

**Bylaws  
Of  
Brighton Heights  
Property Owners' Association, Inc.  
(A Non-Profit Corporation)**

**ARTICLE I**

**Purpose**

Section 1. To adopt rules and regulations in the best interests of the Association and its members.

Section 2. To own, build, administer and maintain Association properties; to administer and enforce the provisions contained in the Bill of Assurances and Protective Covenants and Restrictions, recorded as Document Number 2006 15132 in the Benton County Records, and in these Bylaws; to assess, collect and disburse the annual fees; to develop and enforce a fine system for non-compliance of covenant regulations; and to promote the common benefit and enjoyment of property owners of Brighton Heights Subdivision.

**ARTICLE II**

**Definitions**

Section 1. Definitions.

- A. "Association" means "The Brighton Heights Property Owners' Association, Inc." an Association composed of owners and properties at Brighton Heights Subdivision, as the same may be shown on maps thereof recorded from time to time in the Recorder's Office of Benton County, Arkansas.
- B. "Board" means the Board of Directors of the Association.
- C. "Bylaws" means the Bylaws of the Association
- D. "Common Properties" means and refers to those areas of land shown on any recorded subdivision plat, including any building(s) or other improvements thereon, and also including any so designated properties subsequently acquired by the Association (by contract, lease or purchase) as stated in Article I, Section 2.
- E. "Director" means a member of the Board of Directors or Board Member.
- F. "Lot" means any parcel within the Subdivision as the same may be shown by lot number on maps thereof recorded from time to time.
- G. "Member" shall mean all owners of any said lot.
- H. "Good Standing" is any member or resident whose dues, interest, liens, fines, collection fees, late charges, attorney fees and any other assessments are paid up and current.
- I. "Owner" means and refers to any person who purchases or otherwise acquires title to any lot including purchases under land contracts entitling such person to the use and occupancy of such lot.
- J. "Person or entity" shall mean and include any individual, corporation, partnership, association or other legal entity recognized by the laws of the State of Arkansas.

- K. "Quorum" means in order to hold an annual or special meeting, 20% of the Residents who are in good standing must be present for transacting business. In order to hold a Board of Directors Meeting, a "quorum" means a majority of the Directors shall be present.
- L. "Resident" means an owner of a Lot that contains a fully constructed habitable dwelling thereon and the Resident makes said Lot their primary residence.
- M. "Subdivision Caretaker" shall mean and include any "person or entity" who is contracted by the Board of Directors to maintain "common properties".
- N. "Monies" means dues, fines, and other financial obligations.

## **ARTICLE III**

### **Membership**

Section 1. Membership. Each owner of a Lot under the Restrictive Covenants shall be a Member of the Association. There shall be one (1) vote per Lot, for general membership votes.

Section 2. Membership Rights. A Membership Register shall be confidentially maintained, by the Board of Directors, with the name and address of each Member with other pertinent information and the Lot number of the Lot(s) owned.

Section 3. Voting. If more than one person owns a Lot, all of the said persons shall be deemed to be Members. Regardless of the number of Members, there shall be one (1) vote assigned to each Lot for general membership voting sessions. Fractional voting of multiple owners of a Lot shall be prohibited. Voting is only allowed to members in good standing.

Section 4. Non-payment of monies due shall constitute loss of voting rights and other related privileges until such time as monies have been paid in full.

## **ARTICLE IV**

### **Annual Fee**

Section 1. The Association shall collect an annual fee for the properties as described in the Bill of Assurances and Protective Covenants and Restrictions, and any improvements not maintained by the City. This annual fee will be due on or before the last business day of April, except for the initial fee, which will be due on or before November 1, 2008, for the first year.

Section 2. The annual fee shall be controlled by the Bill of Assurances and Protective Covenants and Restrictions for Brighton Heights, as amended.

Section 3. The fee levied by the Association shall be used exclusively for purpose of promoting communications, health, recreation, safety and welfare of the residents of the properties and, in particular, for the improvement and maintenance of the properties, services and facilities devoted to this purpose and related to the use and enjoyment of the common properties and the improvements situated on the properties, including, but not limited to, the payment of taxes and insurance, repair, replacement

and additions, and for the costs of labor, equipment, materials, management, and supervision.

Section 4. Any fee or special assessment not paid within thirty (30) days after it becomes due shall become a lien on the given lot(s), which may be foreclosed by legal or equitable proceedings. In such event, the assessment shall bear interest from the date of the delinquency at the rate of six (6) percent per annum, and there shall be added to the amount of the assessment the costs of preparing and filing the complaint in such proceeding. If a judgement is obtained, the judgement shall include interest as described above and a reasonable attorney's fee and the cost of the proceeding.

## **ARTICLE V**

### **Renters or Lessees**

Section 1. Any member having a renter or lessee using his or her property shall be responsible for that person or persons abiding by all the Bylaws, Bill of Assurances and Protective Covenants and Restrictions, and the rules and restrictions established by the Board. Said member shall be responsible for all monies due.

## **ARTICLE VI**

### **Directors and Officers**

Section 1. Board of Directors.

- A. The affairs of the Association shall be managed by a Board of Directors consisting of seven (7) members to be elected by the membership at its Annual General Meeting to serve alternating two year terms, except in the initial election, in which four (4) positions will be two year terms and three (3) positions being one (1) year terms. The number of Directors may be changed as an amendment to these Bylaws.
- B. Directors of the Association must be residents of Arkansas and owners of the lots in Brighton Heights Subdivision and must be current in the payment of their Subdivision monies.
- C. Vacancies on the Board of an elected Director shall be filled by a majority vote of the remaining Directors. Each Director so elected by the Board shall serve until the successor is elected by the Members at the next annual election for the remainder of the term vacated by the Director.
- D. Any Director elected by the Members or appointed by the Board may be removed by the Members, whenever in their judgement the best interests of the Association would be served thereby.

Section 2. Officers

- A. At its first meeting following the Annual General Meeting, members of the Board of Directors shall select a President, Vice-President, Secretary and Treasurer to serve as Officers of the Association.
- B. The Board of Directors may elect to appoint from time to time such other officers or assistants as it deems desirable, to have such duties and authority as it may prescribe.
- C. Only one member per lot may hold only one office.

- D. The officers so elected or appointed shall hold office until the next election of Directors at the next Annual Meeting after which new officers will be selected.
- E. Any officer elected or appointed by the Board may be removed from that office and/or the Board by the Board whenever in its judgment the best interests of the Association would be served thereby.

Section 3. The principle duties of the Offices of the Association shall be as follows:

- A. The President shall be the principle executive office of the Association and shall in general supervise, control and coordinate all of the business and affairs of the Association. He/she shall preside at all meetings of the Members and of the Board of Directors. He/she may sign, with the Secretary or any other officer of the Association so authorized by the Board, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws or by the statute to some other officer or agent of the Association: and in general he/she shall perform all duties incident to the office of the President and such other duties as may be prescribed by the Board of Directors.
- B. The Vice-President shall, in the absence of the President or in the event of his inability or refusal to act, perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Vice-President shall perform such other duties as from time to time may be assigned to him by the President or the Board of Directors.
- C. The Secretary shall keep the minutes of the meetings of the Members and of the Board of Directors; give all notices in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records; keep a register of the post office address of each member which shall be furnished to the Secretary by each member; and, in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors.
- D. The Treasurer shall have charge and custody and be responsible for all funds and securities of the Association, receive and give receipts for monies due and payable to the Association, and deposit all such monies in the name of the Association in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Article XII, Section 2, G of these Bylaws; oversee the assessment and collection of the fees to be paid by all Brighton Heights Subdivision lot owners and the records kept thereof; provide the Board of Directors a transaction report monthly or as often as requested, and in general perform all duties incident to the office of Treasurer and such other duties as may be assigned to him/her by the President or Board of Directors. If required by the Board of Directors, the Treasurer shall give bond for the faithful discharge of his duties in such sum and with such surety as the Board shall determine.

## **ARTICLE VII**

### **Committees**

Committees may be formed by majority vote of the Board of Directors and as described in the Bill of Assurances and Protective Covenants and Restrictions for Brighton Heights.

## **ARTICLE VIII**

### **Compensation and Indemnification**

Section 1. Directors and Officers of the Association shall receive no monetary compensation for their services, and in order to prevent any conflict of interest, may not be employed or contracted by the Board to perform any services for which they are paid, except for reimbursement of out-of-pocket expenses incurred in the performance of their duties which have had prior approval by the Board of Directors. They may, however, resign their positions to accept such employment and be replaced by interim appointment as prescribed in Article VI above.

Section 2. Indemnification of Officers and Directors of the Association shall not be subject to any personal liability in connection with the performance of their corporate duties, and every Director or Officer shall be indemnified by this Association against all expenses and liabilities, including counsel fees, reasonably incurred or imposed upon him, in connection with any controversy to which he may be made a party or in which he may become involved, by reason of his being or having been a Director or Officer of this Association, whether or not he is a Director or Officer at the time such expenses are incurred, unless the Director or Officer involved is adjudged guilty of negligence or misconduct in the performance of his duties in connection with the subject of such controversy, provided, that in the event of a voluntary settlement of any such controversy by the Officer or Director involved; the indemnification provided herein shall apply only when the Director or Officer as being in the best interests of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled.

## **ARTICLE IX**

### **Meetings of Members**

Section 1. Annual Meeting. A general meeting of the members of the Association will be held each year to review activities and financial status of the Association, elect Directors, consider proposed changes in the Protective Covenants, amend Bylaws, consider any changes in fees, fines, and assessments, and to conduct such other business as may properly be brought before the meeting.

- A. Such meetings will normally be held in April, but the date, time and place of the meeting may be changed from time to time by the Board of Directors as it deems advisable.
- B. Written or printed notice of the Annual Meeting will be distributed or mailed to all member lot owners no less than three (3) nor more than thirty (30) days before the date of such meeting.. Mailed notice of any meetings is not required. Acceptable forms of notice shall include, but are not limited to, posted and e-mail notice.

Section 2. Special Meetings. Special meetings of the members may be called by the Board of Directors as required with the notice of date, time, place and purpose of the meeting to be distributed or mailed to all members no less than five (5) nor more than thirty (30) days before the date of such meeting.

Section 3. Voting Procedures. Voting rights at all meetings of the members shall be in accordance with Article III, Section 3 of these Bylaws, and all matters shall be decided by majority vote of the Members in Good Standing, present and voting. Amendment of the Bylaws requires approval by a majority of Members in Good Standing present as specified in Article XIV below. Votes may be cast only by Members in Good Standing physically present at the meeting except for execution of proxy votes as provided below.

Section 4. At any meeting of the members, a Member in Good Standing may vote by proxy executed in writing by the member or his duly authorized attorney-in-fact. No proxy shall be valid after ten (10) days from the date of its execution, and no proxy shall be valid after the meeting for which it is intended. No proxy may be given for an indeterminate length of time or any indefinite purpose.

Section 5. Quorum. In order to conduct any meeting a quorum needs to be present.

## **ARTICLE X**

### **Board of Directors Meetings**

Section 1. Regular meetings of the Board of Directors shall be held monthly or more frequently as required, without other notice than this bylaw, to transact the normal business of the Association. The time and place of these meetings shall be determined from time to time by the Board and will be communicated to the general membership no less the fifteen (15) days prior to the meeting.

Section 2. The monthly Board of Directors meetings shall be open to the general membership. However, any member wishing to bring up a matter at the meeting must notify the Secretary at least seven (7) days in advance in writing so that it may be placed on the agenda.

Section 3. Special meetings of the Board of Directors may be called by the President as required. Notice of such special meetings of the Board shall be given at least three (3) days prior by verbal or written notice delivered to each Director at his address as shown by the records of the Association. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail with postage thereon prepaid. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need to be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these Bylaws.

Section 4. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board, but if a lesser number of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

Section 5. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or these Bylaws.

Section 6. Any action required by law to be taken at a meeting of Directors, or any action which may be taken at a meeting of Directors, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by a majority of the Directors.

## **ARTICLE XI**

### **Rules of Order**

Section 1. The rules in Roberts Rules of Order shall govern the organization in all cases in which they are applicable and in which they are not inconsistent (in conflict) with these Bylaws.

## **ARTICLE XII**

### **Source, Use and Control of Funds and Property**

Section 1. Source of Funds.

- A. The principle source of funds to be used by the Association in carrying out its activities shall be the Annual fee
- B. Other fees, fines, dues or assessments shall be approved by vote of majority of the members present at the Annual General Meeting or at a Special Meeting of members called for such purpose.
- C. The Board of Directors may accept on behalf of the Association any contributions, gifts, bequests, or devises, monetary, material, or otherwise to be used for the general purposes or special purpose of the Association, and may engage in special fund raising campaigns as it deems necessary to meet the financial needs of the Association. Any acceptances are to be copied to the Treasurer for reporting purposes.

Section 2. Use of Funds. The Board of Directors shall have full authority to expend Corporate funds as it deems necessary to carry out the established purposes and objectives of the Association, subject to the following restrictions and limitations.

- A. Unless otherwise approved by the members, the funds and assets of the Association may be used only for the general benefit of Brighton Heights Subdivision lot owners as a whole, in accordance with the purposes and objective as established in Article I above.
- B. Expenditures shall be limited to funds currently available (income on a year to year basis). No debt shall be incurred or properties mortgaged except as approved by the members.
- C. No funds shall be spent for additional facilities (capital assets) or major improvements, nor shall existing facilities or properties be disposed of, without the approval of the members.
- D. The approval required for exceptions to the foregoing restrictions and limitations shall consist of a majority vote of the Members in Good Standing attending the Annual General Meeting or Special Meeting of the members called for such purpose, or amendment of these Bylaws.
- E. Contracts. The Board of Directors may authorize any officer, or officers, or agent or agents of the Association, in addition to the Officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the

name of and on behalf of the Association. Such authority may be general and confined to specific instances.

- F. Checks and Draft. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer and countersigned by the President of the Association.
- G. All funds of the Association shall be deposited directly and in a timely manner to the credit of the Association in depositories selected by the Board of Directors.

## **ARTICLE XIII**

### **Books and Records**

Section 1. The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors, and Committees having any of the authority of the Board of Directors, and shall keep at the Registered or Principle Office records giving the names and addresses of the owners of all lots in Brighton Heights Subdivision, annual fees and fines paid and due, and names and addresses of the members entitled to vote. All books and records of the Association may be inspected by any member or his agent or attorney for any proper purpose at any reasonable time.

Section 2. The fiscal year of the Association shall begin on the first day of January and end on the last day of December each year, coinciding with the Subdivision annual fee assessment period.

## **ARTICLE XIV**

### **Fines**

Violations will be fined in the following manner:

1. A written warning will be delivered for any violation of the covenants.
2. If said violation continues after 7 days from written warning a \$25.00 fine will be assessed.
3. If said violation continues after 14 days from written warning a \$50.00 fine will be assessed.
4. If said violation continues after 21 days from written warning a \$75.00 fine will be assessed.
5. If said violation continues after 28 days from written warning a \$100.00 fine will be assessed.

The assessed violation amounts will be paid to Brighton Heights Property Owners' Association through the acting accountant to the Association. If payments of fines are not paid within 30 days after the date the \$100.00 fine was levied, the Association will have the right to place a lien on the lot of the violator or homeowner or the homeowner if the violator is a tenant.

## **ARTICLE XV**



## **Non-Profit Tax Provision**

For income tax purposes, the Association shall adhere to all state and federal laws with respect to maintaining a "non-profit" status within the definition of said laws.

## **ARTICLE XVI**

### **Amendment of Bylaw**

These Bylaws may be altered, amended, or repealed and new Bylaws may be adopted by a majority vote of the Members in Good Standing present at any regular meeting or at any special meeting of the members, where written notice as noted in Article X Section 2 is given an intention to alter, amend or repeal these Bylaws or adopt new Bylaws at such meeting.

THESE Bylaws are hereby ratified and approved on this \_\_\_\_ day of \_\_\_\_\_, 2008, by approval of at least a majority of members present and in good standing on said date.

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Board Member

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Board Member

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