

**BROOKBURY WOODS PROPERTY OWNERS ASSOCIATION
BY-LAWS**

ARTICLE I. NAME AND LOCATION

The name of the corporation is Brookbury Woods Property Owners Association, hereinafter referred to as the "Association." The principal office of the corporation shall be located at Brookbury Woods Subdivision but meetings of members and directors may be held at such places within the State of Arkansas, County of Washington, as may be designated by the Board of Directors.

ARTICLE II. DEFINITIONS

Section 1. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 2. "Common Area" shall mean all real property owned or subject to the jurisdiction by the Association for the common use and enjoyment of the Owners.

Section 3. "Lot" shall mean and refer to any plot of land shown upon the recorded Brookbury Woods subdivision map of the Properties with the exception of the Common Area.

Section 4. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 5. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Brookbury Woods Subdivision recorded in the Office of the Circuit Clerk of Washington County, Arkansas.

Section 6. "Member" shall mean and refer to the Owner of a Lot subject to the Covenants and Restrictions for Brookbury Woods Subdivision. A person owning more than one Lot may exercise membership privileges for each qualifying Lot.

ARTICLE III. MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 2:00 P.M. or at such other date and time as the board of Directors shall designate.

Section 2. Special Meetings. Special meeting 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 membership.

Section 3. Notice of Meetings. Written or electronic 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. Such notice should be accomplished at least 15 days before such meeting to each member entitled to vote thereat, addressed to the member's last physical or electronic address 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 in person and with proxies entitled to cast one-tenth (1/10) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or the By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat 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 meeting of members, each member may vote in person or by proxy. All proxies shall be in writing or submitted electronically and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance of the member's lot.

ARTICLE IV. BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this association shall be managed by a Board of nine (9) directors, who need not be members of the Association. Beginning January 1, 2011, all directors are to be members of the Association.

Section 2. Term of Office. At the first annual meeting the members shall elect three directors for a term of one year, three directors for a term of two years and three directors for a term of three years; and at each annual meeting thereafter the members shall elect three directors for a term of three years.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of the death, resignation or removal of a director the successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of the predecessor.

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

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written or electronic approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V. NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations 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 non-members. Beginning January 1, 2011, nominations for election to the Board of Directors may be made by any Member prior to or at the Annual Meeting.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot or electronic vote. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted. Written secret ballots will not be necessary for those persons running unopposed.

ARTICLE VI. MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular Meetings of the Board of Directors shall be held monthly without notice, at such 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. Beginning January 1, 2011, Regular Meetings of the Board of directors shall be held as deemed necessary by the President but not less than quarterly.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President, 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 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 VII. 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 Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such

rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration; and

(d) 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;

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

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

(a) cause to be kept a complete record of all 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 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:

(1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) file a lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on Association property;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the common Area to be maintained.

ARTICLE VIII. OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice-

president who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create. Beginning January 1, 2011, officer positions shall also include Architectural Chair, Violations Chair, Landscape Chair and Social Events Chair. All positions may be composed of co-chairs other than President and Vice President.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members. Beginning January 1, 2011, Election of Officers shall be done at the Annual meeting of members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or be removed, or otherwise disqualified to serve. Officers may be elected to successive terms.

Beginning January 1, 2011, officers shall be elected at the annual meeting of members. Officers may be elected to successive terms except for the office of Treasurer for internal control purposes. Each position shall be for a term of three years with various positions staggered as follows:

Current President shall serve through December 31, 2013

Current Vice President shall serve through December 31, 2012

Current Treasurer shall serve through December 31, 2012

Current Secretary shall serve through December 31, 2013

Current Architectural Chair shall serve through December 31, 2012

Current Violations Chair shall serve through December 31, 2013

Current Landscape Chair shall serve through December 31, 2013

Current Social Events Chair shall serve through December 31, 2012

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 such period, 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 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 may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer being replaced.

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:

(a) President. 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. The president shall also ensure that the Board Members and Association common property are properly insured.

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

(c) Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; 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 shall perform such other duties as required by the Board.

(d) Treasurer. Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual review of the Association books to be made by a qualified member or independent member of the Board at the completion of each fiscal year; prepare and file the annual tax return; prepare and present the current financial status at each regular meeting of the Board of Directors (including an update on unpaid assessments), and shall prepare an annual budget, a statement of income and expenditures and a comparative analysis to the prior year to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members attending such meeting. A copy will also be made available for any member not attending the annual meeting upon request. Additionally, to ensure proper fiduciary responsibility and for internal control purposes, the treasurer shall follow procedures as outlined in Addendum A attached hereto.

ARTICLE IX. COMMITTEES

The Board of Directors shall appoint committees as deemed appropriate in carrying out its purpose.

ARTICLE X. BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, 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 a reasonable cost.

ARTICLE XI. ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by the 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, members will be charged a \$25 late fee penalty. If the delinquent dues are not paid within the next thirty (30) days (sixty days from initial due date), an additional late fee penalty of \$25 will be assessed for a total of \$50 and the Association may bring an action at law against the

Owner personally obligated to pay the same or file a lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

ARTICLE XII. AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the Board of Directors, subject to ratification by a vote of a majority of a quorum of members present in person or by proxy at the next annual meeting of the membership.

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 Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIII. MISCELLANEOUS

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

Addendum A. Internal Control Procedures

1) The Treasurer and one other member of the Board (President, Vice President or Secretary hereafter referred to as "Additional Board Member") shall keep a checklist of all assessment payments made by household. A copy of all checks being deposited and a copy of the deposit slip shall be given by the Treasurer to the Additional Board Member who shall verify the two agree. The Additional Board Member shall then be responsible for filing liens on all unpaid assessments and late fee penalties 60 days after the due date as stated in Article XI of the By-Laws

2) In addition to sending a copy of the monthly bank statement to the Treasurer, a copy shall also be sent directly to or made available on-line to the Additional Board Member for review of deposits and expenditures. The Additional Board Member shall verify that the deposits agree with the deposit copies given him or her by the Treasurer. Bank statements shall include images of all checks written for proper review by the Additional Board Member. If the bank is unable to send two statements, the statement shall first go to the President or Vice President for review.

3) All checks over \$1,000 shall be co-signed by the Association President.