



ISSUE #1

MARKUP #1 ->

Section 1: [Diamondhead Constitution & Restated Bylaws, Article VII, Section 4] Deactivation of Gate Access Cards and

Any Member whose annual assessment, special assessment, or fine remains unpaid for more than thirty (30) days after the due date shall automatically cease to be a Member in good standing, and the Association may deactivate the Member's electronic gate access device, suspend voting rights, and bar use of the golf course, swimming pool, clubhouse, and common facilities.

MARKUP #1 · CONFLICTS WITH MANDATORY STATE STATUTE

BOARD & COUNSEL REVIEW

Sec. Diamondhead Constitution & Restated Bylaws, Article VII, Section 4 (p. 1): Voting rights suspension clause lacks Arkansas statutory notice, hearing due process, or delinquency safeguards (Ark. Code Ann. § 18-13-108).

Statutory / Legal Reference: Ark. Code Ann. § 18-13-108; Ark. Code Ann. §§ 18-13-101 et seq. & Title 4, Ch. 33; Ark. Code Ann. §§ 4-33-101 et seq. (Arkansas Nonprofit Corporation Act)

Statutory Comparison: Under Arkansas community association and nonprofit corporation statutes (Ark. Code Ann. § 18-13-108; Ark. Code Ann. §§ 4-33-101 et seq. (Arkansas Nonprofit Corporation Act)), member voting rights are a fundamental corporate governance right and may not be summarily suspended without strict compliance with statutory delinquency thresholds, prior written notice, and an opportunity to be heard.

CURRENT WORDING IN DOCUMENT:

[Diamondhead Constitution & Restated Bylaws, Article VII, Section 4] Deactivation of Gate Access Cards and Suspension of Member Privileges Upon 30-Day Delinquency - Any Member whose annual assessment, special assessment, or fine remains unpaid for more than thirty (30) days after the due date shall automatically cease to be a Member in good standing, and the Association may deactivate the Member's electronic gate access device, suspend voting rights, and bar use of the golf course, swimming pool, clubhouse, and common facilities.

SAMPLE DISCUSSION WORDING (FOR HOA ATTORNEY REVIEW):

Provided that any suspension of voting or membership privileges (to the extent permitted by Arkansas law) shall require prior written notice to the Owner, a reasonable opportunity to be heard, and strict compliance with Ark. Code Ann. § 18-13-108 and Ark. Code Ann. §§ 4-33-101 et seq. (Arkansas Nonprofit Corporation Act).