There is no fee for the display, however, artists/groups must abide by all rules and regulations governing this activity.

HSVPOA disclaims any liability related to art and plaques displayed at HSVPOA facilities.

SECTION 2 - DISPLAY CASES AT CORONADO COMMUNITY CENTER

Groups will be allowed to continue their display until such time that they no longer meet at least monthly at the Coronado Community Center or until a major remodeling of the existing facility is done.

SECTION 3 - DISPLAYS IN OTHER FACILITIES

No new permanent displays of any kind will be allowed in any HSVPOA facility.

No memorabilia other than HSVPOA items will be displayed on a permanent basis at any facility.

7-24-91, 3-25-92, 4-22-92, 5-26-93, 2-6-02, 2-2-02, 3-16-05, 9-21-05, 1-19-11, 4-16-14, 5-18-16, 04-16-25

ARTICLE 4 - FOOD & BEVERAGE SERVICE

HSVPOA shall provide, under HSVPOA management or through private firms or individuals, food and beverage services at HSVPOA owned facilities.

Any HSVPOA owned facility managed through a private firm or individual will be independently operated under a separate food and beverage agreement.

These facilities are for the use and enjoyment of the membership, their guests and visitors.

Adopted 8-15-01, 1-19-11, 4-16-14, 5-18-16, 04-16-25

ARTICLE 5 - TOURNAMENTS

(Golf excluded, See Chapter Six)

A. HSVPOA will permit tournaments, leagues, meets and practices as they relate to tennis, swimming, fishing or any other applicable recreational activity. The Director of Parks and Recreation is responsible for approval of the request(s).
B. All tournaments, leagues, meets and practices will be scheduled to minimize disruption of services to the membership.
C. All tournament members and guests must abide by the rules and regulations of each HSVPOA facility. All HSVPOA operated facilities are non-smoking.
D. All fees, deposits and charges shall be in accordance with rates and schedules established by the HSVPOA Board of Directors.
E. HSVPOA reserves the authority to delay, change or cancel any activity by giving twenty- four (24) hour notice.

Adopted 6/24/81, Revised 10/23/85 B.O.D, Rev. 12/26/89, Rev. 4/25/90 Rev. 6/12/90, Rev. 6/20/90, 8/22/90, 8/30/93, 9/22/93 B.O.D., Rev. 3/23/94 B.O.D., 2-6-02, 2-20-02, 4-16-14, 04-16-25

ARTICLE 6 - COMMON PROPERTY, FOREST & WILDLIFE

SECTION 1 - PERMITTING

The Public Services Department has oversight responsibilities of all activities on common property within the boundaries of Hot Springs Village. Permitting & Inspections (P&I) issues permits and collects fees as set annually by HSVPOA Board of Directors, for the activities on common property. Issues, plans and programs related to Forestry and Wildlife Management will be forwarded to the Director of Public Services and GM for final approval. The adopted procedures and regulations comply with current HSVPOA Covenants and Restrictions.

The Common Property, Forest and Wildlife Committee reviews the following activities:

A. Class 1 Permits: General clean-up; removal of vines and shrubs; pruning and cutting of seedlings and small trees less than three inches in diameter; cutting of large trees that are hazardous, unhealthy, diseased or dead; and limited landscaping
B. Class 2 Permits: Selective cutting and/or pruning of large healthy trees
C. Class 3 Permits: Shaping under and around boat docks and lakefront property line. Should Rip-Rapping or Sea Wall construction be needed on Common Property, permits and approvals by Lakes Management and ACC is required
D. Class 4, Maintenance Permits: Removal of weeds, vines, excess leaves, debris, and shrubs; pruning and cutting of seedlings and saplings that have accumulated on common property for which the applicant has already received an approved Class1 or 2 permit or a previous maintenance permit within the preceding 12 months

SECTION 2 - WILDLIFE MANAGEMENT

Deer and Canada Geese populations need to be monitored and managed to maintain acceptable healthy levels for the protection of the herd and flock, and to protect Hot Springs Village residents, their pets, and our environment (Lakes & Golf Courses).

The feeding of Canada Geese in and around Hot Springs Village lakes and golf courses is prohibited. The feeding of deer and bears is also prohibited except during sanctioned hunts or trapping for safety reasons.

Any violations of Common Property will be governed by Community Support Department Procedures and fees, posted in the annual fee schedule.

Adopted: 2-27-96, 5-28-97, 10-22-97, 6-24-98, 9-23-98, 11-15-00, 2-6-02, 2-20-02, 10-15-03, 7-20-05, 1-16-08, 6-19-13, 2-19-15, Policy Revoked 8-15-18, Adopted 5-20-20, 7-15-20, 6-17-21, 04-16-25

ARTICLE 7 - SIGNAGE

SECTION 1 - GENERAL

HSVPOA will approve and have authority for placement of all signs and enforcement of rules and regulations for same.

All approved signs will be charged a fee and must meet the criteria set forth in the rules, regulations governing this activity.

SECTION 2 - TYPES OF SIGNAGE

A. Temporary (examples include garage sale, yard sale, estate sale, real estate sale)
B. Permanent (examples include commercial ground signs, commercial wall signs)

5-23-89, 9-9-92, 6-16-93, 6-23-93, 2-6-02, 2-20-02, 04-16-25

ARTICLE 8 - LAKES

SECTION 1 - AUTHORITY

The authority for this Lake Use Policy is the Declaration, Protective Covenants and the Bylaws of HSVPOA. All state and federal boating and fishing regulations apply to Hot Springs Village lakes. All of the rules and regulations of the Arkansas Game and Fish Commission apply to anyone fishing the lakes and streams of Hot Springs Village. The Arkansas Natural Resources Commission inspects and makes recommendations on the dams and spillways. The lakes of Hot Springs Village are private and for the enjoyment of its members, sponsored guests, renters, and eligible employees. Unauthorized usage is strictly prohibited.

SECTION 2 - PURPOSE & INTRODUCTION

A. The HSVPOA maintains the recreational lakes for the use and enjoyment of all membership and as reservoirs for irrigation of golf courses.
B. Lake Lago, the water supply lake, is the only reservoir lake in which swimming, boating and fishing are not permitted.

SECTION 3 - BUOYS

A. HSVPOA will place lake navigational aids (with or without lights, flags, etc.) to assist boaters in recognizing no wake, shoal, no ski, swim, and danger areas.
B. Property owners along the lake shore may place one (1) marker each on geothermal and irrigation lines within 28 feet from the shore to warn lake users of shallow water obstructions.

SECTION 4 - HERBICIDES

Herbicides must meet State and Federal regulations for use on waterways and be approved by the Director of Public Services. Application of herbicides to the lakes of Hot Springs Village will be supervised by the Lakes Superintendent.

SECTION 5 - LAKE MAINTENANCE

A. HSVPOA will maintain the lakes and its navigational aids on an ongoing basis.
B. All member construction activities on lakefront property require proper permitting from the Permitting and Inspections Department of the HSVPOA.

SECTION 6 - BOAT/TRAILER REGISTRATION

Boats and trailers must be registered by HSVPOA.

Adopted B.O.D. 4-26-95, Rev. 11-20-96, 11-15-00, Rev. 12-19-01 BOD, Rev. 5-17-06, 9-17-08. 10-21-09, 3-16-11, 6-15-16, 08-19-20, 04-16-25

ARTICLE 9 - MEMORIALS ON COMMON PROPERTY

SECTION 1 - GENERAL

This policy provides for the construction and maintenance of memorials by members of HSVPOA, honoring deceased members of the immediate family.

Construction and maintenance of "Memorials" on common property may be permitted under the conditions and guidelines stated below.

SECTION 2 - AUTHORIZATION

Authority for approval shall lie with the General Manager of HSVPOA.

Each project shall be considered on its merits, design and location and shall not be considered as setting a precedent.

SECTION 3 - TYPES OF MEMORIALS

Memorials shall be of such design and construction so as to enhance the aesthetics of Hot Springs Village and/or be functional, examples:

A. Benches on trails
B. Flag poles; with appropriate flag
C. Foot bridges
D. Trees
E. Flowering shrubs
F. Furnishings — picnic tables, benches, playground equipment
G. Plaques

Statues, fountains, and items requiring continuing maintenance and/or operating cost should be avoided.

SECTION 4 - PLACEMENT OF MEMORIALS

Memorials may be located on the following common properties

A. Trails
B. Parks
C. Golf courses; Memorial Trees only with the location approved by the Director of Golf.

SECTION 5 - FUNDING & MAINTENANCE

Funding shall be the responsibility of the donor of the honoree as their agent(s) and should be sufficient to cover the cost of construction, on-going maintenance and/or replacement.

Design shall be such as to require minimal maintenance by HSVPOA Beyond this, responsibility for maintenance shall be agreed upon, in writing, before commencement of the project.

SECTION 6 - REMOVAL AND/OR RELOCATION CLAUSE

Should the "Memorial" become unsightly from lack of maintenance or from deterioration, HSVPOA reserves the right of removal.

Should the "Memorial" ultimately be in the way of HSVPOA amenity expansion or new construction, HSVPOA will be responsible for relocation.

Adopted 3-27-85 B.O.D., Amended 10-29-01, 11-14-01, 2-6-02, 2-20-02, 5-18-16, 04-16-25

CHAPTER THREE - PUBLIC SAFETY

ARTICLE 1 - INGRESS & EGRESS

SECTION 1 - GENERAL

HSVPOA maintains gated entrances to Hot Springs Village to assist members, guests, visitors, and others. The number of gates, the type of gate (electronic, keyed, staffed), and the locations for each gate will be determined by operating procedures.

After properly entering gates, Hot Springs Village property owners have the unimpaired right to ingress and egress to property owned by the member.

All registered guests of members and visitors to businesses and other HSVPOA approved entities entering Hot Springs Village will be issued an appropriate temporary vehicle identification pass.

Access accommodation will be made for a person, not a Hot Springs Village property owner, whose only egress and ingress to his property is through Hot Springs Village.

SECTION 2 - DEFINITIONS

A. Member – any person owning property within Hot Springs Village. The property owner's spouse and all dependents. (Dependents defined in HSVPOA ID card policy).
B. Member in good standing – any Hot Springs Village property owner who is current in the payment of all assessments, service and use charges (no more than 60 days delinquent) and not under any suspension of privileges.
C. Guest – any Member sponsored person granted access to Hot Springs Village. Members, residents and any other entity authorized by HSVPOA may sponsor guests. The conduct and actions of a guest are the responsibility of the party declaring such person to be their guest.
D. Visitor – any person who is not a member or a guest sponsored by a member but is seeking access to Hot Springs Village and has proof of authorized entry from an HSVPOA approved entity such as a church, service club, business, professional practice, or ticketed event or activity approved for Visitors. Vendors providing services to Members and residents who do not have a Work Pass or other entry authorization are considered Visitors and must have proof of authorized entry. The conduct and actions of a Visitor are the responsibility of the entity or member granting access to the visitor. Visitors are eligible for access to their sponsoring entity only and are not eligible for access to HSVPOA recreational amenities and facilities.
E. Others – any person required by law to inspect, perform duties, oversee official activities, regulate or control facilities, personnel, or equipment in Hot Springs Village. This includes individuals required to obtain a Hot Springs Village work pass, deliver goods, or provide services.
F. Gates
    i. Electronic – any gate activated by use of an access card issued by HSVPOA
    ii. Staffed – those having personnel on duty to assist members, guests, visitors

G. Decals/Passes/Electronic Gate Cards – decals, passes, member ID and electronic gate cards are devices for controlled ingress into Hot Springs Village.

SECTION 3 - AUTHORITY

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

SECTION 4 - ENFORCEMENT

A. Any misuse, or abuse, of the privileges to use Decals/Passes/electronic Gate Cards may result in confiscation of the Decal/Pass/electronic Gate Card and/or suspension of the privilege for all Decals/Passes/electronic Gate Cards issued to the party for a period of 30 days for the first offense, and indefinitely for any subsequent abuse.
B. Tailgating another vehicle through an electronic gate is prohibited and will be considered an abuse of the card privilege. Only one car per gate activation is permitted.
C. HSVPOA shall be the enforcing agency.

1-18-99, Adopted BOD 1-27-99, 7-17-02, 6-17-09, 7-25-13, 8-21-13, 5-18-l6, 01-16-19, 06-17-20, 12-16-20, 04-16-25

ARTICLE 2 - FIRE

SECTION 1 - PURPOSE

This policy establishes guidelines for the use of construction warming fires, permanent recreational fire pits, portable outdoor fireplaces/ fire pits, and open burning to ensure safety and compliance with fire prevention standards.

SECTION 2 - REGULATIONS

A. Permits
    i. Burn permits must be obtained from the Fire Department following established procedures.
    ii. Construction warming fires must have a permit before use.
    iii. Permanent recreational fire pits require approval by the ACC, a building permit from HSVPOA, and an initial inspection by the Fire Department before being constructed. A final operating permit from the Fire Department must also be obtained prior to first use.
    iv. Portable outdoor fireplaces/ fire pits must be inspected and permitted annually.
    v. Education materials on the HSVPOA Fire Policy will be handed out with each permit issued.

A. Construction warming fires
    i. Warming fires shall not be located within 25 feet of any combustible structure or within 10 feet of a roadway. Warming fires must be contained in a noncombustible container with a spark screen arrestor.
    ii. Only vegetation and nontreated lumber will be allowed to be used for fuel. Burning of building debris, such as roofing materials, vinyl, PVC, carpet, paper, or other synthetic products, is prohibited.
    iii. Warming fires are strictly for warming purposes only. Warming fires shall be allowed when temperatures are below 32 degrees Fahrenheit.

B. Permanent recreational fire pits
    A. Permanent recreational fire pits shall not be constructed or conducted within 25 feet of a structure or combustible material.
    B. Permanent recreations fire pits are constructed of steel, brick or masonry, etc.
    C. No larger than 3 feet in diameter or 2 feet in height
    D. Protected by a spark screen arrestor
    E. Stacking of rocks is not allowed as a permanent recreational fire pit.

C. Portable outdoor fireplaces/ fire pits
    A. Portable outdoor fireplaces/ fire pits shall be used in accordance with the manufacturer’s instructions and shall not be operated within 15 feet of a structure or combustible material.
    B. Portable outdoor fireplaces/ fire pits are designed to burn solid fuel, and these types of units are available at retail locations. These units are not fixed and are able to be moved.

D. Open Burning

i. Open burning (any fire not contained within a barrel or fire pit) is prohibited without a written permit from the Fire Department.
ii. Burning residential yard waste, leaves, or debris is prohibited within Hot Springs Village.

E. Attendance
   i. Construction warming fires, permanent recreational fire pits, portable outdoor fireplaces/ fire pits, and open burning (where a fire is not contained) shall be constantly attended until the fire is extinguished.
   ii. Not fewer than one portable fire extinguisher complying with a minimum 4-A rating or other approved on-site fire-extinguishing equipment, such as dirt, sand, water barrel, garden hose or water truck, shall be available for immediate utilization.

F. Burn Bans
   i. No burning is allowed during a "burn ban" declared by the county judge of Garland or Saline Counties, or by a Hot Springs Village fire official. Burn permits will not be issued or renewed during these periods.
   ii. When a “burn ban” is declared by the county judge of either Garland or Saline Counties, or by a Hot Springs Village fire official, the entire Hot Springs Village will be under a “burn ban” until the ban has been released.
   iii. Fire department responses to any fire set intentionally during a burn ban may result in the issuance of a citation by the Hot Springs Village Police Department as well as a Fire Department service fee, as set by the HSVPOA Board of Directors.

G. Extinguishment authority

   Where burning creates or adds to a hazardous situation, or a required permit has not been obtained, the Hot Springs Village Fire Department is authorized to order the extinguishment of the burning operation.

H. Compliance and Enforcement
   i. First Violation: Any Fire Department response caused by a violation of this policy will result in a warning to the party responsible, as well as the owner (member) of the property involved. Education, as well as any outstanding required permitting will be required. The party responsible, as well as the property owner (member) of the property involved, may be subject to a service fee and/or applicable fines by HSVPOA.
   ii. Second Violation: Any Fire Department response caused by a repeat violation of this policy may subject the party responsible, as well as the property owner (member) of the property involved, to all applicable fines and service fees as outlined by HSVPOA.
   iii. Failure on the part of a property owner (member) to pay the service fee may result in appropriate sanctions as determined by the Board of Directors.
   iv. Failure on the part of a non-property owner to pay any service fee or fine may result in cancellation of work pass privileges and/or gate card privileges.

SECTION 3 - ENFORCEMENT

A. HSVPOA Community Support is authorized to
    i. Issue warning letters to enforce compliance.
    ii. Impose all fees and/or fines for violations of this policy and the need for a Fire Department response.
B. The Board of Directors authorizes the Hot Springs Village Fire Department to enforce this policy and respond to violations.

Adopted 04-16-25

ARTICLE 3 - FIRE RESPONSE OUTSIDE HOT SPRINGS VILLAGE BOUNDARIES

SECTION 1 - PURPOSE

The purpose of this policy is to give guidance to the General Manager (GM) and Chief of the Fire Department, relative to the dispatching and use of firefighting equipment and personnel outside the boundaries of the Hot Springs Village Fire District and Hot Springs Village.

SECTION 2 - USE OF APPARATUS OUTSIDE OF HOT SPRINGS VILLAGE BOUNDARIES

Normally HSVPOA firefighting equipment and personnel shall not be dispatched outside the boundaries of Hot Springs Village/District, with exception of the following, and at the discretion of the HSVPOA Fire Chief and/or GM:

A. Forest Fires – in the event a forest fire outside Hot Springs Village is threatening Hot Springs Village property, and/or at the request of the Fire Department responding**,** or the Forest Service
B. Auto Accidents – when requested by any surrounding emergency service, HSVPOA fire personnel and equipment may respond.
C. School Buildings – HSVPOA equipment and personnel may respond to Fountain Lake and Jessieville Schools.
D. Natural Disasters – in the case of large-scale natural disaster(s), HSVPOA personnel and equipment may be dispatched to assist neighboring communities.
E. Structure Fires – HSVPOA Personnel and equipment may be dispatched when requested by responding department needing assistance.
F. Landlocked property – fires occurring on property "landlocked" by or completely surrounded by Hot Springs Village.
G. In the event a Mutual Aid fire protection pact is agreed upon by the HSVPOA Fire Chief, GM, HSVPOA Board of Directors, and neighboring Governing Boards.

7-15-92, 7-16-92, 7-22-92, 6-18-14, 01-16-19, 06-17-20, 04-16-25

ARTICLE 4 - AMBULANCE SERVICE

SECTION 1 - PURPOSE

To provide ambulance service to the residents of Hot Springs Village by contract with an Emergency Medical Service (EMS) provider that is licensed under the Arkansas Department of Health.

SECTION 2 - FEES AND CHARGES

An annual fee necessary to support the availability of at least three (3) Advanced Life Support Ambulance units at all times shall be established by the Board of Directors of HSVPOA and shall be collected on the residential HSVPOA utility bill.

The collection of fees shall be in accordance with HSVPOA utility bill collection procedures.

11-14-07, Rev. 7-21-10, 04-16-25

ARTICLE 5 - REGULATION AND CONTROL OF PETS

SECTION 1 GENERAL

The Board of Directors for HSVPOA recognizes the need for specific regulations relative to pets in Hot Springs Village and therefore agrees that a specific policy concerning unfettered movement, annoying activity; nuisance activities and animal control is hereby established.

SECTION 2 - DEFINITIONS

The following words and phrases shall have the following meaning for purposes of these regulations:

A. Animal — any description of vertebrate, excluding Homo Sapiens.

B. Animal Control Authority — the person or persons employed by HSVPOA and designated by Garland County and Saline County, as the animal control enforcement officer(s).

C. Annoying Activity — actions on the part of an animal, or pet that desecrate, destroy or damage the property of one who is not the owner.

D. At Large — any pet shall be deemed to be at large when he is off the property of his owner, and not under control of a competent person.

E. Detention Shelter — any premises designated by action of HSVPOA Board of Directors, for the purposes of impounding and retaining all animals found running at large in violation on this regulation.

F. Humane Manner — care of an animal to include, but not limited to, adequate heat, ventilation and sanitary shelter, and wholesome food and water, consistent with the normal requirements and feeding habits of the animal's size, species and breed.

G. Nuisance Activity — actions on the part of an animal that causes the peace and tranquility of the surrounding area to be disturbed, even though the animal is on the owner's premises.

H. Owner — any person, group of persons, or entity owning, keeping or harboring pets.

I. Pet — any animal owned or cared for, for pleasure or companionship or for domestic utilitarian use.

J. Restraint — a pet is under restraint within the meaning of Garland and Saline County ordinances, specific to Hot Springs Village. Any animal classified by either County District Court as Vicious shall be restrained at any time the owner of, custodian, or person with authority to control a vicious dog permits such dog to go beyond the premises of said owner with a restraint having a minimum tensile strength of 300 pounds and not exceeding three feet in length.

SECTION 3 - CONTROL OF PETS

All dogs shall at all times be under the restraint and control of the owner or a responsible person by leash while on Hot Springs Village Common and Limited property. All dogs shall be on a leash while on the Hot Springs Village trails. Dogs riding in the open bed of any vehicle are required to be controlled from exiting the

bed. Dogs are subject to being leashed upon exit from a vehicle outside the legal property limits/boundaries of the dog owner or keeper.

Restraint on Trails — Any pet on Hot Springs Village Trails shall be on a leash and under the control of their owners at all times so as to not be a nuisance or hazard to others.

SECTION 4 - AUTHORITY

The General Manager and staff are responsible for operating the shelter within the spirit of guidelines established by the Humane Society of the United States and for working with the Hot Springs Village Animal Welfare League in accordance with the then current signed Memorandum of Understanding that exists between the two organizations.

SECTION 5 - ENFORCEMENT

All federal, state and county laws and ordinances will be enforced where applicable, and charges filed in the appropriate jurisdiction. In absence of a law or ordinance, this policy will prevail and the Board of Directors will have enforcement authority as established by the Declaration.

Adopted 11-76, B.O.D., Rev. 3-20-90, 11-2-96, 7-28-99, 10-21-09, 10-17-12, 5-21-14, 5-18-16, 01-16-19, 06-17-20, 04-16-25

ARTICLE 6 - TRAFFIC CONTROL

SECTION 1 - GENERAL

Roadways of HSVPOA are private property. Traffic control shall be administered through the HSVPOA Police Department. All traffic enforcement is in accordance with the Arkansas Motor Vehicle and Traffic Laws and State Highway Commission regulations.

SECTION 2 - SPEED LIMITS

Speed limits on the streets of Hot Springs Village are established as follows, unless otherwise posted

A. Primary Roads	40 M.P.H.
B. Subdivision (Residential) Roads	25 M.P.H.
C. Unpaved Roads	25 M.P.H.
D. Main Entrance & Townhouse Areas	15 M.P.H.
E. Parking Lots- HSVPOA	5 M.P.H.

The General Manager (GM), on the recommendation of the Director of Public Services, Chief of Police and/or the Public Services Committee, may impose temporary changes in speed limits and traffic control devices. The GM or his/her designee shall notify the Board of Directors of any such change. Upon such notice, the temporary change shall become permanent after 90 calendar days, unless the Board of Directors votes to override the change during the 90-day period.

SECTION 3 - NOISE CONTROL

No vehicle with an excessively loud muffler, etc. shall be permitted to travel on the streets of Hot Springs Village. The community concept of a quiet, rural setting shall be preserved to the extent possible.

SECTION 4 - ENFORCEMENT

The Arkansas Motor Vehicle Traffic Laws and State Highway Commission Regulations have been adopted by the HSVPOA and will be enforced by the HSVPD.

SECTION 5 - PENALTIES

Violators referred to the Board of Directors shall be considered for suspension of membership privileges, denial of access (non-members, contractor, employees) or other action.

Violations referred to the Municipal Court shall be resolved at the discretion of the Municipal Judge.

Adopted 10-76, B.O.D., Amended 8-24-83, 5-2-86, 5-28-86, 7-23-86, 11-28-90, 4-27-94, 8-27-97, 7-28-99, 9-26-01, 11-14-01, 1-19-11, 7-20-11, 5-18-16, 01-16-19, 06-17-20, 04-16-25

ARTICLE 7 - DOOR-TO-DOOR SOLICITATIONS & DISTRIBUTION OF CIRCULARS HANDBILLS OR SIMILAR ARTICLES

SECTION 1 - PURPOSE

To establish guidelines restricting door-to-door solicitations and to prevent the potential of litter from random distribution of unsolicited circulars, advertising flyers and other like material.

SECTION 2 - PROHIBITED ACTIVITIES

The door-to-door solicitation for the purpose of collecting contributions; selling of goods or services; collecting data for non-government surveys; or similar activities is prohibited.

The random depositing of circulars, newsletters, advertising material, placards, business cards and similar printed products is prohibited at homes, businesses and on vehicles parked within Hot Springs Village.

SECTION 3 - DEFINITIONS

A. Advertising material, Circulars, and Placards — printed material intended for distribution to a large, unaddressed population.
B. Business cards — personalized cards commonly used by individuals engaged in business and professional endeavors.
C. Door-to-door — refers to the canvassing or contacting residents in a random, unannounced, unscheduled manner for any purpose.
D. Goods — products of all types.
E. Newsletters — those prepared and distributed by special interest groups for their members or prospects.
F. Random — having no specific pattern.
G. Services — duties or works performed for another.
H. Solicitation — the act of approaching another for the purpose of selling a product or services, eliciting information for a survey, or collecting donations, or similar activities.
I. Surveys — compilation of data pertaining to individual preferences concerning a topic, product or subject matter.

SECTION 4 - EXCLUSIONS

A. Scheduled appointments
B. Neighbors communicating with their neighbors concerning community or public service-related activities within their neighborhoods.
C. Nationally affiliated service clubs serving Hot Springs Village may make application to obtain written permission for a waiver to this policy for each requested distribution. The application must be submitted to the General Manager (GM) on the form provided by HSVPOA. All conditions imposed and decisions of the GM shall be final.

SECTION 5 - ENFORCEMENT

The GM will determine proper enforcement guided by Section 6 herein.

SECTION 6 - CORRECTIVE ACTION

A. Property owners failing to comply with the provisions of the regulation are subject to appropriate enforcement action.
B. Non-property-owning residents failing to comply with the provisions of this regulation are subject to appropriate enforcement action.
C. Persons employed within Hot Springs Village failing to comply with the provisions of this regulation are subject to appropriate enforcement action, which may include denial of access to Hot Springs Village, and forfeiture of all fees and deposits.
D. HSVPOA employees failing to comply with the provisions of this regulation are subject to appropriate enforcement action, which may include termination of employment.
E. Visitors and guests failing to comply with the provisions of this regulation are subject to appropriate enforcement action, which may include denial of access to Hot Springs Village.

SECTION 7 - AUTHORITY

HSVPOA Declaration and Protective Covenants.

11-1-00, Rev. 11/8/00, Adopted BOD 11-15-00, 3-16-11, 5-18-16, 01-16-19, 06-17-20, 04-16-25

ARTICLE 8 - REGULATIONS GOVERNING USE OF MOTORIZED VEHICLES, OTHER THAN AUTOMOBILES & TRUCKS, ON HSVPOA ROADS & TRAILS

SECTION 1 - PURPOSE

To provide regulations governing the equipping and operation of motorized vehicles other than automobiles and trucks within Hot Springs Village; to enhance safety of operators of all kinds of motorized vehicles; and to provide safety for pedestrians.

SECTION 2 - DEFINITION

For purposes of this regulation a motorized vehicle is presumed to include but not limited to the following:

A. Golf Cart
B. Motorcycle, Trail Bike, Racing Bike
C. All-Terrain Vehicle
D. Moped
E. Motor Scooter
F. Go Cart

SECTION 3 - REGISTRATION

A. Motorized vehicles regulated herein shall bear a HSVPOA Registration Decal. The decal shall be numbered and a record of registration kept in an appropriate HSVPOA office.
B. Registration period is annually (January 1st to December 31**st**).
C. Registration fee is part of HSVPOA's fee schedule as adopted by the Board of Directors.

SECTION 4 - MINIMUM AGE REQUIREMENT & LICENSE

A. Golf Carts: A person must have a valid Driver's license to operate a golf cart on Hot Springs Village roads and multi-purpose trails.
B. Motorcycles and Mopeds: State statutes apply.

SECTION 5 - SAFETY DEVICES & PROCEDURES

All motorized vehicles operated on the roads and trails of Hot Springs Village shall be equipped and operated as follows:

A. Golf carts shall be equipped with at least two front mounted headlights, white in color.
B. Golf carts shall be equipped with a pennant or colored flag of high visibility and fastened to a pole at least seven (7) feet above the ground, when operated on Hot Springs Village roads.
C. Golf carts will turn on lights when operated on the roads of Hot Springs Village.

D. All other vehicles shall be equipped with at least one front mounted headlight, white in color; and each shall be equipped with at least one rear mounted taillight, red in color.
E. Each vehicle will be equipped with a rear-view mirror.
F. Vehicle passengers should not exceed those recommended by the vehicle manufacturer.
G. Pedestrians have the right-of-way over all motorized vehicles.
H. Automobiles and trucks have the right-of-way over golf carts.
I. Motorized vehicles will turn on lights when operated on the roads of Hot Springs Village.

SECTION 6 - MOTORIZED VEHICLES PROHIBITED FROM OPERATING ON ROADS

A. Go Carts
B. Motorized vehicles not equipped as specified in Section 5 (above) or not having mufflers (i.e. trail bikes, racing bikes)
C. All-Terrain Vehicles
D. Golf carts shall not be operated on roads or sections thereof, designated by "Golf Cart Prohibited" signs.

SECTION 7 - MOTORIZED VEHICLES PROHIBITED FROM OPERATING ON TRAILS

A. Motorized vehicles of any type are prohibited from operating on any nature/walking trail.
B. Motorized vehicles having motors with a displacement of 50 cc or greater are prohibited from operating on multi-purpose trails. (Note: This does not apply to golf carts.)

SECTION 8 - ENFORCEMENT

Enforcement of the provisions of the foregoing rules and regulations will be by either or both of the following methods

A. Arkansas Motor Vehicle Traffic Laws
B. The Declaration and Protective Covenants, Article VIII, Section 3(c)

Adopted 8/22/84, Rev. 9-26-84, 7-22-87, 8-19-87, 8-26-87, 6-26-90, 7-6-90, 8-22-90, 9-16-09, 04-16-25

ARTICLE 9 - ESTATE & AUCTION SALES

SECTION 1 - GENERAL

HSVPOA shall maintain a policy of controlling estate and auction sales within Hot Springs Village. Ingress and egress of visitors to Hot Springs Village for such sales shall be regulated according to Chapter 3, Article l. The HSVPD shall control traffic issues in violation of state statutes in and around such sales, as well as vehicle parking in the vicinity.

SECTION 2 - DEFINITIONS

A. Estate or Auction Sale - Any sale involving a commercial venture in which an individual or company has been contracted for the purpose of the sale or auction, and the person or company is paid for such services.
B. Permit - A written authorization to conduct an estate or auction sale, shall be issued by the Chief of Police or his/her designee to the person or company representative conducting the sale.

SECTION 3 - AUTHORITY

The General Manager and staff are responsible for the development of a standard operating procedure to ensure the most effective and efficient implementation of the policy.

SECTION 4 - ENFORCEMENT

All federal, state, and county laws will be enforced where applicable. In absence of a law or ordinance, this policy will prevail, and the Board of Directors will have enforcement authority as established by the Declaration. Any estate or auction sale being conducted without a permit will be subject to immediate suspension.

9-17-08, 5-18-16, 01-16-19, 06-17-20, 04-16-25

ARTICLE 10 - FIREWORKS REGULATIONS

SECTION 1 - ENFORCEMENT

A. HSVPOA shall be the enforcing agency.
B. The Board of Directors empowers the HSVPD to enforce this regulation.

SECTION 2 - CORRECTIVE ACTION

Violators failing to comply with the provisions of the regulation are subject to appropriate enforcement action.

Adopted 7-28-93 BOD, 6-18-14, 04-16-25

ARTICLE 11 - CONTROL OF LITTER & TRANSPORTATION OF DEBRIS & REFUSE

SECTION 1 - RESPONSIBILITY OF HAULERS

A. To cover, or otherwise secure all contents of all vehicles in such a manner so as to prevent its load from dropping, blowing, falling off, shifting, leaking or otherwise escaping from the vehicle while traveling on HSVPOA roadways.
B. To stop immediately and pick up and remove any material that may fall along the route.

SECTION 2 - ENFORCEMENT

A. Any person, firm or corporation found violating this regulation is subject to being charged with a misdemeanor in the appropriate judicial court.
B. In addition to (A) above, the Board of Directors of HSVPOA, may, after due process, restrict the hauler from the use of HSVPOA roadways and/or restrict access to HSVPOA.
C. In addition to (A) and (B) above the Board of Directors empowers the officers and security personnel of the HSVPOA Police Department to deny access to Hot Springs Village any vehicle containing a load which is not properly secured so as to prevent the load from blowing, dropping, falling off, shifting, leaking or otherwise escaping until the load is properly secured. In addition, any vehicle bearing an unsecured load on any roadway within Hot Springs Village will be given the option of securing the load immediately or being escorted from Hot Springs Village.

SECTION 3 - AUTHORITY

A. State Statute MP/ 82-3901 ET-SEQ.
B. HSVPOA Declaration and Protective Covenants.

Adopted 9-25-85, B.O.D., Amended 7-13-94 B.O.D., Adopted 7-27-94 B.O.D., 9-26-01, 11-14-01, 04-16-25

ARTICLE 12 - REGULATION GOVERNING THE DISCHARGE OF FIREARMS & ARCHERY EOUIPMENT

SECTION 1 - REGULATION

The discharge of a firearm or archery equipment within Hot Springs Village is specifically prohibited.

SECTION 2 - DEFINITIONS

A. Firearm — any device which will expel a projectile by the action of an explosion.
B. Archery equipment — a long bow, cross bow, compound bow, or a standard bow which will propel an arrow or dart.

SECTION 3 - ENFORCEMENT

A. HSVPOA shall be the enforcing agency.
B. The Board of Directors empowers the officers of the HSVPD to enforce this regulation.

SECTION 4 - CORRECTION OF VIOLATION

All persons failing to comply with the provisions of this regulation are subject to appropriate enforcement action.

SECTION 5 - EXCLUSIONS

A. The discharge of a firearm or archery equipment in defense of life or property.
B. The discharge of a firearm or archery equipment at a public or private shooting range or gallery, including the Fenix Drive archery range.
C. The discharge of a firearm by law enforcement officers in the performance of official duties.
D. The discharge of a firearm by animal control officers in the performance of official duties.
E. The discharge of archery equipment during a HSVPOA sponsored hunt.

SECTION 6 - AUTHORITY

HSVPOA Declaration and Protective Covenants

8-8-97, Adopted 8-27-97 BOD, 5-18-16, 04-16-25

ARTICLE 13 - FALSE ALARMS

SECTION 1 - DEFINITIONS

A. Alarm — any electronic or mechanical alert system that is designed to elicit immediate response to police or fire department emergency situation.
B. False Alarm — any alarm that is activated when no emergency exists.
C. Human Error — any action, or activity on the part of a person that causes an alarm to be activated when no emergency exists.
D. Weather — any adverse climatic condition that produces effects that activate an alarm. Examples of such conditions are lightning, flooding, rain, hail, or high winds.
E. Circumstances Beyond Human Control — any act of nature such as earthquakes or ground shifts.

SECTION 2 - FEES & FINES

HSVPOA will bill businesses and private residents for police or fire department response to false alarms at their business or residence upon notification by the Department that the false alarm was not weather related or due to circumstances beyond human control. The fee schedule will allow a no charge fee for the first false alarm. The second and third false alarm fees will be according to the published fee schedule for the subject year. A 12-month period without a false alarm at a business or residence will make the business or residence eligible for another no-charge fee and the fee process will begin anew.

Adopted 12-15-99 BOD, Rev. 11-19-08, 04-16-25

ARTICLE 14 - EMERGENCY OPERATIONS

SECTION 1 - EMERGENCY OPERATIONS PLAN

HSVPOA shall have a written Emergency Operation Plan (EOP) administered and maintained by the General Manager (GM), or his/her designee, that will provide HSVPOA employees with guidance, instructions and information necessary to effectively discharge their duties during any emergency.

SECTION 2 - PLAN CONTENTS

The EOP will contain individual standard operating procedures (SOPs) for each critical area of responsibility which will contain at a minimum the following:

A. Specific instructions as to the location, activation, composition and function of an emergency operation center (EOC) ensuring the availability of emergency power and appropriate interface with amateur radio operators.

B. Designation of key staff personnel and other emergency related offices with telephone numbers.

C. Priority listing of radio/television stations that Hot Springs Village residents can rely on for HSVPOA specific information.

D. A list of equipment owned by HSVPOA that would most likely be needed and used during any emergency, a list of contractors/volunteers who could augment HSVPOA.

E. Priority listing of major roads that will be cleared.

F. Designation of primary and alternate emergency shelters with Red Cross certification including training of staff and volunteers and the identification of backup power.

SECTION 3 - AVAILABILITY

The HSVPOA will make available Village specific and general emergency self-preparedness information to Village residents.

SECTION 4 - CONFORMITY

The EOP shall conform to all Federal, State and County law.

SECTION 5 - BUDGET

The EOP shall be within the HSVPOA's ability to fund in accordance with budget approvals by the Board of Directors.

SECTION 6 - TESTING

The EOP shall be tested periodically through disaster drills or tabletop exercises.

SECTION 7 - REVISIONS

The EOP can be amended and updated by the GM in compliance with the preceding provisions. The EOP shall be reviewed and updated in October at a minimum of each year. Any amendments will be submitted to members of the Board of Directors.

3-27-01, Adopted BOD 4-18-01, 5-18-16, 01-16-19, 06-17-20, 04-16-25

CHAPTER FOUR - PUBLIC SERVICES

ARTICLE 1 - PRIVATELY OWNED WASTEWATER COLLECTION SYSTEM

SECTION 1 - PURPOSE

To establish policy and fiscal responsibility relative to the installation, maintenance and repairs of any type of pumping system aka "privately owned residential or commercial Wastewater Collection System" required to connect from a property owner's lot improvement to the "HSVPOA wastewater system" in the adjoining roadway.

SECTION 2 - INSPECTING AGENCY

All installation and equipment referred to herein must be inspected and approved by inspectors of HSVPOA under provisions of state and local plumbing code.

SECTION 3 - RESPONSIBILITY OF THE PROPERTY OWNER

A. The property owner owns all components of the wastewater collection system on their property. This includes the tank, the pump, the alarm and control panel, and all piping required to deliver their wastewater to the HSVPOA common sewer system, and any other components. The property owner shall be responsible for ensuring proper alarming of their privately owned wastewater collection system. Periodic testing (HSVPOA recommends yearly) of the system alarm by a licensed plumber or electrician is recommended. It is also recommended that property owners contact a licensed plumber about the possibility of installing a sewer popper cleanout on the line connecting their residence or building to their privately owned wastewater collection system. Any damage done to any property owner's home, building, or property as a result of a system failure of their privately owned wastewater collection system is the sole responsibility of the property owner.

B. Physical installation of any privately owned wastewater collection system shall be performed by the property owner or its designated agent, based upon specifications provided by HSVPOA.

C. The property owner of any newly constructed home shall be responsible for one (1) year from the issuance of certificate of occupancy for all parts and labor for any new privately owned residential wastewater collection system including all lines connecting from the privately owned residential wastewater collection system to the HSVPOA wastewater collection system within the adjacent right of way and shall be responsible for the pump for three (3) years after issuance of certificate of occupancy. The property owner of any privately owned commercial wastewater collection system shall be responsible for the costs of any repairs as set forth in the HSVPOA fee schedule.

D. The property owner of any privately owned residential wastewater collection system shall be responsible for any repair costs as a result of repeated damage done to the wastewater collection system due to the negligent acts of the property owner. Negligent acts include but are not limited to repeated flushing of non-

soluble wipes, rags, or excess grease into their privately owned residential wastewater collection system after receiving a written warning from HSVPOA.

SECTION 4 - RESPONSIBILITY OF HSVPOA

A. Provide specifications required for the installation of any new privately owned wastewater collection system by property owner or its designated agent.
B. Inspection and approval of the installation of any privately owned wastewater collection system by a property owner or its designated agent.
C. Repairs or replacement of any privately owned residential wastewater collection system after the expiration of any warranty period from the privately owned residential wastewater collection system to the HSVPOA wastewater system in the adjacent right of way. The HSVPOA will not be responsible for any lines connecting from the property owner's improvement to the privately owned residential wastewater collection system.
D. HSVPOA is NOT responsible for any privately owned commercial wastewater collection system.

SECTION 5 - FEES & CHARGES

Fees and charges shall be established by the Board of Directors of HSVPOA to cover necessary inspections during installation of newly constructed privately owned wastewater collection systems, for any repairs to privately owned commercial wastewater collection systems, or for any repairs required on privately owned residential wastewater collection systems due to negligent acts by the property owner.

Adopted 8-24-83 B.O.D., Rev. 9-20-89, Rev. 9-27-89, Rev. 6-28-90, Rev. 12-19-01, Rev. 08-17-22, 01-18-23, 08-16-23, 04-16-25

ARTICLE 2 - CROSS-CONNECTION CONTROL PROGRAM HSVPOA PUBLIC UTILITIES (ADH PWS # 208)

SECTION 1 - INTENT

In compliance with the State of Arkansas Rules and Regulations Pertaining to Public Water Systems, Section VII.E, the Hot Springs Village Public Utilities (PWS 208) finds it necessary for the health, safety and welfare of the people served by the water division of HSVPOA to adopt cross-connection control standards which establish the requirements for the design, construction and maintenance of connections to the public water supply.

These standards are supplemental to and do not supersede or modify the Arkansas State Plumbing Code (ASPC) and its latest revisions under which Hot Springs Village operates. This ordinance pertains to commercial and industrial establishments only. Single-family, residential dwelling units, unless involved in commercial operations, are exempt from the requirements of this ordinance except where they fall under the purview of the Arkansas State Plumbing Code (ASPC). Residential lawn irrigation is NOT exempt.

SECTION 2 - PURPOSE

A. To provide for the protection of the public potable water supply,
B. To isolate at the service connection any actual or potential pollution or contamination within the consumer's premises and
C. To provide a continuous, systematic, and effective program of cross-connection control.

SECTION 3 - DEFINITIONS

A. Backflow shall mean a hydraulic condition, caused by a difference in pressures, in which non-potable water or other fluids flow into a potable water system.
B. Backflow preventer shall mean a testable assembly to prevent backflow.
C. Double-Check Valve Assembly (DC) means a complete assembly meeting AWWA Standard C510 and the requirements of the Arkansas State Plumbing Code consisting of two internally loaded, independently operating check valves between two tightly closing resilient-seated shutoff valves, with four (4) properly placed resilient seated test cocks.
D. Reduced-Pressure Principle Backflow Prevention Assembly (RP) means a complete assembly meeting AWWA Standard C511 and the requirements of the Arkansas State Plumbing Code consisting of a hydraulically operating, mechanically independent differential relief valve located between two independently operating, internally loaded check valves that are located between two tightly closing resilient seated shutoff valves with four properly placed resilient-seated test cocks. Air Gap (AG) means a physical separation between two piping systems.

SECTION 4 - OPERATING CRITERIA

HSVPOA Cross-Connection Control Program: Handbook of Policies and Procedures is hereby incorporated into this policy by reference. It is the primary responsibility of the water purveyor to evaluate the hazards inherent in supplying a consumer's water system; i.e., determine whether solid, liquid or gaseous pollutants or contaminants are, or may pe, handled on the consumer's premise in such a manner as to possibly contaminate the public water system. When a hazard or potential hazard to the public water system is found on the consumer's premise, the consumer shall be required to install an approved backflow prevention assembly (BFP), or an air gap, at each public water service connection to the premise in accordance with this policy's requirements. The type of BFP shall depend on the degree of hazard involved. The degree of hazard shall be as described in AWWA M-14 manual or as described below.

A. Auxiliary water supplies, (wells and lake pumps) are prohibited from being connected to the HSVPOA water system.
B. In the case of any premise where substances are handled that are objectionable, but not hazardous to human health, and the likelihood exists of it being introduced into the public water system by virtue of a backflow occurrence, the public water system shall be protected by an air gap or an approved double check valve assembly (DC).
C. In the case of any premise where there is any material, hazardous to human health, which is handled in such a fashion as to create an actual or potential threat to the public water system by virtue of a backflow occurrence, the public water system shall be protected by an air gap or an approved reduced pressure principle backflow prevention assembly (RP).
D. In case of any premise where there are unprotected cross-connections, either actual or potential, the public water system shall be protected by an approved reduced-pressure principle backflow prevention assembly (RP) or an air gap at the service connection.
E. In the case of any premise where, because of security requirements or other prohibitions or restrictions, it is impossible or impractical to make a complete cross-connection survey, the public water system shall be protected by the installation of an approved reduced-pressure principle backflow prevention assembly (RP) or an air gap at the service connection.

SECTION 5 - FACILITIES REQUIRING BACKFLOW PREVENTION

The following is a partial list of facilities which ordinarily will require a reduced-pressure principal backflow prevention assembly (RP) or an air gap in accordance with the ASPC.

Requirements are based upon the degree of hazard afforded the public potable water system.

A. Automatic car washes
B. Auxiliary water systems (interconnected with the public water system) are prohibited.
C. Exterminators and veterinary clinics
D. Facilities with boilers, condenser water or chilled water systems

E. Fire systems containing chemical additives
F. Hospitals, medical clinics, dental clinics, health clinics, sanitariums, morgues, mortuaries, autopsy
G. facilities, nursing and convalescent homes
H. Irrigation systems and lawn sprinkler systems connected to potable water
I. Laboratories (industrial, commercial, photography, medical and school.
J. Commercial laundries
K. Radiator, battery shops and gas stations
L. Restricted, classified or other facilities closed to inspection
M. Sand, gravel and concrete plants
N. Wastewater treatment plants and pump stations
O. Marinas and dockside facilities
P. Commercial swimming pools

The following is a partial list of facilities which ordinarily will require a minimum of a double check valve assembly (DC) or an air gap in accordance with the ASPC

A. Tall buildings (over four stories) or any buildings with water booster pumps.
B. Beauty parlors and barber shops.
C. Hotels and motels.
D. Restaurants, cafeterias, fast-food marts and other food handling facilities.
E. Fire sprinkler systems (without chemicals).
F. Others (with suspected medium hazards).
G. Animal shelter

SECTION 6 - APPROVAL OF BACK FLOW PREVENTION DEVICES

Any backflow prevention assembly required herein shall be an approved type which is in compliance with requirements of the Arkansas State Plumbing Code.

SECTION 7 - NON-COMPLIANCE, SERVICE TO BE DISCONTINUED, NOTICE, CONSENT TO ENTER

A. In emergency situations when the public potable water supply is being contaminated or is in immediate danger of contamination the water service shall be discontinued by the water purveyor, HSVPOA.
B. No water service connection shall be installed on the premises of any consumer unless the public potable water system is protected as required by this policy.
C. Delivery of water to premises of any consumer may be discontinued by the water purveyor and if any protective device required by this article has not been installed, or is defective, or has been removed or bypassed. Discontinued water service shall not be resumed until conditions at the consumer's premise have been abated or corrected to the satisfaction of the water purveyor, HSVPOA.
D. Upon discovery of a violation of this policy, written notice shall be given to the consumer. If violations are not corrected by date and time as stated on the notice, the water supply will be discontinued, and the violation may be referred to the administrative authority for action.

E. For the purpose of making any inspections or discharging the duties imposed by this article, the water purveyor, HSVPOA, the State Health Department, and/or plumbing inspector shall have the right to enter upon the premises of any consumer. Each consumer, as a condition of the continued delivery to his/her premises of water from the public water supply, shall be considered as having stated his/her consent to the entry upon his/her premise of the water purveyor, HSVPOA, and/or superintendent, the State Health Department, and/or Assembly Test Technician for the purpose stated herein.

SECTION 8 - OWNERSHIP

Backflow prevention assemblies installed downstream of the water meter are owned by and are the responsibility of the customer of the water utility.

SECTION 9 - INSTALLATION & COSTS

Customers of the water system requiring backflow prevention assemblies shall pay all costs associated with installation and testing of the appropriate size and type of backflow preventer under private contract. For newly constructed facilities, backflow preventers shall be installed prior to the final inspection so that the device can be included as part of the inspection. Backflow prevention assemblies shall be installed in accordance with the requirements of the Arkansas State Plumbing Code.

SECTION 10 - TESTING & MAINTENANCE

The consumer will be responsible for the testing of the backflow prevention assembly by contract with a certified Assembly Test Technician within 10 days of installation and annually thereafter. The consumer shall furnish HSVPOA Public Utilities with a certificate of satisfactory testing by the anniversary date of the installation of the assembly. In instances where HSVPOA Public Utilities and/or the plumbing inspector deems the hazard to be great enough, testing may be required at more frequent intervals. Failure to comply may result in disconnection of service.

All costs of testing shall be paid by the consumer. Any repairs required as a result of inspections or testing shall be arranged for and paid by the consumer through private contract with a certified Assembly Repair Technician. Records of inspections, testing and/or repairs to backflow preventers shall be kept by HSVPOA Public Utilities and made available to the State Health Department upon request.

SECTION 11 - COMPLIANCE

All new construction within the HSVPOA Public Utilities (PWS 208) shall be effected upon the passage of this policy. All existing consumer premises shall be in compliance with this policy in accordance with the notification by the water utility.

BOD Adopted: 08/18/2021, Rev. 04-16-25

ARTICLE 3 - WATER SERVICE & USE

SECTION 1 - PURPOSE

To establish policy relating to the provision and use of potable water via a central transmission system to residential and commercial entities.

SECTION 2 - RESPONSIBILITY OF HSVPOA

A. Only employees of HSVPOA shall shut off, turn on, repair or install water meters with the exception that an owner/resident may turn off the water supply in cases of emergency or for a short period of time to make plumbing repairs.
B. All treatment, transmission, and metering systems including:
   i. Source
   ii. Pumping Facilities
   iii. Treatment Plants
   iv. Storing Facilities
   v. Transmission Lines
   vi. Service Connections
   vii. Meters
C. Sole responsibility of installation of all of (B) above.
D. Maintenance of all of (B) above.
E. A separate meter shall be installed for each user unit.

SECTION 3 - RESPONSIBILITY OF MEMBER/OWNER

A. Cost of installation of the service line from the main to the meter.
B. Installation of service line from the meter to the residence (point of use).
C. Leaks from the meter to the point of use.
D. Interior plumbing.
E. Easy access to the meter box.
F. Easy access to all easements and right-of-way. (G) Responsible for delinquent account of tenants.

SECTION 4 - FEES & CHARGES

Fees and charges will be established by the Board of Directors of HSVPOA.

SECTION 5 - SECURITY DEPOSIT

All new accounts, including homes under construction, will be charged a deposit (no interest paid on deposit) as security against non-payment for service with HSVPOA

The security deposit will be refunded, less any final utility billings due, when the property changes ownership.

SECTION 6 - RESPONSIBILITY OF COMMERCIAL OWNER

The responsibility of HSVPOA on commercial property water leaks ends at the property line.

Adopted 6-22-83, B.O.D., Amended 4-25-84, 9-25-89 A.J.K., 12-17-90, 6-16-94, 6-22-94, 4-14-99, 4-28-99, Rev. 12-19-01, 04-16-25

ARTICLE 4 - SOLID WASTE MANAGEMENT

SECTION 1 - PURPOSE

To establish policy for solid waste collection and disposal within Hot Springs Village. Refer to the General Rules and Regulations under section 4.0 entitled "Solid Waste Management" for additional details.

SECTION 2 - DEFINITION

A. Solid Waste means all normal household trash, as well as any other non-hazardous trash or materials including yard waste that is generated by residents or businesses within HSVPOA Solid Waste Service Area.
B. Solid Waste Service Area means the area within the boundaries of the gated community of Hot Springs Village, Arkansas and any additional areas beyond those boundaries in which HSVPOA Board of Directors authorizes the collection of solid waste.
C. HSVPOA container means any residential or commercial trash can or container owned or collected by the HSVPOA.

SECTION 3 - GENERAL

A. HSVPOA shall have the exclusive right within the Solid Waste Service Area to collect, dispose of, and bill for any such services offered to residents or businesses within the Solid Waste Service Area. No individual or entity may provide any type of solid waste collection, hauling, or disposal services without written authorization of HSVPOA.
B. HSVPOA Board of Directors has the authority to impose a fee associated with the authorized third-party collection, hauling, or disposal of solid waste within the Solid Waste Service Area.
C. All residents, businesses, and rental facilities within the Solid Waste Service Area are required to subscribe to HSVPOA solid waste services unless granted written authorization by the HSVPOA.

SECTION 4 - CONTAINERS

A. Residences within the HSVPOA Solid Waste Service Area will be provided one (1) trash can that will remain the property of the HSVPOA. One (1) additional trash can may be requested from the HSVPOA for an additional monthly fee. Trash cans will be emptied weekly per a schedule provided by the HSVPOA.
B. Commercial customers within the HSVPOA Solid Waste Service Area will be provided with an appropriate commercial container that will be collected weekly per a schedule provided by the HSVPOA. Larger or additional commercial containers or additional collection days may be requested from the HSVPOA for an additional monthly fee.
C. Property owners will be responsible for the replacement cost of trash cans that are intentionally damaged beyond repair, or if the property owner removes the trash can from the property without approval. The replacement cost of the trash can will be determined per the current fee schedule.

SECTION 5 - LIMITATIONS

A. Hazardous materials will not be collected by the HSVPOA and must not be dropped off at any HSVPOA location or in any HSVPOA trash can or container.
B. HSVPOA reserves the right at any time to refuse to collect or receive any type of solid waste, if in the sole judgment of the HSVPOA, such collection is deemed to be harmful, hazardous or in violation of HSVPOA, State, or Federal regulations governing the type of solid waste involved.

SECTION 6 - SERVICE LOCATIONS

Solid waste to be collected must be placed at the times and locations outlined in the General Rules& Regulations for Solid Waste Management.

SECTION 7 - OTHER SOLID WASTE SERVICES

The HSVPOA may provide, for a fee, other solid waste services beyond that described in this policy by special arrangement per the General Rules & Regulations under Section 4.0 entitled "Solid Waste Management".

Adopted 6-22-88, Rev. 12-19-01, 2-16-11, 4-20-16, 01-26-22, 01-18-23, 02-15-23, 04-16-25

ARTICLE 5 - SEWER BACKFLOW PREVENTION PROGRAM

A. It is the responsibility of the property owner to maintain sewer service lines to the sewer main in the gravity system and to the interceptor tank or grinder tank in the pumped effluent and pressure sewer systems, respectively.
B. Backflow prevention devices are not required except where a plumbing fixture in a structure is below the grade of a manhole and above the grade of the sewer main.

BACKFLOW PREVENTION REIMBURSEMENT

Anyone who has experienced a sewer backup into their house regardless of cause will be eligible to be reimbursed by the HSVPOA for the actual cost of installing a backflow prevention device up to a maximum reimbursement of $50.00.

Adopted B.O.D. 4-18-01; Revised 01-18-23, 04-16-25

ARTICLE 6 - ROAD RIGHT-OF-WAY

SECTION 1 - PURPOSE

To establish policy relating to Road Right-of-Way and its uses to promote road and shoulder safety and proper drainage.

SECTION 2 - DEFINITION

Road right-of-way is defined as that area of common properties in recorded subdivisions dedicated to vehicle traffic, utility development, surface water drainage, and other possible uses as defined in the individual recorded subdivision record plats and the HSVPOA Covenants and Restrictions dated April 20, 1970 (Rev. 10/13/88).

The width of Road right-of-way is determined by the type of road use.

ROAD USE	WIDTH OF R-O-W	PAVED WIDTH
Arterial	140-200 feet	22 feet
Major Collector	100 feet	20 feet
Minor Collector	75 feet	20 feet
Residential	40 and 50 feet	16 - 20 feet
Frontage	30 feet	12 feet

The right-of-way on a typical road consists of a paved street with shoulders on each side, a ditch for drainage of surface water and a back slope to the existing individual lot property line.

SECTION 3 - GENERAL

The road right-of-way is owned as common property by the HSVPOA and has responsibility for road maintenance, drainage and vegetative control.

Utilities are placed upon or contained within road right-of-way and consist of water and wastewater lines, underground and overhead electrical lines, telephone utility systems, cable television facilities and appropriate equipment containers.

Property owners may construct driveways and install landscaping to the pavement edge in conformance to provisions of this policy.

SECTION 4 - PROVISIONS

A. Utility construction will require a Utility Installation Permit — issued by HSVPOA. In all instances of construction or maintenance of utilities, proper drainage must be restored, and obstructions must not be created in the road right-of-way.

B. Work in right-of-way by property owners, or their contractors - paved driveways may be constructed through road right-of-way to connect with the existing paved street area, provided the location is shown on the plot plan and is approved by the Architectural Control Committee. New driveway storm water culverts shall be of an approved material and size to ensure proper drainage along the road right of way. Consideration on sizing shall include the drainage area upstream of the proposed location as well as the largest storm water culvert upstream of the proposed installation, The builder/homeowner is ultimately responsible for

ensuring the storm water culvert size is adequate to accommodate upstream storm water runoff. In no case shall the culvert size be less than 15" in diameter. The property owner shall be responsible for maintaining and/or replacing any driveway storm water culvert to ensure proper drainage in the affected area of the right-of-way.

C. Any construction or utility maintenance within the road right-of-way must make provisions to maintain safe traffic flow and allow for emergency traffic. Damage to the road pavement or shoulders shall be repaired by HSVPOA and the actual cost shall be charged to the one causing the damage. Utility companies and the HSVPOA will return the road right-of-way to the previous existing grade. Property owners will be responsible for the replacement of private improvements, extended parking surfaces or landscaping within the road right-of-way which is removed during utility construction or maintenance. Property owners will also be responsible for removal of that which is identified as a hazard by HSVPOA.

3-31-91 , Adopted 3-26-91 B.O.D., Amended 3-27-96 B.O.D. Rev. 12-19-01, 5-18-16, 09-16-20, 01-18-23, 08-16-23, 04-16-25

ARTICLE 7 - ROAD SIGNAGE

SECTION 1 - GENERAL

The Public Services Department and the Public Services Committee have oversight responsibility for all road, traffic control and informational signage located within the road rights-of-way in Hot Springs Village.

Adopted 9-21-05; Revised 01-18-23, 04-16-25

CHAPTER FIVE - ARCHITECHTURAL CONTROL

SECTION 1 - AUTHORITY

The Architectural Control Committee (ACC) and the Permitting & Inspections (P & I) Department, have oversight responsibilities of all construction and landscaping activities within the boundaries of Hot Springs Village. The P & I Department, under the direction of the Director of Public Services, issues permits, assesses fees, and schedules inspections of construction and landscaping activities per the adopted, Rules and Regulations, and Protective Covenants. These documents are available in the P & I office and on the Hot Springs Village website at www.explorethevillage.com. The ACC, with support from P & I Department, has developed procedures, which comply with the following:

SECTION 2 - APPLICABLE POLICIES

A. HSVPOA Protective Covenants, dated April 20, 1970, and revised 10-13-1988, 4-5-201, 5-21-2014, 04-18-2018, 05-20-20, and 12-16-2020
B. HSVPOA/ACC Procedures
C. International Residential Code
D. International Building Code
E. Arkansas Fire Prevention
F. Arkansas Plumbing Code
G. National Electrical Code
H. Arkansas Mechanical Code
I. Arkansas Propane Code
J. Environmental Protection Agency (EPA)
K. Arkansas Department of Environmental Equality (ADEQ) American's with Disabilities Act (ADA)

The ACC and P & I Department adhere to the following Policies:

A. Architectural Control Policy (Chapter 5 Article 1)
B. Administrative Fines and Review Policy (Chapter 1 Article 14)
C. List of Required Permits:
D. Event Permits, such as Garage Sales, Yard Sales, Estate Sales, Temporary Event Signage, and Temporary Event Parking
E. Building Permits, such as, New Home Construction, New Commercial Construction, Existing Building Alterations or Additions including Roofing, Siding, Windows, Doors, Porches, Decks and other elements attached to buildings, storage sheds and outbuildings, and temporary structures
F. Signage
G. Landscaping
H. Retaining Walls
I. Fences

J. Stormwater
K. Special Permits, such as Propane Cylinders and Buried Tanks, Seawalls, Rip Rap, Docks and Lake Decks, Swimming Pools and Hot Tubs, Electrical, Plumbing, HVAC, Sprinkler Systems and Irrigation Systems, Driveways, Solar Power Systems, Emergency Generators, Geothermal Systems, and Ham Radio Antennas

SECTION 3 - ARCHITECTURAL CONTROL IMPLEMENTATION

Staff and members of the ACC will operate on a pro-active basis in the administration of the HSVPOA Governing Documents.

Permits are required as listed in this policy for new projects and modifications to existing installations.

Buildings occupation requires a Certificate of Occupancy from the Permitting and Inspections Department of HSVPOA.

Unpermitted changes or alterations to a building, structure, or land is subject to immediate or ongoing fines and removal or modification following ACC review as per the HSVPOA Declaration Article VIII Section 3 (j).

10-26-01, 11-14-01, Approved 7-16-03 BOD, Revised 11-17-04, Rev. BOD 4-20-05, Rev. 6-21-06, 6-2-11 ACC, BOD 2-18-15, Revoked 8-15-18, Approved 06-17-20, Revised 02-21-2024, 04-16-25

CHAPTER SIX - GOLF

ARTICLE 1 - GOLF FACILITIES

SECTION 1 - MEMBERSHIP PRIVILIGES

HSVPOA maintains and operates the golfing facilities of Hot Springs Village for the primary use and enjoyment of property owners and other persons entitled to property ownership privileges. Persons entitled to those privileges are referred to in Chapter One, Article 5; HSVPOA Identification Cards.

SECTION 2 - ADVANCE TEE TIMES RESERVATION SYSTEM

HSVPOA maintains an Advance Tee Times Reservation System to enable Members to reserve tee-times up to 90 days prior to the desired date of play. All Advanced tee time reservations must be guaranteed with a valid credit card. This service is designed to serve the following HSVPOA Member classifications.

A. Non-Resident Members – for tee time purposes, Non-Resident Members are defined as those who reside outside the following contiguous Arkansas counties: Garland, Saline, Pulaski, Hot Spring, Johnson, Pope, Van Buren, Logan, Conway, Faulkner, Scott, Yell, Perry, Lonoke, Polk, Montgomery, Howard, Pike, Grant, Jefferson and Clark.
B. Resident Members with Guests – for tee time purposes, Resident Members are those whose primary residence is within the twenty-one contiguous Arkansas counties listed in A. above.

SECTION 3 - COMPUTER TEE TIME ASSIGNMENT SYSTEM

A. HSVPOA maintains a Computer Tee Time Assignment System, which is available to all persons who are entitled to property owner privileges. Participants must register and may be required to pay an annual fee to utilize the system.
B. Participants found abusing the use of the system are subject to suspension from using the Computer Tee Time Assignment System, thirty days' suspension from using HSVPOA amenities.

SECTION 4 - GUARANTEED TEE-TIME RESERVATIONS, CANCELLATION & NO-SHOW POLICIES

Guaranteed Tee-Time Reservations

A. HSVPAO maintains a system whereby specified classifications of persons, who reserve advance tee-times, must guarantee payment of golf fees if the times are not canceled in a timely manner or if the player(s) do not show to play.
B. Cancellations – the Department of Golf maintains specific guidelines, which specifies what constitutes timely and acceptable tee-time cancellation procedures.
C. No-Shows
    i. No-Show is defined as a tee-time, or part of a tee-time, (player), that is not utilized or canceled within the timeframe specified within the cancellation policy.
    ii. If tee-times are made for multiple players, under one Member I.D. Number and one or more players meet the no-show criteria, the member whose I.D.

was used will be charged the appropriate cancellation fees. If the reservation is guaranteed, the guarantor will be charged the appropriate fees.

SECTION 5 - USE OF GOLF FACILITIES BY NON-MEMBERS:

HSVPOA maintains and operates the golfing facilities of Hot Springs Village for the primary use and enjoyment of members and other persons entitled to membership privileges. The use of golf facilities by non-members is classified as follows.

A. Family Members – those individuals who have been issued a Family ID card in line with the Rules and Regulations. Designated family members are allowed to play golf at reduced rates. Family members who are eligible for reduced golf fees are defined in HSVPOA Policies; Chapter l ; General Administration; Article 5, HSVPOA Identification Cards; Section: 5.D.
B. Accompanied Member Guest - those individuals who are playing in a group accompanied by a Member.
C. Public those individuals who are not accompanied by a Member

SECTION 6 - COURSE RULES & REGULATIONS

The Department of Golf maintains and enforces golf course Rules and Regulations which are designed to protect players, employees, the golf course facilities and equipment. These Rules and Regulations also serve to create and preserve an enjoyable environment for players and preserve the integrity of the game.

SECTION 7 - RAIN CHECK POLICIES

HSVPOA provides for the issuance of a Rain Check to a player when inclement weather, causes discontinuance of play in line with the Rules and Regulations.

SECTION 8 - GOLF CART REGULATIONS, POLICIES & GOLF CART FLAG PROGRAM

This section prescribes regulations governing the required equipment and operation of golf carts on Hot Springs Village golf course premises. The regulations prescribed are to enhance the safety of cart operators, passengers, players and other cart. occupants and to preserve and protect the golf course properties.

For the purposes of this section, a golf cart is defined as a motorized vehicle designed to carry two players, two golf bags and built primarily for use by players, on a golf course.

A. Golf Cart Registration
    i. Privately owned golf carts operated on HSVPOA golf course premises must be registered and display a current decal prominently on the front of the cart. The registration period is annual and for a Calendar year, January l, through December 31.
    ii. The registration fee is a part of the HSVPOA fee schedule and is established by the Board of Directors.
B. Minimum Age and License Requirement – an operator of an HSVPOA owned golf cart or a private cart must possess his/her own valid driver's license.
C. Enforcement of the forgoing rules or regulations will be by either or both of the following:
    i. Arkansas Motor Vehicle Traffic Laws.

ii. The Declaration Article VIII, Section 3(c) and Protective Covenants.

D. Use on Golf Courses
   i. Shall be in accordance with this section and any other instructions along with the or Rules and Regulations issued by the Department of Golf.
   ii. 2) The cart operator will be held liable for damage to HSVPOA owned golf carts, the golf course and/or course structures or equipment that results from careless operation of a golf cart.

E. Golf Cart Medical Flag Program – HSVPOA provides a Medical Flag Program, developed and operated by the Department of Golf, which is intended to increase the opportunities for participants to operate carts off the golf cart paths in some circumstances and conditions when carts operated by nonparticipants are restricted to the cart paths.

SECTION 9 - VOLUNTEER MARSHAL PROGRAM

HSVPOA provides for a volunteer golf course marshal program to assist in controlling play, administering course rules and assist players in obtaining the maximum enjoyment of playing golf on HSVPOA courses. The program is under the direction of the Director of Golf.

SECTION 10 - TOURNAMENTS LEAGUE PLAY, HIGH SCHOOL PRACTICE & TOURNAMENTS

This section prescribes policies for regulating fees and schedules for tournaments, league play, other tournament play and policies relating to High School usage of H.S.V. golf facilities.

Classification of Play

A. Corporate/Charity Tournaments – are tournaments conducted for golfers who are charged fees for using the facilities. Participants may include HSVPOA Members and guests. Corporate/Charity tournaments may be scheduled at any time on any HSVPOA golf course at the discretion of the Director of Golf. The schedule shall be established and the tournament conducted under guidelines established by the Director of Golf.

B. Member Tournaments –Member tournaments or play composed entirely of players who are members of sponsoring HSVPOA Golf Associations/leagues or a golfing event that is not designed to raise funds or for profit.
   i. The Director of Golf shall assign the number of HSVPOA Golf Association/league play days, the beginning and ending dates and the play days.
   ii. Allocated tee-times are subject to reduction by the Director of Golf following monthly reviews of the degree of utilization of these tee-times by each of the Golf Associations/leagues.
   iii. For all association/league play, prizes awarded shall be gift certificates for H.S.V. Golf Shop merchandise. Any Associations/leagues wishing to provide prizes of cash at any level must notify their members, in writing, of the USGA rules governing cash prizes. A copy of this notification will be sent to the Director of Golf.

iv. Each of the Golf Associations/leagues must have acceptable by-laws on file with the Director of Golf and be represented by a Board of Directors.
v. Any Golf Association/leagues may hold Guest Play Day events on any of their respective scheduled play days, with their league's membership approval

C. Educational Institution's Practice and Tournament Play – are Golf teams of designated local schools may utilize H.S.V. golf facilities in accordance with schedules and conditions prescribed by the Director of Golf.

SECTION 11 - SUSPENSION OF ACTIVITIES

HSVPOA, through the Director of Golf, reserves the right to delay, change or cancel any activity due to weather conditions or any other unforeseen circumstance.

12-15-99, 9-20-00, 12-19-01, 4-17-02, 6-18-03, 4-23-04, 5-19-04, 7-21-04, 8-17-05, 2-15-06, 1-17-07, 12-16-09, 2-16-11, 3-19-14, 5-18-16, 04-16-25

CHAPTER SEVEN - AWARDS PROGRAM

HSVPOA has four awards it may offer annually to individuals or groups within Hot Springs Village. An Awards Coordinator from the Board of Directors shall be appointed by the President to ensure anyone nominated for an award meets the requirements as specified below.

A. The ***President's Award*** is given to an individual, or under extraordinary circumstances to an organization, who has performed outstanding service in support of HSVPOA or Hot Springs Village. There shall be only one such award given each year, if any, and only non HSVPOA employees or organizations are eligible. Current HSVPOA Board members are not eligible. The award shall be a suitable engraved plaque, tray, or medallion and is to be presented by the President at the Annual meeting. The coordinator will review past recipients of the President's award and be responsible for recommending possible recipients, if any, to the President, who shall make the final selection.

B. The ***Recognition Award*** is given by the President or designee if the recipient is a property owner, or by the General Manager (GM), if the recipient is an employee. Recognition Awards are given to individuals, committees, or groups who have provided outstanding service in support of HSVPOA or Hot Springs Village. Current POA Board members are not eligible. These may be multiple awards in the form of framed certificates and are to be presented at the Annual meeting. Any Property Owner may nominate another property owner or employee for the Recognition Award by submitting a name to the Board of Directors or the GM. The Award Coordinator is responsible for administering the property owner recognition program. The GM is responsible for administering the employee recognition program. Awards are generally based on the twelve months preceding each annual meeting.

C. The ***Incentive Award*** is given to an employee who has developed a process, procedure, or policy that results in significant savings of money or human energy. The GM and Treasurer are not eligible. These may be multiple awards in any given year and are to be cash awards to be determined by the GM and Board. The, awards are to be presented by the GM at the annual meeting. Anyone may nominate an employee by submitting a name to the GM, who is responsible for administering the program. Awards are generally based on the twelve months preceding each annual meeting.

D. A ***Certificate of Appreciation*** is presented at the Annual Meeting to each standing and ad hoc committee member whose term on a committee has ended, or who has resigned during the year, prior to the annual meeting.

7-31-89, Rev. 8-8-89, 9-8-89, 9-20-89, 1 1-1-89, 7-28-99, 2-6-02, 2-20-02, 10-17-07, 1-1518, 06-17-20, 04-16-25

CHAPTER EIGHT - COMMITTEES

ARTICLE 1 - COMMITTEE SELECTIONS PROCESS

The Board of Directors will use the following process in reviewing applications for POA Committees prior to making recommendations for appointment.

A. Any person interested in serving on a specific Committee should complete an application form and file it with the office of the Corporate Secretary.
B. A determination will be made whether the applicant is a member in good standing of HSVPOA at the time application is submitted. If the applicant is not a member in good standing, the application will be rejected, and a written explanation will be mailed to the applicant.
C. Copies of applications of all eligible applicants will be sent to the committee chairperson and the HSVPOA Board Director Liaison and staff member serving on the committee. They shall jointly make recommendations on committee vacancies, which will be advanced to the Board through the Board Director Liaison serving on the committee.
D. Prior to submitting any applicant/nominee for recommendation to the Board, there will be a personal interview conducted on all applicants under consideration for appointment. The interview team will consist of the committee chairperson, the Board member and staff member serving on the committee; criteria for conducting the interview and procedures to be used will be adopted in advance.
E. Letters confirming appointment to a committee will be prepared and mailed by the office of the Corporate Secretary.
F. The office of the Corporate Secretary will keep applications for a period of one year in the event further vacancies occur on the committee.
G. When a vacancy occurs on a Committee, on-file applications will be forwarded to the committee chairperson.
H. With respect to mid-term vacancies, no property owner who has been appointed to another Committee during the current term-year may be eligible to be appointed to fill the vacancy.

Revised and Adopted 8-26-98 BOD, 10-28-98, BOD, 11-20-98, 10-17-07, 01-16-19, 04-15-20, 04-16-25

ARTICLE 2 - COMMITTEE GUIDANCE

A. The Board of Directors of HSVPOA has established Committees which serve in an advisory capacity to the Board Refer to Bylaws Article XII, Section 1.
B. The Board Director Liaison is responsible for ensuring the committee adheres to the charter's purpose, organization and appointment.
C. A member of the Board of Directors is elected by the Board to serve as a Board Director Liaison on each committee.
D. A member of HSVPOA staff is appointed by the General Manager to serve as a committee member on each committee, as appropriate within the charter' s purpose.
E. Each Committee Chair will attend all POA-sponsored committee training.
F. Committee Chairs are encouraged to attend meetings of the Board of Directors to remain knowledgeable of current and future areas of focus.
G. A Chair, Vice Chair and Secretary of each committee shall be chosen annually by majority vote of the new committee in accordance with the Bylaws. The chairperson shall be elected for a term of one year and may not succeed himself/herself unless the Board grants special approval.
H. General Committee Chair responsibilities
    i. Notify the Corporate Secretary of any committee vacancy as soon as possible and coordinate annual term expirations
    ii. Encourage committee members to contact property owners they believe would make productive committee members and encourage them to complete an application to POA Administration. Refer to POA Operating Policies, Chapter 7, Article 2 for the Committee Application Form.
    iii. Prepare an annual report of committee activities in accordance with Bylaws Article XII Section J
    iv. Coordinate meeting agenda topics and resource needs with Board or Staff Committee members, in accordance with charter's advisory focus.
    v. Distribute copies of the committee's charter to each member and ask them to review.
    vi. Review Bylaws Article XII and the committee's charter; ensure all committee members understand their purpose, duties, and limitations.
    vii. Ensure the timely submittal of approved minutes and reports to the Corporate Secretary' s office.
I. Forwarding a committee recommendation requires a majority vote of the committee.

10-17-07, Rev. 1-16-08, 4-15-09, 01-16-19, 04-15-20, 06-17-20, 07-20-22, 04-16-25

ARTICLE 3 - COMMITTEE OPEN MEETINGS

A. Except as otherwise specifically provided herein, all meetings of HSVPOA committees shall be public meetings.
B. The time and place of each regular meeting of a committee shall be published in advance in a generally accepted manner and furnished to anyone who requests the information. If it is necessary to change the date, time or location of a meeting, the committee chairperson shall notify the Corporate Secretary and request a notification to be posted in *The Village Digest*.
C. Subcommittees or individual members of committees may conduct business at times that are not announced to the public, providing that all work done by the subcommittees or individual members is reported to the full committee in a public meeting.
D. The following statement will be read by the attending Board member or other designated individual prior to the beginning of all official HSVPOA Board and committee meetings.
E. Official recordings, videos or transcriptions of HSVPOA Committee meetings and/or Board meetings will be done by authorized personnel only and can be viewed on the HSVPOA YouTube channel and explorethevillage.com. Any other recording, video or transcription of HSVPOA Committee meetings and/or Board meetings is not considered the Official record of the HSVPOA Committee meetings and/or Board meetings.
F. Unless granted in their charter, committees, derivative sub committees and ad hoc committees have no decision-making authority that binds HSVPOA, and instead serve as Advisory Committees.
G. Audit Committee executive sessions will only be permitted under the circumstances as specified in their charter.

BOD 03-18-15, 01-16-19, 04-15-20, 04-16-25

CHAPTER NINE - BOARD OF DIRECTORS

ARTICLE 1 - OPEN MEETINGS

SECTION 1 - PUBLIC MEETINGS

Except as otherwise specifically provided herein, all meetings of the HSVPOA Board of Directors shall be public meetings.

In the event of emergency or special meetings, the Secretary shall notify the public and media in a generally accepted manner of the time, place, and date of the meeting. Notification shall normally be made at least two (2) hours before the meeting takes place in order that the public and media may have representatives at the meeting.

SECTION 2 - STATEMENT

The following statement will be read by the attending Board member or other designated individual prior to the beginning of all official HSVPOA Board and committee meetings.

Official recordings, videos or transcriptions of HSVPOA Committee meetings and/or Board meetings will be done by authorized personnel only and can be viewed on the HSVPOA YouTube channel and explorethevillage.com. Any other recording, video or transcription of HSVPOA Committee meetings and/or Board meetings is not considered the Official record of the HSVPOA Committee meetings and/or Board meetings.

Unless granted in their charter, Committees, derivative sub committees and ad-hoc committees have no decision-making authority that binds HSVPOA, and instead serve as Advisory Committees.

Adopted 7-18-12; Revised 12-20-17 (Changed from Chap. 1, Article 24 to Chap. 8, Article 3); 04-15-20, 06-17-20, 04-16-25

ARTICLE 2 - BOARD MEMBER DUTIES

SECTION 1 PURPOSE

To Govern consistently with the Declaration and Protective Covenants, to assure the viability of Hot Springs Village by establishing and managing goals and objectives and to ensure that the voice of the property owner is represented.

SECTION 2 BOARD OFFICER DUTIES

A. **The President** shall be selected from among the members of the Board of Directors and is expected to provide leadership to HSVPOA's Board of Directors and the Board committees. The Board Chair facilitates communication and decision-making within the board. Specific responsibilities include, but are not limited to

   i. Works with the GM in preparing an agenda for Board meetings, considering requests made by all Board members and company officers
   ii. Convening and facilitating board and executive session meetings.
   iii. Facilitates any disciplinary actions for Board members, in accordance with HSVPOA Bylaws and Democratic Rules of Order.
   iv. Ensures that Board Committees are focused on pursuing the strategic needs of HSVPOA.
   v. Works in partnership with the GM to make sure that Board resolutions, directives and policies are carried out and support the organization's mission.
   vi. Ensuring that there is a quarterly performance review of the GM and an annual Effectiveness Assessment of the Board.
   vii. Helps guide and mediate Board actions with respect to organizational priorities and governance concerns.
   viii. Acts as an ambassador of HSVPOA and advocates for its mission to internal and external stakeholders.
   ix. Oversees the recruitment, evaluation, and discipline of the GM.
   x. Ensures the Board Vice Chair is apprised of Board activities and prepared to fulfill the roles and responsibilities of the Chair in the case of her or his inability or absence.
   xi. Acts as liaison with GM on behalf of the Board to ensure majority wishes are understood and executed.
   xii. Acts as official spokesperson for the Board on governance matters.

B. **The Vice President** shall be selected from among the members of the Board of Directors and is expected to provide leadership to the HSVPOA Board of Directors. The Vice Chair shall also perform such other duties as the Chair or Board of Directors may assign to him or her from time to time. Specific responsibilities include, but are not limited to

   i. Fulfill the roles and responsibilities of the Chair in the case of her or his inability or absence.

ii. Fulfill the roles and responsibilities of the Secretary in the case of her or his inability or absence.

C. **The Secretary** may be a member of the Board, provided, however, that such member of the Board may not be salaried. In the event someone other than a member of the Board is appointed to serve as Secretary, then such person may be salaried and need not be a member of HSVPOA. The Board Secretary is expected to establish and oversee sound practices for documentation and effective procedures for Board communication. Specific responsibilities include, but are not limited to
   i. Overseeing the recording and timely distribution of Board and Executive Session meeting minutes.
   ii. Keeping records of all official and/or legal organizational documents, such as articles of incorporation, Declaration, Protective Covenants, Bylaws, policies, legal advice, and other key documents, ensuring that all board resolutions are duly integrated in the appropriate governing document.
   iii. Ensuring notices are duly given in accordance with the provisions of HSVPOA Bylaws or as required by law.
   iv. Recording all votes.
   v. Signing organizational documents as needed.

D. **The Corporate Treasurer** shall be elected by the members of the Board of Directors. If the Treasurer is not a Director, he/she is a corporate officer and is an Ex- officio/non-voting Board member with all the duties, responsibilities, and commitments of a Director/Board Member. The Treasurer is the Officer who has primary responsibility for financial well-being of the corporation but does not take day-to-day responsibility, but focuses on "the financial big picture". Included in the Corporate Treasurer's responsibilities are the duties to
   i. Monitors and reviews financial policies for the board and assist in the development of financing strategies.
   ii. Reviews accounting policies in place for proper segregation of duties.
   iii. Works closely with the Controller for investment strategy and activity.
   iv. Is a member of the Audit Committee.
   v. Is the Board Liaison for the Finance & Planning Committee.

The Corporate Treasurer should have a working knowledge of Generally Accepted Accounting Principles. Professional certificate designation is desirable but experience and education commensurate with certification is acceptable.

Performs all of the duties related to the office of Treasurer and such other duties as from time to time may be assigned to him/her by the chair or by the Board of Directors.

Approved: 03-21-18, 05-20-20, 06-17-20, 10-21-20, 07-20-22, 04-19-23, 04-16-25

ARTICLE 3 - GENERAL MANAGER PERFORMANCE EVALUATION

SECTION 1 - EVALUATION PURPOSE

The General Manager (GM) Performance Evaluation policy serves as a mechanism to ensure consistent and predictable practices between the Board of Directors and the GM in the setting of expectations, evaluating performance and enhancing professional development.

SECTION 2 - EVALUATION PROCESS

A. Performance period – the performance year is January 1 – December 31, annually.
B. Developing the performance standards. The purpose of this stage of the process is to determine for the GM what is important to accomplish over the next performance period and to define what the GM will be evaluated on. Development of the performance standards should be a collaborative process between the GM and the full Board, with 2/3 of the Board needed for approval.
    i. The performance standards, which include revenue, expense, and enhancing property owner value, should be completed and approved prior to the start of the performance period.
    ii. The Board will evaluate the GM compensation as outlined in the GM's Offer of Employment.
C. Preparing the evaluation. This step involves gathering performance information. Documents that may be helpful include monthly GM reports to the Board, revenue and expense information, audit findings, any relevant discussion and/or meeting outcomes between the Board and the GM, and the GM job description. If needed, the Board Chair with assistance by a human resource professional, will update as needed the GM job description during this process. At this point, each Board Member will rate the GM's performance on predefined performance standards. The GM is required to complete a self-assessment which shall encompass and include all accomplishments and shortfalls during the year, and provide such to each Board member annually.
D. Tabulating and preparing the overall evaluation. The Board will tabulate the individual Board evaluations and the GM self-assessment and summarize them as a unified evaluation of the GM's performance. A composite matrix will be developed that displays the Board's rating, per performance standard, as compared to the GM's self-assessment.
E. Conducting the Evaluation. The final performance evaluation will be discussed with the GM, one-on-one, by the Board Chair and the Board Vice Chair in February.
F. The GM will be provided the opportunity to draft written comments for attachment to the final evaluation. They must be submitted to the Board Chair within 15 days of the final evaluation. The Board Chair is responsible for forwarding the final evaluation to HSVPOA's Human Resource Director for inclusion in the GM's personnel file and administration of the GM performance increase and shall remain confidential in accordance with Bylaws Article IX, and Policies, Chapter 1, Article 8.

Approved: 12-19-18, 06-17-20, 01-26-22, 04-16-25

ARTICLE 4 - BOARD OF DIRECTORS ELECTIONS

As stated in the Bylaws, one ballot per lot or living unit shall be mailed to the current address on record for all members of HSVPOA in good standing, at least eighteen (18) days in advance of the date so designated by the Board of Directors as the date for the election. An accounting of number of ballots printed and mailed will be provided by the third-party election services vendor to the HSVPOA designated representative.

When applicable, ballots (written or electronic) will be returned, and stored at a pre-selected secure election service, accounting firm, bank and/or armored service. All ballots mailed will be returned via USPS postal mail only to the pre-selected location. Provisions will be made for replacement ballots.

The results of the election will be calculated by the third-party election service vendor who shall prepare an Official Certification Report for the Election and provide the election results on the election day to the Board of Directors Chair and Designated HSVPOA Representative. The Board President will contact first, the Board, second the GM, and third, all the candidates in the field. The GM will issue a press release of the results on the designated election date.

All election paperwork, ballots, returned registration envelopes and all other relevant documents shall be bound, sealed, and stored at the third-party election services vendor' s secured storage area for a period of not less than one-year from the election day, after which time the documents will be securely destroyed. Online information will be electronically stored for a period of three years.

The Board of Directors shall certify those so elected during the regular April meeting.

Approved 01-15-2020, 06-17-20, 07-15-20, 12-16-20, 04-16-25

ARTICLE 5 - VOTING REQUIREMENTS FOR NON-BOARD OF DIRECTOR ELECTIONS

SECTION 1 PROCESS

A. As set forth in Article XIV, Section 1, of the Bylaws of HSVPOA, in all elections requiring official meeting, votes may be cast in person (by ballot) or by proxy.
B. Where no official meeting is required, votes can be cast by ballot (proxy is permitted) but there is no requirement for an in-person vote.
C. A proxy is a form used to allow a vote cast on one's behalf for a member who will not be present at the official meeting. The proxy is voted by the President or Vice-President of the Board of Directors who are the appointed proxy by default.
D. A ballot is a document used for casting a member's vote.
E. Ballots and proxies will only be supplied by mail as herein provided.

SECTION 2 - REQUIREMENTS

A. Actions requiring a vote of the membership are stated in Article IV Section 2 of the Bylaws.
B. Quorum requirements — as set forth in Declaration Article X, Section 6.

SECTION 3 PROXIES, TABULATION, RETENTION

A. Proxies and/or ballots shall have property identifiers. One proxy (if applicable), or ballot shall be mailed to the current address on record for all members of HSVPOA in good standing on the date designated by the Board of Directors in accordance with the Declarations, for said election. The proxy, or ballot, shall be mailed by the third-party printing vendor on the date so designated.
B. Proxies will be returned, stored and counted, by a pre-selected secure third-party election service, accounting firm, bank and/or armored service. All ballots will be returned via USPS postal mail only to the pre-selected location. No provision will be made for replacement ballots. Ballots may be cast in person only from 8:00 a.m. until 10:00 a.m. on the day of and at the site of the special called meeting.
C. The results will then be announced at the conclusion of the duly called meeting for said vote.
D. All tabulations, summaries, proxies, ballots and summary of results shall be stored in sealed boxes within HSVPOA's official record-storage area for a period of not less than one-year from , the official meeting day, after which time the documents will be securely destroyed.

Board approval: 03-18-2020; 04-16-25

ARTICLE 6 CONSENT AGENDA

SECTION 1 PURPOSE

The purpose of this policy is to allow the use of a consent agenda.

SECTION 2 GENERAL

To expedite the conduct of routine business during HSVPOA monthly Board of Directors meetings, the HSVPOA board can elect to use a consent agenda for the passage of noncontroversial items or items of a similar nature.

SECTION 3 CONSENT AGENDA

A. The General Manager or designee, in consultation with the board president, may place items on the consent agenda. By using a consent agenda, the Board has consented to the consideration of certain items as a group.
B. Consent items are those which do not require discussion or explanation prior to Board action, are noncontroversial and/or similar in content, or are those items which have already been discussed and/or explained and do not require further discussion or explanation. Such agenda items include, but are not limited to, routine matters that require Board action, such as, the approval of the agenda, approval of previous board minutes, committee minutes, initial appointments to committees, committee and staff reports, updates or reports, governing policies, correspondence requiring no action, routine contracts that fall within policies and guidelines, purchase items discussed and reviewed by the board in the previous month.
C. Reappointment of committee members after initial 3-year term is not included in consent agenda.
D. All supporting materials for the consent agenda will be sent to board members at least one week in advance of regular board meetings.
E. Items can be removed from the consent agenda by a request by an individual board member for independent consideration. A request must be made prior to the vote on the consent agenda. The request does not require a second or a vote by the board. An item removed from the consent agenda will then be moved to Current or New Business and acted on separately.
F. The consent agenda items shall be separately recorded in the minutes.

B.O.D. approved 5-18-16, 01-16-19, 06-17-20, 04-16-25

CHAPTER TEN – FINANCE & ACCOUNTING

ARTICLE 1 GAAP ACCOUNTING

HSVPOA follows Generally Accepted Accounting Principles for internal financial statements and annual independent auditor's reports. As such, HSVPOA books are full accrual basis of accounting. Due to the timing of the internal financial monthly closing process and dependance on vendors submitting invoices in a timely fashion, many have a "timing" difference in accounts payable related expenses. The year-end books will remain open until auditors have conducted their field work to ensure all expenses and payables are properly recorded in the proper period.

Any questions or requests for clarification should be verified with he audit firm currently under contract with HSVPOA.

ARTICLE 2 INVESTMENTS

SECTION 1 PURPOSE

This policy strives to provide the necessary guidance for management to invest HSVPOA funds in a manner which maximizes the safety and security of funds while seeking a return on investment and meeting daily cash flow demands.

SECTION 2 DELEGATION OF AUTHORITY

Bylaws, Article XI Section 5, states "The Treasurer is the Officer entrusted with, and the Custodian of the funds of the Association."

The Treasurer may assign management of the daily and short-term investments within the portfolio to an HSVPOA employee, but only after a vote of approval from the Board of Directors. The Treasurer will still retain the fiduciary duty to monitor that the designated employee is adhering to the investment policy and the Prudent Investor Rule. Upon the appointment of a new Treasurer, if so, asked by the Treasurer, the Board of Directors must in a timely fashion, reaffirm the appointment of the designated employee handling the investments of the HSVPOA.

SECTION 3 INVESTMENT OBJECTIVES

A. Ensure the safety of funds
B. Maintain adequate liquidity for operations
C. Maximize income from investable funds subject to items I and II as stated in this Investment Policy.

SECTION 4 INVESTMENT INSTRUMENTS

The following is a list of approved investment instruments:

A. Treasury Bills, Notes or Bonds issued by the United States Government
B. Municipal General Obligation Bonds that are rated "A or higher" and secured by a tax or guaranteed revenue of the issuer and should be additionally insured.
C. Certificates of Deposits in any financial institution not to exceed the guaranteed limit which shall include the accumulated Interest to be earned. Investments shall

not ~~to~~ exceed the insurance offered by the FDIC or the SIPC If the financial institution offers additional insurance above the amount guaranteed by the U.S. Government, careful consideration should be given to what the additional insurance will cover.

D. Bank money management funds or sweep accounts in approved banks.
E. Money Market Funds focusing mainly on U.S. Government Treasury Instruments, Banker's Acceptance and Commercial Paper and other accepted instruments with a low volatility ratio.
F. Banker's Acceptance and Commercial Paper issued by a United States Corporation or their subsidiaries that are rated "Al" or higher by Moody's Investor's Services or "P1" by Standard and Poor's Corporation with a maturity of 270 days or less.

The following is a list of investment instruments which should be avoided:

A. HSVPOA will not purchase securities that are considered highly sensitive. A security is considered highly sensitive when the instrument's contract term makes the securities fair value sensitive to interest rate changes.
B. HSVPOA will not purchase securities that could expose HSVPOA to foreign currency risk.
C. HSVPOA will not purchase derivatives.
D. Cryptocurrency

SECTION 5 SAFEKEEPING & CUSTODY

A. Any Bank authorized under the laws of the United States, or any State to exercise corporate trust powers, including but not limited to the bank from which the investment is purchased.
B. A Primary reporting Broker Dealer in the United States, regulated by the securities and exchange commission and maintaining a combined capital and surplus of $40,000,000 or more, exclusive of subordinated debt.

SECTION 6 INVESTMENT EARNINGS

Interest earnings will be credited to the source of the invested funds, at least quarterly, based on the average daily cash balance during the fiscal quarter. Market value adjustments and interest accruals will be allocated at the end of each fiscal quarter.

SECTION 7 BANKS

A. Banks should have a minimum capital/asset ratio of 6: 1, should have been profitable 3 of the last 4 quarters and profitable for the prior 12-month period. Factors such as non- performing loans and ratios of 1.) loans to deposits, 2.) types of deposits, 3.) types of loans to types of deposits, etc. should also be considered.
B. In addition, if rated, the approved banks or their holding company should have a satisfactory rating from a recognized rating agency.

Approved: 07-15-20, 04-16-25

ARTICLE 3 - CONTRACTS EXECUTION

SECTION 1 - AUTHORITY

The authority to execute contracts and/or agreements shall be vested in the officers of HSVPOA as stated in Article XI, Section 6 of the Bylaws.

SECTION 2 - LIMITATIONS

Any and all contracts and/or agreements obligating HSVPOA to an expenditure over $50,000 for the life of the contract must be approved by the Board of Directors. The General Manager approves contract expenditures below this amount or contracts allowing for termination at any time and with a maximum annual obligation not to exceed $50,000.

12-13-76, Rev. 7-19-89, 11-16-94, 9-19-01, 04-15-15, 09-21-16, 2-21-18, 06-17-20, 1021-20, 04-16-25

ARTICLE 4 - PURCHASING

PURPOSE: To obtain maximum value when acquiring materials and services for the benefit of the HSVPOA. This policy shall extend to all levels of procurement activity. The General Manager (GM) or designated staff are herein referred to as the purchasing authority (P.A.), as determined by commitment authority levels.

SECTION 1 - DELEGATION OF AUTHORITY

The board of directors delegates the purchasing responsibility to the GM who shall extend subordinate authority to staff as defined in established procedures.

SECTION 2 - COMMITMENT AUTHORITY OF APPROVED BUDGETARY SPENDING

A. Board – operating expenses and capital items over $50,000
B. GM – up to $50,000 for operating expenses
C. GM – up to $50,000 for budgeted capital items previously approved and noted in the budget.
D. Controller – up to $25,000
E. Division Directors – up to $10,000
F. Managers – up to $2,500
G. The Board of Directors approves any expenditures not delegated to the GM as noted above.

SECTION 3 - CONTRACTS

Board approval of the annual budget is not to be presumed as sufficient authorization for the GM or staff to enter into contractual agreements obligating HSVPOA beyond this policy. Advance notice of contract awards over $50,000 is prohibited until approved by the board of directors and related purchasing procedures have been completed. Additional policies on contracts are found in Chapter 9, Finance, Accounting and Strategic Planning, Article 2, Contracts Execution Policy.

SECTION 4 - PROJECT APPROVAL

Projects, unlike general ongoing maintenance efforts, shall be defined as repurposing or procuring buildings, amenities, or other infrastructure and capital.

The GM shall approve all expenditures over $50,000 that have been authorized within a board approved project. At any time that project costs are projected to exceed the original project authorization, such increase must be presented to the Board for approval before expended.

SECTION 5 - EXCEPTIONS

The following expenditures are exceptions to this policy: utilities, taxes, insurance premiums, or legal fees incurred to enforce current policies or to pursue board approved litigation. The GM has authority to redirect line item spending up to the GM's commitment authority, as deemed appropriate for accomplishing the Enterprise Goals and without perpetuating infrastructure neglect. The Board retains approval authority for spending in excess of the approved total annual budget.

Adopted BOD 1-15-14; 12-16-15, 2-21-18, 06-17-20, 10-21-20, 06-15-22, 04-16-25

ARTICLE 5 - FIXED ASSET CAPITALIZATION & DEPRECIATION

SECTION 1 - PURPOSE

This accounting policy establishes the method of maintaining fixed asset information and the minimum cost (capitalization amount) that shall be used to determine the fixed assets that are to be recorded in HSVPOA's financial statements.

SECTION 2 - FIXED ASSET DEFINITION

A Fixed Asset is defined as a unit of property that: (1) has an economic useful life that extends beyond 12 months; and (2) was acquired or produced for a cost of $10,000.00 or more. Fixed Assets must be capitalized and depreciated for financial statement purposes.

SECTION 3 - MAINTENANCE OF FIXED ASSET LIST

A Fixed Asset List shall be maintained by the Controller / Treasurer and shall be reviewed annually by the close of fiscal year, to ensure the document is accurate and up to date. The following information will be captured in the Fixed Asset tracking program for each item on the Fixed Asset List

A. Assigned asset number
B. Description of the asset
C. Asset Category (Comp. & Equip./Furniture, vehicles/Leasehold Improvement)
D. The date the asset was placed in service
E. The asset's cost or acquisition value
F. The asset's salvage value, if any
G. The asset's estimated useful life

SECTION 4 - CAPITALIZATION THRESHOLDS

HSVPOA establishes $5,000.00 as the threshold amount for minimum capitalization. Any items costing below this amount should be expensed in HSVPOA's financial statements.

SECTION 5 - CAPITALIZATION METHOD & PROCEDURE

Fixed assets shall be recorded at historic cost as of the date acquired or, if the cost is not readily determined, at estimated historic costs. Cost shall include applicable ancillary costs (i.e. shipping & delivery cost, installation cost, other costs associated to the asset).

Tangible assets costing below the aforementioned threshold amount are recorded as an expense for Hot Springs POA's financial statements. Alternatively, assets with an economic useful life of 12 months or less are required to be expensed for financial statement purposes, regardless of the acquisition or production cost.

SECTION 6 - USEFUL LIFE

The useful life of an asset is that period during which the asset provides benefits. Estimates of useful life consider factors such as physical wear and tear and technological changes that bear on the economic usefulness of the asset according to IRS guidelines.

SECTION 7 - DEPRECIATION METHOD

The organization has established the straight-line methodology for depreciating all fixed assets. Depreciation will begin in the month the asset is placed in service. Under the straight-line depreciation method, the basis of the asset is written off evenly over the useful life of the asset. The amount of annual depreciation is determined by dividing an asset's cost reduced by the salvage value, if any, by its estimated life. The total amount depreciated can never exceed the asset's historic cost less salvage value. At the end of the asset's estimated life, the salvage value will remain.

Lease depreciation will be calculated using the straight-line methodology at either the useful life of the asset or the term of lease in accordance with guidelines defined in FASB ASC 842.

SECTION 8 - RECORDKEEPING

Invoice substantiating an acquisition cost of each unit of property shall be retained permanently in accordance with the HSVPOA records retention policy.

Adopted BOD: 05-19-21, 04-16-25

ARTICLE 6 - RECORD RETENTION

SECTION 1 PURPOSE

The Record Retention and Destruction Policy identifies the record retention responsibilities of staff and members of the board of directors for maintaining and documenting the storage and destruction of the organization's documents and records.

RECORD RETENTION REQUIREMENTS

The following retention schedule is for all computer records and/or paper records.

Accounts payable ledgers and schedules	7 years
Audit reports	Permanently
Bank reconciliations	7 years
Bank statements	7 years
Checks (for important payments and purchases)	Permanently
Contracts, mortgages, notes, and leases (expired)	7 years
Contracts (still in effect) Contract period Correspondence (general)	2 years
Correspondence (legal and important matters)	Permanently
Correspondence (with customers and vendors)	2 years
Deeds, mortgages, and bills of sale Permanently Depreciation schedules	Permanently
Employment applications	3 years
Expense analyses/expense distribution schedules	7 years
Year-end financial statements	Permanently
Insurance records, current accident reports, claims, policies, and so on (active and expired)	Permanently
Internal audit reports	3 years
Inventory records for products, materials, and supplies	3 years
Invoices (to customers, from vendors)	7 years
Minute books, bylaws, and charter	Permanently
Patents and related papers	Permanently
Payroll records and summaries	7 years
Personnel files (terminated employees)	10years
Retirement and pension records	Permanently
Tax returns and worksheets	Permanently
Timesheets	7 years
Trademark registrations and copyrights	Permanently
Withholding tax statements	7 years

Adopted BOD: 05-19-21, 04-16-25

ARTICLE 7 EMERGENCY RESERVE FUNDS

SECTION 1 - PURPOSE

To establish Emergency Reserve Funds (Emergency Reserves). Emergencies are defined as significant unplanned events such as acts of God, compliance with a State or Federal mandate, or the failure of a critical piece of HSVPOA infrastructure like a dam that cannot be addressed using normal operating funds.

This policy was formerly referred to as "Reserve Funds" last adopted July 19, 2017- It is expanded herein to clarify the purpose of this policy and establishes guidelines for use of and replenishment of Emergency Reserve Funds and confirming/adjusting Emergency Reserve targets.

SECTION 2 - DEFINITIONS & GOALS:

The Emergency Reserves are defined as funds set aside by action of the Board of Directors. Ongoing management of Emergency Reserves is delegated to the HSVPOA General Manager. HSVPOA shall maintain three separate reserve funds, as follows.

A. Utility Emergency Reserves. To be funded through net utility earnings (except as noted in Section 3) and used for Emergency water or waste water repairs and replacements. The minimum funding levels are designated by the Board of Directors from time to time as detailed in Section 3 and Section 4.
B. General Emergency Reserves. To be funded through net earnings (excluding water and waste water operations) and used for Emergency asset repairs and replacements. The minimum funding levels are designated by the Board of Directors from time to time as detailed in Section 3 and Section 4.
C. Operating Emergency Reserves. To be funded through a combination of net operating earnings and available line of credit access. These funds will be used for priority operational needs during a short-term cash shortage. The minimum funding levels are designated by the Board of Directors from time to time as detailed in Section 3 and Section 4.

SECTION 3 - FUNDING EMERGENCY RESERVES

To establish the Reserves, the Board of Directors has designated the following minimum amounts for each of the Reserves of existing accumulated unrestricted net assets as the beginning balance of the fund as of 12/31/2020:

Basis	Date Last Set	Minimum Amount	Funded Amount	Last Funded Date	Comments
UTILITY EMERGENCY RESERVES					
Minimum of I-year estimated depreciation of water/waste water assets	08/2022		$2,000,000	08/2022	
GENERAL EMERGENCY RESERVES					
Minimum of I -year estimated depreciation of all assets other than water/waste water assets	08/2022	$2,500,000	$2,500,000	08/2022	
OPERATING EMERGENCY RESERVES					
Minimum of I-month average monthly operating expenses	08/2022	$3,000,000	$3,000,000	08/2022	Funded through a combination of the investment account and available line of credit

Reserve contributions (if applicable) shall be deposited, at a minimum, annually into the accounts at the direction of the Board of Directors.

It is also understood that the 2014 water plant expansion exhausted all previous reserves, consuming all Public Utility reserves and $3M in general POA funds. The Public Utility Department has repaid by year end 2020 $3 million into the general operating account. After January 1, 2021 net earnings, if any, of the Public Utility Department shall go to fund the Utility Emergency Reserve or the Utility Capital Fund as designated by the Board of Directors.

SECTION 4 - FUNDING PHILOSOPHY

HSVPOA recognizes the duty to adequately fund both current operations and save for future needs. As such, related annual budgets will balance spending and saving decisions.

Beginning 2022 and at least biennially thereafter, the Board of Directors in conjunction with the General

Manager, Corporate Treasurer and Controller will review and confirm/adjust the Emergency Reserve Fund targets looking forward 3-5 years. Upon Board approval of a change in targeted minimum fund levels, the table in Section 3 will be updated to reflect Board decision. The Board of Directors may from time to time direct that a specific source of revenue other than net earnings be set aside for these Emergency Reserve Funds. Examples may include onetime gifts, special grants or special appeals.

SECTION 5 - INVESTING EMERGENCY RESERVES

The Emergency Reserves will be funded and maintained in a bank account or investment fund in accordance with the HSVPOA Investment Policy. Interest earned

on the Utility Emergency Reserve and the General Emergency Reserve will remain within those funds, and be applied after audit. Interest earned on the Operating Emergency Reserve will be deposited to the general operating account.

SECTION 6 - RESERVE SHORTFALLS

If any one of the Emergency Reserves is and has been less than 80% of the minimum targeted funding level for two consecutive years, the Board of Directors will adopt an operational budget sufficient to fund the Emergency Reserves to its minimum targeted funded level over a planned number of years.

SECTION 7 - USING EMERGENCY RESERVES

The General Manager, working with the Controller and POA staff, will identify reasons for accessing the Emergency Reserves and confirm the use is consistent with the purpose as described in this policy. The General Manager will perform the following:

A. Analyze the reason for the needed funds.
B. Assess the availability of any other sources of funds.
C. Evaluate the time period that the funds will be required and then replenished.
D. Submit to the Board a project request including a description of the project, necessary resources, a listing of needed funds and appropriate timelines. Upon approval, the General Manager is then authorized to spend funds in accordance with Policy Chapter 9 Article 3 (Purchasing Policy).
E. Provide quarterly reporting of disposition of Emergency Reserves, status of replacements/repairs and outlook for replenishment.
F. Assets in any of the above funds may only be used for the purpose of that fund and shall not be withdrawn, borrowed against, or transferred to any other fund without Board of Director approval.

BOD Adopted: 02/16/2022, Revised: 08/17/2022, 04-16-25

ARTICLE 8 - FIXED ASSET FUNDS

SECTION 1 - PURPOSE

To establish the existence of and the management of Fixed Asset Funds accounts. Fixed Asset funds are intended to be used to accumulate cash that will be used periodically to invest in approved fixed assets of HSVPOA (examples of fixed assets are physical facilities, infrastructure, utilities, and fleet) as defined in the updated Operations and Maintenance Table (O&M Tables) and approved budget. Unlike Emergency Reserve Funds (Reference Chapter 1, Article 10) Fixed Asset funds are accumulated with the intention that they will be used as an on-going resource to manage spending.

SECTION 2 - DEFINITIONS & GOALS

HSVPOA shall maintain two separate Fixed Asset funds, as follows.

A. Utility Fixed Asset Fund. To be funded through net utility earnings (except as noted in Section 3) and used to fund water and wastewater maintenance, repair and/or expansion. The funding levels are designated by the Board of Directors from time to time as detailed in Section 3 and Section 4.
B. General Fixed Asset Fund. To be funded through net earnings (excluding water and waste water operations and funds designated for a specific purpose). The funding levels are designated by the Board of Directors from time to time as detailed in Section 3 and Section 4.

SECTION 3 - PHILOSOPHY

HSVPOA recognizes the duty to adequately fund both current operations and provide for timely execution/saving for approved fixed assets projects which may start at the beginning of a budget year when revenue has yet to be collected or which will require funding over multiple years. The use of these funds will be identified in the O&M Tables and budgeting process. For approved expenditures that require funding at the beginning of the year, for which revenue has not been collected, these funds will provide a means to early start that project. The replenishment of these Fixed Asset funds will come from the revenue generated throughout the year that was budgeted for the fixed asset. The intent is to allow for the execution of approved fixed asset items throughout the year and reduce year-over-year project carry over.

Beginning in 2022 and at least biennially thereafter, the Board of Directors in conjunction with the General Manager and Controller, and with advice from the Finance and Planning Committee will review and confirm/adjust the Fixed Asset Funds targets looking forward 3-5 years. Upon Board approval of a change in targeted funding levels, the table in Section 4 will be updated to reflect Board decision. The Board of Directors May from time to time direct that a specific source of revenue other than net earnings be set aside for these Funds. Examples may include onetime gifts, special grants or special appeals.

SECTION 4 - FUNDING FIXED ASSET FUNDS

To establish the funds, the Board of Directors has designated the following Minimum amounts for each of the funds. These funds were accumulated from existing unrestricted net earnings as of 06/30/2021:

Basis	Date Last Set	Minimum Amount	Funded Amount	Last Funded Date	Comments
UTILITY Fixed Asset Fund					
Initial Board Funding Level	6/2021	$666,117	$666,117	6/2021	
GENERAL Fixed Asset Fund					
Initial Board Funding Level	6/2021	$1,500,000	$1,500,000	6/2021	

The accounts will be replenished (as applicable) by the Controller throughout the year of execution.

SECTION 5 - INVESTING FIXED ASSET FUNDS

The Fixed Asset Funds will be funded and maintained in a bank account or investment fund in accordance with the HSVPOA Investment Policy. Interest earned on the Utility and the General Fixed Asset Funds will remain within those funds.

SECTION 6 - FUND SHORTFALLS

It is recognized that the Fixed Asset Funds balances will be dynamic and variable. It is suggested, however, that the Minimum levels defined in Section 4 be available at each year end to support subsequent year operations. If any Fixed Asset account falls below 80% of the balances established in Section 4 at the end of a calendar year, then subsequent budgets will allocate funds to restore these balances in no more than three (3) years.

SECTION 7 - USING FIXED ASSET FUNDS

A. Projects in the approved budget that require funding at the beginning of the year are candidates for usage of these funds in accordance with sections 7.B-D of this document.
B. The General Manager, working with the Controller and POA staff, will identify reasons for accessing the Fixed Asset Funds and confirm the use is consistent with the purpose as described in this policy. The General Manager will perform the following:
    i. Analyze the reason for the needed funds.
    ii. Assess the availability of any other sources of funds.
    iii. Evaluate the time period that the funds will be required.
C. The General Manager will submit to the Board a project request including a description of the project, necessary resources, a listing of needed funds and appropriate timelines.
D. Upon approval, the General Manager is then authorized to spend funds in accordance with Policy . Chapter 9 Article 3 (Purchasing Policy).
E. The Controller will provide quarterly reporting of disposition of Fixed Asset Funds, status of replacements/repairs and outlook for replenishment of funds as revenue is collected throughout the year and affirming compliance to this policy.
F. Assets in any of the above funds may only be used for the purpose of that fund and shall not be withdrawn, borrowed against, or transferred to any other fund.

Adopted: 02-16-2022, Revised 04-16-25

ARTICLE 9 - BUDGET POLICY

PURPOSE: To establish a structure for HSVPOA's budgeting process and provide a process for making amendments to the budget once approved.

SECTION 1 - BUDGET STRATEGY FORMULATION

A. Strategy formulation is the process by which HSVPOA chooses the most appropriate courses of action to achieve its defined goals. This process is essential to HSVPOA's success, because it provides a framework for the actions that will lead to the anticipated results.
B. The strategy formulation process, from the date of this document forward, will include inputs from the 7-Year Operations and Maintenance (O&M) projections from each Division and Department, using committee input and Enterprise Goals as guides.
C. These strategy formulation processes, whose purpose is to guide and inform the budgeting process, require Board consensus to be reached during the second quarter of each calendar year to permit a budget to be prepared for the following calendar year. They include, but are not limited to:
    i. Revenue
    ii. Deferred maintenance reduction
    iii. Marketing
    iv. Reserves
    v. Subsidization
    vi. New commercial, operational, and residential development
    vii. Land acquisitions and divestiture
    viii. Debt addition/reduction
D. As part of the strategy formulation process the board will identify candidate aspects of the budget for which special accounting treatment will be required (reference Chapter I, Article 29, Section 2.B)

SECTION 2 - ANNUAL BUDGET DEVELOPMENT

A. The General Manager (GM) will prepare an annual operating and capital budget aligned with the 7-Year O&M projections to the maximum extent possible given the realities of HSVPOA’s revenue streams.
B. The operating and capital budget is a management tool to be used as direction for the budget year it represents.
C. The budget, along with the fee schedule, is to be reviewed in October prior to approval in November each year by the Board of Directors at the October prior to the budget year.

SECTION 3 - BUDGET APPROVAL

A. Budgets are approved at the Board level and executed at the staff level.
B. Any amendments that increase or decrease departmental budgets must follow established procedures and coincide with purchasing authority levels.
C. Bottom Line Impact – any increase or decrease of revenue or expenditures that impact the overall budget bottom line (Excess (Deficit) Before Depreciation) requires the approval of the Board of Directors.

SECTION 4 - DEMONSTRATION OF EQUITY

Every budget presented to the Board of Directors for approval shall demonstrate that member equity is budgeted to be equal to, or greater than, member equity projected for the prior year.

SECTION 5 - GM AUTHORITY

Once the budget is approved by the Board of Directors, the GM shall have full authority to align personnel and resources to best execute the approved budget, except as noted in Section 3.C.2.

SECTION 6 - VOTE

To amend the budget requires a vote of the Board of Directors.

Replaced Guidelines for the Development of the Three-year Financial Plan 2-25-87, 1-12-88, 1 20-88, 4-26-89, 2-6-02, 3-6-02, 3-20-02, 2-21-18, 01-16-19, 03-20-19, 06-17-20, 10-20-21, 11-17-2021, 04-16-25

ARTICLE 10 - AUDIT AND FUNDS CONTROL

PURPOSE: To safeguard HSVPOA assets and financial transactions.

AUTHORITY: Article XI, Section *5* of the Bylaws grants certain authorities and responsibilities to the Treasurer related to the funds of HSVPOA. The Audit Committee's authority is detailed in Article XII of the Bylaws.

SECTION 1 - ACCOUNT NAMES

The General Manager (GM) and Treasurer shall be named on all HSVPOA bank accounts. Additionally, the Fire Chief and one Captain shall be named on the Act 833 account.

SECTION 2 - CASH & CHECK PROCEDURES

All cash and checks received are to be deposited promptly in HSVPOA's deposit bank accounts. POA facility managers are charged with the responsibility to assure cash is safeguarded and managed according to established procedures. The HSVPOA Controller is responsible for developing and issuing cash receipt reporting procedures for HSVPOA.

SECTION 3 - EXTERNAL AUDIT

HSVPOA's books and 401k plan shall be audited annually by an independent firm of Certified Public Accountants as approved by the Audit Committee, and as ratified by the Board of Directors. Audit and tax services shall be advertised for bids by the Treasurer and Audit Committee every five years, at a minimum, using the purchasing policies outlined in Chapter 9, Article 3.

SECTION 4 - INTERNAL AUDIT

Internal accounting procedures shall be directed by the Controller to ensure transactions align with generally accepted accounting principles (GAAP), using the accrual basis of accounting. Any irregularity revealed through audit procedures shall be reported immediately to the GM and Board of Directors for additional research and follow-up.

SECTION 5 - AUDIT PRESENTATION

The final independent audit reports for HSVPOA shall be presented in a public Board meeting.

Adopted 10-76, B.O.D., Rev. 5-17-89, 7-22-98, 9-12-01, 10-17-01, 07-15-15, 2-21-18, 01-16-19, 06-17-20, 04-16-25

ARTICLE 11 - DEBT USAGE & MANAGEMENT

PURPOSE: This policy serves as HSVPOA's guiding philosophy for analyzing and using debt to ensure adequate funding from which to fulfil its obligations to current and future property owners. As such, it should be periodically reviewed and updated to reflect current market options, best practices, business needs, and regional or national benchmarks.

AUTHORITY: As directed in Article VI, Section 1.6 of the Bylaws, the HSVPOA Board of Directors retains authority to approve debt usage.

The following guidelines shall be used by management to bring forward recommendations, and likewise by the Board, for scrutinizing the debt arrangements.

SECTION 1 - PURPOSES FOR WHICH DEBT MAY BE USED

A. Short term debt such as credit cards, lines of credit, or vehicle and equipment leasing programs may be considered to smooth operational cash flow.
B. Leasing programs may be considered for equipment and vehicles required for routine operations when traditional bank financing options are less favorable. Safety, reliability, and total cost of ownership will guide such decisions.
C. Credit card balances must be paid in full each month or their usage suspended.
D. Long term debt should be considered when constructing or improving fixed assets and not to support operating expenses.

SECTION 2 - DEBT LIMITS & COLLATERAL

A. When analyzing HSVPOA's long term debt capacity, the viability ratio shall be calculated. The viability ratio equals (=) expendable net assets divided (l) by total long term debt. Expendable net assets equals (=) total assets minus (-) total liabilities minus (-) net property, plant, and equipment plus (+) long term debt. This ratio is used to determine whether sufficient assets exist to cover debt and should not fall below 1.1.
B. When considering whether HSVPOA can afford to pay debt service from current operational cash, the debt service coverage ratio (DSCR) shall be calculated. The DSCR equals (=) 3 year average net operating income before depreciation divided by (l) total current debt service for one year. This calculation is meant to represent current results, using established or known data. It should be carefully studied and scrutinized to ensure the best course of action is taken before choosing a long term debt arrangement. When significant shifts in net income or additional debt service is readily known, both a current result and a projected calculation should be considered. HSVPOA will strive for a DSCR of 1.25 or higher, but will not fall below 1.1.
C. Both revenues and assets may be used for collateral, as follows:
    i Assessments, water, and sanitation fees may be pledged. The total pledged amount shall not exceed 25% of the current year's budgeted or projected revenues, whichever is less. When -calculating available assessment revenue, it shall be net of the allowance for doubtful accounts.
    ii Although revenues are the preferred collateral, assets may be used as collateral when required by the institution or more favorable terms are granted, as a result.

SECTION 3 - DEBT STRUCTURING

A. HSVPOA recognizes there are many financing and funding sources available, each with specific benefits, risks, and costs. Bonds, notes, mortgages, and other customarily used financial instruments may be considered, with the most appropriate instrument chosen for the project goals. Cost and benefits have various meanings in debt. Therefore, the goals of a particular debt arrangement shall be clearly understood; i.e. 1) to fund construction while minimizing monthly debt service, 2) to fund construction while expediting repayment, 3) to refund bonds in order to take advantage of favorable net present value savings; 4) other business needs
B. Bonds may be issued under public or private offerings.
C. Refinancing or refunding without additional debt issuance may be considered for economic or legal reasons. In the case of economic reasons, the associated fees should be less than the interest saved, without extending the maturity date, unless sufficient evidence supports economic benefits received by extending maturity.
D. When refinancing or refunding includes additional debt issuance for new projects, or when new standalone debt is considered, the overall project goals shall drive the meaning for and decisions surrounding cost and benefits.
E. The repayment of principle shall be setup such that interest expense is minimized.
F. The repayment period shall be as short as economically feasible and, at a minimum, correlate to the asset's useful life.
G. Payoff terms shall be scrutinized to determine cost and benefit of either allowing or not allowing principle to be repaid early.
H. Impacts to the organization's credit rating must be considered for the purpose of maintaining or improving HSVPOA's credit rating and, when prudent, using credit enhancements.

SECTION 4 - SERVICE PROVIDER SELECTION

A. Either competitive sourcing or direct negotiation with known local or regional industry leaders may be used to identify the appropriate debt solution. Depending upon the instrument chosen, various service providers may comprise associated fees, such as attorneys, underwriters, trustees, investors, CPAs, financial advisors, and other professionals or experts.
B. Professionals chosen by direct negotiation and internal research shall be subject to competitive sourcing every 3-5 years to ensure the organization continues receiving the highest level of service, most qualified professionals, and competitive pricing.

SECTION 5 - COMMUNICATION & COMPLIANCE

A. Debt recommendations will be made in a public forum with the appropriate external professional presenting and answering questions. Afterwards, summary information to include provider credentials, total fees, interest rates, and repayment terms will be posted on the HSVPOA website. Full details will be provided confidentially to the Board prior to the meeting and may be reviewed afterwards by members in good standing in accordance with the Declaration and Bylaws.

B. Although the Declaration grants the Board ultimate authority for debt approval, keeping property owners apprised on matters impacting the organization's overall net worth is important. Therefore, a member comment period between recommendation and Board approval will occur, with the length between the two determined by market conditions and urgency of need.
C. A local or regional legal firm possessing industry leading experience in the debt instrument under consideration shall be engaged to develop related documents and guide the organization on related laws governing its issuance and future management.
D. Arbitrage and other financial analysis or audit requirements will be performed by the audit firm engaged at the time of such requirement, as prescribed by Article 6 of the General Administration policies.

BOD 07/18/07; 01/20/16, 2-21-18, 04-16-25

ARTICLE 12 - DELINQUENT ACCOUNTS/BAD DEBT WRITE-OFF

PURPOSE: To outline action to be taken when assessments, utilities, fines, fees or any other receivable become delinquent.

AUTHORITY: Various authorities are stated throughout the policy that reference the Declarations & Bylaws.

SECTION 1 - ASSESSMENTS

A. All assessment accounts become delinquent after the 15th day of the month and will be placed on the delinquent list with written notifications, penalties, and collection procedures enacted. As per the Declaration (Article X, Section 7), assessments are due on the first day of each month. This 15-day window is merely a reprieve from delinquency communications and is not intended to circumvent the assessment due date or counting of days for collection actions.
B. On the last day of the month due, balances shall incur the Board approved late payment penalty which will be charged each subsequent month of delinquency.
C. As provided in Article X, Section 7 and Section 10 of the Declaration, beginning with the second year of assessments, monthly assessment payments that are more than 45 days outstanding will be subject to the following payment stipulation: "In the event of default as to a monthly payment, and if the default is not remedied within 30 days, HSVPOA shall have the option of declaring the assessment for the entire year due and payable." If this action is taken, "the assessment shall bear interest from the date of delinquency at the rate of 6% per annum, and HSVPOA may foreclose the lien against said property or may bring an action at law against the individual(s) or entity personally obligated to pay the same".
D. Penalties on delinquent assessments will be established by the Board of Directors of HSVPOA.

SECTION 2 - UTILITY BILLS

A. Any unpaid balances on utility bills are considered past due 21 days after the billing date.
B. On the 21st day after the billing date, all utility accounts with balances shall incur the Board approved late payment penalty, which will be charged each subsequent month of delinquency and late notices will be mailed.
C. Utility services will be shut off for non-payment (and charged related shut off/on fees as approved by the Board) 30 days after the billing date.

SECTION 3 - USAGE FEES, FINES, ETC.

A. Any unpaid balances of other receivables, including late fees, fines, or fees imposed under the Declaration Article VIII Section 3(j), lease payments, exterior maintenance completed under the provisions of the Declaration, Article XII, Section 1 & 2 or any other accounts due to HSVPOA will be considered past due 31 days after the billing date.
B. Past due notices will be sent after 31 days and for each month thereafter.

SECTION 4 - DELINQUENT ACCOUNTS

A. On the 61st day from the billing date, the property is no longer in good standing and subject to the suspension of privileges as described in the Declaration (Article XIV , Section 1) and Bylaws (Article I, Section 9).
B. On the 120th day, the property will be subject to third-party collection action, which may include credit bureau reporting, foreclosure proceedings, and any other legal recourse available to HSVPOA.
C. To avoid repeat delinquencies, HSVPOA will not sell any HSVPOA owned lots to property owners that are not in good standing as defined in Article XIV, Section 1 of the Declaration.
D. HSVPOA staff, under the guidance of the General Manager (GM), may adjust down any penalty charges in its efforts to collect delinquent accounts or to facilitate the sale of property in inventory.

SECTION 5 - BAD DEBT WRITE OFF

A. In accordance with accrual accounting, a provision for bad debt shall be included as a separate line in the approved annual budget. It shall be calculated and recorded monthly as 100% of all balances that are more than 365 days outstanding and any other assessments deemed 'uncollectable".
B. The Controller shall prepare and review an aged trial balance of accounts receivable monthly and provide summary balances during the monthly financial presentation to the Board.
C. The GM will evaluate delinquent accounts each June and December to identify and write off all balances outstanding beyond the statute of limitations, currently 5 years. The bad debt write-off will only occur after all measures of debt collection have been exhausted, such as in-house and outside third-party collections and when debts have reached the statute of limitations set by the State of Arkansas (Arkansas Code Ann. 16-56-111).

Adopted B.OD. 2-21-01, 8-5-09, 1-18-12, 10-15-14, 02-21-18, 01-16-19, 06-17-20, 04-20-22, 04-16-25

ARTICLE 13 - BUDGET PRIORITIZATION

SECTION 1 - PURPOSE

This policy establishes a commitment by the Board of Directors to focus the resources of Hot Springs Village on those items needed to maintain and sustain our existing infrastructure, keep our equipment maintained, keep our existing amenities viable, and ensure that our salary levels are adequate to attract and retain a skilled workforce. In addition, property owners need visibility into how community funds are being expended, particularly in areas that are critical to the long-term future of the community.

SECTION 2 - BUDGET ESTABLISHMENT

A. A critical aspect of this approach is to tie the rolling 7-year Operations and Maintenance (O&M) budget forecasts to the calendar year budget to ensure that priorities are understood and that the budget amounts provided are focused on critical needs.
B. The staff will use the rolling 7-year O&M budget forecast and the budget guidance provided by the Controller to establish the high priority items that require focus and funding in the next calendar year.
    i. The initial 7-Year O&M forecast for 2022-2027 identified the following high priority areas for which special accounting treatment (see Section 5) are required. These items, and the minimum funding levels needed in calendar year 2021 dollars are included in the table below:

High Priority Areas	Annual Funding in CY '21 Dollars
Streets Preservation Program	$1.2M
Culvert Replacement Pro ram	$1.1M
Fleet Repair and Replacement	
Public Utility Upgrades (Water/Sewer Plants)	
Golf Equipment Replacement Program	$500K
POA Human Resources	$425K
Roadside Clearance and View Safety	$100k
Building Maintenance (Roofs, HVAC, Etc.)	$200K
Replacement of Water Lines	$75k
Replacement of Sewer Lines	$75K
Information Technology Upgrades	$751<

ii. In addition, the following areas aperiodically appear in the 2022-2027 0&M forecast. These high priority items, and their total cost over the 2022-2027 timeframe, are listed below:

Aperiodic Items	Funding in CY '21 Dollars
Lakes Dredging Program	$1.55M
Golf Course Bunker Rebuilds	$1.5M (2 Courses)
Golf Cart Replacement Program	$600K
Gate Upgrades	$500K

iii. The funding levels identified above are <u>not attainable</u> without increased revenues. The funding levels are noted here so that in the event that revenues are increased (e.g., via an assessment change vote) these funding levels can serve as minimum funding targets for future budget actions.
   a. Once additional funding is available addressing the items in Section 2, Paragraph B.2 will be given priority.
   b. There should be no new additions to the HSVPOA property holdings or amenities until such time as the available revenues exceed the funding levels needed to service those items identified in Section 2, Paragraph B.

iv. The high priority areas will be reviewed each year with the establishment of the new rolling 7-year O&M and adjustments to high priority items must be briefed to the GM, F&P Committee, approved by the HSVPOA Board of Directors.

C. The rolling 7-year O&M budget forecast will be the basis used to produce a draft budget.

SECTION 3 - BUDGET REVIEW

A. Once the draft budget is developed it will undergo the following reviews:
   i. Internal review with the General Manager, the Controller, the Department Heads and the Human Resource manager
   ii. Review with the Finance and Planning Committee
   iii. Review with the Board of Directors

B. The Board of Directors will validate that the budget aligns to critical needs prior to approving the budget for the calendar year.

C. The Board of Directors will confirm those budget line items for which special accounting treatment will be required to demonstrate commitment to the intent of this policy. Reference paragraph 2.B for examples of high priority items that are candidates for special accounting treatment.

D. Board approval establishes the budget baseline for the calendar year.

SECTION 4 - COMPELLING NEED

A. Changes to the budget baselines for items that have been identified for special accounting treatment will only be permitted if the board declares a compelling need.
B. Examples of compelling need are, but are not limited to, safety issues, security issues, acts of God, compliance with State and Federal laws and/or mandates, or significant unplanned failures in the infrastructure such as a dam collapse.
C. If a compelling need is identified the Board of Directors can redirect budgets to address the direct or indirect impacts of the compelling need as necessary to ensure the safety and security of the community and its residents.
D. Any budget adjustment resulting from the declaration of a compelling need will require a super majority vote of the board to take effect.

SECTION 5 - SPECIAL ACCOUNTING TREATMENT

For all items identified for special accounting treatment per Section 3 .C the Controller will

A. Specially identify each line item in the CY budget.
B. Provide a short summary of each line item in the monthly financial statement.
C. Minimum information associated with each line item will be:
    i. The budgeted amount of this line item in the CY budget
    ii. Actual expenditures year to date against this budget.
    iii. A short summary of the activity to date against this line item.
    iv. Future expenditures in the year against this budget.

SECTION 6 - CHANGES TO THE POLICY

Changes to this policy will require a Mega Majority as defined in Bylaws, Article X, Section 6(d).

BOD Adopted: 10-06-2021; Revised: 11-17-2021, 04-16-25

ARTICLE 14 - NEW PROPERTY OWNER BUY IN FEE

SECTION 1 - GENERAL

Effective 1 January 2022, all individuals or legal entities purchasing property for the first time in Hot Springs Village shall be subject to a "New Property Owner Buy-In Fee".

SECTION 2 - DEFINITIONS

Buyer – Any individual or legal entity with a Federal Tax ID.

Household – Those who dwell under the same roof and constitute a family (from the Hot Springs Village Declaration, Article I, Section I(u).

New Property Owner – Any Buyer acquiring legal title to an improved or unimproved parcel of land within Hot Springs Village

A. for the first time, or
B. a previous property owner who divested themselves of their title(s) to property more than 1 year prior to acquiring the current title.

SECTION 3 - POLICY GUIDANCE

A. Any Buyer who meets the definition of a new property owner shall be subject to the New Property Owner Buy-In Fee.
B. The New Property Owner Buy-In Fee shall be set annually by the Board of Directors.
C. The New Property Owner Buy-In Fee shall be published in the HSVPOA Fee Schedule.
D. The New Property Owner Buy-In Fee shall be payable upon closing or, if not feasible, when the Buyer registers themselves as the owner of the property in question with HSVPOA.

SECTION 4 - POLICY EXEMPTIONS

A. The Buyer may not be charged the New Property Owner Buy-In Fee under the following conditions.
    i. Demonstrating legal vestment (ownership) in a parcel of land in Hot Springs Village within 1 year of acquisition of the parcel in question. The Buyer must have the same Federal Tax ID number as the previous owner and be a member in good standing of HSVPOA. HSVPOA will be able to verify previous ownership up to and including 90 days prior to the acquisition of the newly acquired parcel. Beyond 90 days the burden of proof will shift to the Buyer to demonstrate with appropriate documentation that the Buyer previously held title to a parcel within the applicable one-year period.
    ii. Legal vestment in a parcel of land through inheritance. The Buyer shall provide documentation that they have acquired the title through a transfer of property made through a will, trust, or other legal mechanism as established by the State law of residency of the decedent. Proof of said inheritance shall require a copy of a court order and recorded deed of transfer.

iii. The decision of HSVPOA shall be final as to whether the burden of proof has been met with respect to exemptions.

BOD Adopted 04-16-25