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ANDOVER SQUARE HORIZONTAL PROPERTY REGIME

BYLAWS, AS AMENDED

ARTICLE I
Name and Location

These are the Bylaws of Andover Square Horizontal Property Regime, an Arkansas non-profit corporation (the "Non-Profit Corporation"), whose members consist of all Co-Owners ("Co-Owners") of apartments in all Andover Square Horizontal Property Regimes. These Bylaws, when approved by a requisite majority of such Co-Owners and recorded in the Office of the Clerk and Ex-Officio Recorder of Pulaski County, Arkansas, shall also be the Bylaws of each Horizontal Property Regime (hereinafter called the "Regime" or "Regimes" and the "Condominium" or "Condominia") which comprises Andover Square Horizontal Property Regimes.

ARTICLE II
Form of Administration

The form of administration of the Non-Profit Corporation and the Condominia shall be that which is set forth in these Bylaws. The Non-Profit Corporation has been authorized and empowered to perform all of the functions of administration as set forth herein through prior approval of such form of administration by all Co-Owners of the Condominia and it is the organization through which the administration, business and affairs of the Condominia will be conducted, until changed as provided by law.

ARTICLE III
Meetings of Members

Section 1. Place of Meetings. The Board of Administration ("Board") of the Non-Profit Corporation shall hold meetings at the principal office of the Condominia or at such place in the City of Little Rock as the Board shall authorize.

Section 2. Annual Meetings. The annual meetings of the apartment owners of the Condominia, all of whom are members of the Non-Profit Corporation (hereinafter referred to as the "Member" or "Members"), shall be held at the principal office of the Condominia in November on a day designated by the Board of Administration. At such annual meetings, the Members shall elect a Board of the Non-Profit Corporation and may transact such other business as may properly come before the meeting.

Section 3. Special Meetings. Special meetings of the Members may be called by the president, vice president, secretary or by a majority of the Board and in any event must be called by such officers upon receipt of a written request from the Members having at least 10% of the square footage of all apartments comprising the Regimes as set forth in the master deeds establishing the Condominia ("Master Deeds").

Section 4. Notice of Meetings. The secretary shall forward notice of any annual or special meeting to each Member not less than three (3) nor more than fifteen (15) days prior to the date of such meeting. Notice of a meeting other than the annual meeting shall indicate the purpose of the meeting. Notice of meetings need not be given to any Member who signs a waiver of notice, either in person or by proxy, whether before or after the meeting.

Section 5. Quorum. Any number of Members, together owning apartment units having at least 51% of the total square footage of all apartments within all Regimes, as set forth in the Master Deeds, who shall be present in person or by proxy, shall constitute a quorum for the transaction of business.

Section 6. Voting. Each Member shall be entitled to receive a certificate showing his proportionate undivided interest in the general common elements and that he/she shall be entitled to vote at all meetings of the Members. The owner or owners of each apartment shall be entitled to vote in person or by proxy the number of votes equal to the percentage representing the square footage of the apartment owned by such Member or Members, in relation to the total square footage of all apartments in the Condominia, as set forth in the Master Deeds. Each apartment must cast all of the votes which its Members are entitled to vote as a unit, even though there may be more than one owner of an interest in said apartment. The vote for members of the Board, and upon demand of any Member, the vote upon any other question, shall be by ballot. All questions before the meeting of the Members shall be decided by plurality vote, except as otherwise provided by these Bylaws or the laws of the State of Arkansas.

Section 7. Proxies. A vote may be cast in person or by proxy. To be valid, proxies must be duly signed and filed with the secretary before the appointed time of the meeting. A proxy is valid only for the particular meeting designated therein. A proxy may be revoked by the Member by appearance in person at the meeting.

## ARTICLE IV
## Board of Administration

Section 1. General Powers. The management of the affairs of the Non-Profit Corporation shall be vested in the Board which, subject to the restrictions imposed by law, the Master Deeds or these Bylaws (hereinafter collectively called the "Condominium Documents") may exercise all the powers of the Condominia.

Section 2. Number and Term of Office. The Board shall consist of not less than five (5) nor more than eleven (11) persons. The Board may increase or decrease board positions within the limitations of the foregoing sentence as determined by the Members at an annual or special meeting called for that purpose. Members of the Board shall be elected for a term of two years. Each member of the Board shall be a Co-Owner of an apartment in the Condominia.

Section 3. Quorum. A majority of the members of the Board shall constitute a quorum for the transaction of business. A vote of a majority of the Board members present at any meeting shall constitute the action of the Board, except as to those matters where the law and the Condominium Documents require a different majority.

Section 4. Vacancies. Vacancies in the Board may be filled until the date of the next annual meeting of the Members by the remaining members of the Board.

Section 5. Regular and Special Meetings. The Board shall meet regularly at least once every three months at such times and places as the Board may fix. Regular meetings once established may thereafter be held without notice at the time and at the place agreed upon by the Board. Special meetings of the Board may be called by the president or by the secretary or upon the call of any two members of the Board on at least one day's written notice to each member of the Board.

Section 6. Compensation. Members of the Board shall not receive any compensation for their service as members.

Section 7. Power and Duties of the Board. The Board shall have charge of and be responsible for the management of the affairs of the Non-Profit Corporation, the general and limited common elements and other assets held by them, on behalf of the

Members. It shall have the power and may exercise all of the powers granted to it by law and under the Condominium Documents. Said Board shall have the power:

(a) To make, levy and assess common charges against the Members for the purposes set forth in the Condominium Documents and to use the same in the exercise of its powers and duties.

(b) To maintain, repair, replace and operate the Condominium's property.

(c) To contract for the management of the Condominia's property, provided that any such contract shall not extend for a term beyond one (1) year and shall be capable of being terminated for cause; to enforce by legal means all of the provisions of the Condominium Documents, rules and regulations of the Non-Profit Corporation, and the resolutions and decisions rendered pursuant to the Bylaws.

(d) To prevent any loss or damage to the Condominia by paying taxes, assessments or other liens against any part of the Condominia and to assess the same against the apartment or apartments, subject to such liens.

(e) To control generally the use of common areas.

(f) To make or amend rules and regulations respecting the use and operation of the property not inconsistent with the Condominium Documents.

(g) To pay the costs of all water, sewer, or other utility services rendered to the Condominia which are not separately billed to the apartment owners and to assess the same as part of the common expenses.

(h) To enforce the provisions of the Condominium Documents by legal action, if necessary, and to employ legal, accounting, maintenance or other personnel for reasonable compensation to perform the service required for the proper administration of the Condominia.

(i) To hire and discharge persons employed for the operation of the Condominia on such terms and conditions as the Board, in its discretion, may deem advisable.

## ARTICLE V
## Officers

Section 1. Terms. At the first meeting following the annual meeting of the Members, the Board of the Non-Profit Corporation shall elect a president, secretary, treasurer, and such vice presidents to assist the president as may be required, all of whose terms shall start at the beginning of the next calendar year. All officers shall serve for a term of one year and shall be members of the Board.

Section 2. President. The president shall be the chief executive officer of the Non-Profit Corporation and shall have the powers to appoint such committees as he or she may deem appropriate. He or she shall exercise such other powers and duties as shall be prescribed by the Board and shall see that all orders and resolutions of the Board shall be carried into effect. He or she shall have custody or access to the records and funds of the Non-Profit Corporation in conjunction with the treasurer.

Section 3. Vice Presidents. There shall be elected a first vice president who shall preside in the absence of the president at all meetings of the Board. All vice presidents shall perform duties as shall be delegated to them by the president.

Section 4. Secretary. The secretary shall keep or cause to be kept a record of all meetings of the Members and the Board. He or she shall attend to the giving of all notices of the apartment owners. He or she will have available at each meeting of the Members a correct list in alphabetical order of the names of the Members and of the pro rata percentage of ownership of the Condominia.

Section 5. Treasurer. The treasurer shall keep or cause to be kept the financial records of the Non-Profit Corporation and shall keep books of account and shall have custody of all the common property of the Condominia, including all funds, securities and evidences of indebtedness. He or she shall keep the assessment roll and the accounts of the apartment owners. He or she shall deposit all monies and other valuables in the name of and to the credit of the Non-Profit Corporation in such depositories as shall be designated by the Board. He or she shall disburse the funds of the Non-Profit Corporation as may be ordered and authorized by the Board and render an annual report at the annual meeting of the Members. The treasurer and the president shall report on the operation of the Condominia's property and the payment of common expenses and the determination and collection of the common charges. All books and records shall be subject to inspection by holders of first mortgages at their request during normal business hours. At the direction of the Board, any and all of the foregoing duties may be delegated to a compensated property manager of the Condominia.

## ARTICLE VI
## Fiscal Management

Section 1. Assessments. The Board shall compute the common expenses for each calendar year and shall charge each apartment owner according to his or her pro rata percentage as determined in relation to the total square footage of all apartments in the Condominia. (The Board may review and reconsider the assessments made and may increase or decrease the same, as required for the property management, maintenance and operation of the Condominia.)

Section 2. Assessment Roll. The Board shall maintain or cause to be maintained a set of accounting books, an assessment roll and an account for each apartment. Such account shall designate the name and address of the owner, or owners, the amount of each assessment against the owner, the date on which the assessments comes due and the amounts paid upon the account and the balance due on the assessments. The assessment roll shall be maintained in the office of the Board or its delegated agent for inspection at all reasonable times by apartment owners or their authorized representatives.

Section 3. Budget. The Board shall adopt a budget for each year, which shall contain estimates of the cost of performing the various functions of the Condominia and shall include, among other items, a common expense budget consisting of maintenance and operation of common elements, landscaping, walkways, parking spaces, utility services, insurance, administration, reserves and any other proper item. Copies of the proposed budget and proposed assessments shall be made available to each apartment owner on or before the beginning of the year for which the budget is made.

Section 4. Default in Payment of Assessments. Each assessment shall be a distinct personal debt of the apartment owner against whom assessment is made. If not paid at the time and in the manner as the Board directs, such assessment shall be deemed to be delinquent. Suit to recover a money judgment for delinquent assessments shall be maintainable without foreclosing or waiving the liens securing the same. The amount of any delinquent assessment, whether regular or special, plus interest at the rate of ten percent (10%) per annum, costs and reasonable attorneys' fees, shall become a lien upon such apartment upon recordation of a Notice of Delinquent Assessment. Such lien shall have priority with respect to all other liens and encumbrances recorded or unrecorded. Such lien for a delinquent assessment may be foreclosed in any manner by law. The lien created hereunder for any unpaid assessment on any apartments shall be subject and subordinate to, and shall not affect the rights of the holder of any indebtedness secured by any recorded prior mortgage or similar encumbrance.

## ARTICLE VII
## Insurance

Section 1. Policies. The Board, for the benefit of the apartments and the Co-Owners thereof shall acquire and shall pay for out of the common expense fund, the insurance coverages provided in this Article. The insurance policies shall provide that the loss thereunder shall be paid to the Board as insurance trustees under this declaration. Under the master policies, certificates of insurance shall be issued which indicate on their face that they are a part of such master policies of insurance covering every unit of the Condominia and its common elements. A certificate of insurance with proper mortgagee endorsement shall be issued to the owner of each apartment and the original thereof shall be delivered to the mortgagee, if there be one, or retained by the apartment owner if there is no mortgagee. The certificate of insurance shall show the relative amount of insurance covering the apartment and the interest in the common elements of the Condominia's property, and shall provide that improvements to apartment or apartments which may be made by the apartment owner or owners shall not affect the valuation for the purposes of this insurance of the buildings and other improvements upon the land. Such master insurance policies and certificates shall contain provisions that the insurer waives its right to subrogation as to any claim against the Board, its agents and employees, apartment owners, their respective employees, agents and guests and to any defense based on the invalidity arising from the acts of the insured, and providing further that the insurer shall not be entitled to contribution against casualty insurance which may be purchased by individual apartment owners.

Section 2. Coverage. The property shall be covered by:

(a) Casualty or physical damage insurance in amount equal to the full replacement value of the Condominium buildings, as determined by the Board. Such coverage shall afford protection against the following:

(1) Loss or damage by fire or other hazards covered by the standard extended coverage endorsement, together with coverage for the payment of common expenses with respect to damaged units during the period of reconstruction.

(2) Such other risks as, from time to time, customarily shall be covered with respect to buildings similar in construction, location and use as condominium buildings, including, but not limited to vandalism, malicious mischief, windstorm and water damage, boiler and machinery explosion or damage, plate glass damage and such other insurance as the Board may determine to be appropriate.

(b) Public liability insurance in such amount and in such form as shall be required by the Board, including but not limited to water damage, legal liability, hired automobile, non-owned automobile and off-premises employee coverages.

(c) Worker's Compensation insurance, as required.

(d) Fidelity insurance covering those employees of the Board and those agents and employees hired by the Board who handle Non-Profit Corporation funds, as determined by the Board.

Section 3. Other Insurance. Each apartment owner may obtain additional insurance at his own expense affording coverage upon his personal property and for his personal liability, but all such insurance shall contain a standard waiver of subrogation clause. Each apartment owner may obtain casualty insurance at his own expense upon his apartment but such insurance shall provide that it shall be without contribution as against the casualty insurance purchased by the Board.

Section 4. Premiums. Premiums upon insurance policies purchased by the Board shall be paid by and charged as common expenses.

Section 5. Proceeds. Each apartment owner shall be deemed to have delegated to the Board his right to adjust with the insurance companies all losses on the policies purchased by the Board. All proceeds payable as a result of casualty losses sustained which are covered by insurance purchased by the Board hereinabove set forth shall be paid to it as insurance trustees. The sole duty of the Board acting as insurance trustees shall be to receive such proceeds as they are paid and hold the same in trust for the purposes stated and for the benefit of the apartment owners and their respective mortgagees.

## ARTICLE VIII
## Maintenance and Repair

Section 1. General. No apartment owner shall do or cause to be done any work affecting his unit which would jeopardize the soundness or safety of the property, reduce the value thereof, or impair any easement therein. He shall not repair, alter, replace or remove any of the common elements which are located within his apartment without the prior consent in writing of the Board. No apartment owner shall alter or replace any walls except those partition walls which are wholly within his apartment.

Section 2. Responsibility of Board. It shall be the responsibility of the Board to maintain, repair or replace:

(a) all portions of the apartment which contribute to the support of the building, including main walls, but excluding painting, wallpapering, and decorating or other work on the interior surfaces of walls, ceilings and floors within the apartment:

(b) all portions of the apartment which constitute a part of the exterior of the building;

(c) all general common elements within the apartment;

(d) all incidental damage caused by work done at the direction of the Board.

Section 3. Responsibility of Apartment Owner. It shall be the responsibility of the apartment owner:

(a) to maintain, repair or replace, at his own expense, all portions of the apartment which may cause injury or damage to the other apartments or to the common elements except the portions mentioned and described in Section 2 above;

(b) to paint, wallpaper, decorate, and maintain the interior surfaces of all walls, ceilings and floors of the apartments;

(c) to maintain, replace, and repair any windows, glass surfaces, plumbing fixtures, water heaters, furnaces, lighting fixtures, refrigerators, air conditioning equipment, dishwashers, disposals or ranges that may be in or used exclusively for the benefit of that apartment;

(d) to refrain from repairing, altering, replacing, painting or otherwise decorating or changing the appearance of any portion of the common elements without first obtaining the consent in writing of the Board and to refrain from repairing, altering, replacing, painting, decorating or changing the exterior of the apartment, whether exclusively used by the apartment owner or otherwise, without obtaining the approval of the Board.

## ARTICLE IX
## Mortgagees

Section 1. Notice to Board. An owner who mortgages his unit shall notify the Board of the name and address of his mortgagee and the Board shall maintain such information as a matter of record.

Section 2. Notice. The Board shall at the request of a mortgagee of an apartment, notify the mortgagee of any default by an owner of any apartment in the performance of the owner's obligations under the Condominium Documents, including any unpaid assessments.

Section 3. Foreclosure. Any first mortgagee coming into possession of an apartment pursuant to the remedies provided for in the mortgage, including foreclosure or deed in lieu of foreclosure, shall take the apartment, free of any claims for unpaid assessments or charges against the mortgage apartment which accrue prior to the time such holder comes into possession of the unit, excluding, however, claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all apartments, including the mortgaged apartment.

## ARTICLE X
## Restrictions on Use

The apartments and general common elements shall be occupied and used as follows:

(a) There shall be no obstruction of the general common elements. Nothing shall be stored in the general common elements without prior consent of the Board. The Board shall have full power to set, make and establish regulations concerning the usage of all common elements. Such power shall include the assignment of common areas to an apartment for exclusive use as a parking space, or for the installation of necessary equipment such as an air conditioner or garbage container. If such area is assigned, the Board, at its discretion, may control the design, shape, size and area. The use of such an area for a house, pen, cage or container for a pet is specifically prohibited.

(b) Nothing shall be done or kept in any apartment or in the general common elements which is in violation of law or which will cause the cancellation of or increase the rate of insurance on the general common elements or another apartment or apartments, without the prior written consent of the Board.

(c) No animals, livestock or poultry of any kind shall be raised, bred or kept in any apartment or in the general common elements, except that household pets may be kept in apartments subject to the rules and regulations adopted by the Board. No animal shall be allowed to run free or without leash.

(d) No noxious or offensive activity shall be carried on in any apartment or in the general common elements, nor shall anything be done therein which may be or become an annoyance or nuisance to the other owners.

(e) Nothing shall be altered or constructed in or removed from the general common elements, except with the written permission of the Board.

(f) No advertisements, signs, or posters shall be erected or displayed on or about the premises of the Condominia, except such as may be authorized in advance by the Board.

(g) Due care shall be exercised at all times with regard to noise and all other uses or practices which may be a source of annoyance to residents of the Condominia or which may be a nuisance or may interfere with the peaceful possession and proper use of the property or premises of other persons.

(h) No gas piping, electrical wiring, or radio or television antenna systems shall be installed in or about the Condominia without the prior written approval of the Board.

(i) No apartment in the Condominia may be leased or sublet without the prior written approval of the Board, and such permission shall not be unreasonably withheld. Any lease of any apartment in the Condominia shall specifically provide that it is subject to the various restrictions affecting the use of property in the Condominia, and a signed copy of such lease shall be furnished to the Board. Upon breach or default of said lease agreement, the Board shall be regarded as the agent of the owner of the leased apartment, and shall be and is hereby authorized to cancel and terminate said lease and to take such steps as may be necessary to fully effectuate such cancellation and termination, including actions at law or in equity in the name of said owner for cancellation and termination or in the name of the Regime for specific performance to enforce the restrictions applicable to the Condominia, without in any manner waiving or relinquishing any other rights or causes of action of any of the parties for damages or other legal redress relating to the Condominia and the use of the facilities thereof; and provided further that no legal action may be taken by the Board under the foregoing authority unless and until written notice has been given to the apartment owner at least five (5) days prior thereto stating the manner of breach or default and the action proposed to be taken; no failure to enforce any of the foregoing rights shall in any way be construed as a waiver of the right to enforce same at a later date.

(j) The apartments in the Condominia shall be used solely and exclusively for single family dwelling purposes.

## ARTICLE XI
## Amendments

These Bylaws may be amended by the Members of the Non-profit Corporation through the affirmative vote of the Co-Owners of a majority of the total square footage of all of the apartments constituting the Condominia as set forth in the Master Deeds or amendments thereto; provided however that any amendment of these Bylaws modifying or affecting the method of administration of the Condominia may be made only by the affirmative vote of the Co-Owners of apartments representing two-thirds (2/3) of the total square footage of all apartments in the Condominia. Any amendment shall not be effective until it is filed for record in the Office of the Circuit Clerk and Ex-Officio Recorder for Pulaski County, Arkansas.

IN WITNESS WHEREOF, this instrument is executed this 16th day of July, 1985.

ANDOVER SQUARE HORIZONTAL
PROPERTY REGIME,
A Non-Profit Corporation

By: Martha M. Oliver
President

ATTEST:

J. B. Cross Jr.
Secretary

ACKNOWLEDGMENT

STATE OF ARKANSAS)
) ss.
COUNTY OF PULASKI)

On this day personally appeared before the undersigned, a Notary Public within and for the County aforesaid, duly qualified, commissioned and acting, Martha Oliver and J. B. Cross, Jr. to me personally well known, who stated that they were the President and Secretary, respectively, of Andover Square Horizontal Property Regime, an Arkansas Non-Profit Corporation, and stated and acknowledged that they were duly authorized in their respective capacities to execute the foregoing instrument for and in the name of and on behalf of aforesaid corporation, and further stated and acknowledged that they had so signed, executed and delivered said foregoing instrument for the consideration of the purposes therein mentioned and set forth.

WITNESS my hand and seal this 16th day of July, 1985.

Maureen Grant
Notary Public

My Commission Expires:

5-1-93

(SEAL)