

BY-LAWS
OF
EAGLE MOUNTAIN COMMUNITY ASSOCIATION, INC.,
An Arkansas Non-Profit Corporation

I.

OFFICES

The principal office of the corporation in Batesville, Independence County, Arkansas shall be located at Aberdeen Development Corporation, P.O. Box 2317, Batesville, Arkansas, 72503.

II.

PURPOSES AND OBJECTS

In amplification of the purposes for which the corporation has been formed as set forth in the Articles of Incorporation, additional purposes and objects are as follows:

(a) To develop an area designed for safe, healthful, and harmonious living.

(b) To promote the collective and individual property and civic interests and rights of all persons, firms and corporations owning property in the Eagle Mountain Development consisting of approximately 795 acres, more or less, as said property is shown in that certain Master Bill of Assurance, filed for record August 8, 1986 in the Office of the Circuit Clerk and Ex-Officio Recorder of Independence County, Arkansas in Book Q-13 at page 295-318, including the Supplemental Bill of Assurances for Eagle Mountain Estates Subdivision, Lake View Subdivision, Southridge Subdivision, and any other portion of Eagle Mountain Development subjected to a Supplemental Bill of Assurance.

(c) To care for the improvements and maintenance of any community center, gateways, public easements, parkways, grass plots, parking areas, and any facilities of any kind dedicated to the development use and other open spaces and other ornamental features of the development which now exist or which may hereafter be installed or constructed.

(d) To cooperate with the owners of all vacant and unimproved lots and plots now existing or that hereafter shall exist in the development in keeping them in good order and condition, in preventing them from becoming a nuisance and a detriment to the beauty of the development and to the value of the improved property therein, and to take any action with reference to such vacant and unimproved lots and plots as may be necessary or desirable to keep them from becoming a nuisance and detriment.

(e) To aid and cooperate with the members of this corporation and all property owners in the development in enforcement of such conditions, covenants, and restrictions on and appurtenant to their property as are now in existence, as well as any other conditions, covenants, and restrictions as shall hereafter be approved by a two-thirds (66-2/3%) vote of the members of the corporation, and to counsel with the Batesville Planning Commission and Batesville City Council in relation to any zoning that may affect any portion of the subject property.

(f) In general, but in connection with the foregoing, to do any and all things necessary to promote the general welfare of the residents and owners of any portions of development and subdivisions therein and their property interest therein.

(g) To acquire, own or lease such real and personal property as may be necessary or convenient for the transaction of its business and the fulfillment of its purposes and objects, and the exercise all rights, powers, and privileges of ownership to the same extent as natural persons might or could do.

(h) To arrange social and recreational functions for its members.

(i) To exercise any and all powers that may be delegated to it from time to time by the owners of real property in the development.

(j) This corporation shall not engage in political activity or pursue political purposes of any kind or character.

(k) To exercise all powers as set forth and authorized by the Master Bill of Assurance or any supplements or amendments thereto.

III.

MEMBERS

(a) Membership shall be as set forth in Paragraph 8 (d) of the Master Bill of Assurance.

(b) Class of Members. The association shall have three classes of members whose qualification and rights shall be as follows, each of said terms being defined in the Master Bill of Assurance:

(1) The owner of a "Residence".

(2) The owner of a "Residential Lot".

(3) The owner of a "Residential Unit".

(4) Every owner of a Residence, Residential Lot or a Residential Unit shall be a member.

(5) Membership shall include an undertaking by the owner of a Residence, a Residential Lot or a Residential Unit to comply with and be

bound by the Articles of Incorporation, these By-Laws and amendments thereto, and the policies, rules and regulations at any time adopted by the corporation in accordance with these By-Laws. Membership shall be accompanied by the payment of the first year's dues in advance.

(6) Membership in this corporation shall terminate on such member ceasing to be the owner of a Residence, a Residential Lot or a Residential Unit.

(c) Voting Rights. Each owner of a Residence, Residential Lot or Residential Unit shall be entitled to one vote at all elections and on all other matters that may come before any meeting of the members, provided that any owner of a Residence, Residential Lot or Residential Unit who shall be an owner of more than one Residence, Residential Lot or Residential Unit shall be entitled to as many votes as the number of Residences, Residential Lots or Residential Units being purchased or owned by the member for which such member is paying the dues, assessments, fees or charges imposed by the association. However, any owner of a Residence, Residential Lot or Residential Unit owning contiguous lots may petition the Board of Directors for a waiver so that the owner shall be entitled to only one vote at all elections and on all other matters that may come before any meeting of the members and shall be assessed annual dues based on one membership. Where two or more owners own a Residence, Residential Lot or Residential Unit, only one vote for each such Residence, Residential Lot or Residential Unit shall be allowed and such joint owners shall designate and register with the secretary of the corporation the name of the owner entitled to cast such single vote.

(1) At membership meetings all votes shall be cast in person, or by proxy registered with the secretary.

(2) The board of directors is authorized to establish regulations providing for voting by mail.

IV.

MEETINGS OF MEMBERS

(a) **Annual Meeting.** An annual meeting of the members for the purpose of hearing reports from all officers and standing committees and for electing directors shall be held in the County of Independence, State of Arkansas in November of each year, beginning with the year 1994. The time and place shall be fixed by the directors.

(b) **Regular Meetings.** In addition to the annual meetings, regular meetings of the members shall be had at such time and place as shall be determined by the board of directors.

(c) **Special Meetings.** A special meeting of the members may be called by the board of directors. A special meeting of the members must be called within ten (10) days by the president, or the board of directors, if requested by not less than ten percent (10%) of the members having voting rights.

(d) **Notice of Meetings.** Written notice stating the place, day, and hour of any meeting of members shall be delivered either personally or by mail to each member entitled to vote at such meeting, not less than ten (10) days before the date of such meeting.

(e) **Quorum.** The members holding fifty-one percent (51%) of the votes that may be cast at any meeting shall constitute a quorum at any meeting of the members. In the absence of a quorum, a majority of

the members present may adjourn the meeting from time to time without further notice.

(f) Proxies. At any meeting of the members, a member entitled to vote may vote by proxy executed in writing by the member. No proxy shall be valid after six (6) months from the date of its execution, unless otherwise provided in the proxy.

(g) Voting by Mail. Where directors or officers are to be elected by members, or where there is an act requiring the vote of the members, such election or vote on such proposed action may be conducted by mail in such manner as the board of directors shall determine.

V.

BOARD OF DIRECTORS

(a) General Powers. The affairs of the corporation shall be managed by the board of directors, subject to instructions of the members of the corporation at a regular meeting, or subject to the approval of the membership as expressed by a vote of the membership.

(b) Number, Tenure and Qualifications. The number of directors shall be not less than five (5). Each director shall be a member of the corporation, and shall hold office until two (2) annual meetings of the members following his original qualification shall have been held, and until his or her successor shall have been elected and qualified. Exceptions to the provision for a two (2) year tenure shall be in the case of a director's first taking office following the organizational meeting of the corporation. Of the first five (5) directors, two (2) shall hold office until the second subsequent annual meeting, and three (3) shall hold office until the third subsequent meeting. The determination of the

respective terms shall be by lot. Any increase in the number of directors shall be in units of two (2), and their initial terms shall be one for one (1) and the other for two (2) years, with the determination to be by lot.

At all times a representative from each subdivision in the development shall be represented on the board of directors. If additional subdivisions are added to the development, the number of directors shall be increased proportionately to the next odd number so that the board shall be composed of a representative from each subdivision and at least one (1) at-large director.

(c) **Nomination of Directors.** Any number of the corporation desiring to be elected to the board of directors shall submit his or her name to the secretary at least thirty (30) days in advance of the election and shall designate his or her candidacy as from a respective subdivision or at-large. In all elections each member of the corporation shall be entitled to cast his or her vote for the director from the voting member's subdivision and for each at-large candidate. The result of the election will be determined by the majority of the votes cast.

(d) **Regular Meetings.** The board of directors shall meet regularly at least monthly, at a time and place it shall select.

(e) **Special Meetings.** A special meeting of the board of directors may be called by or at the request of the president or of any two (2) directors.

(f) **Notices.** Notice of any special meeting of the board of directors shall be given at least five (5) days prior thereto, by written notice delivered personally or sent by mail to each director. Any director may waive notice of any meeting.

(g) **Quorum.** A majority of the board of directors shall constitute a quorum for the transaction of business at any meeting of the board, but if less than a majority of the directors are present at said meeting, a majority of the directors present may adjourn the meeting from time to time, and without further notice.

(h) **Manner of Acting.** At any meeting of the board of directors at which a quorum is present, all action by the board shall require a vote of the majority of the total number on the board of directors.

(i) **Vacancies.** Any vacancy occurring in the board of directors, and any directorship to be filled by reason of the increase in the number of directors, shall be filled by election by the board of directors. A director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.

VI.

OFFICERS

(a) **Officers.** The officers of the corporation shall be a president, a vice-president, a secretary and a treasurer.

(b) **Qualifications and Method of Election.** The officers shall be members of the corporation, shall be elected by the board of directors, and shall serve for a term of one (1) year. The president and vice-president shall be members of the board of directors.

(c) **President.** The president shall preside at all meetings of the corporation and of the board of directors at which he or she is present, shall exercise general supervision of the affairs and activities of the corporation, and shall serve as a member ex-officio of all standing committees.

(d) Vice-President. The vice-president shall assume the duties of the president during his absence.

(e) Secretary. The secretary shall keep the minutes of all of the meetings of the corporation and of the board of directors, which shall be an accurate and official record of all business transacted. The secretary shall be custodian of all corporate records.

(f) Treasurer. The treasurer shall receive all corporate funds, keep them in a bank approved by the board of directors, and pay out funds only on notice signed by him and by one other officer. The treasurer shall be a member ex-officio of the finance committee.

(g) Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by any member of the board of directors for the unexpired portion of the term.

VII.

FEES, DUES, AND ASSESSMENTS

(a) Admission Without Fee. Record ownership of a Residence, Residential Lot or Residential Unit or, in the event of resubdivision, of any of the sites as shown on any Residence, Residential Lot or Residential Unit of the property particularly described, without payment of an admission fee, shall establish the owner of the Residence, Residential Lot or Residential Unit as a member of the corporation and the association.

(b) Annual Dues. The annual dues shall be set by the membership at its annual meeting. The board of directors shall make a recommendation as to the amount of the annual dues. The annual dues

shall then be fixed by a two-thirds (2/3) vote of the membership at its annual meeting.

(c) Payment of Dues. The annual dues shall be payable in one (1) equal annual installment due on or before the 30th day of March of each year.

(d) Special Assessments. Special assessments may be levied on members of this corporation by a two-thirds (2/3) vote of the membership of the corporation. The procedure for voting on proposed assessments shall be the same as the procedure provided herein for voting on amendment to these By-Laws.

(e) Default in Payment of Dues or Assessments.

(1) These provisions are supplemental to those contained in Paragraph 8 (d) of the Master Bill of Assurance.

(2) When any member shall be in default in the payment of dues or assessments for a period of thirty (30) days from the date on which such dues or assessments become payable, he or she shall, for purposes of voting, not be considered as a member in good standing. In addition, such member shall be dropped from active membership and placed on the inactive list. Such member shall not be reinstated until he or she has paid dues and assessments in full, and until such time as such member is reinstated, he or she shall have no rights of any kind arising out of a membership in the corporation.

(3) In addition to the foregoing, if any member shall fail to pay his assessments as the same become due, on the failure of payment of the assessments after thirty (30) days' written notice of such delinquency given by the corporation to such member, the amount of the assessment shall become a lien on such member's Residence, Residential Lot or

Residential Unit in favor of the corporation, and the corporation shall have the right to record a notice of claim of lien, and proceed thereon in accordance with the provisions of the laws of the State of Arkansas for the foreclosure and enforcement of liens; or, in the event the corporation shall not record a lien, it shall have the right to commence an in personam action against such member for the collection of the assessments in any court of competent jurisdiction.

(4) For good cause shown and to avoid a hardship upon any member, the board of directors shall have the discretion to waive dues for any member on an annual basis.

(f) Assignment of Dues. In the event any member whose dues are paid shall, during the year in which such dues are paid, terminate his or her membership by sale or his Residence, Residential Lot or Residential Unit, he or she shall be entitled to assign to the buyer of such Residence, Residential Lot or Residential Unit the benefit of the paid up dues.

VIII.

FISCAL YEAR

The fiscal year of the corporation shall be from January 1 of one year until December 31 of the same year.

IX.

AMENDMENTS

Any proposed amendment to these By-Laws shall be submitted to the membership in writing at least thirty (30) days prior to any meeting of the members of the corporation. Such proposed amendments must be signed by at least ten (10) members of the corporation and shall become

effective when approved by a two-thirds (2/3) majority of the members entitled to vote.

CERTIFICATE OF ADOPTION

The foregoing By-Laws of the Corporation have been duly adopted this 19th day of April, 1994 by the membership of the Corporation pursuant to the laws of this State.

IN TESTIMONY THEREOF, witness the hand of the undersigned as Secretary of the Corporation on such date.

(SEAL)

Secretary

APPROVED:

Chairman