

**BY-LAWS
OF
MAUMELLE VALLEY ESTATES
PROPERTY OWNERS ASSOCIATION, INC.
(An Arkansas non-profit corporation)**

INTRODUCTION

The following are the By-laws of the Maumelle Valley Estates Property Owners Association, Inc., an association of the owners of property in the Maumelle Valley Estates Addition to Pulaski County in the State of Arkansas. The Maumelle Valley Estates Property Owners Association is an association created pursuant to the provisions of Arkansas Statutes and by the Bills of Assurance of Maumelle Valley Estates subdivision, City of Maumelle, Arkansas. The administration of the hereinafter described property within Maumelle Valley Estates shall, to the extent permitted by law and by the Bills of Assurance, be governed by these By-laws. All present and future owners, mortgagees, lessees, invitees and occupants of the property within Maumelle Valley Estates, and their employees and any other persons who may use the property and facilities of the property are subject to these By-laws, the covenants, restrictions and conditions contained in the Bills of Assurance of Maumelle Valley Estates and any rules, regulations or policies duly established by the Association.

***ARTICLE I.
DEFINITIONS***

SECTION 1. WORDS AND PHRASES DEFINED

The term residence shall also include all the following words or phrases when used in the by-laws or any amendment thereof (unless the context shall prohibit) shall have the following meanings:

- (a) **“Articles of Incorporation”** shall mean and refer to the Articles of Incorporation of Maumelle Valley Estates Property Owners Association, Inc., an Arkansas non-profit corporation, filed in the office of the Secretary of State of the State of Arkansas.
- (b) **“Association”** shall mean and refer to the Maumelle Valley Estates Property Owners Association, Inc. and the Association provided for in the Certificate and Bills of Assurance of Maumelle Valley Estates.
- (c) **“Board”** shall mean and refer to the duly elected Board of Directors of the Maumelle Valley Estates Property Owners Association, Inc.
- (d) **“By-laws”** shall mean and refer to the duly adopted By-laws of the Association and any amendments thereto.

- (e) **“Common Areas and Facilities”** shall mean and refer to all property within Maumelle Valley Estates designated for the mutual and common use and enjoyment of the owners in Maumelle Valley Estates as set forth in the Certificate and Bills of Assurance and identified on the recorded Plat of Maumelle Valley Estates. This includes any facilities intended for mutual and common use and enjoyment, which are or may hereafter, be constructed upon, or located upon any part of the common areas.
- (f) **“Maumelle Valley Estates”** shall mean and refer to the Maumelle Valley Estates Addition to Pulaski County, State of Arkansas according to the recorded plat thereof and including all phases and neighborhoods therein.
- (g) **“Dwelling Unit”** shall mean and refer to any plot of land as shown upon the recorded subdivision plat, re-plat, or supplemental plat of Maumelle Valley Estates Addition which is intended to be used for erection of a residence, which shall not include common areas, paved areas, park areas, ponds, water courses, mutual access easements, and related facilities.
- (h) **“Residence”** shall mean and refer to any building, structure or house situated upon any Lot, Lots or Dwelling Unit in Maumelle Valley Estates which is primarily intended for use and occupancy as a dwelling or place of abode, appurtenant structures and facilities, which are not part of the common areas and facilities of Maumelle Valley Estates.

ARTICLE II.
MEMBERS

SECTION 1. MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject, by the terms of the Certificate and Bills of Assurance, to assessment by the Association shall be a Member of the Association (A Member). The rights of Membership, including the right to participate in Association affairs, the right to vote, and the right to use the mutual or common areas and facilities are subject to suspension by the Board of Directors, after reasonable attempts have been made to obtain compliance, for (1) Failure or refusal to pay any assessment payable by the member during the period that such assessment payable by the member remains unpaid for more than 30 days from the due date; (2) An infraction of, default in, or breach of the By-Laws of the Corporation, the Bills of Assurance of Maumelle Valley Estates by the member, as provided therein; and (3) Any breach or non-compliance by the member, as determined from time to time by the Board of Directors of the Corporation, of any of the duly adopted rules and regulations.

Membership shall be appurtenant to and may not be separated from ownership of any Lot or Dwelling Unit which is subject to assessment by the Association, except as limited herein.

All persons, upon becoming members of this Association, shall remain members thereof for the period of their ownership of a Lot or Dwelling Unit in Maumelle Valley Estates. Membership in this Association may not be assigned, transferred, sold, pledged, mortgaged or otherwise conveyed or encumbered, nor shall ownership thereof devolve in any manner to any person independently or separately from the ownership of the Lot or Dwelling Unit in Maumelle Valley Estates to which such membership appertains.

Except as otherwise specified herein with regard to the right to vote at a meeting of the Association, membership in this Association shall terminate without formal Association action whenever an owner ceases, for any reason, to own an interest of record in a Lot or Dwelling Unit in Maumelle Valley Estates. However, such termination shall not relieve or release any such former owner from any liability or obligation incurred during his/her/its period of ownership, nor shall such termination impair any rights or remedies which the Board of Directors of the Association or other members may have against such former owner arising out of or in any way connected with such ownership and the covenants and obligations incident thereto.

The Association shall issue no shares and have no capital stock, but the Board of Directors may, if it so elects, issue membership cards to each Member of the Association. Any membership card so issued shall be surrendered to the Secretary of the Association whenever such member's membership, as defined herein, shall terminate. There shall be no membership initiation fees, as such, charged to or collected from any Member by the Association. However, this provision shall not be construed or interpreted as limiting, modifying or in any manner affecting the right to make assessments (annual dues) by the Association for common expenses and estimated common expenses as determined from time to time by the Board of Directors consistent with these By-laws.

Membership in this Association may not be revoked, terminated, canceled, or suspended for any cause except as provided in the Bills of Assurance or these By-Laws.

SECTION 2. VOTING RIGHTS

The Association shall have one class of voting membership. The right to vote at a meeting of members shall be limited to members of the Association. Membership in the Maumelle Valley Estates Property Owners Association as defined herein, entitles said Member to one (1) vote, provided that when more than one person or entity holds an interest in any single Lot or Dwelling Unit jointly or in common, all such persons or entities shall be members and be entitled to personally cast the vote for such Lot or Dwelling unit, however, the vote for such Lot or Dwelling Unit shall be exercised as they, among themselves, shall determine, but in no event shall more than one (1) vote be cast with respect to any such Lot or Dwelling Unit. Vote splitting will not be permitted. If two or more joint or common owners attend any meeting of the Association, the said joint or common owners are responsible for advising the Secretary of the Association, prior to the recording of any vote, which of the said joint or common owners will be exercising the vote for such Lot or Dwelling Unit. If the said joint or common owners fail to so advise the Secretary, the vote for such Lot or Dwelling Unit shall be suspended if more than one (1) person seeks or attempts to exercise it. The right to vote may be suspended without notice for any of the reasons set forth in these By-laws.

Any person(s) or entity, which own(s) two or more Lots shall be entitled to one (1) vote for each such Lot. In the event any two Lots which have any common property line shall have the same owner(s), the said owner(s) may, at the time the first residence is established on any part thereof, elect to combine the two commonly owned Lots into a single Dwelling Unit. In the event any owner elects to combine the two commonly owned Lots into a single Dwelling Unit, said owner shall thereafter be entitled to only one (1) vote for such combined Dwelling Unit. In no event shall any more than two such Lots be combined to form any single Dwelling Unit and in no event shall more than one residence be established on any single Dwelling Unit. In the event any Lot or Lots which had previously been combined to form a single Dwelling Unit shall at any time cease to be commonly owned, the said Lots shall thereafter be considered separate Dwelling Units and owner(s) shall be entitled to vote accordingly. An election to combine any Lots as herein provided shall also constitute an election to combine said lots for the purposes of assessment pursuant to Article VI, Section 1.

ARTICLE III.
MEETINGS OF THE ASSOCIATION

SECTION 1. ANNUAL MEETINGS

With the exception of the First Meeting of Members of the Association following its organization, which shall be duly called by the acting Secretary, the regular annual meeting of the Association shall be held on the second Tuesday in the month of March, in each year, at the hour of 6:00PM., for the purposes of electing a Board of Directors and for the transaction of such other business as may come before the Association at the meeting. If the date fixed for the annual meeting shall be a legal holiday in the State of Arkansas, such meeting shall be held on the next business day. If the election of a Board of Directors shall not be held on the day designated herein or at any annual meeting of the membership or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the membership as soon thereafter as conveniently may be held.

SECTION 2. SPECIAL MEETINGS

Special meetings of the membership for any purpose or purposes unless otherwise limited herein, may be called by the President of the Association or by the Board of Directors and shall be called by the President upon receipt of a Petition for such special meeting signed by not less than 25% of all the members who would be entitled to vote at said special meeting.

SECTION 3. PLACE OF MEETING

The Board of Directors may designate any place within the City of Maumelle, Arkansas, unless otherwise designated herein, as the place of meeting for any annual or special meeting of the Association.

SECTION 4. NOTICE OF MEETINGS

Written, electronic or posted notice of each annual and special meeting of members shall be given by, or at the direction of, the Secretary of the Association or any person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 30 days before such meeting, to each member. The notice shall be mailed to the member's last address appearing on the books of the Association, or any address supplied by such Member to the Association for the purpose of receiving notice. Such notice shall specify the place, date, and time of the meeting and in the event of a special meeting, the purpose of the special meeting.

SECTION 5. CLOSING OF MEMBERSHIP/TRANSFER BOOK

For the purpose of determining members entitled to notice of and to vote at any meeting of the membership of this Association or any adjournment thereof or in order to make a determination of members for any proper purpose, except as otherwise provided, the Board of Directors of the Association may provide by resolution that the membership transfer book shall be closed for a stated period, which period may not be for more than (30) days nor less than (10) days, prior to such meeting. However, in the event the Board fails to act in this regard, the membership transfer book shall be closed for the purpose of determining members entitled to notice of, or to vote at a meeting of the membership of the Association at the close of business on the day next preceding the day upon which notice is given or, if notice is waived, at the close of business on the day next proceeding the day upon which the meeting is held. When a determination of members entitled to vote at any meeting of the membership of the association has been made, as provided in this section, such determination shall apply to any adjournment of the meeting unless the Board shall by resolution establish a different stated period.

SECTION 6. MEMBERSHIP LIST

The Secretary shall maintain a file of, and compile and maintain a current and complete list of the owners of any interest in the lots or dwelling units arranged in alphabetical order with the addresses of each interest owner. Such lists shall be kept on file at the registered office of the Association and shall be subject to inspection by any Member at any time during usual business hours. Such list shall also be produced and kept open at the time and place of any meeting, and shall be subject to inspection by any Member during the whole time of any such meeting.

The Secretary shall use the best information and resources available to maintain a current and accurate listing of owners of any interest, but for the purposes of these By-Laws, the current owner of any Lot has the benefits and responsibilities of membership without regard to the listing of the Secretary.

SECTION 7. QUORUM

Except as otherwise provided in these By-laws, or in the Articles of Incorporation, the presence, at any annual or special meeting of members constituting one-fifth (1/5), or greater of the total membership entitled to vote, or Member Absentee Votes, will constitute a quorum for any action of the Association. If such quorum should not be present at the meeting, the members entitled to vote thereat shall have the power to adjourn the meeting and to reconvene at another time. The time shall be established by the members present no earlier than five (5) working days hence, and an announcement shall be provided to all members. If a quorum cannot be established at a second meeting, noticed and reconvened as specified herein, then those members present at such second meeting shall constitute a quorum for such actions as may have been taken at the first meeting duly called. (Intent: Announce date to reconvene, at second attempt those present are a quorum). Notwithstanding any of the above, no Member Absentee Votes shall be counted for purposes of determining the presence of a quorum for a vote on any matter except for those matters which are specifically identified and referred to in the Member Absentee Votes on file with the Secretary of the Association.

SECTION 8. ABSENTEE VOTES

Except as otherwise limited herein, any member, who would otherwise be entitled to cast a vote at a meeting of the association, may cast a vote on a matter without personally attending the meeting, by filing with the Secretary of the Association prior to such meeting a “Member Absentee Vote”. A member may file a Member Absentee Vote and indicate the desired vote on any matter or matters the exact nature of which have previously been identified in writing which are subsequently brought up for a vote at the meeting. The Member Absentee Vote must be filed with the Secretary no later than two (2) days preceding the meeting. (E.g. Sunday for Tuesday meeting).

Prior to recording any Member Absentee Vote on any matter brought up for vote, the Secretary of the Association shall examine the Member Absentee Vote to determine if the written statement of the matter to which it applies is substantially identical to the matter being voted on, if not, the Secretary shall record the Member Absentee Vote as an abstention, otherwise the Secretary shall record the vote as indicated by the member.

SECTION 9. VOTING MAJORITY

Except as otherwise provided herein or in the Certificate of the Bills of Assurance or the Articles of Incorporation, the passage of any item properly brought up for vote at any annual or special meeting of the Association at which a quorum is present shall require an affirmative vote of a simple majority of the Members voting.

SECTION 10. MULTIPLE OWNERS

When more than one person or entity holds an interest in any single lot or dwelling unit jointly or in common, all such persons or entities shall be members and entitled to personally cast the vote, however, the vote for such Lot or Dwelling Unit shall be exercised as they, among themselves, shall determine, but in no event shall more than one (1) vote be cast with respect to any such Lot or Dwelling Unit. Vote splitting will not be permitted. If two or more joint or common owners attend any meeting of the Association, the said joint or common owners are responsible for advising the Secretary of the Association, prior to the recording of any vote, which of the said joint or common owners will be exercising the vote for such Lot or Dwelling Unit. If the said joint or common owners fail to so advise the Secretary, the vote for such Lot or Dwelling Unit shall be suspended if more than one (1) person seeks or attempts to exercise it.

SECTION 11. METHOD OF VOTING

Voting at any annual or special meeting shall be by roll call or by written ballot as the President of the Association may prescribe. Any member may request that any particular matter be voted on by written and/or secret ballot. If such request is made, the President shall prescribe the type of ballot to be used, whether it be a written ballot reflecting the signature of the Member casting the ballot or by secret ballot.

SECTION 12. VOTING BY CERTAIN MEMBERS

A membership held in the name of a corporation may be voted by such officer, agent, or designee either in person, or by an appropriate absentee ballot as the By-laws of such corporation may prescribe, or in the absence of such provision, as the Board of Directors of such corporation may determine.

Membership held by the administrator, executor, guardian, or conservator shall be voted by such administrator, executor, guardian, or conservator either in person, or by an appropriate absentee ballot without a transfer of such membership into his or her name.

Where membership is held in the name of a trust or a trustee, the trustee shall be entitled to vote a membership so held either in person, or by an appropriate ballot without a transfer of such membership into his name.

Person claiming the right to vote under these paragraphs shall present the appropriate evidence of such right to vote to the Secretary of the Association prior to or at the time of any meeting, but in any event, prior to the casting of such vote.

SECTION 13. INFORMAL ACTION BY MEMBERS

Unless otherwise provided by law, any action required or permitted to be taken at a meeting of members, may be taken without a meeting, if a consent in writing setting forth with specificity the action so taken shall be signed by at least two-thirds (2/3) the members entitled to vote at a meeting with respect to the subject matter thereof.

SECTION 14. ORDER OF BUSINESS

The order of business at all meetings of the Association shall be as follows:

- (a) Roll call;
- (b) Proof of notice of meeting, or waiver of notice;
- (c) Reading of and approval of the minutes from the preceding meeting;
- (d) Reports of Officers and/or Board of Directors
- (e) Report of committees;
- (f) Election of Directors;
- (g) Unfinished Business;
- (h) New business;
- (i) Adjournment

**ARTICLE IV.
BOARD OF DIRECTORS**

SECTION 1. NUMBER AND TENURE

The property and affairs of the Association shall be managed by the Board of Directors. The Board of Directors of the Association shall consist of seven individual directorships designated by the number one (1) through five (7).

Director #1	Initially-3 years	Thereafter-3 years
Director #2	Initially-3 years	Thereafter-3 years
Director #3	Initially-2 years	Thereafter-3 years
Director #4	Initially-2 years	Thereafter-3 years
Director #5	Initially-1 year	Thereafter-3 years
Director #6	Initially-1 year	Thereafter-3 years
Director #7	Initially-1 year	Thereafter-3 years

Initially, A Member elected to fill Director #1 or #2 shall serve for terms of three (3) years. A Member elected to fill Director #3 or #4 shall serve for terms of two (2) years. A Member elected to fill Director #5, #6 or #7 shall serve for a term of one (1) year. Thereinafter, each Director shall be elected to serve a three (3) year term.

At the first Annual Meeting of the Association held pursuant to these By-laws the members shall elect one of its members for each of the seven Directorships. Each Director shall, unless they shall resign or be removed as herein provided, serve the entire term of the directorship to which the member was elected, or until their successor is elected and qualified, which ever shall occur last.

SECTION 2. QUALIFICATIONS, REMOVAL, VACANCIES

Directors must be members of the Association. A Director may be removed from the Board with or without reason by two-thirds (2/3) majority vote of the members voting at any annual or special meeting of the members. The Board of Directors may remove from office any Director who fails to attend three (3) successive regular meetings of the Board. A Director may resign from the Board by written notice and the resignation will be effective on the date the resignation is received by the Board or on a later date as specified by the resigning Director. The death of a Board Member shall immediately cause the position to be vacant. Vacant positions on the Board of Directors will be filled by appointment by the remaining members of the Board and the newly appointed Director will serve the unexpired term of his or her predecessor, subject to the approval of the membership at the next, annual or special meeting of the membership.

SECTION 3. COMPENSATION

No Director shall receive compensation for any services he or she may render to the Association. However, any Director may be reimbursed for actual expenses reasonably incurred in the performance of official duties.

SECTION 4. MEETINGS OF THE BOARD

The annual meeting of the Board of Directors will be held without notice, following the annual meeting of the Association. Regular monthly meetings of the Board of Directors shall be held periodically without notice, at such time and places as may be fixed by resolution. Special meetings of the Board shall be held at such time and place fixed by the President or by a majority of the Directors on notice given to each Director at least five (5) days before the meeting.

SECTION 5. PRESENCE IN PERSON

At any annual, special or monthly meeting of the Board, except as otherwise provided herein, the presence in person of a majority of the Directors then in office will constitute a quorum, which, once attained, continues until adjournment of that meeting, despite withdrawal of enough Directors to otherwise leave less than a quorum.

SECTION 6. ACTION OF THE BOARD

The Board of Directors may act only as a Board with each Director having one (1) vote. The Board may not act, so long as there is a vacant position on the Board, except to vote for a replacement for that vacancy. The action of a majority of Directors present at a meeting at which a quorum is present will be the action of the Board. The Board shall have the right to take action by resolution without a meeting by obtaining the written approval of all the Directors. Any action so approved shall be the same effect as though taken at a meeting of the Directors. A copy of each adopted resolution of the Board of Directors, signed by all of the Directors who approved it, shall be filed with the Secretary of the Association.

SECTION 7. NOMINATIONS AND ELECTION OF DIRECTORS

Nominations for election to the Board of Directors shall be made by an ad hoc Nominating Committee appointed by the president at least 30 days before each annual meeting of the members. The Nominating Committee shall make as many nominations for election to the Board as it wishes, but not less than the number of Directorships to be filled at the next annual meeting of members. A list of the committee's nominations shall be mailed to each Member with the notice for the annual meeting of members. In addition to the committees nominations, any member of the association may be nominated for election as a director by any member of the association at the annual meeting, provided, any such nomination is made prior to the commencement of any voting for the election of any director.

Voting by members for elections to the Board of Directors shall be by secret ballot taken during the annual meeting of members. A separate vote shall be taken for each position on the Board to be filled. Each member may cast one vote for each position on the Board to be filled. The member receiving the largest number of votes for a directorship shall be elected to fill the position. If two or more positions on the Board are to be filled at any annual meeting, any member who is nominated but fails to receive sufficient votes to be elected, shall be automatically nominated for each position subsequently filled at such meeting. Cumulative voting is not permitted.

SECTION 8. POWER, AUTHORITY AND DUTIES OF THE BOARD

The Board of Directors shall have the power, authority and responsibility to:

- (a) Exercise, for the Association, all powers, duties and authority vested in or delegated to the Board of Directors of the Association.
- (b) To uphold and enforce the provisions of the Certificate and Bills of Assurance.
- (c) To appoint and remove at its pleasure, all officers, agents and employees of the Association. Prescribe their duties and fix their compensation. Require of them such security or fidelity bond, if any, as may be expedient. Nothing contained in these By-laws shall be construed to prohibit the employment of any Member of the Association in any capacity thereof.
- (d) To call special meeting of the members whenever it deems necessary.
- (e) Suspend the rights of membership of any Members, who, after being given reasonable opportunities to comply, nevertheless, fails, or refuses to pay any assessment for more than 30 days or fails or refuses to comply with the By-laws of the Association, the Certificate and Bills of Assurance, or any other duly imposed rules of the Association or fails or refuses to remedy any other breach or noncompliance when requested to do so by the Board of Directors.
- (f) The Board of Directors shall further have the duty to:
 - (I) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members, at their request, at meetings of the members.
 - (II) Set the date, time, place, and agenda for the annual meeting of members as provided in ARTICLE III.
 - (III) Call a special meeting of members within 30 days after receiving a written request for such meeting as provided in ARTICLE III.
 - (IV) Supervise all officers, agents and employees of the Association and to see that their duties are properly performed.
 - (V) Cause to be maintained, repaired, rebuilt and kept in good condition, all of the Common Areas and Facilities.

- (VI)** Cause to be sent to Members, when deemed necessary, written notice of assessments, and to collect such assessments and to file liens against members when assessments are not paid or to bring an action at law against the owner or owners personally obligated to pay the same. A resolution to initiate such legal actions shall require the approval of at least four (4) members of the Board of Directors.
- (VII)** Issue or cause to be issued, a certificate setting forth whether or not any past due assessments remain currently unpaid by a member.
- (VIII)** Estimate and prepare a projected budget for the next fiscal year for presentation to the members at each annual meeting of members.
- (IX)** Make recommendations regarding the amount of regular monthly assessments to the members at each annual meeting of members.
- (X)** Designate and supervise special committees as appear necessary from time to time and to appoint such members thereto as the board deems advisable.
- (XI)** Initiate legal action against any Member or Property Owner who is in violation of the covenants and restrictions of Maumelle Valley Estates or any duly adopted rule or regulation of the association or any property owner who fails or refuses to remedy any other breach or noncompliance when requested to do so by the Board of Directors. A resolution to initiate such legal actions must be approved by a majority of the members of the Association voting at an annual or special meeting at which a quorum is present.
- (XII)** Enter into contracts within the scope of the powers and duties of the Board as set forth in these By-laws or as implied by law.
- (XIII)** Obtain or procure such property and/or casualty insurance or such other perils or liability coverage on behalf of the Association, its members, directors, officers, agents, employees or servants as may appear reasonably necessary.

**ARTICLE V.
OFFICERS**

SECTION 1. NUMBER AND TENURE

The officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer and such other officers as the Board of Directors may designate. Each Officer will be elected annually by the Board of Directors at its annual meeting and shall thereafter hold office for one (1) year or until its successor shall be elected and qualified unless such officer shall sooner resign or shall sooner be removed from office as herein provided.

SECTION 2. QUALIFICATIONS, REMOVAL AND VACANCIES.

The President, Vice President and Secretary must be elected Directors of the Association. The Treasurer may be any person or entity determined by the Board of Directors to be qualified to perform the duties of the office. The Treasurer may be a member of the Association, but membership is not a necessary qualification for the position. The Board may remove any Officer at any time with or without cause. The Board may fill vacancies and newly created offices at any meeting of the Board at which a quorum is present.

SECTION 3. COMPENSATION

The President, Vice President and Secretary will serve without compensation; however any Officer may be reimbursed for actual expenses reasonably incurred in the performance of his official duties. The Treasurer may be paid such compensation as the Board shall determine to be reasonable. The Board may require that any person or entity elected to the office of Treasurer obtain a satisfactory surety bond. Should the Board require any duly elected Treasurer to obtain a surety bond; the Board shall determine and advise the Treasurer at that time whether the premium for such bond shall be a reimbursable expense of the officer.

SECTION 4. DUTIES

The duties of the officers shall be as hereinafter outlined plus such additional duties as may be assigned by the Board of Directors from time to time.

- (a) **PRESIDENT** – The President will be the Chief Executive Officer of the Association and will preside at all meetings of the members and of the Board. He or she, when authorized will execute and deliver documents in the name of and on behalf of the Association. The President shall be subject to the control and direction of the Board of Directors and shall supervise and control all of the properties and affairs of the Association. He or she shall in general perform all the duties incident to the President and such other duties as may be assigned by the Board of Directors.

- (b) **VICE PRESIDENT** – The Vice-president shall perform the duties of the President during the absence, disability, inability or refusal to act or in the event of the death of the President. He or she shall have all the powers and be subject to all the restrictions upon the President.
- (c) **SECRETARY** – The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the meeting of members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses and perform such other duties as required by the Board.
- (d) **TREASURER** – The Treasurer will have custody of the funds, property and books of the account of the Association. He or she will keep strict account of all funds and property received, owned and disbursed by the Association; receive and give receipts for monies due and payable to the Association from any source whatsoever, and deposit all such monies in the name of the Association in such banks, or other depositories as shall be selected by the Board of Directors. The Treasurer in general will perform such other duties as from time to time may be assigned by the President or by the Board. He or she shall prepare a fiscal year balance sheet and operating statement to be presented to the members at the annual meeting of members. He or she shall also prepare an interim balance sheet to be presented to the members at any special meeting of members. All sums collected by the Treasurer shall be deposited in a depository selected and approved by the Board of Directors. The Board of Directors shall approve disbursements of funds. All checks written exceeding an amount to be established by a unanimous approval of the Board of Directors (originally set at \$3,000.00) shall require signatures by two Officers or Directors. Check signature authorization will be approved by the Board of Directors.

ARTICLE VI.
FUNDS AND ASSESSMENTS

SECTION 1. ASSESSMENTS

All members of Maumelle Valley Estates Property Owners Association, as specified in the Certificate and Bills of Assurance, and these By-laws, shall be subject to assessments for the cost of maintenance, repairs, and upkeep of the common areas and facilities that are mutual to all property owners. Assessments shall be made on a per “Lot Unit” basis.

There shall be two (2) types of assessments: (a) a Base Assessments and (b) Special Assessments.

(a) Base Assessment

The Base Assessment is the annual amount determined to be charged to and for each Lot Unit to meet the annual operating and maintenance financial burden of the Association for the care, preservation, beautification and benefit of the common areas of the subdivision. The budget for each year shall be prepared by the Treasurer, reviewed and ratified by the Board of Directors and communicated by annual invoice to the members of the Association, with the invoice to be due and payable by January 31st each year.

(b) Special Assessments

The Special Assessment is any assessment, which is approved by the membership, which is not routinely or regularly payable, by the members. A Special Assessment may be approved by the membership for any lawful purpose that is consistent with the Bills of Assurance, the Articles of Incorporation, and these By-laws. Although Special Assessments are not intended to be routinely or regularly payable by the members, nothing herein contained shall prevent the membership from approving a special assessment and providing for periodic payment thereof.

SECTION 2. CHANGES TO ASSESSMENTS AND SPECIAL ASSESSMENTS

Changes in the amount of the base assessments shall be authorized upon a vote of the Directors of the Association. Any special assessments must be approved by at least two-thirds (2/3) of the votes cast by members of the Association at an annual or special meeting duly called.

SECTION 3. PENALTIES AND LIENS

Any member who fails to pay any assessments when the same is due and payable shall incur a penalty in such amount as may be determined from time to time by the Board of Directors. Liens shall be filed for unpaid assessments and any reasonable cost incurred in their collection, including filing fees, bank fees, court costs, attorney fees and other collection costs. The Board has the authority to file a lien against any member who is 30 days in arrears on any base or special assessment. Nothing herein contained shall prevent the Association from instituting any appropriate legal proceedings for the collection of unpaid assessments.

ARTICLE VII.
ARCHITECTURAL CONTROL COMMITTEE

SECTION 1. DUTIES

The Architectural Control Committee shall consist of three members elected at the annual meeting or any special meeting called for that purpose. The Architectural Control Committee shall perform the duties as specified in the Certificate and Bills of Assurance and such other duties as shall from time to time be determined by the Board of Directors.

The Architectural Control Committee shall visit construction sites within Maumelle Valley Estates at such intervals as shall be specified by the Board of Directors to assure compliance with the Bills of Assurance, the Restrictive Covenants contained therein, and any prior conditions or specifications set forth by the Architectural Control Committee.

ARTICLE VIII.
BOOKS AND RECORDS

SECTION 1. INSPECTION AND RECORDS

The books, records, and papers of the Association shall be available for inspection by any member of the Association at all reasonable times during normal business hours. Members may purchase copies of Association books, records and papers at a reasonable cost.

ARTICLE IX.
AMENDMENTS

SECTION 1. AMENDMENT OF BY-LAWS

Amendments to these By-laws shall be authorized only upon a vote of the members of the Association at an annual or special meeting of Members. Any amendments to these By-laws must be approved by a simple majority of the total membership in the Association.

**ARTICLE X.
INDEMNITY**

SECTION 1. INDEMNIFICATION BY ASSOCIATION

Except as otherwise provided by law, the Association, and not the members individually will defend, indemnify and save harmless each Member, Director, Officer and Committee Member of the Association, and their heirs, legal representatives, and assigns against expenses and liabilities reasonably incurred in connection with any claims, actions, suits, or proceedings involving official business and/ or delegated duties of the Association in which the Member, Director, Officer, or Committee Member is involved or made a party to by reason of being or having been such, except in relation to matters as to which the indemnity shall be adjudged to have breached a duty of loyalty to the corporation, or is adjudged liable of gross negligence or willful misconduct in the performance of their duty to the Association.

**ARTICLE XI.
GENERAL PROVISIONS**

SECTION 1. FISCAL YEAR

The fiscal year shall begin on the first day of January and end on the last day of December of each year.

SECTION 2. WILDLIFE AND NATURAL RESOURCES

It shall be the general policy of Members, Directors and Officers of the Association to protect, preserve and enhance the native wildlife and the natural features of the Maumelle Valley Estates Addition except to the extent that such wildlife or natural features may become unreasonably detrimental to the health, safety and welfare of the members or to the public.

SECTION 3. EXEMPT ACTIVITIES AND PROHIBITED TRANSACTIONS

No Member, Director, Officer or Committee Member of the Association shall take any action or carry on any activity, or exercise any corporate power, by or on behalf of the Association, which is not in furtherance of its non-profit status and regulations as they now or hereinafter exist.

SECTION 4. INTERESTED PARTIES

No transaction of the Association will be effected because a Member, Director, Officer, or Committee Member of the Association is interested in the transaction as long as such transactions are conducted at arms length and in good faith, and are not in violation of proscriptions in the Certificate and Bills of Assurance, the Articles of Incorporation or these By-laws. Such interested parties will be counted for quorum purposes and may vote when the Association considers the transaction.

SECTION 5. IN CASE OF CONFLICT

In the case of any actual conflict between the provisions of the Articles of Incorporation and these By-laws, the Articles of Incorporation shall control, and in the case of any actual conflict between the provisions of the Certificate and Bills of Assurance applicable to Maumelle Valley Estates and these By-laws, the Certificate and Bills of Assurance shall control.

SECTION 6. SAVING CLAUSE

The invalidity of any one or more of the phrases, clauses, sentences, paragraphs, sections or amendments hereof shall not affect validity of any of the remaining portions of the By-laws.

SECTION 7. GENDER

Whenever used herein, the singular shall be construed to mean the plural, when applicable and the necessary grammatical changes required herein to make provisions hereof apply either to corporations or individuals, men or women, shall in all instances be assumed as though fully expressed on each instance.

SECTION 8. GOOD FAITH COMPLIANCE

These By-laws have been prepared, are hereby adopted, in good faith, intending to comply with all applicable laws and regulations of the United States and State of Arkansas, including, without limitation and only by way of illustration, the Arkansas laws applicable to non-profit corporations in the U.S. Internal Revenue Code, as well as the regulations of various Federal agencies.