BYLAWS OF THE CRYSTAL SPRINGS SUBDIVISION

HOMEOWNERS ASSOCIATION

DRIGINAL FILS # 94049398

SECTION 1 - PURPOSE: The Crystal Springs Homeowners Association (hereafter referred to as "Association") is an organization whose purpose is to promote a safe and caring neighborhood, to provide a means for working together to solve neighborhood problems, to provide maintenance of common areas of the subdivision, and to enforce the Covenants of the subdivision.

II. MEMBERSHIP

SECTION 1 - ELIGIBILITY: Any person owning property within the subdivision will be required according to the current Crystal Springs Covenants to become a member by paying current annual dues.

SECTION 2- AUTHORITY: The membership is the source of all authority within the Association. This authority is exercised by the majority vote at meetings and by proxy vote prior to meetings of the Association.

SECTION 3 - VOTING RIGHTS: Each resident household property owner represented by at least one member in good standing is entitled to one vote per property on all matters brought before the membership.

SECTION 4 - RESPONSIBILITY: The membership will elect the Officers and the Board of Directors of the Association, delegate appropriate authorities so that the business of the Association can be conducted in the intervals between membership meeting and present, consider and vote on matters of interest or concern to the neighborhood.

III. DIRECTORS AND OFFICERS

SECTION 1 - ELECTION OF DIRECTORS: The membership shall elect the Board of Directors.

SECTION 2 - NUMBER AND TENURE OF DIRECTORS: There shall be one street director per street within the Crystal Springs subdivision except for Pyrite. Pyrite street shall have one director for Phase I and one director for Phase II. Each Director's term shall be for a period of two years, beginning immediately after election. The terms for the initial Board of Directors shall be as follows: the

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Doc ID: 010429210007 Type: REL Recorded: 10/02/2006 at 12:05:51 PM Fee Amt: \$26.00 Page 1 of 7 Washington County. AR Bette Stamps Circuit Clerk

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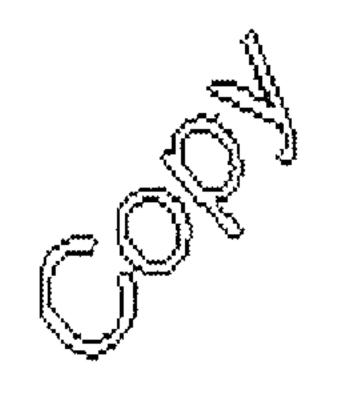
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three individuals receiving the highest number of votes for Directors shall serve a two year term. After the first year, the Director's seats that will be vacated will be voted on at the annual meeting to serve a two-year term as set out hereinabove. The Crystal Springs Board of Directors will be given permission to name directors to the streets of any additional phases of Crystal Springs as homeowners move in between HOA meetings.

SECTION 3 – DUTIES: The business and property of the Association shall be managed by the Board of Directors.

SECTION 4 - ELECTION OF OFFICERS: The membership shall elect a President, Vice-President, Secretary and Treasurer to serve a one year term until the next election.

SECTION 5 – DUTIES OF THE PRESIDENT: The President shall be Chief Executive Officer and hall the responsibility for the supervision of the management of the affairs of the Association. The President shall preside over meetings of the Board of Directors.

SECTION 6 - DUTIES OF THE VICE-PRESIDENT: The Vice-President shall perform the duties and exercise the powers of the President during absence or disability of the President. In the event of the death, resignation or removal of the President, the Vice-President shall serve as President until a new President has been elected.

SECTION 7 - DUTIES OF THE SECRETARY: The Secretary shall keep the minutes for the meetings of the Board of Directors and the membership, and shall keep and make all other records and reports, except for accounting purposes, necessary and proper for the operation of the Association.

SECTION 8 – DUTIES OF THE TREASURER: The Treasurer shall keep the books of account, maintain deposit accounts for the funds which shall be subject to withdrawal upon the signatures of the President and Treasurer and whose signatures shall be duly certified to the depositories, and be responsible for the proper reporting to any governmental agency and the membership for funds received and paid out, including the responsibility to submit a financial report to the Board of Directors at each regular Directors' meeting and to the membership at the annual meeting of the membership.

SECTION 9 - DIRECTORS' MEETINGS: Regular meetings of the Board of Directors shall be held quarterly at a location to be determined. Special meetings may be called at any time by the President, and may be called by any Officer upon written demand by two or more Directors. The membership shall be



notified of and may attend any Directors' Meeting. Minutes of all Directors' Meetings will be distributed to the membership.

SECTION 10 - PROCEDURE: Robert's Rules of Order shall govern all questions of procedure at all meetings.

DIRECTORSHIPS AND VACANCIES: Any or all of the Directors may be removed for cause by a vote of the membership or by action of the Board of Directors. Directors may be removed without cause only be a majority vote of the members. A newly created Directorship resulting from the resignation or death of a Director may be filled by a vote of a majority of the Directors then in office. Vacancies occurring by reason of the removal of Directors with or without cause shall be filled by majority vote of the members. If the vote is tied, the President will cast the deciding vote. A Director elected to fill a vacancy caused by resignation, death or removal shall be elected to hold office for the unexpired term of his or her predecessor.

SECTION 12 - NO COMPENSATION FOR DIRECTORS OR OFFICERS: No compensation shall be paid to Directors or Officers nor shall expenses for attendance at meetings be authorized to be paid to Directors or Officers.

IV. COMMITTEES

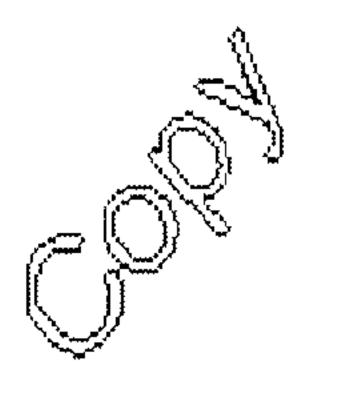
SECTION 1 – STANDING COMMITTEES: Standing committees to perform duties of significant and ongoing importance to the Association may be created and their Chairs appointed by the Board of Directors, subject to confirmation by the membership at the annual meeting.

SECTION 2 - SPECIAL COMMITTEES: Special committees to meet short-term needs may be created and their Chairs appointed by the President, subject to confirmation by the Board of Directors at its next meeting.

SECTION 3 - ELIGIBILITY: Any member in good standing is eligible to chair and to serve on committees. Non-members may also serve with approval of the Board of Directors.

V. MEETINGS

SECTION 1 - MEMBERSHIP MEETINGS: Annual meetings of the full membership will be held once a year at a time and place to be determined by the board of Directors. Special meeting may be called at any time with proper notice



bye the Board of Directors or by petition of one-fifth (23) of the members in good standing.

SECTION 2 – BOARD OF DIRECTOR MEETINGS: Meetings will be held four times a year at such times and places as each newly elected Board of Directors may determine and announce at the beginning of its term. Special meetings may be called at any time with proper notice by the chair or by any four members of the Board of Directors.

SECTION 3 - COMMITTEE MEETINGS: Committee meetings will be held when and where the committee deems appropriate.

SECTION 4- NOTICE OF MEETINGS: Notice of membership meetings will be by public announcement and by a minimum of two weeks advance written or oral communication with each known person eligible for membership. Notice of Board of Director meetings will be by written or oral communication with each Director and the membership. Committee meetings will be by written or oral communication with each committee member and each member who has indicated specific interest in such notice.

SECTION 5 - ATTENDANCE: All meetings will be open to all members in good standing. Additional person may be invited by the Chair.

SECTION 6 – QUORUM: At membership and at committee meetings a quorum will be the number of members in good standing present. At Board of Directors meetings, a minimum of three Board of Directors in attendance will constitute a quorum.

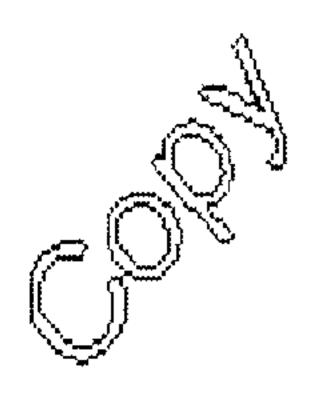
SECTION 7 - CONDUCT: All meetings will be conducted with the least formality necessary to assure reasonable efficiency and observance of each participant's right to be heard, to understand what is going on, and to vote on any issues raised.

VI. FINANCIAL AFFAIRS

SECTION 1 - ANNUAL DUES: Membership dues, one per property will be approved by the Crystal Springs membership at the annual meeting.

SECTION 2 - VOLUNTARY DUES: Additional voluntary dues may be solicited by the board to finance specific projects or activities of the Association.

SECTION 3 - DEFICIT SPENDING: Deficit spending by the Association is not allowed.



SECTION 4 - COLLECTION POLICY

- 1. Amounts Payable to the Association is the annual HOA dues.
- 2. Payment Schedule. Bills for the annual dues will be sent out by first class mail one week after they have been set at the annual HOA meeting. Dues not received or postmarked 30 days from the day of the postmark on the bills will be considered past due and late fees will begin to accrue.
- 3. Late Fees. A late fee of \$5.00 shall be charged monthly, after sixty (60) days on all delinquent balances, not to exceed the total of the annual dues.
- 4. Process for Delinquency Notification. First Notice of past dues will be sent by First Class Mail to an owner whose balance is thirty (30) days past due. Second Notice will be sent by First Class Mail to an owner who is sixty (60) days past due. Third Notice will be sent out by First Class Mail to an owner who is ninety (90) days past due. All past due bills will include all current late fees in their total due. The names of homeowners who have not paid their dues in full after 90 days will be listed in each Newsletter until their dues are current.
- 5. Financial Hardships. If for whatever reason a homeowner is financially unable to pay their HOA dues in a timely manner a payment schedule can be arranged. The Homeowner in writing must present this to the President or Treasurer no later than August 1 of the present fiscal year. Homeowner's are encouraged to pay their annual dues in full within 30 days of the annual meeting, but may also pay in three consecutive and equal monthly installments if arrangements are made with the Treasurer prior to the due date. Late fees will apply if they don't make their monthly payments on time.

VII. AMENDMENT OF BYLAWS

SECTION 1 – AMENDMENTS: The bylaws may be amended by a majority vote of those in attendance at a special meeting called for that purpose and will include any proxy votes received prior to the meeting.

VIII. SPECIAL DEFINITIONS

SECTION 1 - PROPERTY OWNERS: Any individual, family, group of persons or legal entity which owns real property, regardless of how many properties are owned or how ownership is distributed among individuals or entity units.

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SECTION 2 – MEMBERS IN GOOD STANDING: Any property owner that has paid their annual dues for the current year and who is in full compliance with the Crystal Springs Covenant will be considered a member in good standing.

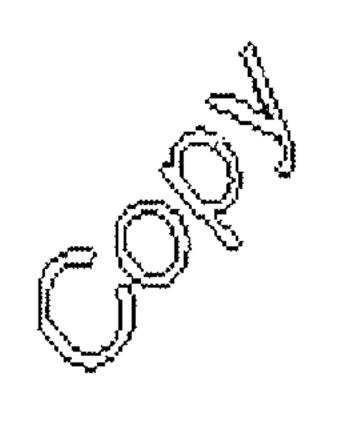
Jeff Bailey - Crystal Springs HOA Secretary

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Official Seal
DIANNA L. PRESTON
Notary Public - Arkansas
Notary Public - Arkansas
My Commission Expires 3/18/2012



THE FOLLOWING AMENDMENTS WERE PASSED AT THE MAY 9, 2006 CRYSTAL SPRINGS HOMEOWNERS ASSOCIATION ANNUAL MEETING.

VI. Financial Affairs

Section 1 which currently reads, "Membership dues, one per property, will be \$40 per year and may be increased annually by the Board of Directors to not more than \$50 per year or to such a level as approved by the membership at the annual meeting",

Amended to read — "Membership dues, one per property will be approved by the Crystal Springs membership at the annual meeting."

Section 4, number 2 Payment schedule which currently reads, "Annual dues are payable in advance at the annual HOA meeting in May. The Annual Bills will be sent out by First Class Mail, 3 days after the May meeting. Dues not received or postmarked by the 5th of June will be considered past due."

Amended to read – Bills for the annual dues will be sent out by first class mail one week after they have been set at the annual HOA meeting. Dues not received or postmarked 30 days after the annual meeting where the dues were set will be considered past due and late fees will begin to accrue."

Section 4, number 4, Process for Delinquency Notification, the very last sentence which reads, "This notice will include a late fee of \$5.00 per month late."

Amended to read - "All past due bills will include all current late fees in their total due."

Amended to add - "The names of homeowners who have not paid their dues in full after 90 days will be listed in each Newsletter until their dues are current"

Section 5 under Financial Affairs was amended to add.

"Homeowner's are encouraged to pay their annual dues in full within 30 days of the annual meeting, but may also pay in three consecutive and equal monthly installments if arrangements are made with the Treasurer prior to the due date. Late fees will apply if they don't make their monthly payments on time."

Street Director Amendments

<u>Pyrite Street.</u> See III. Directors and Officers, section 2, "Number and Tenure of Directors" "The number of Directors shall be six allowing one Director per street within the Crystal Springs subdivision"

Amended to read "Their shall be one street director per street in the subdivision except for Pyrite. Pyrite Street shall have one director for Phase I and one director for Phase II."

Street Directors for Phase III and IV.

Directors and Officers, Section 2 was amended to add

"The Crystal Springs Board of Directors will be given permission to name directors to the streets of any additional phases of Crystal Springs as homeowners move in between HOA meetings."

Amendment to VIII. Special Definitions Section 2 Member in Good Standing.

Amended the definition of a member in good standing from "Any property owner that has paid their annual dues for the current year will be considered a member in good standing" to "Any property owner that has paid their annual dues for the current year and who is in full compliance with the Crystal Springs Covenant will be considered a member in good standing."