

DECLARATIONS, COVENANTS AND RESTRICTIONS

OF

**STONEMEADOW
A ZERO LOT LINE SUBDIVISION**

2006 43428
Recorded in the Above
Deed Book & Page
08-31-2006 01:10:09 PM
Brenda DeShields-Circuit Clerk
Benton County, AR
Book/Pg: 2006/43428
Term/Cashier: CIRCLK01 / kjackson
Tran: 4577.133748.373888
Recorded: 08-31-2006 13:10:37
DPE Deed
REC Recordings Fee
Total Fees: \$ 122.00

122.00
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PALMCO PROPERTIES, LLC, an Arkansas limited liability company, ("Developer"),
hereby declares:

1. Introduction and Submission

1.1 The Land. The Developer owns the fee title to certain land located in Benton County, Arkansas, as more particularly described in Exhibit "1" annexed hereto (the "Land").

1.2 Submission Statement. The Developer hereby submits the Land described in Exhibit "1" and all improvements erected or to be erected thereon but excluding all public or private (e.g. Cable television and or other receiving or transmitting lines, fiber, antennae, or equipment) utility installations, and all leased property therein or thereon to the use provided for herein as it exists on the date hereof and as it may be hereafter amended. Without limiting any of the foregoing, no property, not located within or upon the Land in Exhibit "1" as aforesaid shall for any purposes be deemed part of the Subdivision or be subject to any rules or regulations promulgated pursuant thereto.

1.3 Name. The name by which this Subdivision is to be identified is STONEMEADOW (hereinafter called the "Subdivision").

2. Definitions. The following terms when used in this Declaration and in its exhibits, and as it and they may hereafter be amended, shall have the respective meanings ascribed to them in this Section, except where the context clearly indicates a different meaning:

2.1 "Articles" or "Articles of Incorporation" means the Articles of Incorporation of the Association, as amended from time to time.

2.2 "Assessment" means a share of the funds required for the payment of Common Expenses which from time to time is assessed against the Lot Owner.

2.3 "Association" means STONEMEADOW HOMEOWNER'S ASSOCIATION,

an Arkansas corporation not for profit, the sole entity responsible for the operation of the Subdivision.

- 2.4 "Association Property" means the property, real and personal, title to which ownership of is vested in the Association for use and benefit of its members either by deed or dedication by the plat or the Declaration.
- 2.5 "Building" means the structure(s) located on a lot in the Subdivision.
- 2.6 "By-Laws" mean the By-Laws of the Association, as amended from time to time.
- 2.7 "Common Elements" mean and include:
- (a) The portions of the Subdivision which are not included within a Lot.
 - (b) Easements through a Lot for conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility and other services to a Building and the Common Elements.
 - (c) An easement of support along the Subdivision Lot line of a Building on a Lot which contributes to the support of a Building.
 - (d) The property and installations required for the furnishing of utilities and other services to more than one Building or to the Common Elements.
 - (e) Any other parts of the Property designated as Common Elements in this Declaration.
- 2.8 "Common Expenses" means all expenses and assessments which are properly incurred by the Association for the Subdivision.
- 2.9 "Common Surplus" means the excess of all receipts of the Association collected on behalf of the Association, including, but not limited to, Assessments, rents, profits and revenues on account of the Common Elements, over the amount of Common Expenses.
- 2.10 "County" means the County of Benton, State of Arkansas.
- 2.11 "Declaration" means this instrument, as it may be amended from time to time.
- 2.12 "Developer" means PALMCO PROPERTIES, LLC, an Arkansas limited

liability company, its successors and such of its assigns as to which its rights hereunder are assigned by written instrument recorded in the Public Records of the County. Such assignment may be made on an exclusive or non-exclusive basis and may be an assignment of all or only portions of its rights as Developer hereunder; provided, however, that no such assignment shall make any assignee the "Developer" for purposes hereof unless such assignment is an assignment of all of Developer's rights hereunder and is exclusive, except as to any previously assigned rights.

- 2.13 "Improvements" means all structures and artificial changes to the natural environment (exclusive of landscaping) located on the Subdivision Property, including, but not limited to, the Building.
- 2.14 "Limited Common Elements" means those Common Elements the use of which is reserved to a certain Lot to the exclusion of other Lots, as specified herein. References to Common Elements shall include Limited Common Elements unless the context would prohibit or it is otherwise provided.
- 2.15 "Lot" means a Lot together with the undivided share in the Common Elements which is appurtenant to said Lot; and when the context permits, the term includes all other appurtenances to the Lot.
- 2.16 "Lot Owner" or "Owner of a Lot" or "Owner" means a record Owner of legal title to a Subdivision Lot.
- 2.17 "Plat" means the Subdivision Property Plat recorded with the County Recorder as amended from time to time.
- 2.18 "Subdivision Property" means the land, improvements and other property described in Section 1.2 hereof, subject to the limitations thereof and exclusions therefrom. Notwithstanding anything contained herein to the contrary, however, the term "Subdivision Property" shall not include any telecommunications lines and equipment owned by a utility and/or telecommunication firm(s) and/or other legal entity(ies) which have contracted with or have imposed other legal requirements upon Developer and/or the Subdivision Property including telecommunications equipment, gas lines, water lines, sewer lines provided by the City of Bentonville or any other utility or service provider, if any, owned by Developer, the title to which is hereby specifically reserved unto Developer, and its successors and/or assigns or the utility by easement of dedication in the plat of the Subdivision Property.
3. Description of Subdivision.

- 3.1 Identification of Lots. The Land has constructed thereon Two Hundred Sixty (260) zero line lots upon which Buildings will be built for residential occupancy on all lots of the Subdivision, except lots (or parts thereof) which shall be reserved for construction of common elements. Each such Lot is identified by a separate numerical designation. The designation of such Lot is set forth on Exhibit "2" attached hereto. Exhibit "2" consists of a survey of the Land, and a plot plan thereof. Said Exhibit "2", together with this Declaration, is sufficient in detail to identify the Common Elements and each Lot and their relative locations and dimensions. There shall pass with a Lot as appurtenances thereto (a) an undivided share in the Common Elements and Common Surplus subject to rules and regulations set from time to time by the Association Board of Directors; (b) the right to use such portion of the Common Elements as may be provided in this Declaration, including, without limitation, the right to transfer such right to other Lot or Lot Owners; (c) an easement for the use of the airspace occupied by the Lot as it exists at any particular time and as the Building on a Lot may lawfully be altered or reconstructed from time to time, provided that an easement in airspace which is vacated shall be terminated automatically; (d) membership in the Association with the full voting rights appurtenant thereto; and (e) other appurtenances as may be provided by this Declaration.
- 3.2 Lot Boundaries. Each Lot shall include that part of the Building erected on a Lot that lies within the following boundaries:
- (a) Perimetrical Boundaries. The perimetrical boundaries of the Lot shall be the vertical planes of the unfinished interior surfaces of the walls separating a Building at the zero lot line between two (2) Lots extended to their planar intersections with each other.
 - (b) Apertures. Where there are apertures in any Lot boundary, including, but not limited to, driveways, sidewalks, roof (and related structures or materials) shall be extended to include such apertures, including all frameworks thereof.
 - (c) Exceptions. In cases not specifically covered above, and/or in any case of conflict or ambiguity, the survey of the Lots set forth as Exhibit "2" hereto shall control in determining the boundaries of a Lot, except that the provisions of Section 3.2(a) above shall control unless specifically depicted otherwise on such survey.

3.3(a) Common Elements. In addition to the Common Elements shown on the Plat of the Subdivision, if any, the following shall be common elements of the Subdivision:

- (i) The clubhouse, pool, parking and related facilities located on lots ____ and ____ of the Subdivision.
- (ii) The entry gates on Glen Road entering the Subdivision at _____ Street and _____ Street, and the berms and landscaping along Glen Road between the two entry roads into the Subdivision regardless whether erected on a Lot.
- (iii) The perimeter fence erected around the Subdivision regardless whether erected on a Lot.
- (iv) The detention pond shown on the Plat serving the Subdivision.

3.3(b) Limited Common Elements. Each Lot may have as Limited Common Elements appurtenant thereto, the right to use such Limited Common Elements subject to the terms hereof.

- (i) Alleys/Rear Entry Drives. Any Alleys/Rear Entry Driveways located adjacent to a Lot shall be a limited common area to be used by those Lot Owners who lots adjacent to said alleyways and shall be a maintenance obligation for the Association.

3.4 Easements. The following easements are hereby created (in addition to any easements created under the Plat):

- (a) Support. Each Lot shall have an easement of support and of necessity and shall be subject to an easement of support and necessity in favor of all other Lots, and the Common Elements.
- (b) Utility and Other Services; Drainage. Easements are reserved under, through and over the Subdivision Property as may be required from time to time for utility, cable television, communications, or other services or drainage facilities or the use of these easements. The Association (and any utility provider including but not limited to the City of Bentonville) shall have the irrevocable right of access to each Lot during reasonable hours, when necessary for the maintenance, repair, or replacement of any utility or any Common Elements.

- (c) Gates; Landscaping; Perimeter Fencing. There shall be an easement for the entry gates and landscaping at both roads entering the Subdivision from Glen Road. The easement shall be for all fixed planters, waterfalls, and the like and all landscaping, plumbing, irrigation, electrical and related items for all such entry gates. There shall be an easement for the perimeter fencing around the boundary of the Subdivision and all landscaping along any fenced areas.
- (d) Encroachments. If (a) any portion of the Common Elements encroaches upon any Lot; (b) any Lot encroaches upon any other Lot or upon any portion of the Common Elements; or (c) any encroachment shall hereafter occur as a result of (i) construction of the Improvements; (ii) settling or shifting of the Improvements; (iii) any alteration or repair to the Common Elements made by or with the consent of the Association or Developer, as appropriate, or (iv) any repair or restoration of the Improvements (or any portion thereof) or any Building after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Lot or the Common Elements, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the Improvements shall stand.
- (e) Ingress and Egress. A non-exclusive easement in favor of each Lot Owner and resident, their guests and invitees, shall exist for pedestrian traffic over, through and across sidewalks, streets, paths, walks and other portions of the Common Elements as from time to time may be intended and designated for such purposes and use; and for vehicular and pedestrian traffic over, through and across such portions of the Common Elements as from time to time may be paved and intended for such purposes. None of the easements specified in this subparagraph (d) shall be encumbered by any leasehold or lien. Any such lien encumbering such easements (other than those on Lots) automatically shall be subordinate to the rights of Lot Owners and the Association with respect to such easements.
- (f) Construction; Maintenance. The Developer (including its designees, contractors, successors and assigns) shall have the right, in its (and their) sole discretion from time to time, to enter the Subdivision Property and take all other action necessary or convenient for the purpose of undertaking and completing the construction thereof, or any Improvements, structures, facilities and/or buildings located or to be

be located thereon, and for repair, replacement and maintenance or warranty purposes or where the Developer, in its sole discretion, determines that it is required or desires to do so. The Association (and its designees, contractors, subcontractors and/or employees) shall have the right to have access to each Lot from time to time during reasonable hours as may be necessary for maintenance, repair or replacement of any Common Elements, if any, to be maintained by the Association, or at any time and by force, if necessary, to prevent damage to the Common Elements, the Association Property or to a building.

- (g) Sales Activity. For as long as the Developer is offering Lots for sale in the ordinary course of business, the Developer, its designees, successors and assigns, shall have the right to use any such Lots, buildings and parts of the Common Elements for model residence and sales, management and construction offices, to show model buildings and the Common Elements to prospective purchasers and to erect on the Subdivision Property signs and other promotional material to advertise Lots and buildings for sale or lease. This paragraph shall not be amended without the consent of the Developer.
- (h) Association. The Association shall have an easement of access over, under and through the Subdivision Property for the purpose of performing its functions pursuant to the Declaration.
- (i) Additional Easements. The Developer (as long as it is offering Lots for sale in the ordinary course of business) and the Association, on their behalf and on behalf of all Lot Owners (each of whom hereby appoints the Developer and the Association as its attorney-in-fact for this purpose), each shall have the right to grant such additional general ("blanket") and specific electric, gas or other utility, cable television, security systems, communications or service easements (and appropriate bills of sale for equipment, conduits, pipes, lines and similar installations pertaining thereto), or relocate any such existing easements or drainage facilities, in any portion of the Subdivision Property, and to grant access easements or relocate existing access easements in any portion of the Subdivision Property, as the Developer or the Association shall deem necessary or desirable for the proper operation and maintenance of the buildings, improvements, or any portion thereof, or for the general health or welfare or the Lot Owners, or for the purpose of carrying out any provisions of this Declaration, provided that such easements or the relocation of existing easements will not prevent or unreasonably interfere with the reasonable use of

interfere with the reasonable use of the Lots and buildings located thereon for dwelling purposes.

- (j) Use of Common Elements and Association Property. The Common Elements shall be used only for furnishing of the services and facilities for which they are reasonably suited and which are incident to the use of occupancy of Lots. In that regard, each Lot Owner, by acceptance of a deed for a Lot, thereby covenants and agrees that it is the intention of the Developer that the alleyways are intended for ingress and egress.

4. Restraint Upon Separation and Partition of Common Elements. The undivided share in the Common Elements and Common Surplus which is appurtenant to a Lot, shall not be separated therefrom and shall pass with the title to the Lot, whether or not separately described. The appurtenant share in the Common Elements and Common Surplus, except as elsewhere herein provided to the contrary, cannot be conveyed or encumbered except together with a Lot. The respective shares in the Common Elements appurtenant to Lots shall remain undivided, and no action for partition of the Common Elements, the Subdivision Property, or any part thereof, shall lie, except as provided herein with respect to termination of the Association.

5. Ownership of Common Elements and Common Surplus and Share of Common Expenses; Voting Rights.

- 5.1 Percentage Ownership and Shares. Upon recordation of this Declaration, each Lot shall have an undivided share in the ownership of the Common Elements and Common Surplus in the percentages set forth on Exhibit "3" attached hereto and made a part hereof. The percentages were established by dividing the total Lots (excluding common element lots) into one (1) Lot ($259/1 = .00389$). This calculation was undertaken to establish a fair and equitable method of assessments for each Lot. Every purchaser agrees to be bound by said calculations, and hereby irrevocably waives the right to assert that such calculations were unfair or in error. For purposes hereof, each Lot Owner's percentage is .00389%. Therefore, if total expenses per year are \$100,000.00, a Lot Owner's percentage obligations shall be \$389.00 per year. The percentages for each Lot Owner may be changed if the number of lots in the Subdivision is reduced for any reason.

- 5.2 Voting. Each Lot Owner shall be a member of the Association. Each Lot shall be entitled to one (1) vote to be cast by its Owner in accordance with the provisions of the By-Laws and Articles of the Association. Any two (2) Lots which have been combined into one (1) combined Lot shall be deemed to be two (2) Lots (as if they had not been so combined) and shall therefore be

entitled to two (2) votes to be cast by its Owner.

6. Amendments. Except as elsewhere provided herein, amendments may be effected as follows:

6.1 By The Association. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which the proposed amendment is to be considered. An amendment may be proposed either by a majority of the Board of Directors or by not less than one-third (1/3) of the members of the Association. Except as elsewhere provided, approvals of proposed amendments must be by affirmative vote of Lot Owners owning in excess of two-thirds (2/3) of the Lots. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval or disapproval in writing, provided that such approval or disapproval is delivered to the secretary at or prior to the meeting, however such approval or disapproval may not be used as a vote for or against the action taken and may not be used for the purpose of creating a quorum.

6.2 By the Developer or The Association for Omissions and Errors. The Developer, without a vote of Lot owners, or the Association upon a vote of a majority of the voting interests, may amend the Declaration, the Articles or the By-Laws of the Association to correct an omission or error, or effect any other amendment, except that this procedure for amendment cannot be used if such an amendment would materially and adversely affect substantial property rights of Lot Owners, unless the affected Lot Owners consent thereto.

Notwithstanding anything herein contained to the contrary, during the time the Developer has the right to elect a majority of Board Directors of the Association, the Declaration, the Articles of Incorporation or the By-Laws of the Association may be amended by the Developer alone, without requiring the consent of any other party, to effect any change whatsoever, except for an amendment to effect a Material Amendment which must be approved, if at all, in the manner set forth in Section 6.4 below. The unilateral amendment right set forth herein shall include, without limitation, the right to correct scrivener's errors. No amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved to the Developer, without the consent of the Developer in each instance.

6.3 Execution and Recording. An amendment, other than amendments made by the Developer alone pursuant to this Declaration, shall be evidenced by a certificate of the Association which shall include recording data identifying the Declaration and shall be executed either by the President of the Association or a majority of

a majority of the members of the Board of Directors and shall be executed with the same formalities required for the execution of a deed. Amendments by the Developer must be evidenced by a similar certificate executed by the Developer alone. An amendment to the Declaration is effective when the applicable amendment is properly recorded in the public records of the County.

- 6.4 Proviso. Unless otherwise provided specifically to the contrary in this Declaration, no amendment shall change the configuration or size of any Lot in any material fashion, materially alter or modify the appurtenances to any Lot, or change the percentage by which the Owner of a Lot shares the Common Expenses and owns the Common Elements and Common Surplus unless all the record Owner(s) thereof and all record owner of mortgages or other liens thereon, shall join in the execution of the amendment and the amendment is otherwise approved by in excess of 2/3 or more of the voting interests of Lot Owners. No amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved to the Developer or mortgagees in each instance. The provisions of this paragraph of Section 6.4 may not be amended in any manner. No provision of this Declaration shall be revised or amended by reference to its title or number only. Proposals to amend existing provisions of this Declaration shall contain the full text of the provision to be amended; new words shall be inserted in the text underlined; and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial rewording of Declaration. See Provision _____ for the present text." Non-material errors or omissions in the amendment process shall not invalidate an otherwise properly promulgated amendment. The acquisition of property by the Association, material alterations or substantial additions to such property or the Common Elements by the Association and installation, replacement, operation, or repair, if in accordance with the provisions of this Declaration, shall not be deemed to constitute a material alteration or modification of the appurtenances of the Lots, and accordingly, shall not constitute a Material Amendment.
- 6.5 Storm Water Management. No amendment may be adopted which would affect the surface water management system.
- 6.6 Amendments affecting Clubhouse and pool area Lot. No amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved

to a Lot Owner(s) from time to time of the Clubhouse Lot(s) unless by at least a two-thirds (2/3) vote.

- 6.7 Mortgagees Consent. No amendment may be adopted which would eliminate, modify, prejudice abridge or otherwise adversely affect any rights, benefits, or priorities granted or reserved to mortgagees of Lots without the consent of said mortgagees in each instance.

7. Maintenance and Repairs

- 7.1 Lots and Limited Common Elements. All lawn maintenance and landscaping repairs and replacements of, in or to any Lot, the Common Areas, and Limited Common Elements appurtenant thereto, ordinary or extraordinary, including, without limitation, maintenance, repair and replacement of shrubs, lawn, irrigation system or the alleyways (designated by the plat of this Declaration) and all others lying within the boundaries of a Lot or other property belonging to the Lot Owner, shall be performed by the Association at the Lot Owner's sole cost and expense. Such repairs and maintenance shall not include the repair or maintenance of a Building or other improvement not specifically identified herein. The cost shall be included in the Lots Owner's monthly dues payable to the Association. Notwithstanding anything herein to the contrary, if the Lot Owner has an approved fence (as provided herein), the Lot Owner shall be responsible for all maintenance and landscaping inside of the fenced area. Further, a Lot Owner shall be responsible for any repair caused by the Lot Owner, or their invitees' negligence or unlawful conduct.

- 7.2 Common Elements. Except to the extent (i) expressly provided to the contrary herein, or (ii) proceeds of insurance are made available therefor, all maintenance, repairs and replacements in or to the Common Elements shall be performed by the Association and the cost and expense thereof shall be charged to all Lot Owners as a Common Expense, except to the extent arising from or necessitated by the negligence, misuse or neglect of specific Lot Owners, in which case such cost and expense shall be paid solely by such Lot Owners.

8. New Construction; Additions, Alterations or Improvements by the Association

Whenever in the judgment of the Board of Directors, the Common Elements, or any part thereof, or the Limited Common Elements, shall require capital additions, alterations or improvements (as distinguished from repairs and replacements) costing in excess of \$25,000 in the aggregate in any calendar year, the Association may proceed with such additions, alterations or improvements only if the making of such additions, alterations or improvements shall have been approved by a majority of the Lot Owners represented at a meeting at which a quorum is attained. Any such additions, alterations or improvements

improvements to such Common Elements, or any part thereof, costing in the aggregate \$25,000 or less in a calendar year may be made by the Association without approval of the Lot Owners. The cost and expense of any such additions, alterations or improvements to such Common Elements shall be as a "Capital Improvement Assessment" of the Lot Owners as provided in Section 12.2 hereof. For purposes of this section, "aggregate in any calendar year" shall include the total debt incurred in that year, if such debt is incurred to perform the above-stated purposes, regardless of whether the repayment of any part of that debt is made beyond that year.

9. New Construction; Additions, Alterations or Improvements by Lot Owner/Developer

9.1 Consent of the Board of Directors. No Lot Owner shall build a new building, make any addition, alteration or improvement in or to the Common Elements, his Lot or the exterior of the building situated thereon or any Limited Common Element without the prior written consent of the Board of Directors, provided that the Board of Directors shall not withhold its consent to the installation of window film or laminated glass, as long as same have a character, location and other attributes approved by the Board. The Board shall have the obligation to answer any written request by a Lot Owner for approval of such an addition, alteration or improvement in such Lot Owner's buildings or Limited Common Elements within forty-five (45) days after such request and all additional information requested is received, and the failure to do so within the stipulated time shall constitute the Board's consent. The proposed additions, alterations and improvements by the Lot Owners shall be made in compliance with all laws, rules, ordinances and regulations of all governmental authorities having jurisdiction, and with any conditions imposed by the Association with respect to design, structural integrity, aesthetic appeal, construction details, lien protection or otherwise. A Lot Owner making or causing to be made any such additions, alterations or improvements agrees, and shall be deemed to have agreed, for such Owner, and his heirs, personal representatives, successors and assigns, as appropriate, to hold the Association, and all other Lot Owners harmless from and to indemnify them for any liability or damage to the Subdivision Property and expenses arising therefrom, and shall be solely responsible for the maintenance, repair and insurance thereof from and after the date of installation or construction thereof as may be required by the Association. Notwithstanding the foregoing, in order to allow the Association to obtain the operating history and experience necessary to provide for uniformity in the nature of Lot Owner improvements and to protect the aesthetic appeal of the Subdivision, no such requests for additions, alterations or improvements may be presented to the Board for its consideration until such time as the Lot Owners, other than the Developer, have elected a majority of the Board of Directors.

9.2 Developer's Reserved Right. Developer reserves the right to build new residences on a Lot without approval by the other Lot Owners or the Association and to

nonmaterially alter, change or modify the interior design and arrangement of all Lots and buildings situated thereon, and to alter the boundaries between the Lots as long as Developer owns the Lots or buildings so altered (which alterations in Developer's Lots or buildings are hereinafter referred to as the "Developer Alterations"). Any material changes shall require the majority approval of the Voting Interests in the Association.

9.3 Expansion of Common Elements by Developer. Although the Developer has no intention of doing so, it reserves the right at any time to expand or add to any of the above described Common Elements and recreational facilities and to include such other facilities as the Developer deems appropriate. The consent of the Lot Owners or the Association shall not be required for any such construction or exclusion. The Developer is not obligated, however, to so expand the facilities or provide additional facilities.

10. Operation of the Association: Powers and Duties.

10.1 Powers and Duties. The Association shall be the entity responsible for the operation of the Subdivision. The powers and duties of the Association shall include those set forth in the Articles of the Association and By-Laws (Exhibits "4" and "5" annexed hereto), as amended from time to time. In addition, the Association shall have all the powers and duties set forth at law or in equity, as well as all powers and duties granted to or imposed upon it by this Declaration, including, without limitation:

- (a) The irrevocable right to have access to each Lot and its Limited Common Elements from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any Common Elements or Limited Common Element therein or performing lawn service and operation of the irrigation system, or at any time and by force, if necessary, for making emergency repairs therein necessary to prevent damage to the Common Elements or Limited Common Elements or to any other Lots or buildings situated thereon.
- (b) The power to make and collect Assessments and other charges against Lot Owners and to lease, maintain, repair and replace the Common Elements.
- (c) The duty to maintain accounting records according to good accounting practices, which shall be open to inspection by Lot Owners or their authorized representatives at reasonable times upon prior request.
- (d) The power to contract for the management and maintenance of the Subdivision Property and Common Elements or Limited Common Elements located therein, and to authorize a duly licensed management agent (who may be an affiliate of the Developer) to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of

collection of Assessments, preparation of records, enforcement of rules and maintenance, repair and replacement of Common Elements and Limited Common Elements with such funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties granted in this Declaration and at law or in equity, including, but not limited to, the making of Assessments, promulgation of rules and execution of contracts on behalf of the Association.

- (e) The power to borrow money, execute promissory notes and other evidences of indebtedness and to give as security therefor mortgages and security interests in property owned by the Association, if any, provided that such actions are approved by a majority of the entire membership of the Board of Directors and of the Lots represented at a meeting at which a quorum has been attained, or by such greater percentage of the Board or Lot Owners as may be specified in the By-Laws with respect to certain borrowing.
- (f) The power to charge a fee for the exclusive use of any Common Elements by an Owner having a right to such use.
- (g) The power to adopt and amend rules and regulations concerning the details of the operation and use of the Subdivision Property or the Common Elements or Limited Common Elements.
- (h) The limited power to convey a portion of the Common Elements pursuant to applicable law.
- (i) All of the powers which a corporation not for profit in the State of Arkansas may exercise.

In the event of conflict among the powers and duties of the Association or the terms and provisions of this Declaration or the exhibits attached hereto, this Declaration shall take precedence over the Articles, By-Laws and applicable rules and regulations; the Articles shall take precedence over the By-Laws and applicable rules and regulations; and the By-Laws shall take precedence over applicable rules and regulations, all as amended from time to time. Notwithstanding anything in this Declaration or its exhibits to the contrary, the Association shall at all times be the entity having ultimate authority over the Subdivision, consistent with the Declaration and applicable law.

- 10.2 Limitation of Liability of Association. Notwithstanding the duty of the Association to maintain and repair parts of the Common Elements or Limited Common Elements, the Association shall not be liable to Lot Owners for injury or damage, other than for the cost of maintenance and repair, caused by any latent condition of the Subdivision Property, Common Elements or Limited

Common Elements. Further, the Association shall not be liable for any injury or damage caused by defects in design or workmanship or any other reason connected with any additions, alterations or improvements done by or on behalf of any Lot Owners regardless of whether or not same shall have been approved by the Association pursuant to Section 9.1 hereof.

NOTWITHSTANDING ANYTHING CONTAINED HEREIN OR IN THE ARTICLES, BY-LAWS, ANY RULES OR REGULATIONS OF THE ASSOCIATION OR ANY OTHER DOCUMENT GOVERNING OR BINDING THE ASSOCIATION (COLLECTIVELY, THE "ASSOCIATION DOCUMENTS"), THE ASSOCIATION SHALL NOT BE LIABLE OR RESPONSIBLE FOR, OR IN ANY MANNER A GUARANTOR OR INSURER OF, THE HEALTH, SAFETY OR WELFARE OF ANY OWNER, OCCUPANT OR USER OR ANY PORTION OF THE SUBDIVISION PROPERTY, COMMON ELEMENTS OR LIMITED COMMON ELEMENTS, INCLUDING, WITHOUT LIMITATION, RESIDENTS AND THEIR FAMILIES, GUESTS, INVITEES, AGENTS, SERVANTS, CONTRACTORS OR SUBCONTRACTORS OR FOR ANY PROPERTY OF ANY SUCH PERSONS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING:

(a) IT IS THE EXPRESS INTENT OF THE ASSOCIATION DOCUMENTS THAT THE VARIOUS PROVISIONS THEREOF WHICH ARE ENFORCEABLE BY THE ASSOCIATION AND WHICH GOVERN OR REGULATE THE USES OF THE SUBDIVISION PROPERTY, COMMON ELEMENTS OR LIMITED COMMON ELEMENTS, HAVE BEEN WRITTEN, AND ARE TO BE INTERPRETED AND ENFORCED, FOR THE SOLE PURPOSE OF ENHANCING AND MAINTAINING THE ENJOYMENT OF THE SUBDIVISION PROPERTY AND THE VALUE THEREOF;

(b) ANY PROVISIONS OF THE ASSOCIATION DOCUMENTS SETTING FORTH THE USES OF ASSESSMENTS WHICH RELATE TO HEALTH, SAFETY, AND/OR WELFARE SHALL BE INTERPRETED AND APPLIED ONLY AS LIMITATIONS ON THE USES OF ASSESSMENT FUNDS AND NOT AS CREATING A DUTY OF THE ASSOCIATION TO PROTECT OR FURTHER THE HEALTH, SAFETY OR WELFARE OF ANY PERSON(S), EVEN IF ASSESSMENT FUNDS ARE CHOSEN TO BE USED FOR ANY SUCH REASON.

EACH LOT OWNER (BY VIRTUE OF HIS ACCEPTANCE OF TITLE TO HIS LOT) AND EACH OTHER PERSON HAVING AN INTEREST IN OR LIEN UPON, OR MAKING ANY USE OF, ANY PORTION OF THE SUBDIVISION PROPERTY (BY VIRTUE OF ACCEPTING SUCH INTEREST OR LIEN OR MAKING SUCH USES) SHALL BE BOUND BY THIS PROVISION AND SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ANY AND ALL RIGHTS, CLAIMS, DEMANDS, AND CAUSES OF ACTIONS AGAINST THE ASSOCIATION ARISING FROM OR CONNECTED WITH ANY MATTER FOR WHICH THE LIABILITY OF THE ASSOCIATION HAS BEEN DISCLAIMED IN THIS PROVISION.

AS USED IN THIS ARTICLE, "ASSOCIATION" SHALL INCLUDE WITHIN ITS MEANING ALL OF THE ASSOCIATION'S DIRECTORS, OFFICERS, COMMITTEE AND BOARD MEMBERS, EMPLOYEES, AGENTS, CONTRACTORS (INCLUDING MANAGEMENT COMPANIES), SUBCONTRACTORS, SUCCESSORS AND ASSIGNS. THE PROVISIONS OF THIS ARTICLE SHALL ALSO INURE TO THE BENEFIT OF THE DEVELOPER AND ITS AFFILIATES, WHICH SHALL BE FULLY PROTECTED HEREBY.

- 10.3 Restraint Upon Assignment of Shares in Assets. The share of a Lot Owner in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his Lot.
- 10.4 Approval or Disapproval of Matters. Whenever the decision of a Lot Owner is required upon any matter, whether or not the subject of an Association meeting, that decision shall be expressed by the same person who would cast the vote for that Lot if at an Association meeting, unless the joinder of all record Owners of the Lot is specifically required by this Declaration or by law.
- 10.5 Acts of the Association. Unless the approval or action of Lot Owners, and/or a certain specific percentage of the Board of Directors of the Association, is specifically required in this Declaration, the Articles or By-Laws of the Association, applicable rules and regulations or applicable law, all approvals or actions required or permitted to be given or taken by the Association shall be given or taken by the Board of Directors, without the consent of Lot Owners, and the Board may so approve and act through the proper officers of the Association without a specific resolution. When an approval or action of the Association is permitted to be given or taken hereunder or thereunder, such action or approval may be conditioned in any manner the Association deems appropriate or the Association may refuse to take or give such action or approval without the necessity of establishing the reasonableness of such conditions or refusal.
- 10.6 Association Maintenance Recommendations. It is recommended that the Association, in carrying out its responsibilities under this Article 10.5, comply with the following minimum standards, requirements and guidelines:

The Board shall cause all Utilities and Utility systems forming a part of the Common Elements to be maintained properly and in good condition, and effect repairs thereto as needed.

All landscaping should be maintained in accordance with the following minimum maintenance standards:

- (a) Lawn and ground cover should be kept ~~in good and/or trimmed~~ regularly;
- (b) Planting should be kept in a healthy and growing condition;
- (c) Fertilization, cultivation, spraying and tree pruning should be performed as part of the regular landscaping program;
- (d) Stakes, guides, and ties on trees should be checked regularly to insure the correct function of each; ties shall be adjusted to avoid creating abrasions or girdling of the trunk or stem;
- (e) Damage to planting should be ameliorated within thirty (30) days of occurrence; and
- (f) Irrigation systems should be kept in sound working condition; adjustments, replacement or malfunctioning parts and cleaning of systems should be an integral part of the regular landscaping program.

It is recommended that the Board cause all hardscape and paved areas within the Common Elements or Limited Common Elements be inspected regularly by a licensed and qualified contractor or engineer with expertise in the construction and maintenance of such hardscape and paved areas.

It is recommended that the Board cause the swimming pool to be inspected each year by a licensed and qualified contractor or engineer with expertise in the construction and maintenance thereof.

It is recommended that the Board carry out such other periodic inspections and obtain such other expert reports, as may be prudent and appropriate. In each instance in which a contractor, engineer, architect or other professional with the expertise in a specific area is engaged to conduct an investigation or inspection, such expert shall promptly provide a written report thereof to the Board. The written report shall identify all items of maintenance or repair which either requires current action by the Association, or which will need further review, inspection or analysis. The Board shall, in each case, cause any and all necessary or prudent repairs to be promptly undertaken and completed, to prevent avoidable deterioration or property damage.

This Section 10.6 is intended only to provide specific minimum maintenance and inspection recommendations in particular areas, and shall in no way limit the Association's general responsibility with respect to maintenance designed to prevent avoidable deterioration or property damage.

11. Determination of Common Expenses and Fixing of Assessments Therefor. The Board of Directors shall from time to time, and at least annually, prepare a budget for the Subdivision, determine the amount of Assessments payable by the Lot Owners to meet

the Common Expenses of the Subdivision and allocate and assess such expenses among the Lot Owners in accordance with the provisions of this Declaration and the By-Laws. The Board of Directors shall advise all Lot Owners promptly in writing of the amount of the Assessments payable by each of them as determined by the Board of Directors as aforesaid and shall furnish copies of each budget, on which such Assessments are based, to all Lot Owners. The Common Expenses shall include the expenses of and reserves for (if required by law) the operation, maintenance, repair and replacement of the Common Elements or Limited Common Elements, costs of carrying out the powers and duties of the Association and any other expenses designated as Common Expenses by this Declaration, the Articles or By-Laws of the Association. Incidental income to the Association, if any, may be used to pay regular or extraordinary Association expenses and liabilities, to fund reserve accounts, or otherwise as the Board shall determine from time to time, and need not be restricted or accumulated. Any Budget adopted shall be subject to change to cover actual expenses at any time. Any such change shall be adopted consistent with the provisions of the By-Laws.

12. Collection of Assessments

12.1 Liability for Assessments. A Lot Owner, regardless of how title is acquired, including a purchaser at a judicial sale, shall be liable for all Assessments coming due while he is the Lot Owner. In the case of a voluntary conveyance, the grantee shall be jointly and severally liable with the grantor for all unpaid Assessments against his share of the Common Expenses and Limited Common Expenses, up to the time of the conveyance, without prejudice to any right the grantee may have to recover from the grantor the amounts paid by the grantee. The liability for Assessments may not be avoided by waiver of the use or enjoyment of any Common Elements or by the abandonment of the Lot for which the Assessments are made or otherwise.

12.2 Special and Capital Improvement Assessments. In addition to Assessments levied by the Association to meet the Common Expenses of the Subdivision, the Board of Directors may levy "Special Assessments" and "Capital Improvement Assessments" upon the following terms and conditions:

- (a) "Special Assessments" shall mean or refer to a charge against each Owner and his Lot, representing a portion of the costs incurred by the Association for specific purposes of a nonrecurring nature which are not in the nature of capital improvements.
- (b) "Capital Improvement Assessments" shall mean and refer to a charge against each Owner and his Lot, representing a portion of the costs incurred by the Association for the acquisition, installation, construction or replacement (as distinguished from repairs and

maintenance) of any capital improvements located or to be located within the Common Elements or Limited Common Elements.

- (c) Special Assessments and Capital Improvement Assessments may be levied by the Board of Directors and shall be payable in lump sums or installments, in the discretion of the Board; provided that, if such Special and Capital Improvement Assessments, in the aggregate in any year, exceed \$10,000.00, or cause the total Assessments levied to exceed 115% of Assessments for the proceeding calendar year, the Board must obtain approval of a majority of the Lot Owners' represented at a meeting at which a quorum is attained.

12.3 Default in Payment of Assessments. Assessments and installments thereof not paid within ten (10) days from the date when they are due shall bear interest at the highest lawful rate from the date due until paid together with a late fee not to exceed the greater of \$25.00 or 5% of each installment due. The Association has a lien on such Lot, with interest and for reasonable attorney's fees and costs incurred by the Association incident to the collection of the Assessment or enforcement of the lien. The lien is effective as of the date of the recording of this Declaration and shall be evidenced by the recording of a claim of lien in the Public Records of the County, stating the description of the Lot in the Subdivision by lot number on the plat, the name of the record Owner, the name and address of the Association, the amount due and the due dates. The claim of lien shall not be released until all sums secured by it (or such other amount as to which the Association shall agree by way of settlement) have been fully paid or until it is barred by law. The claim of lien shall secure (whether or not stated therein) all unpaid assessments, interest thereon, and costs and attorneys fees which are due and which may accrue subsequent to the recording of the claim of lien and prior to the entry of a final judgment of foreclosure thereof. A claim of lien shall be signed and acknowledged by an officer or agent of the Association. Upon payment, the person making the payment is entitled to a satisfaction of the lien in recordable form. The Association may bring an action in its name to foreclose a lien for unpaid Assessments in the manner a mortgage on real property is foreclosed and may also bring an action at law to recover a money judgment for the unpaid Assessments without waiving any claim of lien. Upon the filing of a Claim of Lien, the Association may declare the Assessment installments due for the balance of the budget year to be accelerated and immediately due and payable.

12.4 Notice of Intention to Foreclose Lien. No foreclosure judgment may be entered until at least thirty (30) days after the Association gives written notice to the Lot Owner of its intention to foreclose its lien to collect the unpaid Assessments. If

Assessments. If this notice is not given at least thirty (30) days before the foreclosure action is filed, and if the unpaid Assessments, including those coming due after the claim of lien is recorded, are paid before the entry of a final judgement of foreclosure, the Association shall not recover attorney's fees or costs. The notice must be given by delivery of a copy of it to the Lot Owner or by certified or registered mail, return receipt requested, addressed to the Lot Owner at the last known address, and upon such mailing, the notice shall be deemed to have been given. If after diligent search and inquiry the Association cannot find the Lot Owner or a mailing address at which the Lot Owner will receive the notice, the court may proceed with the foreclosure and may award attorney's fees and costs as permitted by law.

- 12.5 Appointment of Receiver to Collect Rental. If the Lot Owner remains in possession of the Lot and the claim of lien is foreclosed, the court in its discretion may require the Lot Owner to pay a reasonable rental for the Lot and the Association is entitled to the appointment of a receiver to collect the rent.
- 12.6 First Mortgagee. In the event an First Mortgagee shall obtain title to a Lot as a result of foreclosure of its mortgage, or as a result of a deed given in lieu of foreclosure or in satisfaction of debt, such First Mortgagee, its successors and assigns, shall be liable for the share of Common Expenses or Assessments or other charges imposed by the Association pertaining to such Lot for a period not exceeding twelve (12) months. Any unpaid share of Common Expenses or Assessments or other charges shall be deemed to be Common Expenses collectible from all of the Lot Owners, including such acquirer, and such acquirer's successors and assigns.
- 12.7 Certificate of Unpaid Assessments. Within fifteen (15) days after request by a Lot Owner or mortgagee of a Lot, the Association shall provide a certificate stating all assessments and other moneys owed to the Association by the Lot Owner with respect to his Lot. Any person other than the Lot Owner who relies upon such certificate shall be protected thereby.
- 12.8 Installments. Regular Assessments shall be collected monthly or quarterly, in advance, as determined from time to time by the Board of Directors. Initially, Assessments will be collected monthly.
- 12.9 Developer's Liability for Assessments. During the period from the date of the recording of this Declaration until the earlier of the following dates (the "Guarantee Expiration Date"): (a) the last day of the calendar year in which this Declaration is recorded, or (b) the date that control of the Association is transferred to Lot Owners other than the Developer as provided in the ByLaws, the Developer shall not be obligated to pay the share of Common Expenses and

and Assessments attributable to the Lots owned by it, provided, (i) that the regular Assessments for Common Expenses imposed on each Lot Owner other than the Developer prior to the Guarantee Expiration Date shall not increase during such period over the amounts set forth on Exhibit "6" attached hereto; and (ii) that the Developer shall be obligated to pay any amount of Common Expenses actually incurred during such period and not produced by the Assessments at the guaranteed levels receivable from other Lot Owners. After the Guarantee Expiration Date, the Developer shall have the option, in its sole discretion, of extending the guarantee for four (4) additional six (6) month periods, or paying the share of Common Expenses and Assessments attributable to Lots it then owns.

13. Insurance. Insurance covering the Subdivision Property, Common Elements and Limited Common Elements, and the Association Property shall be governed by the following provisions:

13.1 Purchase, Custody and Payment

- (a) Purchase. All insurance policies described herein covering the Common Elements or Limited Common Elements shall be purchased by the Association and shall be issued by an insurance company authorized to do business in Arkansas.
- (b) Approval. Each insurance policy for the Common or Limited Common Elements, and the agency, and company issuing the policy shall be subject to the approval of the Board of Directors.
- (c) Named Insured. The named insured for Common or Limited Common Elements insurance shall be the Association, individually, and as agent for Owners of Lots covered by the policy, without naming them, and as agent for their mortgagees, without naming them. The Lot Owners and their mortgagees shall be deemed additional insureds.
- (d) Copies to Mortgagees. One copy of each insurance policy for the Common and Limited Common Elements, or a certificate evidencing such policy, and all endorsements thereto, shall be furnished by the Association upon request to each First Mortgagee who holds a mortgage upon a Lot covered by the policy. Copies or certificates shall be furnished not less than ten (10) days prior to the beginning of the term of the policy, or not less than ten (10) days prior to the expiration of each preceding term that is being renewed or replaced, as appropriate.

- (e) Property, Fire and Extended Insurance and Liability. Except as specifically provided herein, the Association shall not be responsible to Lot Owners to obtain any type of insurance coverage upon the Lot or a Building situated thereon lying within the boundaries of their Lot, including, but not limited to their building or personal property located therein, and for their personal liability and living expense and for any other risks not otherwise insured in accordance herewith.

13.2 Association Coverage. The Association shall maintain insurance covering the following:

- (a) Casualty. The Clubhouse, pool and related structures (including all fixtures, installations or additions comprising that part of the Clubhouse or the Clubhouse Lot including all furniture, furnishings, floor coverings, wall coverings and ceiling coverings or other personal property owned, supplied or installed by the Association) and all Improvements located on the Common Elements from time to time, together with all fixtures, building service equipment, personal property and supplies constituting the Common Elements or Limited Common Elements or owned by the Association (collectively the "Insured Property"), shall be insured in an amount not less than 100% of the full insurable replacement value thereof, excluding foundation and excavation costs. Such policies may contain reasonable deductible provisions as determined by the Board of Directors of the Association. Such coverage shall afford protection against such other risks as from time to time are customarily covered with respect to buildings and improvements similar to the Common Elements in construction, location and use, including, but not limited to, vandalism and malicious mischief.
- (b) Liability. Comprehensive general public liability and automobile liability insurance covering loss or damage resulting from accidents or occurrences on or about or in connection with the Common Elements or adjoining driveways and walkways, or any work, matters or things related to the Common Elements, with such coverage as shall be required by the Board of Directors of the Association, but with combined single limit liability of not less than \$1,000,000.00 per occurrence, and with a cross liability endorsement to cover liabilities of the Lot Owners as a group to any Lot Owner, and vice versa.
- (c) Worker's Compensation and other mandatory insurance, when applicable.

- (d) Flood Insurance. If reasonably required by a First Mortgagee or FNMA/FHLMC or if the Association so elects as to the Common or Limited Common Elements only.
- (e) Fidelity Insurance. Covering all persons who control or disburse Association funds. Such insurance to be in an amount which will cover the maximum funds that will be in the custody of the association or management company at one time.
- (f) Association Property. Appropriate additional policy provisions, policies or endorsements extending the applicable portions of the coverage described above to all Association Property, where such coverage is available.
- (g) Such Other Insurance. As the Board of Directors of the Association shall determine from time to time to be desirable.

When appropriate and obtainable, each of the foregoing policies shall waive the insurer's right to: (i) subrogation against the Association and against the Lot Owners individually and as a group, (ii) to pay only a fraction of any loss in the event of coinsurance or if other insurance carriers have issued coverage upon the same risk, and (iii) avoid liability for a loss that is caused by an act of one or more Lot Owners or as a result of contractual undertakings. Additionally, each policy shall provide that the insurance provided shall not be prejudiced by any act or omissions of individual Lot Owners that are not under the control of the Association, and that the policy shall be primary, even if a Lot Owner has other insurance that covers the same loss.

- 13.3 Additional Provisions. All policies of insurance shall provide that such policies may not be cancelled or substantially modified without at least thirty (30) days' prior written notice to all of the named insureds, including all mortgagees of Lots.
- 13.4 Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a Common Expense, except that the costs of fidelity bonding for any management company employee may be paid by such company pursuant to its contract with the Association if such contract exists. Premiums may be financed in such manner as the Board of Directors deems appropriate.
- 13.5 Distribution of Proceeds. Proceeds of insurance policies shall be distributed to or for the benefit of the beneficial owners thereof in the following manner:

- (a) Reconstruction or Repair. If the damaged property for which the proceeds are paid is to be repaired or reconstructed, the proceeds shall be paid to defray the cost thereof as elsewhere provided herein. Any proceeds remaining after defraying such costs shall be distributed to the Association.
- (b) Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided that the damaged property for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be allocated first to the First Mortgagee in an amount sufficient to pay off its mortgages, and the balance, if any, to the Association.
- 13.6 Association as Agent. The Association is hereby irrevocably appointed as agent and as attorney-in-fact for each Lot Owner and for each owner of a mortgage or other lien upon a Lot and for each owner of any other interest in the Subdivision Property to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.
- 13.7 Lot Owners' Personal Coverage. Unless the Association elects otherwise, in writing, the insurance purchased by the Association shall not cover claims against an Owner due to accidents occurring upon his Lot, nor casualty or theft loss to the contents of a Lot Owner's Building or property situated upon a Lot, nor shall the Lot Owner's Building be covered by any policy. See Section 13.1(e). It shall be the obligation of the individual Lot Owner, if such Owner so desires, to purchase and pay for insurance as to all such risks not covered by insurance carried by the Association.
- 13.8 Benefit of Mortgagees. Certain provisions in this Section 13 entitled "Insurance" are for the benefit of mortgagee of the Common Elements and Limited Common Elements and may be enforced by such mortgagee.
- 13.9 Presumption as to Damaged Property. In the event of a dispute or lack of certainty as to whether damaged property constitutes a Lot(s) or Common Elements, such property shall be presumed to be Common Elements.
14. Condemnation.
- 14.1 Deposit of Awards. The taking of portions of the Common Elements of the Subdivision by the exercise of the power of eminent domain shall be deemed to be a casualty, and the awards for that taking shall be deemed to be proceeds from insurance on account of the casualty and shall be deposited with the

Association.

- 14.2 Taking of Common Elements. Awards for the taking of Common Elements shall be used to render the remaining portion of the Common Elements usable in the manner approved by the Board of Directors of the Association; provided, that if the cost of such work shall exceed the balance of the funds from the awards for the taking, the work shall be approved in the manner elsewhere required for capital improvements to the Common Elements. The balance of the awards for the taking of Common Elements, if any, shall be distributed to the Lot Owners in the shares in which they own the Common Elements after adjustments to these shares effected pursuant hereto by reason of the taking. If there is a mortgage on a Lot, the distribution shall be paid jointly to the Owner and the mortgagees of the Lot.
- 14.3 Amendment of Declaration. The changes in Lots, in the Common Elements and in the ownership of the Common Elements and share in the Common Expenses and Common Surplus that are effected by the taking shall be evidenced by an amendment to this Declaration that is only required to be approved by, and executed upon the direction of, a majority of all Directors of the Association.
15. Occupancy and Use Restrictions. In order to provide for congenial occupancy of the Subdivision Property and for the protection of the values of the Lots and the buildings located therein, the use of the Subdivision Property shall be restricted to and shall be in accordance with the following provisions:
- 15.1 Occupancy. Lots may be used only as allowed by appropriate zoning codes of the City of Bentonville and Benton County, Arkansas. In no event shall occupancy of a Lot (except for temporary occupancy by visiting guests) exceed the lesser of six (6) persons in the entire Building on a Lot or two (2) persons per bedroom. The Board of Directors shall have the power to authorize occupancy of a Building by persons in addition to those set forth above. The provisions of this subsection 15.1 shall not be applicable to Lots used by the Developer for model apartments, guest accommodations, and sales or other offices or management services.
- 15.2 Rentals. Buildings on a Lot may be used as rental units by the owner of a Lot. Rentals for long term and short term occupants shall be permitted.
- 15.3 Children. Children shall be permitted to reside in the Buildings on the Lots but shall be subject to age restrictions imposed as to common recreation facilities, as provided in the rules and regulations of the Association.
- 15.4 Child Molesters; other Criminal Conduct. No person who has been arrested,

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charged with, or convicted of a crime involving child molestation, rape or other deviate sexual conduct (as defined by Arkansas law) shall be permitted to reside or own a Lot in the Subdivision. Any person convicted of a crime involving bodily harm to another person maybe denied occupancy, ownership or residency in the Subdivision as may be determined by the Board of Directors of the Association from time to time on a majority vote of the Board members.

- 15.5 Pets. Pets shall be allowed, provided however, no pets shall be kept in a pen or chained up outside of a Building on a Lot or in the Common Elements. No animal shelters, dog houses, pens or other such structures (temporary or otherwise) shall be permitted on a Lot. No large animals domesticated or otherwise, shall be kept inside a Building on a Lot or a Lot. No "Wild Animals", dangerous animals or other animals as determined by the Association shall be permitted in the Subdivision at any time. So called "Pit Bull" dogs are prohibited.
- 15.6 Alterations. Without limiting the generality of Section 9.1 hereof, no Lot Owner shall cause or allow improvements or changes to any Building on a Lot, or Common Elements, including, but not limited to, painting or other decorating of any nature, installing any electrical wiring, television antenna, machinery, or air-conditioning units or in any manner changing the appearance of any portion of the Building, without obtaining the prior written consent of the Association (in the manner specified in section 9.1 hereof), which may be withheld by the Association to protect the character of the Subdivision.
- 15.7 Use of Common Elements. The Common Elements shall be used only for furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of Lots and buildings situated thereon.
- 15.8 Nuisances. No nuisances shall be allowed on the Subdivision Property, nor shall any use or practice be allowed which is a source of annoyance to residents or occupants of buildings on Lots or which interferes with the peaceful possession or proper use of the Subdivision Property by its residents or occupants. No activity specifically permitted by this Declaration shall be deemed a nuisance.
- 15.9 No Improper Uses. No improper, offensive, hazardous or unlawful use shall be made of the Subdivision Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereover shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereover, relating to any portion of the Subdivision Property, shall be corrected by, and at the sole

the sole expense of, the party obligated to maintain or repair such portion of the Subdivision Property, as elsewhere herein set forth. Notwithstanding the foregoing and any provisions of this Declaration, the Articles or By-Laws, the Association shall not be liable to any person(s) for its failure to enforce the provisions of this Section 16.7. No activity specifically permitted by this Declaration shall be deemed a violation of this Section.

- 15.10 Exterior Improvements; Landscaping; Fences. Without limiting the generality of sections 9.1 or 15.6 hereof, but subject to any provision of this Declaration specifically permitting same, no Lot Owner shall cause anything to be affixed or attached to, hung, displayed or placed on the exterior walls, doors, terraces or windows of the Building on a Lot (including, but not limited to, awnings, signs, storm shutters, screens, window tinting, furniture, fixtures and equipment), without the prior written consent of the Association. No fences of any kind shall be permitted unless approved by the Association.
- 15.11 Handicapped Parking; Commercial/Recreational Vehicles and Trailers. Parking spaces designated as "handicapped parking" are reserved for the exclusive use of the handicapped residents and guests. Except as permitted below, no trucks over three (3) tons, other commercial vehicles, campers, mobile homes, recreational vehicles or boat or other trailers shall be kept on the Subdivision Property, in exterior parking areas or under building parking. For purposes of the foregoing, "commercial vehicles" shall mean those not designed or used for customary personal/family purposes. The absence of commercial-type lettering or graphics on a vehicle shall not be dispositive as to whether same is a commercial vehicle. The foregoing shall not prohibit, however (i) the parking of otherwise prohibited vehicles on the Subdivision Property in the course of providing services to the Subdivision Property, the occupants thereof or the Association or (ii) vans with windows which contain seating for at least four (4) persons, provided that such vans and trucks shall not bear commercial-type lettering or graphics. All vehicles kept on the Subdivision Property shall be operational and in good condition. In the event of doubt or dispute as to whether a vehicle is prohibited by this Section, the good-faith determination of the Board of Directors shall be binding and conclusive.
- 15.12 Signs. Only licensed real estate brokers may place "For Sale" or "For Rent" signs at a property in the Subdivision. All signs must be approved by the Association.
- 15.13 Storage Buildings. No storage buildings of any kind shall be allowed without the written approval of the Association.

- 15.14 Christmas and other Seasonal Decorations. All Christmas and other seasonal decorations must be removed within ten (10) days following the end of the holiday.
- 15.15 Parking. Street parking shall be prohibited unless it is for a visitor and then not longer than two (2) hours.
- 15.16 Window Treatments. Only white window treatments shall be allowed in the windows of a Building on a Lot facing a street.
- 15.17 Outdoor Grilling. Only gas or electric grills shall be allowed on the porches, driveways or yard of Lot. Charcoal grills are prohibited.
- 15.18 Relief by Association. The Association shall have the power (but not the obligation) to grant relief in particular circumstances from the provisions of specific restrictions contained in this Section 15 for good cause shown.
- 15.19 Changes in Permitted Uses. No amendments to this Section 15, any other provision of this Declaration governing the use of Lots, the Common Elements, the Easement Areas or to any Rules and Regulations of the Association shall operate to prohibit the parking of a vehicle or leasing or occupancy of a Lot where such vehicle, parking, leasing or occupancy was (i) permitted prior to the effectiveness of the amendment, (ii) being conducted in reliance on such permissibility and (iii) is continuing with the same vehicle, lessee or occupant as existed prior to the effectiveness of the amendment. Likewise, no improvement made to or about any Lot which was permitted at the time of its making shall be required to be removed by virtue of a change in the permissibility of such types of improvements.
- 15.20 Smoking. No smoking shall be permitted inside of any building owned by the Association.
16. Selling, Leasing and Mortgaging of Lots. Lots may be made subject to mortgages without restrictions, but sales and leases thereof shall be subject to the provisions of this Section 16.
- 16.1 Sales. No conveyance of a Lot, by parties other than the Developer or Institutional Mortgagees, shall be valid unless a certificate executed and acknowledged by an officer of the Association, stating that all Assessments levied against such Lot have been paid in full, is recorded together with the instrument of conveyance. The Board of Directors shall furnish such certificate upon receipt from the Lot Owner of a request form (which will be prepared by the Association) setting forth the proposed purchaser's name, notice address and

and date of closing.

- 16.2 Leases/Rentals. No portions of a Lot other than an entire Lot, may be rented. All leases, rentals or occupancy agreements shall be in writing, and shall provide (or be automatically deemed to provide, absent an express statement) that the Association shall have the right, after thirty (30) days notice to the Lot Owner and the tenant, to terminate the lease or occupancy upon default by the tenant in observing any of the provisions of this Declaration, the Articles of Incorporation and By-Laws, applicable rules and regulations and Exhibits thereto or other applicable provisions of any agreement, document or instrument governing the Subdivision. Except as otherwise expressly provided herein, only entire buildings on a Lot may be leased or rented, and no Lot Owner may lease or rent or permit the lease or rental of less than the entire building on a Lot at any one time. No individual rooms of Building on a Lot may be rented. Regardless of whether or not expressed in any lease, or occupancy agreement the Lot Owner shall be jointly and severally liable to the Association for the acts and omissions of his tenant(s) or occupants which constitute a violation of, or non-compliance with, the provisions of this Declaration and of any and all rules and regulations of the Association. This Section shall also apply to subleases and assignments and renewals of leases, but the Developer shall be exempt from this Section. All laws, zoning ordinances and regulations of any governmental body having jurisdiction over the Subdivision Property shall be observed. In this regard, the Lots may only be used and leased in compliance and in accordance with existing zoning and development codes of the City of Bentonville, Arkansas and Benton County, Arkansas.
- 16.3 No Severance of Ownership. No part of the Common Elements may be sold, conveyed or otherwise disposed of except as an appurtenance to the Lot in connection with a sale, conveyance or other disposition of the Lot to which such interest is appurtenant, and any sale, conveyance or other disposition of a Lot shall be deemed to include that Lot's appurtenant interest in the Common Elements.
- 16.4 Gifts and Devises, etc. Any Lot Owner shall be free to convey or transfer his Lot by gift, to devise his Lot by will, or to have his Lot pass by intestacy, without restriction; provided, however, that each succeeding Lot Owner shall be bound by, and his Lot subject to, the provisions of this Declaration.
17. Compliance and Default. Each Lot Owner and every occupant of a Lot or Building thereon and the Association shall be governed by and shall comply with the terms of this Declaration and all exhibits annexed hereto, and the rules and regulations adopted pursuant to those documents, as the same may be amended from time to time. The

Association (and Lot Owners, if appropriate) shall be entitled to the following relief in addition to the remedies provided at law or in equity.

- 17.1 Negligence. A Lot Owner shall be liable for the expense of any maintenance, repair or replacement made necessary by his negligence or by that of any member of his family or his or their guests, employees, agents or lessees, but only to the extent such expense is not met by the proceeds of insurance actually collected in respect of such negligence by the Association.
- 17.2 Compliance. In the event a Lot Owner or occupant fails to maintain a Lot or building thereon or fails to cause such Lot to be maintained, or fails to observe and perform all of the provisions of the Declaration, the By-Laws, the Articles, applicable rules and regulations, or any other agreement, document or instrument affecting the Subdivision Property, in the manner required, the Association shall have the right to proceed in a court of equity to require performance and/or compliance, to impose any applicable fines or to sue in a court of law for damages.
- 17.3 Costs and Attorneys' Fees. In any proceeding arising because of an alleged failure of a Lot Owner or the Association to comply with the requirements of the law, this Declaration, the exhibits annexed hereto, or the rules and regulations adopted pursuant to said documents, as the same may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees (including appellate attorneys' fees).
- 17.4 No Waiver of Rights. The failure of the Association or any Lot Owner to enforce any covenant, restriction or other provision of law, this Declaration, the exhibits annexed hereto, or the rules and regulations adopted pursuant to said documents, as the same may be amended from time to time, shall not constitute a waiver of their right to do so thereafter.
18. Disclaimer of Warranties. **DEVELOPER HEREBY DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES AS TO THE DESIGN, CONSTRUCTION, FURNISHING AND EQUIPPING OF THE LOT OR BUILDING LOCATED THEREON. Each Lot Owner, by accepting a deed to a Lot, or other conveyance thereof, shall be deemed to represent and warrant to Developer and Declarant that in deciding to acquire the Lot, the Lot Owner relied solely on such Lot Owner's independent inspection of the Lot and building located thereon, and the Subdivision. The Lot Owner has not received nor relied on warranties and/or representations from Developer of any kind, other than expressly provided herein.**

All Lot Owners, by virtue of their acceptance of title to their respective Lots

(whether from the Developer or another party) shall be deemed to have automatically waived all of the aforesaid disclaimed warranties and incidental and consequential damages. The foregoing shall also apply to any party claiming by, through or under a Lot Owner, including a tenant thereof.

Lastly, each Owner, by acceptance of a deed or other conveyance of a Lot, understands and agrees that there are various methods for calculating the square footage of a Lot and building located thereon and that depending on a method of calculation, the quoted square footage of the Lot and building located thereon may vary by more than a nominal amount. Additionally, as a result of in the field construction, other permitted changes to the Lot and building located thereon, and settling and shifting of improvements, actual square footage of a Lot or a Building on a Lot, its dimensions may also be affected.

19. Construction Claims. In the event that there are any warranty, negligence or other claims against the Developer or any party having a right of contribution from, or being jointly and severally liable with, the Developer (the "Claims") relating to the design, construction, furnishing or equipping of the Subdivision Property, same shall be instituted only upon approval of seventy-five percent (75%) of the non-Developer members.

20. Additional Provisions

20.1 Notices. All notices to the Association required or desired hereunder or under the By-Laws or the Association shall be sent by certified mail (return receipt requested) to the Association in care of its office at the Subdivision, or to such other address as the Association may hereafter designate from time to time by notice in writing to all Lot Owners. Except as provided specifically in this Declaration, all notices to any Lot Owner shall be sent by first class mail to the Subdivision address of such Lot Owner, or such other address as may have been designated by him from time to time, in writing, to the Association. All notices to mortgagees of Lots shall be sent by first class mail to their respective addresses, or such other address as may be designated by them from time to time, in writing to the Association. All notices shall be deemed to have been given when mailed, postage prepaid, except notices of a change of address, which shall be deemed to have been given when received, or 5 business days after proper mailing, whichever shall first occur.

20.2 Interpretation. The Board of Directors of the Association shall be responsible for interpreting the provisions hereof and of any of the Exhibits attached hereto. Such interpretation shall be binding upon all parties unless wholly unreasonable. An opinion of legal counsel to the Association, or the legal counsel having drafted this Declaration, that any interpretation adopted by the Association is not unreasonable shall conclusively establish the validity of such

interpretation.

- 20.3 Mortgagees. Anything herein to the contrary notwithstanding the Association shall not be responsible to any mortgagee or lienor of any Lot hereunder, and may assume the Lot is free of any such mortgages or liens, unless written notice of the existence of such mortgage or lien is received by the Association.
- 20.4 Exhibits. There is hereby incorporated in this Declaration all materials contained in the Exhibits annexed hereto, except that as to such Exhibits, any conflicting provisions set forth therein as to their amendment, modification, enforcement and other matters shall control over those hereof.
- 20.5 Signature of President and Secretary. Wherever the signature of the President of the Association is required hereunder, the signature of a vice-president may be substituted therefor, and wherever the signature of the Secretary of the Association is required hereunder, the signature of an assistant secretary may be substituted therefor, provided that the same person may not execute any single instrument on behalf of the Association in two separate capacities.
- 20.6 Governing Law. Should any dispute or litigation arise between any of the parties whose rights or duties are affected or determined by this Declaration, the Exhibits annexed hereto or applicable rules and regulations adopted pursuant to such documents, as the same may be amended from time to time, said dispute of litigation shall be governed by the laws of the State of Arkansas.
- 20.7 Severability. The invalidity in whole or in part of any covenant or restriction, or any section, subsection, sentence, clause, phrase or word, or other provision of this Declaration, the Exhibits annexed hereto, or applicable rules and regulations adopted pursuant to such documents, as the same may be amended from time to time, shall not affect the validity of the remaining portions thereof which shall remain in full force and effect.
- 20.8 Waiver. No provisions contained in this Declaration shall be deemed to have been waived by reason of any failure to enforce the same, without regard to the number of violations or breaches which may occur.
- 20.9 Ratification. Each Lot Owner, by reason of having acquired ownership (whether by purchase, gift, operation of law or otherwise), and each occupant of a Lot, by reason of his occupancy, shall be deemed to have acknowledged and agreed that all of the provisions of this Declaration, and the Articles, By-Laws and applicable rules and regulations, are fair and reasonable in all material respects.

- 20.10 Execution of Documents; Attorney-in-Fact. Without limiting the generality of other Sections of this Declaration and without such other Sections limiting the generality hereof, each Lot Owner, by reason of the acceptance of a deed to such Owner's Lot, hereby agrees to execute, at the request of the Developer, all documents or consents which may be required by all governmental agencies to allow the Developer and its affiliates to complete the plan of development of the Subdivision Property as such plan may be hereafter amended, and each such Lot Owner further appoints hereby and thereby the Developer as such Lot Owner's agent and attorney-in-fact to execute, on behalf and in the name of such Lot Owners, any and all of such documents or consents. This Power of Attorney is irrevocable and coupled with an interest. The provisions of this Section may not be amended without the consent of the Developer.
- 20.11 Gender; Plurality. Wherever the context so permits, he singular shall include the plural, the plural shall include the singular and the use of any gender shall be deemed to include all or no genders.
- 20.12 Captions. The captions herein and in the Exhibits annexed hereto are inserted only as a matter of convenience and for ease of reference and in no way define or limit the scope of the particular documents or any provision thereof.
21. Liability. Notwithstanding anything contained herein or in the Articles of Incorporation, By-Laws, any rules regulations of the Association or any other document governing or binding the Association (collectively, the "Association Documents"), the Association, except to the extent specifically provided to the contrary herein, shall not be liable or responsible for, or in any manner a guarantor or insurer of, the health, safety or welfare of any Lot Owner, occupant or user of any portion of the Subdivision and/or Association Property including, without limitation, Lot Owners and their guests invitees, agents, servants, contractors or subcontractors or for any property of any such persons. Without limiting the generality of the foregoing:
- (a) it is the express intent of the Association Documents that the various provisions thereof which are enforceable by the Association and which govern or regulate the uses of the properties have been written, and are to interpreted and enforced, for the sole purpose of enhancing and maintaining the enjoyment of the properties and the value thereof;
 - (b) the Association is not empowered, and has not been created, to act as an entity which enforces or ensures the compliance with the laws of the United States, State of Arkansas, City, County and/or any other jurisdiction or the prevention of tortuous activities; and

- (c) the provisions of the Association Documents setting forth the uses of assessments which relate to health, safety and/or welfare shall be interpreted and applied only as limitations on the uses of assessment funds and not as creating a duty of the Association to protect or further the health, safety or welfare of any person(s), even if assessment funds are chosen to be used for any such reason.

Each Lot Owner (by virtue of his acceptance of title to his Lot) and each other person having an interest in or lien upon, or making use of, any portion of the properties (by virtue of accepting such interest or lien or making such use) shall be bound by this provision and shall be deemed to have automatically waived any and all rights, claims, demands, and causes of action against the Association arising from or connected with any matter for which the liability of the Association has been disclaimed hereby. As used herein, "Association" shall include within its meaning all of the Association's directors, officers, committee and board members, employees, agents, contractors (including management companies), subcontractors, successors and assigns. The provisions hereof shall also inure to the benefit of Developer, which shall be fully protected hereby.

IN WITNESS WHEREOF, the Developer has caused this Declaration to be duly executed and its corporate seal to be hereunto affixed this 31st day August, 2006.

Signed in the presence of:

Allison Taylor

Allison Taylor
Print Name

Jenny Wood

Jennifer Wood
Print Name

PALMCO PROPERTIES, LLC, an Arkansas limited liability company

By: J. N. Avey
_____, its Manager

2006 43462
Recorded in the Above
Deed Book & Page
08-31-2006 01:10:09 PM

ACKNOWLEDGMENT

STATE OF ARKANSAS

COUNTY OF Crawford

Before me, a notary public, in and for said county, personally appeared the above named John D. Alford, _____ of Palmco Properties, LLC, who acknowledged that he did sign the foregoing instrument and that the same is the free act of said limited liability company and the free act and deed of him personally and as such _____. Whereof, I have hereunto signed my hand, and official seal this 31st day of August, 2006

Allison Taylor

Notary Public

My Commission expires: _____

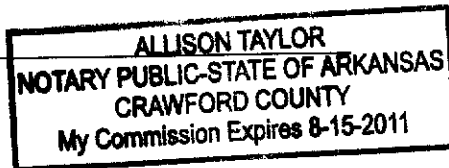


EXHIBIT "1"

2006 43463

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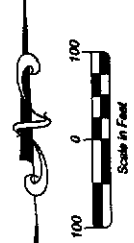
BOUNDARY DESCRIPTION

PART OF THE SOUTHWEST 1/4 (SW1/4) OF THE NORTHEAST 1/4 (NE1/4) AND PART OF THE SOUTHEAST 1/4 (SE1/4) OF THE NORTHWEST 1/4 (NW1/4) OF SECTION 2, TOWNSHIP 19 NORTH, RANGE 31 WEST OF THE FIFTH PRINCIPAL MERIDIAN, BENTON COUNTY, ARKANSAS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A FOUND ALUMINUM CAP AT THE SE CORNER OF THE SW 1/4 OF THE NE 1/4; THENCE ALONG THE SOUTH LINE OF THE SW 1/4 OF THE NE 1/4 AND THE SOUTH LINE OF THE SE 1/4 OF THE NW 1/4, N 87°38'35" W, 1465.65 FEET; THENCE LEAVING SAID SOUTH LINE N 02°21'41" E, 96.82 FEET; THENCE S 87°32'13" E, 32.02 FEET; THENCE N 02°27'47" E, 55.67 FEET; THENCE N 29°14'04" W, 179.95 FEET; THENCE N 32°22'28" E, 160.81 FEET; THENCE N 36°49'32" E, 167.10 FEET; THENCE N 25°03'50" E, 48.59 FEET; THENCE N 78°11'33" W, 243.87 FEET; THENCE N 30°08'29" W, 103.52 FEET; THENCE N 58°02'24" E, 164.91 FEET; THENCE N 40°21'43" E, 128.66 FEET; THENCE N 08°24'16" W, 51.17 FEET; THENCE N 69°23'23" E, 117.24 FEET; THENCE S 46°22'08" E, 161.46 FEET; THENCE N 35°59'54" E, 172.14 FEET; THENCE N 35°55'42" E, 234.67 FEET; THENCE S 87°39'55" E, 78.86 FEET; THENCE N 02°32'55" E, 51.93 FEET TO THE NORTH LINE OF THE SW 1/4 OF THE NE 1/4; THENCE ALONG SAID NORTH LINE S 87°27'05" E, 888.58 FEET TO AN EXISTING REBAR AND CAP STAMPED 529 AT THE NE CORNER OF THE SW 1/4 OF THE NE 1/4; THENCE LEAVING SAID NORTH LINE AND RUNNING ALONG THE EAST LINE OF THE SW 1/4 OF THE NE 1/4, S 02°15'30" W, 1326.56 FEET TO THE POINT OF BEGINNING, CONTAINING 41.55 ACRES MORE OR LESS.

2006 955
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Brenda Hennings-Buratt Clerk
Benton County, AR

RECORDING STAMP



LEGEND

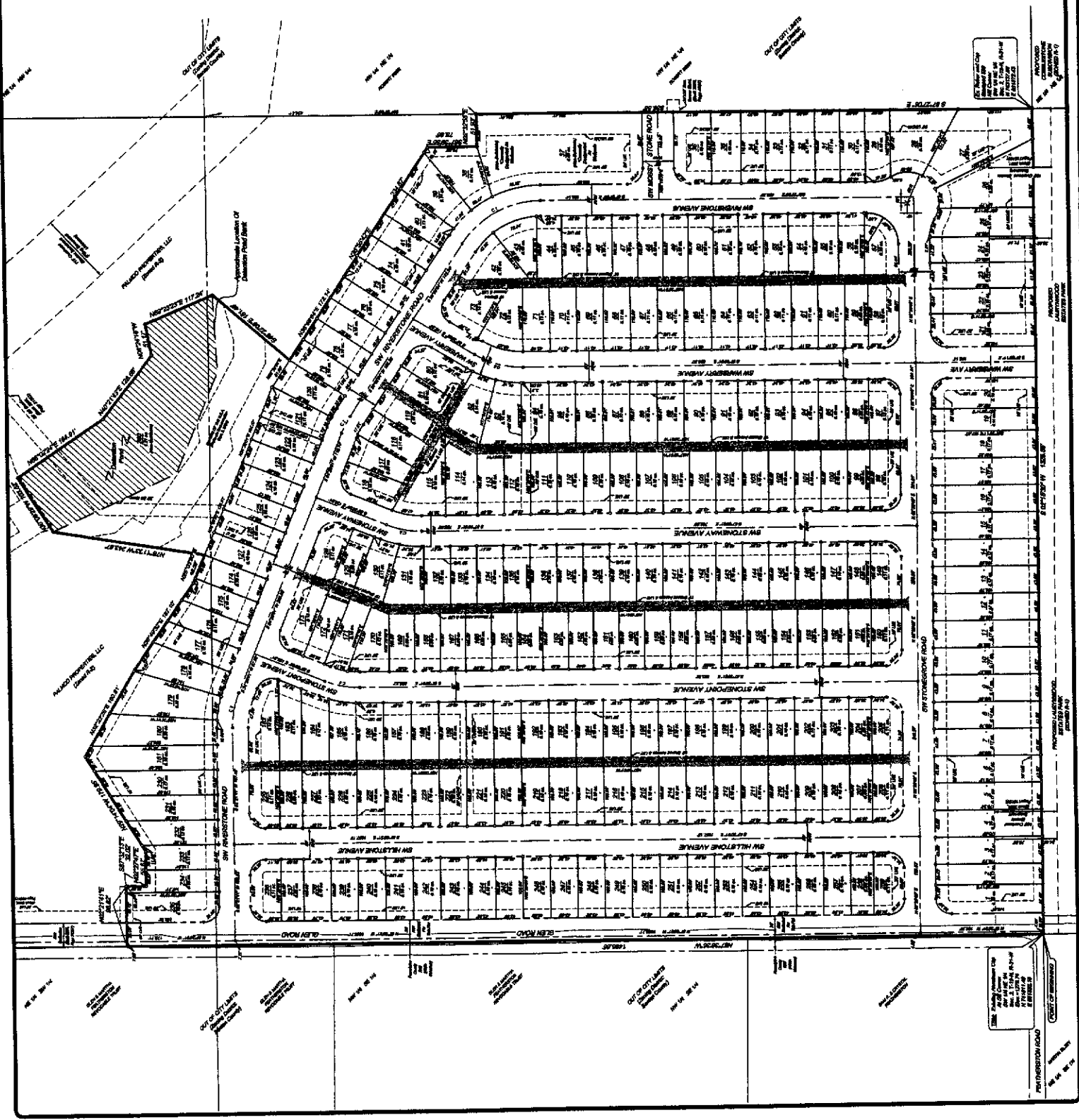
- Found Iron Pin
- Set Iron Pin
- Property Line
- Right-of-Way Line
- Centerline
- Building Footprint Line
- Building Setback Line
- Lot Address
- Change Element
- Utility Easement
- Utility Easement Allow For
- Line That Shall Be
- Accessed By Rear Entry
- City (See Note 2)

Legend symbols: Circle with dot, dashed line, solid line, thick solid line, thin solid line, thick dashed line, thin dashed line, rectangle with diagonal lines, rectangle with horizontal lines, rectangle with vertical lines, rectangle with cross-hatch, rectangle with diagonal lines (sw), rectangle with diagonal lines (nw).

2006 43465
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DATE OF PLAY PREPARATION: JULY 11, 2006
DATE OF SURVEY PREPARATION: JULY 28, 2006

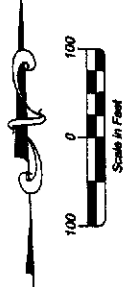
SHEET 2 of 3



SW HILLSTONE AVENUE
SW STONEHOUSE ROAD
SW HILLSTONE AVENUE
SW STONEHOUSE ROAD

2006 9356
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 Benton County, AR

RECORDING STAMP



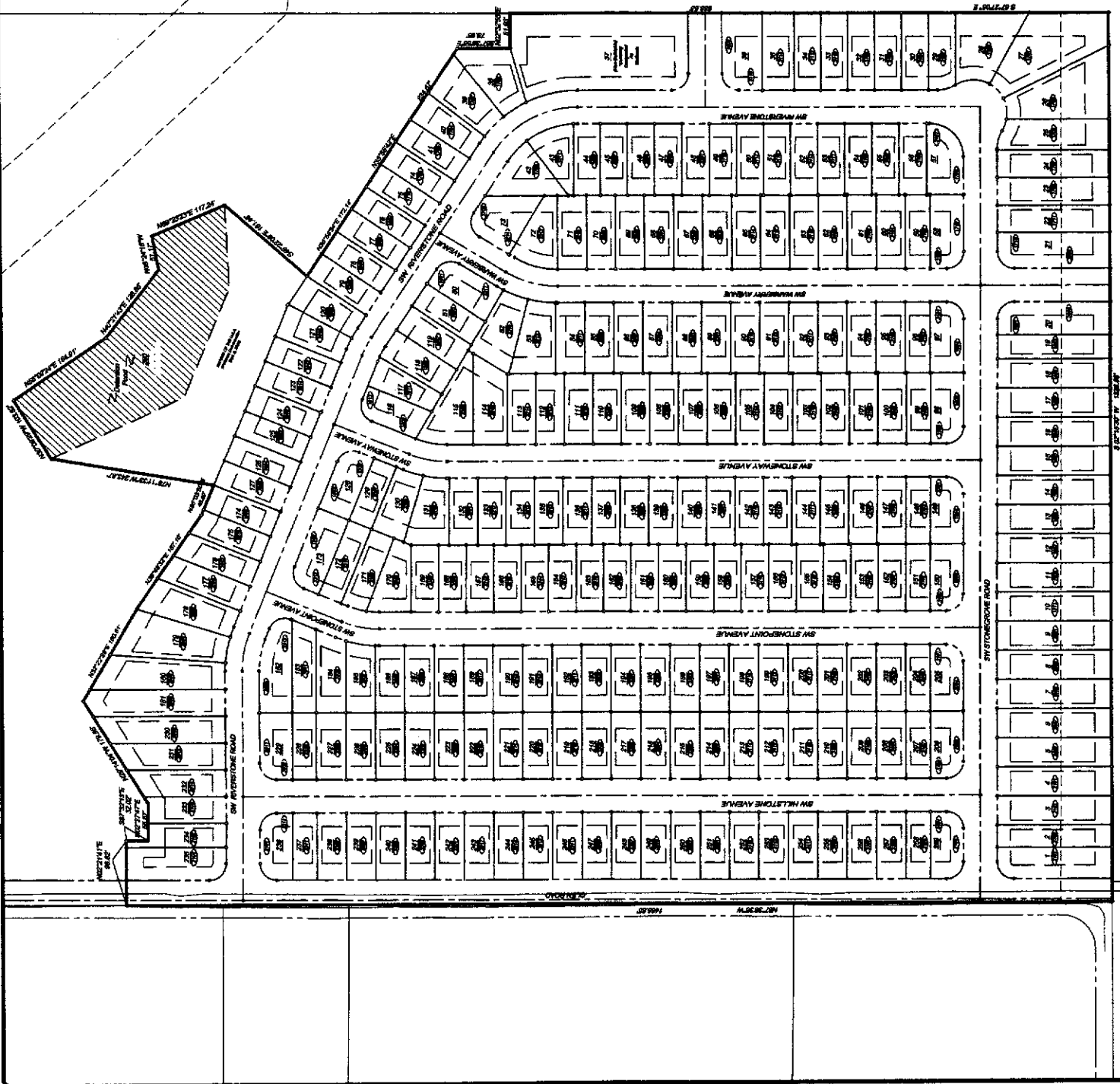
LEGEND

•	Found Iron Pin
•	Set Iron Pin
—	Property Line
—	Right-of-Way Line
—	Centerline
—	Easement Line
—	Building Footprint Line
—	Lot Address
☉	Drainage Easement
☉	DE
☉	USE
☉	Flow Accumulation For Accumulated By Flow Entry Only. (See Note 2.)

2006 43466
 Recorded in the Above
 Deed Book & Page
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 Brenda DeShields-Circuit Clerk
 Benton County, AR
 Benton County, AR
 I certify this instrument was filed on
 08-31-2006 01:10:09 PM
 and recorded in Deed Book
 2006 at Pages 43428 - 43466
 Brenda DeShields-Circuit Clerk

DATE OF PLAT PREPARATION: July 11, 2006
 DATE OF SURVEY PREPARATION: July 28, 2006

SHEET 3 of 3



2007 16460
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 Benton County, AR
 Book/Pg: 2007/16460
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 Tran: 5453.155330.427618
 Recorded: 04-23-2007 15:35:05
 DFE Deed 23.00
 REC Recordings Fee 0.00
 Total Fees: \$ 23.00

**By-laws of
 Stone Meadow Property Association, Inc.
 March 1, 2007**

**Article I
Name and Office**

The name of this corporation shall be Stone Meadow Property Association, Inc., a nonprofit corporation. The main office or principal place of business of this corporation shall be in the City of Bentonville, Benton County, Arkansas.

**Article II
Board of Directors**

Section 1. The board shall be made up of officers of Cobblestone Homes/Rouse-Walker Properties, Inc. until subdivision is fully built and/or Authority is relinquished by Cobblestone Homes/Rouse-Walker Properties, Inc.

Section 2. Composition. The affairs of this corporation shall be managed and controlled by a board of directors which shall consist of five (5) persons after being relinquished from Cobblestone Homes/Rouse-Walker Properties, Inc.

Section 3. Election and Term of Office. Members of the Board of Directors shall serve a term of one (1) year, although each may be reelected for any number of terms. A nominating committee shall nominate at least one (1) eligible person for each office to be filled and report its nomination to the membership at the annual meeting of the Salem Heights Property Association, Inc., at which time additional nominations may be made from the floor. Voting for the Board of Directors will be done by ballots that will be mailed to each property owner in good standing within ten (10) days following the annual meeting. The ballots will contain a list of all nominees. Only those persons who have signified their consent to serve if elected shall be nominated for or elected to such office. A simple majority of the members in good standing shall constitute an affirmative vote.

Section 4. Removal or Vacancy. Any director may be removed from the Board, with or without cause by a majority vote of the members of the Association. A vacancy on the Board of Directors for any reason shall be filled for the unexpired portion of the term by a majority vote of the Board of Directors in attendance at any meeting of the Board.

Section 5. Compensation. A director shall neither receive nor lawfully be entitled to receive any direct or indirect pecuniary profits from the operation or activities of this corporation; nor shall he receive any compensation for his services as director.

Section 6. Attendance. If any member of the Board of Directors shall fail to attend three (3) consecutive board meetings without satisfactory cause, the Board of Directors

may, after consultation with such director, consider the position vacant and may proceed to fill such vacancy.

Article III
Directors' Meetings

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at such time and place as the board in its discretion deems necessary and proper.

Section 2. Special Meetings. Special meetings of the Board shall be called by the Secretary upon request by any officer or director. The action of a majority of the Board, although not at a regularly called meeting, shall be valid and effective in all respects if the record of the meeting shall be assented to in writing by all members of the Board.

Section 3. Quorum. At all meetings of the Board, a majority of the Board shall constitute a quorum, and, except as otherwise provided by law or by these By-laws, the act of a majority of the directors present shall be the act of the Board.

Article IV
Officers

Section 1. The officers will be comprised of members of Cobblestone Homes/Rouse-Walker Properties, Inc. until subdivision is fully built or relinquished by Cobblestone Homes/Rouse-Walker Properties, Inc.

Section 2. General. The officers of this corporation shall select a President, Vice-President, and a Secretary/Treasurer.

Section 3. Election and Term of Office. The officers shall be elected by the Board of Directors from its membership at the first meeting of the Board of Directors which shall be held within one (1) month following the annual meeting of the members. The officers shall take office at the close of the meeting at which they are elected and shall serve for a term of one (1) year or until their successors have been elected and have taken office.

Section 4. President. The President shall be the chief executive officer of this corporation and shall have the general supervision of all its affairs. He shall preside at the meeting of the Board of Directors. He shall be an ex officio member of all committees, and shall appoint the chairmen and members of all committees subject to approval of the Board of Directors. The President shall perform other such duties as may be assigned to him by action of the Board of Directors.

Section 5. Vice-President. The Vice-President shall perform the duties of the President in the absence or inability of the President to do so. He shall perform other such duties as the Board of Directors may from time to time determine. He shall also preside as Chairman of the Architectural Control Committee.

Section 6. Secretary/Treasurer. The Secretary/Treasurer shall be responsible for keeping the minutes and records of the meetings of the corporation and shall see that all notices are given as required by law, regulation or the by-laws of the corporation and shall have charge of the general correspondence of the corporation. He shall collect, receive and deposit in appropriate bank accounts all moneys of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association. He shall keep correct and complete books and records of the account, and shall render periodic financial statements to the Board of Directors and the corporation and such other reports and accounts of the financial condition of the corporation as may from time to time be requested by the Board of Directors. He shall perform such other duties and have such powers as the Board of Directors may determine. In the absence of or the inability of the President or Vice-President to perform their duties, the Secretary/Treasurer shall assume the duties of the President.

Section 7. Execution of Instruments. The President and the Secretary/Treasurer shall on being so directed by the Board of Directors, sign all leases, contracts and other instruments in writing.

Section 8. Vacancies. A vacancy occurring in any office shall be filled for the unexpired term by a majority vote of the Board of Directors in attendance at a meeting of the Board.

Section 9. Resignation and Removal. Any officer may be removed from office within or without cause by the Board. Any officers may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified within, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Article V **Members**

Section 1. Membership. Any person or corporation owning a numbered lot or tract in any of the subdivisions or developments in Fayetteville in which the name "Salem Heights" is contained, shall be eligible for membership and shall be a member of the corporation upon payment of dues as hereinafter provided.

Article VI **Meetings of Members**

Section 1. Annual Meetings. The annual meeting of the members shall be held at any address specified in the notice of the meeting on December 1 of each year or such other date as a majority of the Board of Directors may agree. A majority of the Members of the Association in good standing shall constitute a quorum.

Section 2. Special Meetings. Special meetings of the Members for any purpose may be called at any time by the President, Vice-President, or by any three or more Members.

Section 3. Notices. Notice of meetings shall be given to the Members by the Secretary/Treasurer. Notice may be given to the Member either personally, or by mailing a copy of the notice. Notice of the meeting, regular or special, shall be mailed not less than ten (10) days in advance of the meeting and shall set forth the purposes of the meeting. Notice of an emergency meeting may be conveyed in the most expeditious manner available.

Article VII **Committees**

Section 1. Standing Committees. The President, subject to approval of the Board of Directors, shall appoint a Chairman and the members of all committees. The Chairman of the committees shall begin their chairmanship upon appointment and shall serve for a term of one (1) year, or until their successors have been chosen and have taken office.

Section 2. Nominating Committee. The President, subject to the approval of the Board of Directors, shall appoint a nominating committee of three (3) persons, at least one of which shall be a member of the Board of Directors. The committee shall have the responsibility of nominating candidates for election to the Board of Directors of the corporation, to be presented to the members, at the annual meeting.

Section 3. Architectural Control Committee. The Architectural Control Committee shall be the committee elected by the majority of the members at the annual meeting. This committee shall approve all plans for construction or improvement of any structure on a lot, or any addition or modification of an existing dwelling, structure or improvement. All other duties of the Architectural Control Committee shall be as hereinafter provided. This committee is comprised of officers of Cobblestone Homes/Rouse-Walker Properties, Inc. until the subdivision is fully built or is at the discretion of Cobblestone Homes/Rouse-Walker Properties, Inc.

Article VIII **Amendments**

Section 1. Amendment Procedure. These By-laws may be amended at a regular or special meeting of the Members, by a vote of the majority of a quorum of the Members present, provided that those provisions of these By-laws which are covered by the Covenants of this Association may not be amended except as provided in the Covenants or applicable law; and provided further that any matter stated herein to be amended except as provided therein. Amendments shall be approved, notarized and filed with the county clerk in the same manner as the original document, then attached to the By-laws.

Section 2. Resolution of Conflicts. In the case of any conflict between the Covenants and these By-laws, the Covenants shall control.

Brenda DeShields-Circuit Clerk
Benton County, AR
Book/Pg: 2010/20484
Term/Cashier: CASH4/SJOHNSON
04/29/2010 1:36:13PM
Tran: 111207
Total Fees: \$50.00

**ADDENDUM TO
DECLARATIONS, COVENANTS AND RESTRICTIONS**

OF

**STONE MEADOW
A ZERO LOT LINE SUBDIVISION**

Book **2010** Page **20484**
Recorded in the Above
Book & Page
04/29/2010

WHEREAS PALMCO PROPERTIES, LLC, an Arkansas limited liability company, ("Developer"), developed the Stone Meadow Subdivision located in Bentonville, Arkansas consisting of Lots 1 through 259 as shown on the plat of said subdivision recorded August 9, 2006 in Plat 2006 pages 954, 955 and 956 of the records to the Circuit Clerk of Benton County, Arkansas (the "**Subdivision**").

WHEREAS DEVELOPER prepared and recorded the Declarations, Covenants and Restrictions of Stone Meadow Subdivision and said Declarations, Covenants and Restrictions are recorded in the office of the Circuit Clerk, Book 2006, Pg 43428, Benton County, Arkansas (the "**Declarations**").

WHEREAS, a part of the Subdivision was rezoned to allow for Zero Lot line single unit residential homes on the lots described on Exhibit "A" and depicted on Exhibit "A-1" attached hereto and made a part hereof (the "**Single Unit Lots**" or individually a "**Single Unit Lot**").

WHEREAS, this Addendum is made and entered into by Palmco Properties, LLC, Stone Meadow Development Group, LLC and Stonehenge Properties, LLC, who are all the owners of the Single Unit Lots, for the purpose of providing certain easements, covenants and restrictions for the Single Unit Lots for the use and enjoyment of all owners of such lots in addition to the Declarations.

NOW THEREFORE, for and in consideration of ten (\$10.00) dollars and other good and valuable consideration and the mutual covenants contained herein, the receipt and sufficiency of which is hereby acknowledged, the parties agree the following shall apply to the Single Unit Lots in the Subdivision.

1. A temporary easement is granted to a lot owner on lots adjoining an owner's lot for the repair and maintenance of improvements on a Single Unit Lot. Nothing contained herein shall permit any permanent easement or restrict the use and enjoyment of a property. The easement is granted only for repair and maintenance. Any use of the easement by a property owner shall be at such property owner's expense and the adjoining lots shall be cleaned and restored immediately.

2. Utility easements are granted to Single Unit Lot owners on an adjoining lot for the location of existing utilities and the repair and maintenance of such existing utilities and the repair and maintenance of any foundation, wall or roof area. If necessary for the repair of any such foundation, wall or roof or utilities, a temporary construction easement is hereby granted on the adjoining lot, provided however, no permanent improvements may be removed for any such repair and all construction on any easement granted herein including any temporary easement shall be repaired and restored to the same condition before any repairs or maintenance at the expense of such Single Unit Lot owner for whom repairs are being made. Nothing contained herein shall be construed to grant any additional utility easements, permanent, temporary or otherwise.

3. Aerial easements are granted on each lot for only the following:

- (a) Eaves and/or soffit overhangs.
- (b) guttering and downspouts.

No satellite or other aerial antennas shall be allowed to encroach onto another homeowner's lot or be visible from the patio or garden area of a Single Unit lot owner's lot or from the front yard of any Single Unit Lot.

4. No trees or shrubs shall be planted against another Single Unit Lot owner's home so as to disturb the peaceful enjoyment of such adjoining owner's property or create any risk from falling limbs or trees onto a Single Unit Lot owner's property.

5. Other than windows or exterior doors existing at the time of the construction of a Single Unit Lot home, no windows or doors shall be added to a unit without the approval of the architectural control committee. In deciding whether any such door or window shall be permitted the privacy of any adjoining homeowner shall be given preference.

6. No activity at a Single Unit Lot home shall be conducted that would consist of throwing, shooting, bouncing or otherwise hitting the exterior wall of any adjoining unit that would cause any noise and would disturb an adjoining property owner's enjoyment and use of their unit and property.

This Addendum to Declaration is in addition to and not in replacement of the existing Declarations for the Subdivision.

IN WITNESS WHEREOF, the Developer has caused this Addendum to Declaration to be duly executed and its corporate seal to be hereunto affixed this 27 day April, 2010.

Signed in the presence of:

Allison Taylor

Allison Taylor

Print Name

Janet Seaton

Janet Seaton

Print Name

PALMCO PROPERTIES, LLC, an Arkansas limited liability company

By:

John D. Alford
John D. Alford, Manager

Signed in the presence of:

Allison Taylor

Allison Taylor

Print Name

Janet Seaton

Janet Seaton

Print Name

STONE MEADOW DEVELOPMENT GROUP, LLC, an Arkansas limited liability company

By:

John D. Alford
John D. Alford, Manager

Signed in the presence of:

Allison Taylor

Allison Taylor

Print Name

Janet Seaton

Janet Seaton

Print Name

STONEHENGE PROPERTIES, LLC, an Arkansas limited liability company

By:

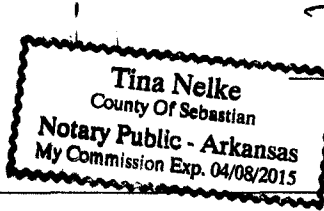
John D. Alford
John D. Alford, Manager

ACKNOWLEDGMENT

STATE OF ARKANSAS

COUNTY OF Sebastian

Before me, a notary public, in and for said county, personally appeared the above named John D. Alford, Manager of Palmco Properties, LLC, who acknowledged that he did sign the foregoing instrument and that the same is the free act of said limited liability company and the free act and deed of him personally and as such Manager. Whereof, I have hereunto signed my hand and official seal this 27th day of April, 2010.



Tina Nelke
Notary Public

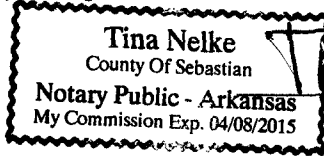
My Commission expires: _____

ACKNOWLEDGMENT

STATE OF ARKANSAS

COUNTY OF Sebastian

Before me, a notary public, in and for said county, personally appeared the above named John D. Alford, Manager of Stone Meadow Development Group, LLC, who acknowledged that he did sign the foregoing instrument and that the same is the free act of said limited liability company and the free act and deed of him personally and as such Manager. Whereof, I have hereunto signed my hand and official seal this 27th day of April, 2010.



Tina Nelke
Notary Public

My Commission expires: _____

ACKNOWLEDGMENT

STATE OF ARKANSAS

COUNTY OF Sebastian

Before me, a notary public, in and for said county, personally appeared the above named John D. Alford, Manager of Stonehenge Properties, LLC, who acknowledged that he did sign the foregoing instrument and that the same is the free act of said limited liability company and the free act and deed of him personally and as such Manager. Whereof, I have hereunto signed my hand and official seal this 21st day of April, 2010.

Tina Nelke

Notary Public

My Commission expires: _____

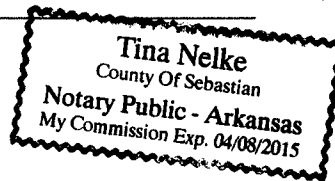


Exhibit "A"

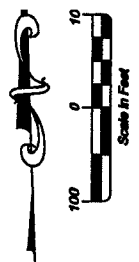
Lots 21 through 36, Lots 38 through 79, Lots 120 through 127, Lots 174 through 181, and Lots 230 through 235.

Exhibit "A-1"

Book **2010** Page **20490**
Recorded in the Above
DEED Book & Page
04/29/2010

2006 955
Recorded in the Above
Plat Book & Page
08-09-2006 1010
Brenda DeShields-C
Benton County, AR

RECORDING STAMP

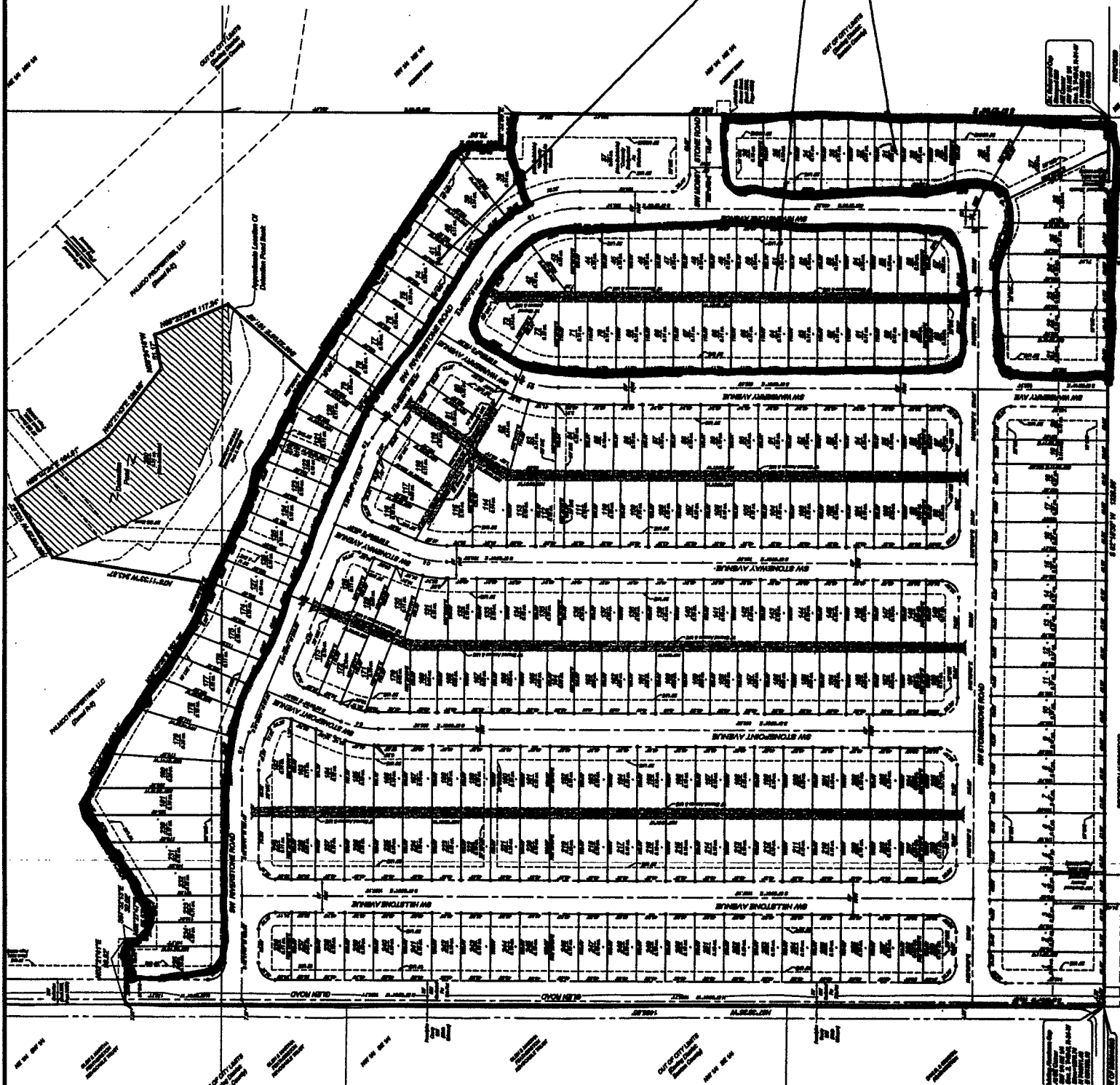


LEGEND

- Found Iron Pin
- Set Iron Pin
- Property Line
- Right-of-Way L
- Construction
- Estimated Line
- Building Outline
- Lot Address
- Drainage Easement
- Utility Easement
- Rear Access As Shown
- Lot That Shall Be Accommodated By A City (Other Not Shown)
- D/E LINE

Book 2010 Page 20491
Recorded in the Above
DEED Book & Page
04/29/2010

Single Unit Lots
Zero Lot Line



DATE OF PLAT PREPARATION: JG
DATE OF SURVEY PREPARATION: JG

Benton County, AR
I certify this instrument was filed on
04/29/2010 1:37:32PM
and recorded in DEED Book
2010 at pages 0020484 - 0020491
Brenda DeShields-Circuit Clerk

Brenda DeShields-Circuit Clerk
Benton County, AR
Book/Pg: 2015/44112
Term/Cashier: CASH2/Laura L. Tway
08/11/2015 3:53:22PM
Tran: 343093
Total Fees: \$50.00

**FIRST AMENDMENT TO
DECLARATIONS, COVENANTS AND RESTRICTIONS**

~~Book 2006 Page 44112
Recorded in the Above
DEED Book & Page
08/11/2015~~

OF

**STONE MEADOW
A ZERO LOT LINE SUBDIVISION**

WHEREAS, Palmco Properties, LLC, an Arkansas limited liability company, (the "**Developer**") developed the Stone Meadow Subdivision located in Bentonville, Arkansas consisting of Lots 1 through 259 (the "**Lots**") as shown on the plat of said subdivision recorded August 9, 2006 in Plat 2006 pages 954, 955 and 956 of the records to the Circuit Clerk of Benton County, Arkansas (the "**Subdivision**"). A copy of the Subdivision Plat is attached hereto as Exhibit "A" and made a part hereof.

WHEREAS DEVELOPER prepared and recorded the Declarations, Covenants and Restrictions of Stone Meadow Subdivision and said Declarations, Covenants and Restrictions are recorded in the office of the Circuit Clerk, Book 2006, Pg 43428, Benton County, Arkansas as added to by the Addendum to Declarations dated April 27, 2010 (collectively the "**Declarations**").

WHEREAS, a part of the Subdivision was rezoned to allow for Zero Lot line single unit residential homes on the Lots (the "**Single Unit Lots**" or individually a "**Single Unit Lot**").

WHEREAS, Developer desires to make all Lots in the Subdivision available for Zero Lot line single unit residential homes.

WHEREAS, this First Amendment (the "**First Amendment**") is made to the Declarations by the Developer for the purpose of correcting certain scrivener errors and to clarify the obligation of Lot Owners to pay common expenses and assessments and to clarify the procedure to turn over the Association to the Owners of Lots in the Subdivision through the election of a Board of Directors for the Association pursuant to the procedure set forth in the Declarations and the By-Laws of the Association.

NOW THEREFORE, Developer pursuant to the authority vested in the Developer in the Declarations and in particular Section 6 – Amendments and other good and valuable consideration, Developer does hereby amend the Declarations as follows:

1. Section 12.9 Developer's Liability for Assessments is deleted in its entirety and replace with the following:

Book 2015 Page 44112
Recorded in the Above
DEED Book & Page
08/11/2015

(a) Combination of Lots. Two (2) or more Lots in the Subdivision may be combined into a single Lot if Developer determines, in Developer's sole discretion, that a Lot is not suitable for the construction of a single home compatible to the other homes in the Subdivision, then said Lots may be re-platted into a single lot in accordance with applicable ordinances of the City of Bentonville, Arkansas. In the event a Lot is combined by a re-platting of lots and approval from the City of Bentonville, Arkansas is received, then the re-platted lots shall be treated as one (1) Lot for purposes of common expenses and Assessments (regular, capital or otherwise) assessed or charged by the Association against Lots in the Subdivision (as defined in the Declarations). The fraction obligation of all Lots Owners for payment of common expenses and Assessments shall be adjusted such that the numerator will be the total adjusted number of Lots in the Subdivision and the denominator a single Lot. By way of example, if the total Lots are reduced by construction through re-platting then the fractional obligation for assessment for each property Owner shall be $240/1 = .0042$. This percentage assumes all Lots have homes and there are no vacant Lots or under construction.

(b) Lots with Residences under Construction. Any Owner of a Lot in the Subdivision with a residence under construction shall not be required to pay any common area expenses or Assessments made or levied by the Association until such time as a residence is completed on the Lot and the residence receives a certificate of occupancy from the City of Bentonville, Arkansas or such other regulatory governmental agency governing the Subdivision.

(c) Vacant Lots. Vacant Lots owned by the Developer shall not be obligated to pay any common area expenses nor assessed any Assessment by the Association or otherwise until the later of (1) the Developer turns over control of the Association to the homeowners of the Subdivision; (2) the Developer has completed a home on a vacant Lot and a certificate of occupancy has been issued by the municipality regulating the Subdivision; or, (3) the Developer has sold all Lots originally developed as a Lot in the Subdivision. The term "sold" shall mean that title has been transferred of record to a party that is not the Developer and a deed recorded with the Clerk and Ex-Officio Recorder of Benton County, Arkansas.

2. Use of Lots. All Lots in the Subdivision are available for construction of Zero Lot line single unit residential homes.

3. Correction. This First Amendment to Declarations is intended to correct scrivener's errors in the Declarations and to clarify that the Developer has no obligation to pay any common expenses, Assessments or dues for any vacant Lots owned by the Developer.

4. Deleted By-Laws. The Amended By-Laws filed by Cobblestone Homes on or about May 2, 2007 in Book 2007 at page 17522 in the records of the Circuit Clerk and Ex-Officio Recorder of Benton County, Arkansas was filed without approval or authorization from Developer and is hereby deleted and has no effect on the Subdivision or the Association.

5. Turnover of Control. Turnover of Control of the Association from the Developer to the owners of Lots in the Subdivision shall occur when Developer has sold all vacant Lots in the

Subdivision (the “**Turnover of Control**”). The term “sold” shall have the same meaning as set forth in paragraph 1(c) of the First Amendment. After Turnover of Control, the Association shall be governed by the by-laws of the Association approved by the Developer on January 14, 2010. Control of the Board of Directors for the Association shall remain with the Developer until the Developer has sold all Lots originally platted for the Subdivision. To insure seamless transition of the management of the Association, the Developer shall appoint an Advisory Board of Directors for the Association (the “**Advisory Board of Directors**”) which shall serve a term of the later of: (i) one (1) year from September 1, 2015; or (ii) the Turnover of Control by the Developer. The Advisory Board of Directors shall consist of a minimum of three (3) and a maximum of seven (7) owners of Lots in the Subdivision.

6. Attorney’s Fees and Costs. Developer shall be allowed reasonable attorney’s fees and costs for the enforcement of the Declarations including this First Amendment. All such fees and costs shall be assessed as an Assessment as defined in the Declarations.

7. Ratification. Except as set forth in this First Amendment, all other terms and conditions of the Declarations are hereby reinstated, ratified and affirmed by Developer. In all other respects, the Declarations shall continue in full force and effect, unmodified except to the extent provided herein, and Developer hereby RATIFIES and AFFIRMS the Declarations. In the event of a conflict between the terms of the Declarations and the terms of this First Amendment, the terms of this First Amendment shall control.

8. Number; Gender. Whenever herein the singular number is used, the same shall include the plural where appropriate, and words of any gender shall include each other gender where appropriate.

9. Amendments. This First Amendment may not be modified, amended or repealed without the written consent of the Developer.

10. Governing Law. This First Amendment shall be governed by the laws of the state of Arkansas.

[remainder of page intentionally left blank signature page to follow]

IN WITNESS WHEREOF, the Developer has caused this First Amendment to Declarations to be duly executed and its corporate seal to be hereunto affixed this 11th day of August, 2015.

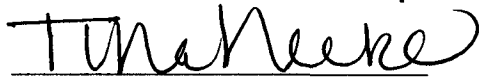
DEVELOPER:

Signed in the presence of:

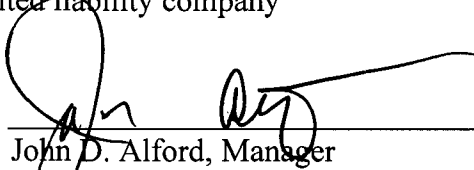
PALMCO PROPERTIES, LLC, an Arkansas limited liability company




Naomi Conley
Print Name

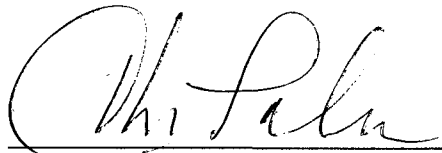


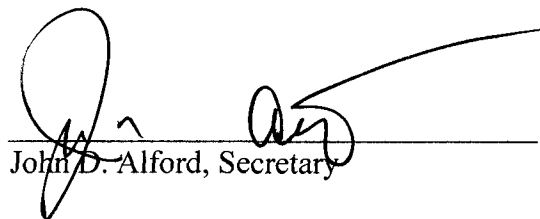
Tuna Neke
Print Name

By: 
John D. Alford, Manager

By: 
Charles G. Palmer, Manager

Stone Meadow Property Owner's Association, Inc.

By: 
Charles G. Palmer, President

By: 
John D. Alford, Secretary

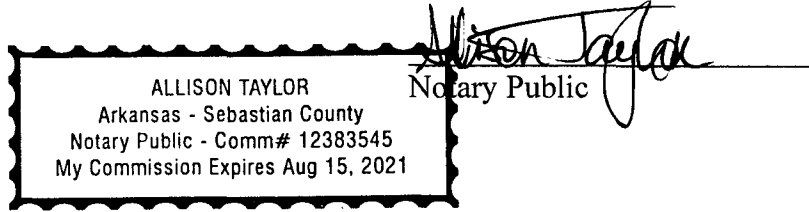
ACKNOWLEDGMENT

STATE OF ARKANSAS)
)ss
COUNTY OF SEBASTIAN)

On this 11 day of August, 2015, before me, a Notary Public, duly qualified, commissioned and acting within and for the County of Sebastian, appeared in person, John D. Alford, Manager of Palmco Properties, LLC, and was duly authorized in his respective capacity to execute the foregoing instrument for and in the name and behalf of said company, and further stated and acknowledged that he had so signed, executed, and delivered said foregoing instrument for the consideration, uses, and purposes therein mentioned and set forth.

In Testimony Whereof, I have hereunto set my hand and seal as such Notary Public this 11 day of August, 2015.

My Commission Expires:
8-15-2021
SEAL



ACKNOWLEDGMENT

STATE OF ARKANSAS)
)ss
COUNTY OF SEBASTIAN)

On this 11 day of August, 2015, before me, a Notary Public, duly qualified, commissioned and acting within and for the County of Sebastian, appeared in person, Charles G. Palmer, Manager of Palmco Properties, LLC, and was duly authorized in his respective capacity to execute the foregoing instrument for and in the name and behalf of said company, and further stated and acknowledged that he had so signed, executed, and delivered said foregoing instrument for the consideration, uses, and purposes therein mentioned and set forth.

In Testimony Whereof, I have hereunto set my hand and seal as such Notary Public this 11 day of August, 2015.

My Commission Expires:
8-15-2021
SEAL

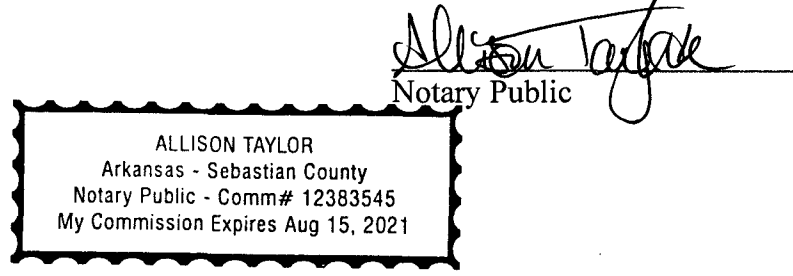


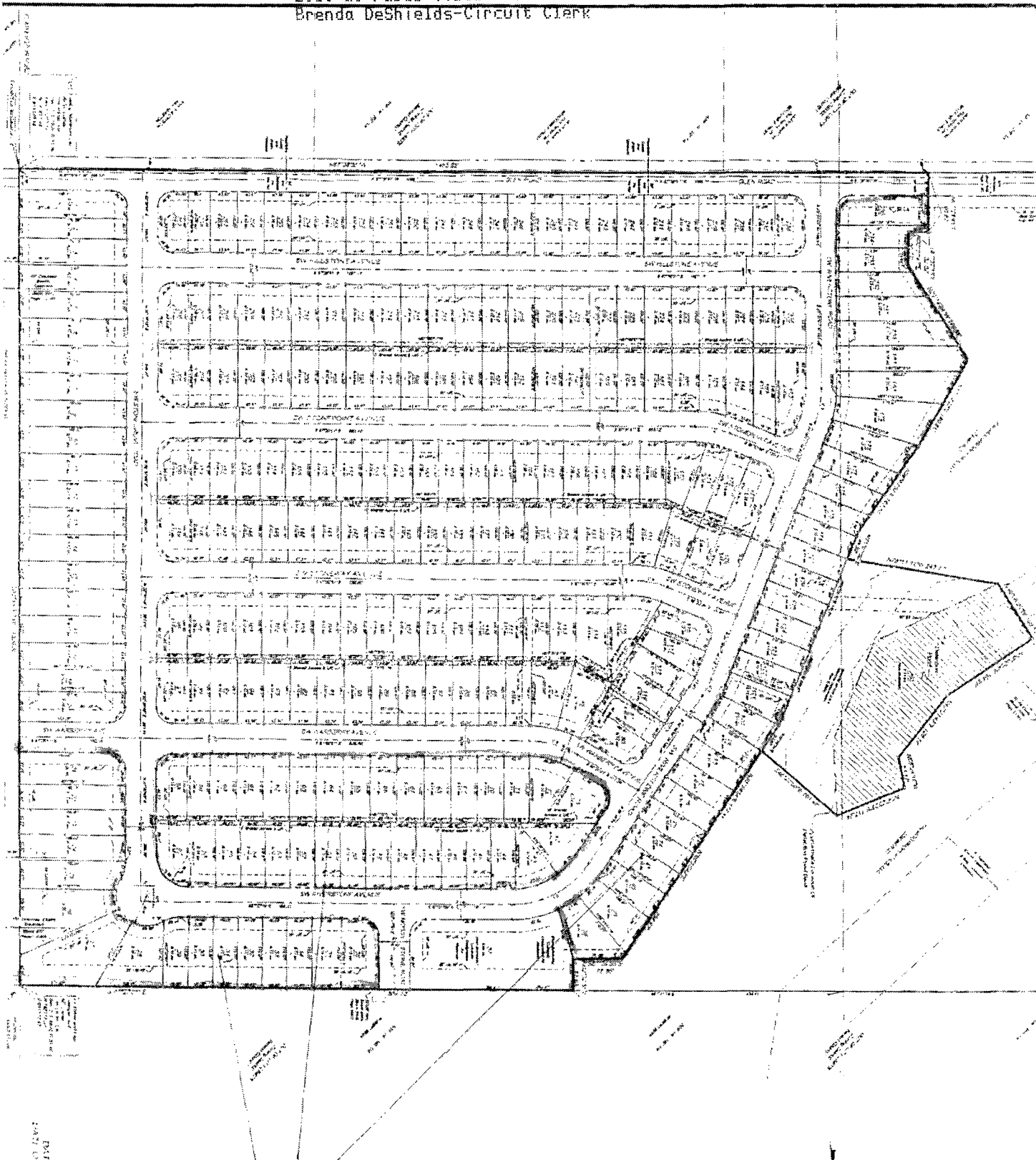
Exhibit "A"

Plat of Subdivision

Book 2015 Page 44118
Recorded in the Above
DEED Book & Page
08/11/2015

Benton County, AR
 I certify this instrument was filed on
 08/11/2015 3:53:22PM
 and recorded in DEED Book
 2015 at pages 44112 - 44119
 Brenda DeShields-Circuit Clerk

Book 2015 Page 44119
 Recorded in the Above
 DEED Book & Page
 08/11/2015



Slight Cut Lots
 Road Cut Line

LEGEND

Symbol	Description
Circle with dot	Point of Beginning
Solid line	Right-of-Way
Dashed line	Right-of-Way
Line with cross-ticks	Right-of-Way
Line with dots	Right-of-Way
Line with triangles	Right-of-Way
Line with squares	Right-of-Way
Line with diamonds	Right-of-Way
Line with stars	Right-of-Way
Line with crosses	Right-of-Way
Line with pluses	Right-of-Way
Line with asterisks	Right-of-Way
Line with hash marks	Right-of-Way
Line with percent signs	Right-of-Way
Line with dollar signs	Right-of-Way
Line with ampersands	Right-of-Way
Line with at signs	Right-of-Way
Line with tildes	Right-of-Way
Line with carets	Right-of-Way
Line with backslashes	Right-of-Way
Line with pipes	Right-of-Way
Line with less-than signs	Right-of-Way
Line with greater-than signs	Right-of-Way
Line with equals signs	Right-of-Way
Line with plus-minus signs	Right-of-Way
Line with infinity signs	Right-of-Way
Line with question marks	Right-of-Way
Line with exclamation marks	Right-of-Way
Line with percent signs	Right-of-Way
Line with dollar signs	Right-of-Way
Line with ampersands	Right-of-Way
Line with at signs	Right-of-Way
Line with tildes	Right-of-Way
Line with carets	Right-of-Way
Line with backslashes	Right-of-Way
Line with pipes	Right-of-Way
Line with less-than signs	Right-of-Way
Line with greater-than signs	Right-of-Way
Line with equals signs	Right-of-Way
Line with plus-minus signs	Right-of-Way
Line with infinity signs	Right-of-Way
Line with question marks	Right-of-Way
Line with exclamation marks	Right-of-Way



RECORDING STA
 2015
 44112 - 44119
 DEED BOOK & PAGE
 08/11/2015

DATE OF PLAT PREPARATION AND
 DATE OF SURVEY PROFESSIONAL'S SIGNATURE