

# Henson Farms Social Membership Policy

## Background:

Henson Farms has historically offered homeowners on Bascom Drive (6 lots) and in the adjoining Tuscan neighborhood (10 Lots) the opportunity to purchase annual Social Memberships in the Henson Farms Homeowners Association. Social Memberships convey all the rights and privileges accorded to a Homeowner with the exception of voting rights on any issues that pertain to the HOA or to the Henson Farms community.

Article XI, Section 6, of the Henson Farms Declaration of Covenants, Conditions and Restrictions entitled "Additional Memberships" states "The Board may authorize additional social use memberships of the common areas and amenities of the Association and set initiation fees and dues as it shall determine in its discretion, provided no such approvals or denials and all fees of such membership(s) shall be made upon a basis constitute illegal discrimination. The maximum number of additional social use membership shall not exceed twenty-five percent (25%) of the number of regular memberships." So in accordance with Article XI, Section 6, the Board has the authority to establish up to 24 Social Memberships based on 96 Regular Memberships.

Whereas the Board has the right to authorize additional Social Memberships and believes that this potential revenue source can be increased to the financial benefit of the HOA, ***without impacting the quality of the Community's amenities or impairing Homeowners enjoyment of these amenities***, the following Social Membership policy expansion is being taken.

## Actions:

In 2018, the Board recommended that the Henson Farms Social Membership policy be expanded beyond the current Bascom Drive/Tuscany homeowners with a goal of fulfilling a **maximum of 10 memberships** (including those on Bascom Drive/Tuscany). In order to be considered, potential Social Members not residing on Bascom Drive or in Tuscan must be sponsored by a current Homeowner, and the sponsoring Homeowner must be willing to vouch for the character of the Social Member and must agree to be responsible for ensuring that the sponsored Social Member abides by all rules and regulations of the HOA including those rules specific to the use of various amenities (ie Pool, Tennis Courts, Lake, Clubhouse and Facilities, and Common Areas). Finally, the Sponsoring member must also agree to be financially responsible for any damage that is attributable to the Social Member, to the extent that it exceeds the amount of the Social Member's Security Deposit. It is hoped that by aligning a current Homeowner with each Social Member that familiarity within the community will be increased and that the expansion of our community via social memberships will result in highly qualified members who value our amenities, and interact positively with other Homeowners.

The potential to add \$6,000+ in new and continuing annual revenue should benefit the HOA membership by minimizing the need for future special assessments to fund significant capital projects and by providing an incremental revenue stream other than Homeowner dues with which to fund the HOA's expenses longer term. Social Membership Fees and Initiation Fees (where applicable) will be reflected on the P&L as "Income" and shown in the HOA's Operating Budget under the budget line entitled "Social Memberships". Security deposits, which are

refundable, will be shown on the Cash Statement as money in the bank, with an offsetting liability entitled "Security Deposits to be Refunded".

### 2023-2024 Social Membership Policy Specifics

- Social Membership Annual Fee - \$1,250, Due 4/30/2023
- Initiation Fee - \$250.00 <sup>2</sup>
- Refundable Security Deposit - \$100.00 <sup>1 2</sup>
- Lost Key Charge - \$30.00 (failure to return keys upon resignation will result in a reduction of security deposit refunded)
- Annual Social Membership period – 5/1/2023- 4/30/2024
- Sponsorships – Homeowners may sponsor up to two (2) Social Members
- Priority – Should applications for Social Membership be oversubscribed, priority will be established as follows:
  1. Current Social Members
  2. Homeowners from Bascom Drive and Tuscany
  3. Homeowner Sponsored Applicants
  4. Applications for Social Membership will be considered on a first come, first served basis until all memberships are exhausted.
- Responsibilities of Sponsoring Homeowner:
  1. Must maintain qualification as a Regular Member (i.e. "a Homeowner") in good standing
  2. Vouches for character and quality of sponsored member
  3. Ensures that all facility rules and requirements are understood and adhered to by social member.
  4. Agrees to accept responsibility for any infractions or damage caused by sponsored member. This may include financial responsibility for any damage caused by the sponsored social member, and could include loss of access to facilities/amenities for other infractions by the social member as determined by the HOA Board
  5. Other - In the event that the sponsoring Homeowner is no longer able to qualify as a Regular Member in Good Standing of the Henson Farms Homeowners Association the Board reserves the right to assume the role of Sponsor in order to allow Social Members in Good Standing to maintain and/or renew their Annual Membership

<sup>1</sup> Security deposit is to be used to remediate any damages attributable to a social member. Security deposit is refundable upon receipt of written resignation by the member to the HOA.

<sup>2</sup> Fee waived for current Social Members (current as of 12/31/2017)