# BY-LAWS
# OF
# MILLER COVE PROPERTY OWNERS ASSOCIATION, INC.

## ARTICLE I
## PURPOSE

The name of the corporation is the Miller Cove Property Owners Association, Inc., hereinafter referred to as the "POA" or "Association". The Association is a Non-Profit public benefit corporation, whose purpose shall be to provide an organization and a mechanism for the following:

Section 1. To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration", applicable to the property and recorded in the Office of the Circuit Clerk and Recorder of Saline County, Arkansas, and as the same has or may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

Section 2. To fix, levy, collect and enforce payment by any lawful means, of all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

Section 3. To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

Section 4. To borrow money, and with the assent of two-thirds (2/3) of the members mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

Section 5. To dedicate, sell or transfer all or any part of the Common Areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of the members, agreeing to such dedication, sale, or transfer;

Section 6. To participate in mergers or consolidations with other non-profit corporations organized for the same purposes or annex additional residential property an Common Areas, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of the members;

Section 7. to have and to exercise any and all other powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of Arkansas by law may now or hereafter have or exercise.

## ARTICLE II
## DEFINITIONS

Section 1. "Association" shall mean the Miller Cove Property Owners Association, Inc., a non-profit corporation organized and existing under the laws of the State of Arkansas, its successors and assigns.

Section 2. "Bill of Assurance" or "Declaration" shall mean the Declaration of Covenants, Conditions and Restrictions of Miller Cove Addition, a Planned Development, and all amendments thereto, designating certain lands as Miller Cove Addition to the City of Benton, Saline County, Arkansas, which document is dated July 14, 1992, filed for record July 15, 1992, and recorded in Book 361 at Page 265 of the Records of Saline County, Arkansas.

Section 3. "Board" shall mean the Board of Directors of the Miller Cove Property Owners Association, Inc. The affairs of the Association shall be managed by a Board consisting of nine (9) Directors, who must be members of the Association, and who shall be elected by vote of the entire membership of the Association. The principal officers of the Board shall be the President, Vice-President, Secretary, and Treasurer, and shall be elected by the Board. The remaining members of the Board shall serve at-large.

Section 4. "Common Areas" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the owners.

Section 5. "Developer" shall mean Black, Corley and Owens, a corporation established under the laws of the State of Arkansas, its successors and assigns.

Section 6. "Development Documents" shall mean the Articles of Incorporation, the By-Laws of the Association, and the Bill of Assurance.

Section 7. "Member" or "Owner" shall mean the person (as defined herein) who is or shall be the record owner by purchase, transfer, assignment, or foreclosure of a fee or undivided fee interest in any portion of Miller Cove Subdivision; provided, however, that any such person who holds such interest merely as security for the performance of an obligation shall not be an Owner.

Section 8. "Person" shall mean any natural person, not a corporation, partnership, limited partnership, joint venture, association, or any other such entity.

Section 9. "Residential Property" shall mean a single-family detached house.

ARTICLE III.
MEETING OF MEMBERS

Section 1. Annual Meetings. Annual meetings of all members shall be held at approximately one year intervals at times and places as announced by the Association.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President of the Association, or by the Board of Directors, or upon written request of the members who are entitled to case one-fourth of all of the votes.

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 ten (10) days prior to such meeting to each member entitled to vote at the meeting, 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, date, and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. Each member shall be entitled to one (1) vote. The presence in person or by proxy of ten percent (10%) of the votes entitled to be cast shall constitute a quorum for any action, except as otherwise provided in the Bill of Assurance, the Articles of Incorporation, or these By-Laws. If however, such quorum shall not be present or represented at any meeting, the members entitled to vote at the meeting 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 represented. A quorum of one-third (1/3) must be present for action to be taken on items not listed in the meeting notice.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing filed with the secretary prior to the taking of any action. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot or Lots.

Section 6. Agenda. The Secretary shall be responsible for preparing an agenda to be followed during the annual meeting of the members. Prior to the annual meeting of the members, the Board shall prepare a list of topics or issues for discussion at the annual meeting and shall so instruct the secretary. Any member may contact a Director and request or suggest that a topic be included on the agenda. If any member shall appear in person at a meeting of the Board of Directors and present a written request that a topic or issue be included on the agenda, the Board shall include that topic or issue on the agenda of the annual meeting of the members. Any member calling a special meeting under Section 2 above shall designate an agenda.

## ARTICLE IV.
## BOARD OF DIRECTORS

Section 1. Number. The affairs of the Association shall be managed by a Board consisting of nine (9) Directors, who must be members of the Association, and who shall be elected by vote of the entire membership of the Association. The principal officers of the Board shall be the President, Vice-President, Secretary, and Treasurer, and shall be elected by the Board. The remaining members of the Board shall serve at-large. Directors shall be elected on a staggered basis. The number of Directors may be changed by amendment to the By-Laws of the Association.

Section 2. Term of Office. Each Board of Directors shall serve from the date of its election until the next annual meeting, or approximately a three-year term. Directors may be re-elected for successive terms.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, by a majority of the members of the Association. In the event of the death, resignation or removal of a Director, his successor shall be selected by 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 the services he or she may render to the Association as a Director. However, any Director may be reimbursed for actual expenses incurred in the performance of duties. Provided, however, nothing herein contained shall be construed to preclude any Director from serving the Association in any other capacity and receiving compensation therefor.

Section 5. Action Taken Without 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 a written approval of all Directors. Any action so approved shall have the same effect as though it were taken at a meeting of the Directors.

Section 6. Directors Not Liable. The Directors shall not be liable to the Members of the POA for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The POA shall and does indemnify and hold harmless each Director against all contractual liability to others arising out of contract made by the Board on behalf of the POA unless any such contract shall have been made in bad faith or contrary to the provisions of the Bill of Assurance or contrary to these By-Laws. It is intended that the Directors shall have no personal liability with respect to any contract made by them on behalf of the POA. Every agreement made by the Board or by a Director on behalf of the POA shall provide that the Directors are acting only as agents for the POA and shall have no personal liability.

## ARTICLE V.
## MEETING OF DIRECTORS

Section 1. Regular Meeting. The Board of Directors meets on the second Tuesday of each month or as needed.

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 (2) Directors, or upon written request of the members who are entitled to cast one-fourth (1/4) of the votes.

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

Section 4. Attendance of Members. Members of the Association may attend any meeting of the Board of Directors and have the right to voice opinions, make suggestions, or otherwise participate in decision-making discussions. However, such members shall not be allowed to vote at any meeting of the Board of Directors.

## ARTICLE VI.
## POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have broad powers to perform any act in keeping with the purpose of this corporation, including but not limited to the following:

(a) commence or defend actions in law or equity in the name of Miller Cove Property Owners Association, Inc. The Board of Directors shall not have exclusive power to commence actions in law or equity to enforce the covenants and restrictions contained in the Bill of Assurance; however, any member desiring to commence shall first make a written request that the Board of Directors take action, and, if the Board of Directors has not acted upon the written request within thirty (30) days from the date of the request, the member may commence an action in his or her own name. If the Board of Directors so desires, it may waive the thirty (30) day waiting period and allow, by written notification, the member to proceed immediately in his or her own name;

(b) suspend the voting rights of a member during any period in which such member shall be in default in the payment of any dues or assessment levied by the Association; and

(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 Bill of Assurance.

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) To recommend for a vote by the general membership the amounts of any initial assessments, special assessments, or annual dues;

(c) cause the common areas to be maintained; and

(d) shall not be held personally liable for action taken with regard to the business of the Association.

## ARTICLE VII
## OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a President, Vice-President, Secretary, and Treasurer, who shall at all times be members of the Board of Directors.

Section 2. Election of Officers. The Officers shall be elected by majority vote of the Directors at the annual meeting of the Board. Nominations shall be taken from the floor and election shall be by simple majority. Cumulative voting shall not be allowed. In the event that there are more than two (2) candidates for any position and no candidate initially receives a majority of the votes cast, runoffs shall be held. Eliminated nominees may vote in any run-off.

Section 3. Term. The officers of this Association shall serve from the date of their election until successors are chosen at the next annual meeting at which an officer's term expires, unless removed sooner due to resignation, disqualification, or other just cause. The terms of office shall be not less than one (1) year nor more than six (6) years.

Section 4. Appointments to the Architectural Control Committee. The Board of Directors may elect or designate such member or members as are necessary to represent the Association on the Architectural Control Committee. The Board of Directors shall determine the term of any such appointment to the Architectural Control Committee.

Section 5. Appointments to Other Committees Deemed Necessary. The Board of Directors may establish such other committees which are deemed necessary to manage the affairs of the Association, including, but not limited to, committees established to manage pond and landscape activities. The Board of Directors may elect or designate such member or members as are necessary to represent the Association on such committees. The Board of Directors shall determine the term of such appointment.

Section 6. 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 the 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 7. Vacancies. A vacancy in any office may be filled by appointment by the remaining members of the Board. The officer appointed to the vacancy shall serve for the remainder of the term of the officer he or she replaces.

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 and of the membership; shall see that orders and resolutions of the Board are carried out; and shall have the authority to sign checks in the absence of the Treasurer.

(b) Vice-President. The Vice-President shall act in the place of the President in the event of his or her 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 keep proper minutes of all meetings of the Board and the Association, and shall cause notice to be given of all annual and special meetings of the Association, and shall perform such duties as may be required by the Board.

(d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by the Board of Directors; shall sign all checks of the Association; keep proper books of account; and shall perform such duties as may be required by the Board.

## ARTICLE VIII
## ARCHITECTURAL CONTROL COMMITTEE

Section 1. Membership and Duties. The Architectural Control Committee is composed of such member or members so designated by the Board of Directors to act on behalf of the Association, and shall have all rights and responsibilities to enforce the Use Restrictions and other provisions enumerated in Article VI of the Bill of Assurance. A majority of the Committee may designate a member to act for it. The members of this Committee shall not be held personally liable or responsible to any owner in this Addition for their actions.

Section 2. Terms. The Board of Directors shall determine the term of any appointment to the Architectural Control Committee.

Section 3. Resignation and Removal. In the event of death or resignation of any member of the Committee, the remaining members shall have the full authority to designate a successor.

## ARTICLE IX
## BOOKS AND RECORDS

The books, records, and papers of the Association shall, upon request, after three (3) days written notice, be subject to inspection of any member.

## ARTICLE X
## DUES AND ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Dues and Assessments. Each owner of any Lot, by accepting a deed therefore, whether or not it has been expressed in such deed, has been deemed to have covenanted and agreed to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected by the Association as provided in Article IV of the Bill of Assurance. Annual and special assessments, together with interest, costs, and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the property until paid. All fees and assessments, together with interest, costs, and reasonable attorneys' fees, shall be the personal obligation of the person who is the owner of such property at the time the assessment became due. The personal obligation for delinquent assessments does not pass to the successors in title unless expressly assumed by them.

Section 2. Maximum Annual Dues. In accordance with the provisions of Article IV, Section 3 of the Bill of Assurance, the maximum annual dues of the Miller Cove Property Owners Association shall be one hundred fifty dollars ($150.00) per Lot. In accordance with Article IV, Section 3 of the Bill of Assurance, the maximum annual dues may be increased by 5% above the previous year's maximum amount without a vote of the membership, and may be increased above 5% of the previous year's maximum amount by a vote of 2/3 of the members at a meeting called for that purpose.

Section 3. Effect of Nonpayment of Dues and Assessments: Remedies of the Association. As provided in Article VI, Section 1(b) of these Bylaws, the Board may suspend the voting rights of any Member for nonpayment of dues and assessments. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of 6 percent per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the dues or assessments provided herein by non-use of the Common Areas or abandonment of his or her Lot.

Section 4. Subordination of the Lien to Mortgages. The Lien of the dues and assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to the payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any dues or assessments which became due after the date of the lien.

## ARTICLE XI
## AMENDMENTS

These By-Laws may be altered, amended or repealed and new By-Laws may be adopted at any regular meeting thereof by the affirmative vote of members representing a two-thirds (2/3) majority of all of the votes entitled to be cast.

Angela Rutherford
President

David F. Raley
Secretary