

**BY-LAWS
Of
PLEASANT VALLEY PROPERTY OWNERS ASSOCIATION**

ARTICLE I

Section 1. Name. The name of this Association is Pleasant Valley Property Owners Association.

Section 2. Office. This Association is incorporated under the Arkansas Nonprofit Corporation Act and its registered office shall be 2300 Arkansas Valley Drive, Little Rock, Arkansas, or at such address as its Directors may fix from time to time.

Section 3. Purposes. The objects and purposes for which this Association is formed are those set forth in the Articles of Incorporation.

Section 4. Fiscal Year. The fiscal year of the Association shall begin on April 1 and end on March 31.

**ARTICLE II
Membership**

Section 1. The membership of this Association shall be made up of those persons or entities who are record owners of property in Pleasant Valley addition to the City of Little Rock, Arkansas, as provided in Article VII of the Articles of Incorporation of this Association.

Section 2. During any period in which a member shall be in default in the payment of any assessment levied by this Association as hereinafter provided, the voting rights and right to the use of the recreational facilities of this Association may be suspended by the Board of Directors until such assessment has been paid. Such rights may also be suspended after notice and hearing for violation of any rules established by the Board of Directors governing use of the common area and recreational facilities.

**ARTICLE III
Property Rights—Right of Enjoyment**

Section 1. Each member of this Association shall be entitled to the use and enjoyment of the common areas and recreational facilities; and such right may be delegated by such member to members of his family, his tenants or persons purchasing under contract of sale

so long as they reside on the property. Such member shall notify the Secretary in writing of the name of any person or person to whom the member is delegating such rights. The rights and privileges of such persons are subject to suspension to the same extent as those of the member.

Section 2. Reasonable admission or other fees for the use of any recreational facilities may be charged in addition to the assessments hereinafter provided, but such admission or other fees shall be charged only upon written approval of two-thirds of the entire membership of this Association.

ARTICLE IV Board of Directors

Section 1. The affairs of this Association shall be managed by a Board of nine directors, all of whom must be members of the Association.

Section 2. Election. There will be elected from the membership of these Association members of the Board of Directors to succeed the members whose terms are expiring, and each member so elected shall serve thereafter for a period of three years. No Director shall serve more than two consecutive terms or more than three terms.

Nomination of candidates for election to the Board of Directors shall be made by a nominating committee from names of prospective candidates submitted to the Board by, or from members of this Association. The nominating committee shall consist of a chairperson, who shall be a member of the Board of Directors, and two or more members of the Board or of the Association. The nominating committee shall be appointed by the Board of Directors not less than sixty days before the annual meeting of this Association.

Election of a member of the Board of Directors may be by secret ballot at the annual meeting. Mail ballots will list the names of not less than five candidates from which the members of this Association will select not less than three for election to the Board of Directors. The ratio of the number of candidates to the number of elected may vary depending upon existing or projected vacancies. The ballot will also include a proxy statement by which a member of this Association may grant the Board of Directors or a member there of his/her proxy to vote. Mail ballots will be mailed to the members of this Association on or before March first of each year. The voting period will be for not less than sixty days in duration. Members of this Association may cast, in respect to each vacancy, as many votes as they are entitled to exercise

under the provisions of the Articles of Incorporation. Persons receiving the largest number of votes (including proxy votes) shall be elected. Cumulative voting is not permitted. Results of the election by the mail ballot process will be finalized and confirmed by the Board of Directors at the annual meeting of the Association membership. Vacancies on the Board shall be filled by a unanimous vote of the remaining Directors at a special meeting of the Board held for that purpose, which meeting shall be held promptly after the occurrence of any such vacancy, even though the Directors present at such meeting may constitute less than a quorum and each person so elected shall be a Director until the next Annual Meeting of the Association, or until a special meeting of the Association is duly called and held for the express purpose of electing a Director to fill the vacancy until the expiration of the term. No Director shall continue to serve as such if, during the term of office, the Director ceases to be a member.

Section 3. Any Director may be removed from the Board with or without cause by a majority of the members of this Association entitled to vote.

Section 4. The Board of Directors shall have the right to take any action in the absence of a meeting which they could take at a regular meeting by obtaining approval of a majority of the Directors, once all Directors have been noticed of the proposed action. Any action so approved shall have the same effect as though taken at a meeting of the Directors. Such vote shall be forwarded to the Secretary for inclusion in the minutes of the next scheduled Board meeting.

ARTICLE V Meeting of Directors

Section 1. Regular meetings of the Board of Directors shall be held not less than quarterly, without notice, at such place and hour as may be fixed from time to time by resolution of the Board. More frequent meetings, however, may be called by the President when circumstances so dictate. Any meeting of the Board of Directors or any committee thereof may be conducted by the use of any means of communication by which all Directors participating may simultaneously hear each other during the meeting. A Director participating in a meeting by this means is deemed to be present in person at the meeting.

Section 2. Special meetings of the Board of Directors shall be held when called by the President or by any two Directors after not less than two days' notice to each Director.

Section 3. A majority of the number of 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 is present shall be regarded as the act of the Board.

**ARTICLE VI
Powers and Duties of the Board of Directors**

Section 1. The Board of Directors shall have power:

- (a) To adopt and publish rules and regulations governing the use of the common area and recreational facilities and the personal conduct of the members and their guests thereon and to establish penalties for any infraction thereof except as provided in Article II, Section 2.
- (b) To exercise for the Association all powers, duties, and authority vested in or delegated to this Association by the Articles of Incorporation, the By-Laws, the Bills of Assurance governing Pleasant Valley Addition, and the laws of the State of Arkansas, unless such powers, duties, and authority have been reserved to the membership by other provisions of said Articles of Incorporation or By-Laws.
- (c) To declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three consecutive regular meetings.
- (d) To employ a manager and independent contractor and such other employees as they deem necessary and prescribe their duties. The manager shall hold the title of Community Manager and may be delegated to perform the duties and fulfill the responsibilities of officers of the Board as described in Article IX.

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

- (a) To cause to be kept a complete record of all its acts and to present a report thereof to the members at the annual meeting.
- (b) . The annual assessment is to be established by the Board of Directors of the Property Owners Association ninety days prior to the assessment date (April 1st), however, any increase above 5% over the previous year must be by the vote of a majority of those present at the regular Annual Meeting of the Association.
- (c) To reflect payments made in the Association's records and issue receipts for cash payments.

**ARTICLE VII
Committees**

Section 1. The Board of Directors shall appoint an Architectural Control Committee as provided for in the Bills of Assurance governing Pleasant Valley Addition; and a Nominating Committee as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees where they deem appropriate, such as a Recreational Committee, a Parks Committee, a Maintenance Committee, a Publicity Committee and Finance Committee.

Section 2. It shall be the duty of the Architectural Control Committee to perform the functions described in Bills of Assurance.

ARTICLE VIII Meeting of Members

Section 1. Annual Meeting. The annual meeting of this Association shall be held on a date designated by the Board of Directors. It may be a separate meeting, or it may be held in conjunction with a regular meeting of the Board. Purpose of the meeting will be to:

1. Confirm election of new directors
2. Review the financial posture of the Association
3. Adopt a budget for the forthcoming year
4. Provide an annual report as provided for by Article VI, Section 2, Paragraph (a)
5. Consider such other matters as may be properly brought before the membership meeting.

An Annual Meeting may be conducted by the use of any means of communication by which all Directors participating may simultaneously hear each other during the meeting. A Director participating in a meeting by this means is deemed to be present in person at the meeting.

Section 2. Special Meeting. Special meetings of the Association may be called by the Board of Directors upon written request to the President or whenever ten percent (10%) of the membership of the Association in good standing shall make a written request of the President specifying the subject of the meeting.

Section 3. Quorum. Twenty percent (20%) of the members qualified to vote being present in person or by proxy at any annual or special meeting shall constitute a quorum. If a quorum fails to attend at the time and place of any meeting, those who do attend may adjourn from time to time until a meeting shall be regularly constituted.

Section 4. Notice. Written notice of any annual or special meeting of the Association shall be mailed to the address of or delivered to each member qualified to vote at least 10 days prior to such meeting and any such notice mailed to a member at the address as shown by the membership records of the Association shall be deemed due and regular notice of any such meeting.

ARTICLE IX Officers

The officers of the Association shall be a president, vice president, secretary, and a treasurer who shall be elected by the Board of Directors at the annual meeting of the Board. The Secretary and Treasurer may be one and the same person. The President and Vice President shall be chosen from the Board of Directors. It shall be the duty of the President to preside at all meetings of the Board of Directors and the Association. The President or Vice President shall, with the Secretary, sign all membership documents, leases, contracts and obligations of the Association and perform such other duties as may be required by the Board of Directors, the Articles of Incorporation, and the By-Laws.

In absence of the President, the Vice President shall have and exercise all powers of the President; and in the absence of both President and Vice President the Board of Directors may designate one of their number to perform such duties of either as may be necessary.

It shall be the duty of the Secretary of the Association to keep its records in books provided for that purpose; to issue notice of all meetings; to conduct the general correspondence of the Association; and perform such other duties as may be required by the By-Laws or by the Board of Directors.

The Treasurer shall have charge and custody of the funds of the Association, subject to the general supervision and control of the Board of Directors. Under the direction of the Board, the Treasurer shall give, negotiate or endorse such checks, notes, and bills as may be required in the operation of the Association and deposit such funds in such depositories as the Board of Directors may from time to time designate; and withdrawals there from shall be made by checks or other electronic means. The Community Manager has the authority to sign checks up to \$2,500 for expenditures approved within the budget. Checks over \$2,500 require two signatures,

one of which can be the Community Manager. Checks over \$5,000 require two Director's signatures.

ARTICLE X Assessments

Section 1. Under the terms of the Bills of Assurance covering Pleasant Valley Addition, each owner on accepting title agreed to pay this Association, when formed, annual assessments in an amount not exceeding in any one year one-half cent for each square foot of land in the property by him purchased or owned, such amount as modified by the By-Laws or by lawful act of the Board of Directors. This annual assessment together with costs of collections, if any, shall be a continuing lien upon the property against which it is assessed. Each such assessment shall also be the personal obligation of the person who was the owner of such property at the time the assessment fell due.

Section 2. The assessments levied shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents of Pleasant Valley Addition and particularly for the improvement and maintenance of the parkways, recreational facilities and other public or common areas throughout Pleasant Valley Addition.

Section 3. The annual assessment shall be on a fiscal year basis to coincide with the fiscal year of the Association. The due date or dates of such assessment shall be established by the Board of Directors and written notice of the amount of the assessment and due date or dates thereof shall be sent to every member of the Association subject thereto. Any assessment which is 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 six percent (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. Interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment.

ARTICLE XI Books and Records

The books and records of the Association shall at all reasonable times be subject to inspection by any member.

ARTICLE XII Amendments

Section 1. These By-Laws may be amended from time to time by the Board of Directors, subject to ratification by a majority of the members present or by proxy at the next regular annual meeting of the Association.

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

ARTICLE XIII Insurance and Indemnification

Section 1. The Association may indemnify and advance expenses to a Director or to any officer, employee, or agent who is not a Director to the extent permitted by the Articles of Incorporation, the By-Laws, or by law.

Section 2. The Association may purchase and maintain insurance, at its expense, on behalf of an individual who is or was a Director, officer, employee, or agent of the Association or who, while a Director, officer, employee, or agent of the Association is or was serving at the request of the Board of Directors against liability asserted against or incurred by such person in any such capacity or arising from that person's status as a Director, officer, employee, or agent, whether or not the Association would have power to indemnify that person against the same liability under this Article.

ARTICLE IX Liability and Property Insurance

Treasurer shall obtain and maintain insurance policies covering liability and physical damage to property and any other policy the Treasurer may deem necessary for the benefit and protection of the Association. Policies shall be approved by a majority of the Board of Directors.