

ARTICLES OF INCORPORATION

OF

HOT SPRINGS VILLAGE TOWNHOUSE ASSOCIATION

We, the undersigned, do hereby associate to form a corporation under the provisions of the Arkansas Nonprofit Corporation Act (Act 176 of 1963) and do certify as follows:

ARTICLE I

NAME

The name of the corporation is HOT SPRINGS VILLAGE TOWNHOUSE ASSOCIATION, hereinafter called the "Association."

ARTICLE II

ADDRESS

The address of the main office or the principal place of business of the corporation is Hot Springs Village, Arkansas, and the name of the registered agent at such address is John A. Cooper, Jr.

ARTICLE III

PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for construction, maintenance, and preservation of the residence Lots and Living Units and Limited Common Properties and facilities within that certain tract of property in Hot Springs Village, County of Garland, State of Arkansas, which is, particularly described as:

A part of the SE 1/4, Section 4, T-1-S, R-19-W, Garland County, Arkansas, more particularly described as follows:

Commencing at the SW Corner Section 3, 'T-1-S. R-19-W, Garland County, Arkansas; thence North 1540. 656 feet; thence West, 573. 044 feet to a point on a curve in the westerly right-of-way of DeSoto Boulevard being the Point of Beginning, said curve being a 567.47 foot radius curve to the left having a chord bearing and distance of S 22 degrees 39 minutes 21 seconds W, 185.00 feet; thence along said curve 185.83 feet; thence continuing along said right-of-way S 13 degrees 16 minutes 28 seconds W, 419.55 feet; thence N 76 degrees 43 minutes 32 seconds W, 5. 00 feet;

thence N 26 degrees 05 minutes 01 seconds W 237.97 feet; thence N 20 degrees 39 minutes 32 seconds W, 325.96 feet; thence N 32 degrees 47 minutes 58 seconds W, 267.68 feet; thence N 48 degrees 48 minutes 51 seconds W, 159.45 feet; thence S 83 degrees 40 minutes 47 seconds W, 186.08 feet; thence S 47 degrees 42 minutes 07 seconds W, 190.01 feet; thence N 72 degrees 48 minutes 53 seconds W, 61.30 feet; thence N 60 degrees 13 minutes 37 seconds W, 85.11 feet; thence N 33 degrees 14 minutes 58 seconds W, 82.09 feet; thence N 04 degrees 51 minutes 41 seconds E, 38.93 feet; thence N 48 degrees 43 minutes 27 seconds E, 159.26 feet; thence N 45 degrees 08 minutes 28 seconds E, 247.18 feet; thence N 64 degrees 28 minutes 35 seconds E, 93.37 feet; thence N 47 degrees 41 minutes 43 seconds E, 43.23 feet; thence N 61 degrees 49 minutes 15 seconds E, 132.16 feet; thence N 65 degrees 08 minutes 57 seconds E, 68.87 feet; thence N 58 degrees 52 minutes 09 seconds E, 149.71 feet; thence N 60 degrees 44 minutes 01 seconds E, 91.44 feet; thence N 76 degrees 31 minutes 13 seconds E, 84.72 feet; thence N 55 degrees 52 minutes 25 seconds E, 60.87 feet; thence S 18 degrees 17 minutes 07 seconds E, 49.89 feet; thence S 64 degrees 02 minutes 55 seconds E, 65.00 feet; thence S 00 degrees 30 minutes 28 seconds W, 251.23 feet; thence S 35 degrees 08 minutes 44 seconds E, 152.87 feet; thence S 08 degrees 16 minutes 05 seconds E, 459.60 feet to the Point of Beginning. Containing 13.52 acres more or less, and to promote the health, safety and welfare of the residents within the above described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association by annexation, as provided in Article VII herein, and for this purpose to:

- (a) 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 Supplemental Declaration applicable to the lands above described and which is to be placed of record in the records of Garland County, Arkansas, and as the same may be amended from time to time as therein provided, said Supplemental Declaration being incorporated herein as if set forth at length;
- (b) Fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Supplemental Declaration and amendments thereto; 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;
- (c) 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;

- (d) Borrow money, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;
- (e) Enforce any and all covenants, restrictions, and agreements applicable to The Townhouse Properties created by said Supplemental Declaration;
- (f) Build and maintain certain recreational facilities to be used for the common benefit and enjoyment of residents of The Townhouse Properties; and
- (g) Insofar as permitted by law to do any other thing that, in the opinion of the Board of Directors, will promote the common benefit and enjoyment of the residents of The Townhouse Properties.

ARTICLE IV

MEMBERSHIP

Village Homes, Inc., or John A. Cooper Company, under the conditions set forth in ARTICLE XIII in said Supplemental Declaration, their successors and assigns, shall be a member of the Association so long as it shall be the record owner of a fee interest or undivided fee interest in any Lot or Living Unit; and Village Homes, Inc., or John A. Cooper Company, under the conditions set forth in Article XIII in said Supplemental Declaration, shall be a member until it is paid in full for every such Lot or Living Unit which it shall sell. Every other person or entity who is a record owner of a fee interest or undivided fee interest in any Lot or Living Unit which is subject by covenants record to assessment by the Association shall be a member of the Association, provided that any such person or entity (except Village Homes, Inc., or John A. Cooper Company) who holds such interest merely as security for the performance of an obligation shall not be a member.

ARTICLE V

VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A Members shall be all those persons defined in Article IV hereof with the exception of Village Homes, Inc., or John A. Cooper Company under conditions as set forth in Article XIII in said Supplemental Declaration. Class A Members shall be entitled to one vote for each Lot

or Living Unit in which they hold the interest required for membership by Article IV. When more than one person holds such membership interest in any Lot or Living Unit, the vote for such Lot or Living Unit shall be exercised as the members between themselves determine; but in no event shall more than one vote be cast with respect to any Lot or Living Unit.

Class B. The Class B Member shall be Village Homes, Inc., or John A. Cooper Company under conditions as set forth in Article XIII in said Supplemental Declaration. The Class B member shall be entitled to ten (10) votes for each Lot or Living Unit in which it holds the interest required for membership by Article IV until it shall have ceased to be the record owner of the Lot or Living Unit, Village Homes, Inc., or John A. Cooper Company under conditions as set forth in Article XIII in said Supplemental Declaration shall continue to have the right to cast votes as aforesaid (ten (10) votes for each Lot or Living Unit) even though it may have contracted to sell the Lot or Living Unit or may have placed same under a mortgage or deed of trust. For purposes of counting votes allowed under this Section, when Living Units are counted, the Lot or Lots upon which such Living Units are situated shall not be counted.

ARTICLE VI

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of five (5) Directors, who need not be members of the Association. A change in the number of Directors shall be made only by amendment to these Articles of Incorporation. The names and addresses of the persons constituting the initial Board of Directors and the annual meeting to which their respective terms shall extend are as follows:

<u>NAME</u>	<u>ADDRESS</u>	<u>TERM EXPIRES</u>
Gene Blasi.	Bella Vista, Arkansas	1973
C. E. Daggett	Bella Vista, Arkansas	1974
Jerry Sarver	Hot Springs Village, Arkansas	1975
Harold Bemis	West Memphis, Arkansas	1976
John Whelan	Hot Springs Village, Arkansas	1977

Thereafter, Directors shall be elected for a term of six (6) years and until their respective successors are elected and qualified. Any vacancy occurring in the initial or any subsequent Board of Directors shall be filled at any meeting of the Board of Directors by the affirmative vote of a majority of the remaining Directors. Any Director elected to fill a vacancy shall serve as such until the expiration of the term of the Director whose position he was elected to fill.

ARTICLE VII

ANNEXATION OF ADDITIONAL PROPERTIES

Additions to the properties described in Article III may be made only in accordance with the provisions of the Supplemental Declaration applicable to said properties. Such additions when properly made under the applicable covenants shall extend the jurisdiction, functions, duties and membership of this corporation to such properties.

ARTICLE VIII

MERGERS AND CONSOLIDATIONS

To the extent permitted by law, the Association may participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of each class of voting membership.

ARTICLE IX

AUTHORITY TO MORTGAGE

Any mortgage by the Association of the Limited Common Properties or facilities defined in the said Supplemental Declaration shall have the assent of two-thirds (2/3) of each class of voting membership.

ARTICLE X

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class or its voting membership. Written notice of a proposal to dissolve setting forth the reasons therefore and the disposition to be made of the assets shall be mailed to every member according to Article XI. Upon dissolution of the Association, the assets of the Association, both real and personal, shall be granted, conveyed and assigned to any appropriate public agency to be devoted to purposes, as nearly as practicable, the same as those to which they were required to be devoted by the Association. In the event that such a dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to purposes and uses that would most nearly reflect the purposes and uses to which they were required to be

devoted by the Association. No such disposition of corporation properties shall be effective to divest or diminish any right or title of any member vested in him under the recorded covenants and deeds applicable to The Townhouse Properties unless made in accordance with the provisions of such covenants and deeds.

ARTICLE XI

MEETING FOR ACTIONS GOVERNED BY ARTICLES VIII THROUGH X

In order to take action under Articles VIII through X there must be a duly held meeting. Written notice setting forth the purpose of the meeting shall be given to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. The presence of members or proxies entitled to cast fifty percent (50%) of the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirements set forth above, and the required quorum at such subsequent meeting shall be one-half (1/2) of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. In the event that two-thirds (2/3) of each class of voting membership are not present in person or by proxy, members not present may give their written assent to the action taken thereat.

ARTICLE XII

DURATION

The corporation shall exist perpetually.

ARTICLE XIII

AMENDMENTS

These Articles may be amended by the majority vote of the Board of Directors provided the amendments are approved by the Circuit Court of Garland County, Arkansas.

ARTICLE XIV

INCORPORATOR'S NAMES & PLACES OF RESIDENCE

The name and place of residence of each of the incorporators are as follows:

<u>NAME</u>	<u>PLACE OF RESIDENCE</u>
John M. Smith	West Memphis, Arkansas
Harold S. Bemis	West Memphis, Arkansas
Norma L. Hooper	West Memphis, Arkansas

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Arkansas, we, the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation this 7th day of July, 1971.

ACKNOWLEDGMENT

STATE OF ARKANSAS

COUNTY OF Crittenden

Now on this day personally appeared before me, the undersigned Notary Public within and for the County and State aforesaid, duly qualified, commissioned and acting, appeared in person the within named John M. Smith, Harold S. Bemis and Norma L. Hooper,

to me personally well known, whose names are subscribed to the foregoing Articles of Incorporation, and who acknowledged to me that they had executed the same for the uses, considerations and purposes therein set forth.

Given under my hand and seal this 7 th day of July, 1971.

Notary Public

My Commission Expires: _____

**ARTICLES OF AMENDMENT
OF
HOT SPRINGS VILLAGE TOWNHOUSE ASSOCIATION
A Non-Profit Corporation**

The undersigned, as Vice President of Hot Springs Village Townhouse Association, a non-profit corporation duly existing under and by virtue of the laws of the State of Arkansas, hereby certifies in compliance with the Arkansas Non-Profit Corporation Act that:

1. The name of the corporation is Hot Springs Village Townhouse Association, a Non-Profit Corporation
2. The amendment to the Articles of Incorporation was adopted on October 12, 2001.
3. The following provisions of the Articles of Incorporation of the non-profit corporation were amended to read as follows:

ARTICLE VI

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a board of nine (9) Directors, who shall be members in good standing with the Association. A change in the number of Directors shall be made only by amendment to these Articles of Incorporation. Directors shall be elected for a term of three (3) years and until their respective successors are elected and qualified. Any vacancy occurring in the Board of Directors shall be filled at any meeting of the Board of Directors by the affirmative vote of a majority of the remaining Directors. Any Director elected to fill a vacancy shall serve as such until the expiration of the term of the Director whose position he was elected to fill.

4. This amendment was adopted by the unanimous vote of the Board of Directors of the non-profit corporation and no action by the members was required to approve or adopt such amendment.
5. This amendment was approved by the Order of the Circuit Court of Garland County, Arkansas, entered on February 27, 2002, a certified copy of said Order being attached hereto and incorporated herein by reference.

The effective date of this amendment is October 12, 2001.