

By-Laws of Cherokee Village Townhouse Association

Article I

Name and Location

The name of the corporation is Cherokee Village Townhouse Association, hereinafter referred to as the “Association”. The principal office of the corporation shall be located at Cherokee Village, Arkansas, but meetings of members and Directors may be held at such places within the state of Arkansas as may be designated by the Board of Directors.

Article II

Definitions

Section 1. “Association” shall mean and refer to Cherokee Village Townhouse Association, a non profit corporation organized and existing under the laws of the state of Arkansas, its successors and assigns.

Section 2. “The properties” shall mean and refer to that certain real property described in the Bill of Assurance, Townhouse Addition No. 2, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. “Common Property” shall mean and refer to those areas of land so designated upon any recorded addition plat of the Properties intended to be devoted to the common use and enjoyment of the owners of The Properties; and also those areas so designated from time to time by the Developer or John A Cooper Company for the purpose aforesaid.

Section 4. “Lot” shall mean and refer to the numbered lots in the numbered blocks as shown upon any recorded addition plat of The Properties.

Section 5. “Living Unit” shall mean and refer to any portion of a building situated upon The Properties designated and intended for use and occupancy as a residence by a single family.

Section 6. “Member” shall mean and refer to every person or equity who holds membership in the Association.

Section 7. “Owner” shall mean and refer to either the Developer, John A. Cooper Company, or the recorded owner, whether one or more persons or entities, of the fee simple title to any Lot or Living Unit which is a part of the Properties, including contract sellers, but excluding (except the Developer or John A. Cooper Company) those having such interest merely as security for the performance of an obligation.

Section 8. “Developer” shall mean and refer to Village Homes, Inc., its successors and assigns.

Section 9. “Bill of Assurance” shall mean and refer to the Bill of Assurance, Townhouse Addition No. 2 applicable to The Properties recorded in the office of the Recorder of Sharp County, Arkansas, and is there recorder in Book _____, Pages _____.

Article III

Membership

Section 1. Membership. The Developer, John A. Cooper Company under conditions set forth in Article XV and in said Bill of Assurance, their successors or assigns, shall be a member of the Association so long as it shall be the record owner of a fee interest or an undivided fee interest in any Lot or Living Unit; and the Developer or John A. Cooper Company under the conditions set forth in Article XV in said Bill of Assurance shall be a member until it is paid in full for every Lot or Living Unit which it shall sell. Every other person or entity who is a record owner of a fee interest or undivided fee interest in any Lot or Living Unit which is subject by covenants of record of the Association, provided that any such person or entity (except Developer or John A. Cooper Company) who holds such interest merely as security for the performance of an obligation shall not be a member.

Section 2. Suspension of Membership. During any period in which a member shall be in default in the payment of any annual or special assessment levied by the Association, the voting rights and right to use of the recreational facilities of such member may be suspended by the Board of Directors until such assessment has been paid. Such right of a member may also be suspended by the Board of Directors, for a period not to exceed thirty (30) days, for violation of any rules and regulations established by the Board of Directors governing the use of the Common Property and facilities.

Article IV

Voting Rights

The Association shall have two classes of voting membership:

Class A. Class A members shall be all members described in Article III, hereof with the exception of the Developer or John A. Cooper Company under conditions as set forth in Article XV of said Bill of Assurance. Class A members shall be entitled to one vote for each Lot or Living Unit in which they hold the interest required for membership by Article III. When more than one person holds a membership interest in any Lot or Living Unit, the vote for such Lot or Living Unit shall be exercised as the members between themselves determine; but in no event shall more than one vote be cast with respect to any Lot or Living Unit.

Class B. The Class B member shall be the Developer or John A. Cooper Company under the conditions as set forth in Article XV in said Bill of Assurance. The Class B member shall be entitled to ten (10) votes for each Lot or Living Unit in which it is record owner and which is subject to covenants and restrictions of said Bill of Assurance until it shall have ceased to be the record owner of the Lot or Living Unit and shall have been paid in full for such Lot or Living Unit. The Developer or John A. Cooper Company under conditions as set forth in Article XV in said Bill of Assurance shall continue to have the right to cast votes as aforesaid even though it may have contracted to sell the Lot or Living Unit or may have placed same under a mortgage or deed of trust.

For purposes of determining votes allowed under this section, when living Units are counted, the Lot or Lots upon which such Living Units are situated shall not be counted,

Article V

Property Rights: Rights of Enjoyment

Section 1. Each member shall be entitled to the use and enjoyment of the Common Properties and facilities as provided in the Bill of Assurance. Any member may delegate his rights of enjoyment of the Common Property and facilities as provided in the Bill of Assurance. Such member shall notify the Secretary in writing of the name of any such person. The rights and privileges of such person are subject to suspension to the same extent as those of the member.

Section 2. The Directors shall make such rules from time to time as shall be appropriate relative to the use of the Common Properties and facilities by guests of members and all other persons who have a right to use such property and facilities. The members shall be bound by such rules as same shall be made and published.

Article VI

Board of Directors: Selection: Term of Office

Section 1. Number and Election. The management of the affairs of the corporation shall be vested in the Board of Directors, and a director need not be a member of the Association. The names and addresses of the persons constituting the initial Board of Directors and the annual meeting to which their respective terms shall extend are as follows:

<u>Name</u>	<u>Address</u>	<u>Term Ends</u>
Gene Blasi	Bella Vista, Arkansas	1973
C. E. Daggett	Bella Vista, Arkansas	1974
Jerry Sarver	Hot Springs Village, Arkansas	1975
Harold Bemis	West Memphis, Arkansas	1976
John Whelan	Hot Springs Village, Arkansas	1977

Thereafter, directors shall be elected for a term of six years and until their respective successors are elected and qualified. Any vacancy occurring in the initial or any subsequent Board of Directors shall be filled at any meeting of the Board of Directors by the affirmative vote of a majority of the remaining Directors. Any Director elected to fill a vacancy shall serve as such until the expiration of the term of the Director whose position he was elected to fill.

Section 2. Election Process. The nomination and election of the Board of Directors shall be as follows:

- (a) Election of Board of Directors shall be by written ballot as hereinafter provided. At such election the members may cast one vote "For" or "Against" the person or persons nominated for the vacancy to be filled. If the vote is cast "For" and also "Against" the same person, it shall not be counted.
- (b) Nominations for election to the Board of Directors shall be made by a nominating committee of the Association.
- (c) The Nominating Committee shall consist of three members of the Board of Directors, elected by the Board of Directors, and one member of the Nominating Committee shall be designated by the Board of Directors as Chairman. The Nominating Committee shall be appointed as soon as the Board of Directors shall deem appropriate, and shall serve until a Successor Nominating Committee shall be appointed by the Board of Directors.
- (d) The Nominating Committee shall make as many nomination for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or nonmembers as the Nominating Committee shall determine. Nominations shall be placed on a written ballot as provided in subsection (e) and shall be made in advance of the time fixed in subsection (e) for the mailing of such ballots to members.
- (e) All elections to the Board of Directors shall be made on written ballot which shall (1) describe the vacancies to be filled; (2) set forth the names of those nominated by the Nominating Committee for such vacancies with spaces opposite each name with the words "For" and "Against." Such ballots shall be prepared and mailed by the Secretary to the members at least seven (7) days in advance of the date designated by the Board of Directors for the election. The date of the election shall ordinarily be ten (10) days prior to the date of the annual meeting, but may be held at any time selected by the Board of Directors. The term of office of a Director shall be for six (6) years, or until his successor shall have been elected and shall have qualified; the term shall expire upon the date of the annual meeting of members six (6) years after his election unless a

successor shall not have been elected and not have qualified; and in such event, he shall continue to serve until his successor is elected and shall qualify; and same shall apply to the Directors designated in the Articles of Incorporation.

- (f) Each member shall receive one ballot to be mailed by the Secretary, with a return envelope addressed to the President.
- (g) Upon receipt of each ballot returned, the President shall place same in a safe place; and upon the date designated by the Board of Directors as the date of election shall open the ballots and count same in the presence of two other Directors appointed by the Board of Directors who, with the President, shall constitute the Election Committee. In the event two or more persons have been nominated for a vacancy, the person receiving the greater number of affirmative votes shall be declared elected. In the event only one person shall have been nominated for a vacancy, such person must receive more than on-half affirmative votes of the total votes cast to fill the particular vacancy, otherwise, such fact shall be reported to the Nominating Committee and the Nominating Committee shall forthwith nominate one or more persons to fill the vacancies, which was or were not filled at the election. The new name or names shall be placed upon a ballot and the same procedure aforesaid shall be carried out promptly. Under no circumstances will a "write in" vote or votes be counted in any election of Directors.

Section 3. Successor Directors. In the event of death, resignation or the removal of a Director, his successor shall be elected by the affirmative vote of a majority of the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Article VII

Meetings of the Directors

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice at such a place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of the directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors

present at a duly held meeting at which a quorum of the directors present shall be regarded as the act of the Board.

Section 4. Action Without a Meeting. Action taken by a majority of the directors without a meeting in respect to any association matter is nevertheless valid board action if either before or after such action is taken all members of the board sign, and file with the Secretary, for inclusion in the Association minute book, a memorandum, showing the nature of the action taken; also showing that each member of the Board consented to the Board acting informally in respect to such matter; also showing the names of the Directors who approve the action taken and the names of those who oppose it.

Article VIII

Powers and Duties of The Board of Directors

Section 1. Powers. The Board of Directors shall have power to:

- (a) adopt and publish rules and regulations governing the use of the Common Property and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for infraction thereof;
- (b) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
- (c) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;
- (d) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties;
- (e) to call special meeting of the members whenever it deems necessary and it shall call a meeting at any time upon written request of one-fourth (1/4) of the voting membership or one-fourth (1/4) of the Class A membership as provided in Article X, Section 2; and
- (f) to elect all officers and appoint all agents and employees of the Association, prescribe their duties and fix their compensation. Nothing contained in these By-Laws shall be construed to prohibit the employment of any member, officer, or Director of the Association in any capacity whatsoever. Such duties as are provided in this paragraph (f) may be delegated by Directors to a specific director who shall report his actions to the Board of Directors from time to time. An officer, and agent or an employee may be removed at the pleasure of the Board.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) cause to be kept a complete record of its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members or at any special

- meeting, when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;
- (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed
 - (c) as more fully provided in the Declaration, to foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or bring an action at law against the owner personally obligated to pay the same if such action is determined as necessary to the collection of the assessments;
 - (d) issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been made. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment;
 - (e) procure and maintain adequate liability and hazard insurance on the property owned by the Association;
 - (f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
 - (g) cause the Common Property to be maintained; and
 - (h) cause the exterior of the dwellings to be maintained.

Article IX

Committees

The directors shall appoint a Nominating Committee and an Election Committee as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes.

Article X

Meeting of Members

Section 1. Annual Meetings. The annual meeting of the members shall be held on the 2nd Tuesday of October in each year, at the hour of 6:00 pm. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday. *Modified 1-1-2022.*

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all the votes of the entire membership or who are entitled to vote one-fourth (1/4) of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a

copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote there at, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote there at shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall cease upon conveyance by the member of his Lot or Living Unit.

Article XI

Officers and Their Duties

Section 1. Enumeration of Offices. The offices of this Association shall be a president who shall at all times be a member of the Board of Directors, a vice-president, a secretary, a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The officers shall be chosen by a majority vote of the Directors.

Section 3. Term. Each officer shall hold his respective office during the pleasure of the Board of Directors but for a term not to exceed three (3) years. All officers may succeed themselves.
Modified 1-20-2010.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for a term specified in Section 3 of this Article XI, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office shall be filled in the manner prescribed for regular election. The officer elected to such a vacancy shall serve for the remainder of the term of office he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

- (a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and may sign or co-sign all checks and shall sign all promissory notes.

Vice-President

- (b) The vice-president shall act in place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

- (c) The secretary shall perform such duties as required by the Board.

Treasurer

- (d) The treasurer shall perform such duties as required by the Board

Article XII

Assessments

As more fully provided in the Declaration, each member, other than developer John A. Cooper Company under conditions as set forth in Article XV of said Bill of Assurance is subject to pay the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of 6% per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, both actions shall be cumulative and neither shall preclude the other; and interest, costs, and reasonable attorney fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessment provided herein by non-use of the Common Properties and facilities or abandonment of his Lot or Living Unit.

Article XIII

Books and Records

The books, record and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Bill of Assurance, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

Article XIV

Corporate Seal

The association shall have a seal in circular form having within its circumference the words: "Cherokee Village Townhouse Association. Seal. 1971."

Article XV

Amendments

Section 1. These By-Laws may be amended, at a regular or special meeting of the Board of Directors, by vote of a majority of a quorum present and voting, provided that those provisions of these By-Laws which are governed by the Articles of Incorporation of this Association may not be amended except as provided in the Articles of Incorporation or applicable law; and provided further that any matter stated herein to be or which is in fact governed by the Bill of Assurance applicable to The Properties may not be amended except as provided in the Bill of Assurance.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-laws, the Articles shall control; and in the case of any conflict between the Bill of Assurance and these By-Laws, the Bill of Assurance shall control.

Article XVI

Miscellaneous

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December every year, except that first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the Directors of the Cherokee Village Townhouse Association, have hereunto set our hands this _____ day of _____ 1971.

