



October 16, 2018

Rose Law Firm  
Attn: Mr. Richard T. Donovan  
120 E. Fourth Street  
Little Rock, Arkansas 72201

Re: Response to Letter dated October 11, 2018

Dear Mr. Donovan:

This letter is written in response to your letter dated October 11, 2018 regarding certain information previously requested by Cooper Communities, Inc. (“CCI”) by letter dated September 25, 2018 (the “Information Requests”) related to the Hot Springs Village Property Owners Association, Inc. (the “Association”). I have also enclosed herein for your convenience a copy of our letter to CCI dated October 3, 2018.

For purposes of clarity, the Board has responded to each of CCI’s Information Requests below:

1. The Association has already provided CCI with web links to the following information in response to CCI’s Information Request No. 1. As you are aware, such information is readily available at all times:

- a. A copy of the Association’s 2018 Approved Budget and Fee Schedule;
- b. A copy of the Association’s 2019 Proposed Budget;
- c. Copies of all minutes of the meetings of the Association’s Board of Directors for the period between January 1, 2007 and the present date; and
- d. A copy of the Association’s Comprehensive Master Plan (CMP), which was adopted at the regular meeting of the Board of Directors held on April 18, 2018.

2. With respect to CCI’s Information Request No. 2, the Association respectfully disagrees with your assertions regarding CCI’s right to demand the disclosure of personal information regarding other members without such members’ consent. We are confused by this request. CCI’s recent mailers to both residents and nonresidents suggests you already have this information. Nevertheless, as a member, CCI has only those rights and privileges afforded under



applicable law and the governing documents of the Association.<sup>1</sup> Furthermore, the Association has a duty to protect the confidential information of its members. In that regard, please refer to Ark. Code Ann. § 4-110-104(b) which provides as follows: “A person or business that acquires, owns, or licenses personal information about an Arkansas resident shall implement and maintain reasonable security procedures and practices appropriate to the nature of the information to protect the personal information from unauthorized access, destruction, use, modification, or disclosure.” Accordingly, the Association hereby reincorporates by reference its response to CCI’s Information Request No. 2, as more particularly set forth in the Association’s letter to CCI dated October 3, 2018, as though set forth word for word herein. **For purposes of clarity, the Association will permit CCI to examine the Association’s record of the names and addresses of the members entitled to vote and has proposed a time for inspection below.**

3. With respect to CCI’s Information Request No. 3:

a. Copies of the Association’s audited financial statements for each of the last three (3) years have already been provided to CCI and are readily available to all on our website. Additionally, the Association has proposed a time for CCI’s inspection of the audited financial statements for the years ending on December 31, 2013 and December 31, 2014 below.

b. Unaudited financial reports for the period between January 1, 2018 and August 31, 2018 have already been provided to CCI and are readily available to all on our website.

c. The Association has proposed a time below for CCI’s inspection of financial records related to the items requested in CCI’s Information Request No. 3(c) concerning debit and credit entries of the general ledger.

d. The Association has proposed a time below for CCI’s inspection of financial records related to the items requested in CCI’s Information Request No. 3(d) of concerning accounts payable activity.

e. The Association has proposed a time below for CCI to inspect bank statements falling within the applicable three-year retention period.

4. With respect to CCI’s Information Request No. 4, the Association has proposed a time below for CCI to inspect records in the Association’s possession responsive to such request. Furthermore, there is an entire page on [explorevillage.com](http://explorevillage.com) devoted to these activities.

5. With respect to CCI’s Information Request No. 5, in accordance with the Association’s obligations pursuant to Ark. Code Ann. § 4-110-104(b), the Association has adopted

<sup>1</sup> Ark. Code Ann. § 4-28-218(d) requires the Association to maintain “[a] record of the *names and addresses* of its members entitled to vote.” Ark. Code Ann. § 4-28-218(e) affords CCI with the right to *inspect* the Association’s record of the *names and addresses* of its members entitled to vote.

policies designed to protect the personal information of its members and employees. In that regard, personnel matters are considered confidential in accordance with Article 14, Section 2 of Chapter 1 of the Association's Policy Guide and Article XV of the Association's Bylaws. *See* Article 1, Section 11 of Chapter 1 of the Association's Policy Guide. Accordingly, CCI is not entitled to inspect the information requested pursuant to Item No. 5 of the Information Requests.

6. With respect to CCI's Information Request No. 6, the Association has proposed a time below for CCI to inspect copies of the Association's tax returns for the 2013-2017 tax years.

7. With respect to CCI's Information Request No. 7, in accordance with the Association's obligations pursuant to Ark. Code Ann. § 4-110-104(b), the Association has adopted policies designed to protect the personal information of its members and employees. In that regard, personnel matters are considered confidential in accordance with Article 14, Section 2 of Chapter 1 of the Association's Policy Guide and Article XV of the Association's Bylaws. *See* Article 1, Section 11 of Chapter 1 of the Association's Policy Guide. Accordingly, CCI is not entitled to inspect the information requested pursuant to Item No. 7 of the Information Requests.

The Association proposes the following dates and times for permitting CCI to inspect the additional information set forth above:


1. Tuesday, October 23, 2018, between the hours of 1:00 p.m. and 5:00 p.m.
2. Wednesday, October 24, 2018, between the hours of 1:00 p.m. and 5:00 p.m.
3. Thursday, October 25, 2018, between the hours of 1:00 p.m. and 5:00 p.m.

After you have the opportunity to review this letter with Mr. Cooper, please let me know which proposed date and time works best for him. We would hope Mr. Cooper's need to review such information will not delay our October 29 invitation to have public dialogue with the Board about the proposed amendments and their impact on our mutual success. We look forward to moving ahead with the October 29 meeting or choosing another mutually agreeable date for this important forum.

Sincerely,

HOT SPRINGS VILLAGE PROPERTY  
OWNERS ASSOCIATION, INC.

By:

  
Tom Weiss, Chairman