

THE VALLEY AERO ASSOCIATION, INC.
BYLAWS

DEFINITIONS

- a. Membership- The rights and privileges of the ASSOCIATION are vested in the lots described in Article III, paragraph 1. (Eligibility) and such lots as may be added in accordance with these bylaws.
- b. Member- The legal owner or co-owner of a lot, or owner or co-owner of a condominium unit on a lot to which a membership(s) is assigned.
- c. Active membership- A current dues paying membership that has paid all required dues, fees, and assessments of the ASSOCIATION with voting rights and privileges of the ASSOCIATION.
- d. Residential membership- A membership on a lot on which no commercial activity is permitted by subdivision covenants.
- e. Commercial membership- A membership on a lot on which commercial activity is conducted as allowed by related subdivision covenants. Membership on the lot provides rights and privileges of the ASSOCIATION for the lot owner and guests at his residence but it does not provide those rights and privileges to customers of the commercial venture. Those customers are not permitted access to ASSOCIATION property and/or use of facilities.
- f. Inactive membership-
 - (1) A membership in the ASSOCIATION, whose owner or co-owner has refused or rescinded the membership and rights and privileges in the ASSOCIATION,
 - (2) A membership on a lot on which the dues, assessments and/or fees have not been paid in accordance with Article V, paragraph 1. of these Bylaws.
 - (3) A membership in the ASSOCIATION whose owner or co-owner has forfeited their membership and has been delinquent for two years since January 1, 2007.
- g. Rights and Privileges- The ability to vote on ASSOCIATION business and activity and use of the runway, taxiways, parking areas, boat ramp, other common areas and other activities.
- h. Capital equipment- Machinery and tools the purchase price of which exceeds \$ 2,000 (before taxes).
- i. Co-owner- Legal owner, with one or more other legal owners, of an undivided interest in a lot or condominium unit.

Article I: NAME

The name of the corporation shall be THE VALLEY AERO ASSOCIATION, INCORPORATED, hereinafter referred to as the ASSOCIATION. The ASSOCIATION is

subject to the limitations of the Articles of Incorporation, the BYLAWS, and the laws of the State of Arkansas as to actions to be authorized or approved by the active members. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the ASSOCIATION shall be controlled by a Board of Directors, hereinafter referred to as the BOARD.

Article II: PREAMBLE

The purpose of the Bylaws is to preserve the integrity of the Valley Aero Association, Inc. and to establish an organizational process which will conduct the day to day operations and maintenance of the common area for the benefit of the membership. The membership shall have the right to ratify, by vote, the recommendations of the Board on the yearly budget, dues changes and capital improvements.

Article III: MEMBERSHIP

1. Eligibility

Membership and associated voting rights in the Valley Aero Association are vested in the lots of the following subdivisions, and such lots as may be added in accordance with these bylaws. Each lot is eligible for one membership except Woodsong Estates lot 2 and Valley lot 13. Woodsong Estates lot 2 and Valley lot 13 are each eligible for two memberships in accordance with past development documentation and subsequent court ordered resolutions. Each membership has one vote and in no event shall there be more than one vote cast per active membership.

- (1) Rainbow Drive Terrace Addition
- (2) Valley Western
- (3) Valley Northern
- (4) The Valley
- (5) Marler Hill Addition
- (6) The Home
- (7) The Farm
- (8) Woodsong Estates (lots 2 & 3 only)
- (9) The Hill (Approximately 20 acres west of Marler Hill - 20 memberships only)

2. Status

- a. Active Membership(s) - Have and may exercise all rights and privileges of the ASSOCIATION.
- b. Inactive Membership(s) - Do not have and may not exercise any of the rights and privileges of the ASSOCIATION.
- c. Privileges of active membership are use of the runway, taxiways, parking areas, boat ramp, other common areas and other privileges that may be associated with the property of the ASSOCIATION.
- d. Memberships in the ASSOCIATION cannot be moved or sold.

- e. Memberships in the ASSOCIATION may be added by permitting lots in areas contiguous to the subdivisions from which the ASSOCIATION memberships are derived to join the ASSOCIATION upon the approval of the BOARD.
- f. If an existing membership lot is legally subdivided, each of the newly created lots is authorized membership in the ASSOCIATION provided the original lots membership is in an active status (or reinstated) prior to the sale and the membership fee is paid in accordance with Article III, paragraph 2. g. on the newly created lot not receiving the original membership.
 - (1) As agreed between the owners of the newly created lots, ownership of the original lot's membership shall remain with one of the new lots.
 - (2) Reinstatement of an inactive membership on the original lot shall be in accordance with Article III, paragraph 2.h.
- g. New memberships created must pay a fee of five thousand (5000) dollars.
- h. There will be no "reinstatement" for memberships delinquent beyond two years from January 1, 2007. If one chooses to drop out of the ASSOCIATION by not paying their dues, they will have forfeited their "eligibility" rights as a member and will no longer have access to the runway and common facilities. If the lot owner or some future owner desires to have access to our runway and use of common facilities, they will have to apply to the Board for a new membership. The Board does have the authority to approve new memberships. The fee for a new membership will be \$5000.
- i. A owner or co-owner of a unit in the condominium may join the ASSOCIATION and enjoy the privileges of an active member provided the annual dues are paid from the date of purchase and the membership on lot V-31, the condominium lot, is in an active status. Voting rights are vested in the condominium lot, not individual ownership of a condominium unit. Voting rights shall be exercised in accordance with Article IV, paragraph 2. The vote for the membership of lot V-31 shall be exercised in such manner as the owners of the condominium units who are ASSOCIATION members may determine, but in no event shall there be more than one vote cast for the one active membership of the condominium lot.
- j. In the event of joint ownership of a lot, or condominium unit, each co-owner may each enjoy the privileges of an active member provided each co-owner pays annual dues, those dues are paid from the date of purchase of their interest in the lot or condominium unit, and the membership of the lot in question is in an active status.
- k. Any lessee or renter of a member's property has all the rights of an active member in the ASSOCIATION as long as the membership of the said lot remains active. Voting rights remain with the owner of the lot.

Article IV: VOTING RIGHTS

1. Each active membership is entitled to one vote. Ownership of more than one active membership by one individual or entity entitles that individual or entity to one vote for each active membership owned.
2. When more than one person holds an interest in an active membership, the vote for such severally owned active membership shall be exercised in such a manner as said co-owners may determine but in no event shall there be more than one vote cast per active membership. The person casting the vote must certify, in writing, to the Election Committee of the ASSOCIATION that he or she has the authority to do so.
3. Active memberships may vote in person or by written proxy. Absentee ballots are not permitted. Written proxies must be signed, dated and in the hands of the Election Committee at least one hour prior to the published meeting time for the meeting in which the vote is to occur.

Article V: DUES, FEES, & ASSESSMENTS

1. Dues
 - a. For the purpose of providing a fund to cover the repair, maintenance, taxes, insurance, and other recurring expenses related to the common areas and facilities of the ASSOCIATION, each membership and member in the association shall be required to pay annual dues as recommended by the BOARD and approved by more than 50% of the active membership.
 - (1) Dues for commercial memberships may be individually fixed by the BOARD based on activity and/or increased insurance requirements.
 - b. Annually, funds in excess of yearly operating expenses shall be set aside by the BOARD in a reserve fund established for the purpose of funding capital improvements.
2. Fees

The BOARD may establish fees for non-members for landing, parking or other appropriate services as necessary. Qualified guests of residential Valley Aero Association members are exempt from all provisions of Article V: Dues, Fees, & Assessments.
3. Assessments

For the purpose of providing funds for capital improvements to the property and facilities of the Association, special assessments may be levied upon all active members by a majority vote of the BOARD, subject to approval of more than fifty percent (50%) of the active membership.

4. Delinquency

- a. Annual dues are due January 1 of each year for that calendar year. Dues not paid during the first quarter of the year becomes delinquent. Each membership that becomes delinquent will be assessed a late charge of \$25.00 for each quarter of delinquency and the membership will become inactive until the dues and late charges are paid.
- b. Assessments will be assigned a due date by the BOARD. Assessments not received within 60 days of the due date become delinquent. Each membership that becomes delinquent will be assessed a late charge of \$25.00 for each quarter of delinquency and the membership will become inactive.
- c. If dues/assessments are not received within two (2) calendar years of the due date, membership in the ASSOCIATION will be forfeited. To gain use of ASSOCIATION runway and common facilities, a new membership will be required in accordance with Article III.2.h.

Article VI: RESERVE FUNDS

1. A reserve fund will be established for the express purpose of funding capital improvements of the ASSOCIATION. Moneys for this fund will come from assessments and from excess operating funds.
2. Funds in the reserve may not be used for operating expenses unless approved by more than 50% of the active membership.

Article VII: MEMBERSHIP MEETINGS

1. Annual Meeting
 - a. An annual meeting of the members shall be held on the last Saturday in April. The time & place will be determined by the BOARD.
 - b. The purpose of the annual meeting is to consider reports of the affairs of the ASSOCIATION, elects members of the BOARD, and transact such other business as may properly be brought before the meeting.
 - c. Notice of the date, time, and place of the annual meeting shall be in accordance with the requisite rules for notices as set out in Article XIII of these BYLAWS.
2. Special Meetings
 - a. Special meetings of the members may be called and held at any reasonable time and place by the call of a majority of the BOARD, or by a call of at least ten percent (10%) of the active membership.
 - b. Notice of the date, time, and place of special meetings shall be in accordance with the requisite rules for notices as set out in Article XIII of these BYLAWS.
3. Quorum

The presence in person or by proxy of at least forty percent (40%) of the active membership shall constitute a quorum for the transaction of business.

4. Parliamentary Procedure

The ASSOCIATION president or vice president shall preside at all meetings of the membership and the ASSOCIATION secretary shall record the minutes of all meetings. In case of the absence of such officers, the active members present may elect a Chairman and a recording Secretary for the meeting. All meetings shall be conducted in accordance with the rule of parliamentary procedure set forth in Robert's Rules of Order.

Article VIII: BOARD of DIRECTORS

1. The BOARD shall consist of five (5) individual active members of the ASSOCIATION. Directors shall be elected by ballot at the annual meeting to serve for two (2) years or until their successors are elected. The term of office will begin immediately after the adjournment of the annual meeting.

2. Powers

- a. To recommend dues, fees and assessments to the active membership.
- b. To establish late charges and to impose penalties.
- c. To enforce the payment of dues, fees, assessments, late charges, and penalties.
- d. To authorize expenditures for normal operating and capital expenses and recommend capital improvements to the active membership.
- e. To adopt and publish rules and regulations governing the use of the properties and facilities owned by the ASSOCIATION.
- f. To manage and control the business, within the constraints of the membership approved operating and capital budgets.
- g. To recommend to the active membership the sale, lease, purchase, and/or exchange of any ASSOCIATION real property.
- h. To submit for approval to the active membership at the annual meeting, annual operating and capital budgets.
- i. Approve new memberships for lots from areas contiguous to the subdivision from which the ASSOCIATION draw its membership.

3. Removal of Directors

- a. The entire BOARD or any individual director may be removed from office for good cause by at least two-thirds (2/3) vote of the total active membership.
- b. The vote for removal will be held at a special meeting called for that express purpose.
- c. Refusal to attend BOARD meetings without good cause shall be presumed to be adequate reason for removal.

4. Vacancies

- a. Vacancies occurring on the BOARD shall be filled by appointment by a majority vote of the remaining directors.

- b. Appointed directors shall serve the unexpired term of his predecessor.
 - c. Any director removed as provided for in Article VIII, paragraph 3. may not be appointed to fill a vacancy for three (3) years after such removal.
5. Quorum
- a. A simple majority of the BOARD shall constitute a quorum for the transaction of business.
 - b. All actions of a duly assembled BOARD, where a quorum is present, are valid as corporate acts.
6. Place of Meetings
- a. Meetings of the BOARD may be held at any place within the boundaries of Baxter County, Arkansas as designated by resolution of the BOARD or by written consent of all members of the BOARD.
 - b. Any meeting shall be valid after the meeting is filed with the secretary of the ASSOCIATION.
7. Election of Officers
- a. An organizational meeting of the new BOARD will be held immediately following the adjournment of the ASSOCIATION annual meeting for the purpose of the election of officers for upcoming year. Notice of this meeting is NOT required under Article XIII.
8. Meetings
- a. Regular meetings will be held not less than quarterly. An annual schedule shall be established at the organizational meeting and published immediately thereafter.
 - b. Special meetings of the BOARD for any purpose will be called by the President, or if he is absent, unable, or refuses to act, by the Vice-president or by any two Director
 - c. Notice of special meetings will be given to each Director in compliance with the requisite rules for notices as set out in Article XIII of these BYLAWS.

Article IX: OFFICERS and DUTIES

1. Officers
- a. The officers shall be a president, vice-president, secretary, and treasurer. The president and vice-president must be members of the BOARD.
 - b. One person may hold two or more offices except that of the president.
 - c. Officers will be elected by majority vote of the BOARD by ballot at the organizational meeting.

- d. All officers shall hold office for a term of one (1) year subject to recall by at least a two-thirds (2/3) vote of the BOARD at a special meeting called for that purpose with the requisite rules for notices as set out in Article XIII of these BYLAWS.

2. Duties

a. President

- (1) Preside at all meetings of the BOARD and ASSOCIATION.
- (2) Administer and enforce the rules and regulations of the ASSOCIATION.
- (3) Sign all checks, notes, leases, mortgages, deeds and other legal or financial documents.
- (4) Appoint members to ad hoc committees as required.
- (5) Administer the ASSOCIATION in accordance with the BYLAWS.

b. Vice-President

The Vice-President shall perform all duties of the President in his absence.

c. Secretary

- (1) Record all votes and keep the minutes of all meetings.
- (2) Keep the records of the ASSOCIATION.
- (3) Maintain a current roster of names, addresses and telephone numbers of all members of the ASSOCIATION, active and inactive.
- (4) Maintain a current list of the officers and directors of the ASSOCIATION.
- (5) In the absence of the President, Vice President or Treasurer the Secretary is authorized to countersign checks.

d. Treasurer

- (1) Bill and collect all dues and assessments and other moneys owed the ASSOCIATION.
- (2) Receive and deposit in appropriate bank accounts all moneys of the ASSOCIATION.
- (3) Disburse funds as directed by the approved budget or by resolution of the BOARD.
- (4) Countersign all checks and notes of the ASSOCIATION.
- (5) Maintain proper accounting books in accordance with normal accounting procedures.
- (6) Have an audit performed prior to the annual meeting by the audit committee and present the results of the audit at the annual meeting.
- (7) Have an annual budget prepared for approval by the BOARD.
- (8) Present the financial condition of the ASSOCIATION at the annual meeting for the approval by the active membership. This financial report will be in the form of an Income & Expense statement, a Balance Sheet, and the annual budget for the forthcoming year.
- (9) Have necessary tax statements prepared.

Article X: INSURANCE

1. The BOARD shall maintain appropriate insurance coverage to provide liability protection for the facilities, capital equipment, and actions of the ASSOCIATION in the event of:

- a. An aircraft accident or accidents when said aircraft is/are operating on, into, and/or out of The Valley airport.
- b. Personnel accident or accidents which may occur while an individual or individuals is/are acting on behalf of or for and with the knowledge of the ASSOCIATION.
- c. A ground powered vehicle or equipment (automobile, truck, tractor, mower, etc.) accident or accidents when such vehicle or equipment is being operated on behalf of or for and with the knowledge of the ASSOCIATION.

2. The ASSOCIATION shall maintain Directors and Officers liability insurance to protect against law suits that may be filed against any member of the BOARD and/or the BOARD as a whole arising out of the performance of their duties for the ASSOCIATION. This insurance coverage shall apply to all actions of the BOARD provided said action(s) are taken in accordance with the requirements of the ASSOCIATION Bylaws and in compliance with all applicable laws and regulations governing associations such as the ASSOCIATION. The BOARD shall determine the amount of this insurance required.

Article XI: COMMITTEES

1. Standing Committees:

a. Audit Committee

- (1) Three (3) active members of the ASSOCIATION will be appointed by the BOARD, and announced at the annual meeting, to conduct the annual audit of the financial records for the forthcoming year.
- (2) Members of the BOARD will not be appointed to the audit committee.
- (3) The duties include, but are not limited to, determining if
 - (a) All checks are properly signed and countersigned.
 - (b) Bank statements are properly reconciled.
 - (c) All expenditures are properly authorized and have proper backup in the form of receipts, etc.
 - (d) Financial records are maintained in a clear and understandable manner.

b. Maintenance and Operations Committee

- (1) Three (3) or more active members of the ASSOCIATION will be appointed by the BOARD to a Maintenance & Operations Committee. Members appointed should be full time residents of The Valley or frequent visitors to The Valley.
- (2) The term of office shall be three (3) years.

(3) Duties & Responsibilities

- (a) Be responsible to the BOARD and assist the BOARD in maintaining and operating the common areas.
- (b) Oversee the maintenance of the Association's property and facilities.
- (c) Represent the ASSOCIATION in contract negotiations.
- (d) Obtain bids for any work to be performed or equipment to purchase.
- (e) Arrange work schedules for mowing and other work in progress.
- (f) Evaluate contractor performance.
- (g) Determine maintenance requirements for the runway and make recommendations to the BOARD for repairs or improvements.
- (h) Develop rules and procedures subject to approval by the BOARD, for pedestrian, vehicular, and aircraft traffic at The Valley.
- (i) Maintain, publish, and distribute these rules and procedures to the active membership.
- (j) Advise the BOARD on any factors affecting safety.

d. Election Committee

- (1) The election of Association officers and voting at Association meetings shall be under the supervision of the Election Committee.
- (2) The Election Committee shall preserve the ballots and all other election records for one (1) year.
- (3) The Election Committee shall have the authority and responsibility to see that Board elections are conducted in accordance with State laws pertinent to Associations and Association Bylaws.
- (4) The Election Committee shall tabulate the votes cast including written proxies at the annual business meeting.
- (5) The Election Committee shall ensure the person casting the vote for joint or severally owned memberships (i.e. the Condo) presents written certification that the person has the authority to cast the vote for the joint owners of the membership in accordance with Article IV, paragraph 2. This certification must be in the hands of the Election Committee at least one hour prior to the published meeting time for the meeting in which the vote is to occur.
- (6) A notice of elections must be mailed to the last known address of each active member 30 to 60 days prior to the election.
- (7) A proxy shall be furnished to each active member. Each proxy must be in the hands of the Election Committee not later than one hour prior to the published meeting time for the meeting at which the vote is to occur.
- (8) A ballot with their number of membership(s) and proxy (is) to be voted will be provided to each member at the beginning of the annual business meeting.
- (9) A ballot box will be provided by the Election Committee.
- (10) Neither a Board member nor a Board nominee may serve on the Election Committee.
- (11) Three (3) active Association members will constitute the Election Committee. An Election Committee member will serve a three (3) year term.

- (12) The president will turn the annual business meeting over to the Election Committee chair for all Board elections.

2. Ad Hoc Committees

The President of the BOARD may appoint ad hoc committees to assist in the administration of the ASSOCIATION.

Article XII: AMENDMENTS

1. These BYLAWS may be amended or repealed by the active members at any annual or special meeting by the vote or written consent of a majority of the active membership.
2. Where an amendment or repeal of a BYLAW is to be acted upon at an annual or special meeting of the active membership, written notice of such proposed amendment or repeal must be given in accordance with the requisite rules for notices as set out in Article XIII of these BYLAWS.

Article XIII: NOTICES

1. Notice required for the annual meeting as provided for in Article VII, paragraph 1. c. shall be given by having the secretary of the ASSOCIATION mail letters to the active members at their current address as recorded in the records of the ASSOCIATION.
 - a. The notice will be mailed no later than thirty (30) days and no earlier than sixty (60) days prior to the annual meeting date.
 - b. If amendment or repeal of the BYLAWS is on the agenda of the annual meeting, Paragraph 2. b. below must be complied with.
 - c. This notice shall include an agenda for the annual meeting. The agenda shall include but not be limited to:
 - (1) Nominees for office.
 - (2) Issues to be discussed.
 - (3) Committee/officer reports.
 - (4) Ratification of BOARD actions.
 - (5) Committee appointments, as necessary.
2. Notice required for special meetings of the ASSOCIATION as provided for in Article VII, paragraph 2. b. shall be given by having the Secretary of the ASSOCIATION mail letters to the active members at their current address as recorded in the records of the ASSOCIATION advising them of the date, time, place and reason for the meeting.
 - a. Notices for the removal of officers as provided for in Article VIII, paragraph 3. shall include the specific purpose for the meeting and shall be mailed a minimum of thirty (30) days prior to the scheduled meeting.

- b. Notice for the amendment or repeal of the BYLAWS as provided for in Article XII, paragraph 2. shall include the existing Article and/or paragraph and the new Article and/or paragraph for comparison purposes. This notice shall also invite comments on the proposed changes from the active membership. This notice must be mailed no later than thirty (30) days and no earlier than sixty (60) days prior to the scheduled meeting.
3. Notice required for special meeting of the BOARD as provided for in Article VIII, paragraph 8. b. shall be given by having the Secretary of the ASSOCIATION personally notify the directors of the date, time, and place of the meeting.

IN WITNESS WHEREOF, WE, the undersigned, being duly elected officers of THE VALLEY AERO ASSOCIATION, INC.; hereby adopt the foregoing Bylaws on this twenty-fifth day of April, 2009.

THE VALLEY AERO ASSOCIATION, INC.

By:

Gary E. Green, President

Attest:

B.Gail Major, Secretary