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MASTER
DECLARATION

DEC 05 2001

SUE HODGES
Clerk and Recorder
Benton County, ARK.

OF

COVENANTS, CONDITIONS & RESTRICTIONS

FOR

SHADOW VALLEY

This Master Declaration of Covenants, Conditions & Restrictions (CCR's) for Shadow Valley is made by C. R. Reaves Family Limited Partnership, a Arkansas partnership ("**Declarant**"), on the date signed below.

Declarant owns the 56.64 acres of real property described in Appendix A of this Declaration, together with the improvements thereon, and an additional 457 acres more or less of real property subject to the Declarant's right, but not the duty, to annex in accordance with the provisions of Appendixes B and C of this Declaration.

Declarant desires to develop a Master Planned Community (MPC) to be known as Shadow Valley. Declarant further desires to provide for the preservation and maintenance of portions of Shadow Valley, and to protect the value, desirability, and attractiveness of Shadow Valley. Declarant deems it advisable to create an Association to perform these functions and activities more fully described in this Declaration.

As originally conceived by Declarant, the development is planned to encompass approximately 514 acres to include, but not be limited to (1) a private, gated community with 850 - 1,000 lots to be improved with detached single family homes and attached housing units such as townhomes/villas/patio homes/etc.; (2) a broad range of amenities including a country club with an 18-hole championship golf course; (3) retail businesses; and (4) office buildings.

Declarant hereby declares that the real property described in Appendix A is subject to this Declaration.

ARTICLE I
DEFINITIONS

DEFINITIONS. The following words and phrases, whether or not capitalized, have specified meanings when used in the Documents, unless a different meaning is apparent from the context in which the word or phrase is used.

- 1.1 "ACC" means the Architectural Control Committee of the Association.
- 1.2 "Assessment" means any charge levied against a Lot or Owner by the Association, pursuant to the Documents.
- 1.3 "Association" means the Association of Owners of all Lots in the Property, initially organized as Shadow Valley Property Owners Association, Inc. (SVPOA), a Arkansas nonprofit corporation, and serving as the "Property Owners' Association" defined in the Arkansas Code.

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- 1.4 **"Attached Housing Lots"** means a portion of the Property intended for independent ownership, as shown on the Plat, on which a townhome/villa/patio home/etc. Dwelling has been or will be constructed.
- 1.5 **"Board"** means the Board of Directors of the Association.
- 1.6 **"CCR's"** means Covenants, Conditions and Restrictions.
- 1.7 **"City"** means the City of Rogers, Benton County, Arkansas, in which the Property is located.
- 1.8 **"Common Areas"** means that portion of the Common Property shown or referenced on Plats or otherwise designated as parks, playgrounds, athletic fields, green space, etc. intended for the use and enjoyment of the Owners, Residents, their families and guests.
- 1.9 **"Common Property"** means and includes:
- a. All of the Property, save and except the Lots, including the privately maintained streets, entryways, parks, signs, privacy fences and other Common Property shown on or referenced on Plats.
 - b. Fixtures and improvements on or appurtenant to the private streets, entryways, parks, signs and other Common Property which are intended for the use, operation, or maintenance of the private streets, entryways, parks, signs, privacy fences and other Common Property, even if the fixtures and improvements are located on lots.
 - c. Any modification, replacement, or addition to any of the above-described areas and improvements.
 - d. Personal property owned by the Association, such as books and records, office equipment, supplies, and furniture.
- 1.10 **"Declarant"** means C. R. Reaves Family Limited Partnership (RFLP), a Arkansas partnership, which is developing the Property, or the successors and assigns of RFLP , which acquire any portion of the Property for the purpose of development and which are designated a Successor Declarant by RFLP, or by any such successor and assign, in a recorded document.
- 1.11 **"Declarant Control Period"** means that period of time, beginning the date this Declaration is recorded, during which Declarant controls the operation of the Association, pursuant to Appendix C of this Declaration.
- 1.12 **"Declaration"** means this Document, as it may be amended from time to time.
- 1.13 **"Development Period"** means that period of time, beginning the date this Declaration is recorded, during which Declarant reserves certain rights for expansion of the Property, and the marketing and build-out of lots, pursuant to Appendix C of this Declaration.
- 1.14 **"Documents"** means, singly or collectively as the case may be, this Declaration, the Plat, the Bylaws, the Association's Articles of Incorporation, and the Rules of the Association, as any of these may be amended from time to time. An appendix, exhibit, schedule, or certification accompanying a Document is a part of that Document.
- 1.15 **"Dwelling"** means a single family home or a townhome/villa/patio home/etc.

- 1.16 **"Easement"** means the right an Owner grants to others for ingress and/or egress or other use or uses of the Owner's property.
- 1.17 **"House Lot"** means a portion of the Property intended for independent ownership, as shown on the Plat, on which a single family home Dwelling has been or will be constructed. Certain House Lots are designated on the Plat as "Scenic Lots" because of their proximity to community amenities such as the golf course, a water feature, green space, etc.
- 1.18 **"Leader"** means an officer, director or committee member of the Board. —
- 1.19 **"Lot"** means a portion of the Property intended for independent ownership, as shown on the Plat, on which a Dwelling has been or will be constructed. Where the context indicates or requires, "Lot" includes all improvements thereon. The Property includes two (2) types of lots – "House Lots" on which a single family home has been or will be constructed and "Attached Housing Lots" on which a townhome/villa/patio home/etc. has been or will be constructed
- 1.20 **"Master Planned Community (MPC) "** means a large-scale development containing several neighborhoods, on site amenities , retail stores, office space, etc.
- 1.21 **"Majority"** means more than half.
- 1.22 **"Member"** means a member of the Association, each Member being an Owner of a Lot, unless the context indicates that Member means a Member of the Board or a Member of a committee of the Association.
- 1.23 **"Owner"** means a holder of recorded fee simple title to a Lot. Declarant is the initial Owner of all Lots. Contract sellers and mortgagees who acquire title to a Lot through a deed in lieu of foreclosure or through judicial or nonjudicial foreclosure are Owners. Persons or entities having ownership interests merely as security for the performance of an obligation are not Owners. Every Owner is a member of the Association.
- 1.24 **"Planned Unit Development (PUD)"** means a MPC developed in accordance with the City of Rogers, Arkansas Planned Unit Development (PUD) Zoning Ordinance.
- 1.25 **"Plat"** means all Plats, singly and collectively, recorded or to be recorded in the real property records of Benton County, Arkansas pertaining to Shadow Valley, a PUD within the City of Rogers, including all dedications, limitations, restrictions, easements, and reservations shown on the Plat, as it may be amended from time to time.
- 1.26 **"Property"** means all the land subject to this Declaration and all improvements, easements, rights, and appurtenances to the land. The name of the Property is Shadow Valley. The Property is located on land described in Appendix A to this Declaration, and includes every Lot thereon.
- 1.27 **"Resident"** means an occupant of a Dwelling, regardless of whether the person owns the Lot.
- 1.28 **"Rules"** means rules and regulations adopted by the Board in accordance with the Documents.
- 1.29 **"Scenic Lots"** means those Lots in close proximity to community amenities such as the golf course, a water feature, green space, etc.
- 1.30 **"Underwriting Lender"** means Federal Home Loan Mortgage Corporation (Freddie Mac) or Federal National Mortgage Association (Fannie Mae), singly or collectively. The use of this term and these institutions may not be construed as a limitation on an Owner's financing options nor as a representation that the Property is approved by any institution.

ARTICLE 2
PROPERTY SUBJECT TO DOCUMENTS

- 2.1 **PROPERTY.** The Property described in Appendix A is held, transferred, sold, conveyed, leased, occupied, used, insured, and encumbered subject to the terms, covenants, conditions, restrictions, liens, and easements of this Declaration, including Declarant's representations and reservations in the attached Appendix B, which run with the Property and bind all parties having or acquiring any right, title, or interest in the Property, their heirs, successors, and assigns, and inure to the benefit of each Owner of the Property.
- 2.2 **ADDITIONAL PROPERTY.** Additional real property may be annexed to the Property and subjected to the Declaration and the jurisdiction of the Association on approval of Owners representing at least sixty-seven (67) percent of the Lots in the Property, or, during the Development Period, by Declarant as permitted in Appendixes B and C. Annexation of additional Property is accomplished by recording a Declaration of Annexation, including an amendment of Appendix A, in the Benton County real property records.
- 2.3 **STREETS WITHIN PROPERTY.** Streets within the Property are part of the Common Area owned by the Association. To the extent not prohibited by public law, the Association is specifically authorized to adopt, amend, repeal, and enforce rules, regulations, and procedures for use of the streets, including but not limited to:
- a. Identification of vehicles used by Owners and Residents, and their families and guests.
 - b. Designation of speed limits and parking and/or no parking areas.
 - c. Removal or prohibition of vehicles that violate applicable Rules.
 - d. Fines for violations of applicable Rules.
 - e. Programs for controlling access through the entrance gates.

ARTICLE 3
PROPERTY EASEMENTS AND RIGHTS

- 3.1 **GENERAL.** In addition to other Easements and rights established by the Documents, the Property is subject to the Easements and rights contained in this Article.
- 3.2 **OWNER'S EASEMENT OF ENJOYMENT.** Every Owner is granted a right and Easement of enjoyment over the Common Areas and to use of improvements therein, subject to other rights and Easements contained in the Documents.
- 3.3 **OWNER'S MAINTENANCE EASEMENT.** Every Owner is granted an access Easement over adjoining Lots and Common Areas for the maintenance or reconstruction of his Dwelling and other improvements on his Lot, provided exercise of the Easement does not damage or materially interfere with the use of the adjoining Lot or Common Area. Requests for entry to an adjoining Lot or Common Area must be made to the Owner of the adjoining Lot, or the Association in the case of Common Areas, in advance, for a time reasonably convenient for the adjoining Owner, who may not unreasonably withhold consent. If an Owner damages an adjoining Lot or Common Area in exercising this Easement, the Owner is obligated to restore the damaged property to its original condition, at his expense, within a reasonable period of time.

- 3.4 **OWNER'S INGRESS/EGRESS EASEMENT.** Every Owner is granted a perpetual Easement over the Property's streets, as may be reasonably required, for vehicular ingress to and egress from his Lot.
- 3.5 **ASSOCIATION'S ACCESS EASEMENT.** The Association is granted an Easement of access and entry to every Lot and Common Area to perform maintenance, to enforce architectural and use restrictions, to respond to emergencies, and to perform any other duties required by the Documents.
- 3.6 **UTILITY EASEMENT.** The Association may grant permits, licenses, and Easements over Common Areas for utilities, roads, and other purposes necessary for the proper operation of the Property. A company or entity, public or private, furnishing utility service to the Property, is granted an Easement over the Property for ingress, egress, meter reading, installation, maintenance, repair, or replacement of utility lines and equipment, and to do anything else necessary to properly maintain and furnish utility service to the Property; provided, however, this Easement may not be exercised without prior notice to the Board. Utilities may include, but are not limited to, water, sewer, trash removal, electricity, gas, telephone, master or cable television, and security.
- 3.7 **SECURITY.** The Association may, but is not obligated to, maintain or support certain activities within the Property designed, either directly or indirectly, to improve safety in or on the Property. Each Owner and Resident acknowledges and agrees, for himself and his guests, that Declarant, the Association, and its directors, officers, committees, agents, and employees are not providers, insurers, or guarantors of security within the Property. Each Owner and Resident acknowledges and accepts his sole responsibility to provide security for his own person and property, and assumes all risks for loss or damage to same. Each Owner and Resident further acknowledges that Declarant, the Association, and its directors, officers, committees, agents, and employees have made no representations or warranties, nor has the Owner or Resident relied on any representation or warranty, express or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any fire, burglar, and/or intrusion systems recommended or installed, or any security measures undertaken within the Property. Each Owner and Resident acknowledges and agrees that Declarant, the Association, and its directors, officers, committees, agents, and employees may not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.
- 3.8 **RISK.** Each Owner and Resident uses all Common Area amenities at his own risk. All Common Area amenities are unattended and unsupervised. The gatehouse at the entrance may not be staffed. Each Owner and Resident is solely responsible for his own safety and that of his guests. The Association disclaims any and all liability or responsibility for injury or death occurring from use of the Common Area amenities.

ARTICLE 4
ARCHITECTURAL COVENANTS AND CONTROL

- 4.1 **PURPOSE.** Because the Lots are part of a single, unified MPC, the Association has the right, acting through the ACC to regulate the design, use, and appearance of the Lots and Common Areas in order to preserve and enhance the Property's value and architectural harmony. The purpose of this Article is to ensure that all Dwellings and associated structures constructed shall utilize good quality materials and workmanship and shall promote and ensure the level of taste, design, quality, and harmony by which the Property is developed and maintained.
- 4.2 **ARCHITECTURAL CONTROL COMMITTEE (ACC).** The ACC consists of the Declarant and two (2) persons appointed by the Declarant during the Development Period. After the Development Period, the ACC shall consist of three (3) persons appointed by the Board, pursuant to the Bylaws, or, at the Board's option, the Board may act as the ACC. If the Board acts as the ACC, all references in the

Documents to the ACC are construed to mean the Board. Members of the ACC need not be Owners or Residents.

- 4.3 **PROHIBITION OF CONSTRUCTION, ALTERATION & IMPROVEMENT.** Without the ACC's prior written approval, a person may not construct a Dwelling or make an addition, alteration, improvement, installation, modification, redecoration, or reconstruction of or to the Property, if it will be visible from a street, another Dwelling, or a Common Area. This prohibition includes, without limitation, a change in the color of any material on the exterior of a Dwelling or other structure. The ACC has the right but not the duty to evaluate every aspect of construction, landscaping, and Property use that may adversely affect the general value or appearance of the Property.
- 4.4 **ACC GUIDELINES and LIMITATIONS.** The Association, acting through the ACC, shall establish architectural restrictions, guidelines, and standards, subject to revision from time to time, including revisions to reflect changes in technology, style, and taste. The Association, acting through the ACC, has the right to establish and enforce architectural restrictions, guidelines, and standards relating to every aspect of proposed or existing improvements on a Lot, including but not limited to Dwellings, fences, and landscaping, and further including replacements or modifications of original construction or installation.
- 4.5 **ACC APPROVAL REQUIREMENTS.** To request ACC approval, an Owner should review the ACC Guidelines and Limitations and must make written application and submit two (2) identical sets of plans and specifications for the structure showing the nature, kind, shape, colors, size and materials to be used and the location of the structure on the Lot with the finished floor elevation (FFE) relative to top of the street curb. If the FFE is not at least one (1) foot higher than the top of the street curb, the plans shall include a drainage plan. The application must clearly identify any requirement of this Declaration for which a variance is sought. The ACC will return one set of plans and specification to the applicant marked with the ACC's response, such as "Approved" or "Denied." The ACC will retain the other set of plans and specifications, together with the application, for the Association's files. Verbal approval by a director, officer, member of the ACC, or the Association's manager does not constitute ACC approval, which must be in writing. ACC approval of plans and specifications is for the mutual benefit of all Owners and is not intended to be, and shall not be construed as, an approval or certification that the plans and specifications are technically sound or correct from an engineering or architectural standpoint. Each Owner shall be individually responsible for the technical aspect of the plans and specifications.
- 4.5.1 **Deemed Approval.** If the ACC fails to respond in writing -- negatively, affirmatively, or requesting information -- within thirty (30) days after the ACC's actual receipt of the Owner's application, the Owner may submit a second request for processing of its original application. If the Board fails to respond within fifteen (15) days after the Board's actual receipt of the Owner's second request, the Owner's application is deemed approved. In exercising Deemed Approval, the burden is on the Owner to document the Board's actual receipt of the Owner's initial application and second request.
- 4.5.2 **Building Permit.** If the application is for work that requires a building permit from the City, the ACC's approval is conditioned on the City's issuance of the appropriate permit. The ACC's approval of plans and specifications does not mean that they comply with the City's requirements. Alternatively, approval by the City does not ensure ACC approval.

ARTICLE 5
CONSTRUCTION AND USE RESTRICTIONS

- 5.1 **CONSTRUCTION RESTRICTIONS.** Improvements constructed on every Lot must comply with the architectural restrictions, guidelines and standards established by the ACC including but not limited to the following:
- 5.1.1 **Use.** All Lots shall be governed by the applicable City of Rogers codes and regulations governing residential Dwellings as they exist on the date of construction. Any conflict between such ordinances and this Declaration shall be resolved in favor of the more restrictive provisions.
- 5.1.2 **Size.** No Dwelling structure shall be constructed with less heated and cooled living space than the minimum for that neighborhood as specified on the Plat for said neighborhood.
- 5.1.3 **Setbacks.** No building shall be constructed on any Lot outside of the building area shown on the Plat reflecting said Lot. For this purpose, driveways, eaves, patios and steps shall not be considered as part of the building, however, this shall not be construed to permit any portion of any building on a Lot to encroach upon another Lot.
- 5.1.4 **Building Exteriors.** All building exteriors must be at least 75% brick, stone, stucco or other material specifically approved by the ACC.
- 5.1.5 **Roofs.** The main body of all roofs must have a pitch of at least 8/12 and be architectural roofing shingles or other roofing material specifically approved by the ACC. No standard 3-tab roofing material shall be allowed.
- 5.1.6 **Garages.** All Dwellings shall have a primary garage, attached and/or detached, for not less than two (2) cars.
- 5.1.7 **Driveways.** All Dwellings shall have a driveway at least twelve (12) feet wide and shall be constructed of concrete or other material specifically approved by the ACC.
- 5.1.8 **Fences – Scenic Lots.** A fence shall not be allowed on any Lot designated as Scenic on the Plat for said Lot.
- 5.1.9 **Courtyards – Scenic Lots.** A courtyard on any Lot designated as Scenic on the Plat for said Lot shall be limited to: (1) a width that does not exceed the rear width of the house without the specific approval of the ACC; (2) wall heights that do not exceed thirty-six (36) inches above finished grade; and (3) walls constructed using the same materials used on the exterior of the house and/or decorative black wrought iron or other material specifically approved by the ACC.
- 5.1.10 **Retaining Walls and/or Privacy Fences – Lots Not Designated As Scenic Lots.** Retaining Walls and/or Privacy Fences six (6) feet in height above the finished grade shall be constructed on all Lots not designated as Scenic Lots on the Plat for said Lot to enclose the rear yards and fifteen (15) feet of the side yards measured from the rear of the house. Retaining walls and/or privacy fences on Lots which are adjacent to other Lots within the Property shall be built on the common property line and shall be considered to be common. Fencing on corner Lots shall extend to, but not beyond the corner of the house. All retaining walls and/or privacy fences shall be constructed using materials, design and a layout specifically approved by the ACC.

- 5.1.11 **In-Ground Swimming Pools, Cabanas and Gazebos.** In-ground swimming pools, cabanas and gazebos may be built within the building area of any Lot subject to a limitation of one (1) each per Lot and the approval of the ACC. Swimming pools shall be enclosed with a wall and/or fence not to exceed five (5) feet in height above finished grade with the solid portion, if any, not to exceed three (3) feet in height and constructed using the same materials used on the exterior of the house and/or decorative black wrought iron or other material specifically approved by the ACC. The approval requirements outlined in subsections 4.1 – 4.5.3 shall apply to these structures. Permanent and semi-permanent above ground swimming pools are specifically prohibited.
- 5.1.11 **Accessory Buildings.** Accessory buildings such as studios may be built within the building area of any Lot subject to a limitation of one (1) each per Lot and the approval of the ACC. The approval requirements outlined in subsections 4.1 – 4.5.3. shall apply to these structures. Buildings designed primarily for storage are specifically prohibited.
- 5.2 **ASSOCIATION'S RIGHT TO PROMULGATE RULES.** The Association, acting through its Board, is granted the right to adopt, amend, repeal, and enforce reasonable Rules, and penalties for infractions thereof, regarding the occupancy, use, disposition, maintenance, appearance, and enjoyment of the Property. In addition to the restrictions contained in this Article, each Lot is owned and occupied subject to the right of the Board to establish Rules, and penalties for infractions thereof, governing:
- a. Use of Common Areas.
 - b. Hazardous, illegal, or annoying materials or activities on the Property.
 - c. The use of Property-wide services provided through the Association.
 - d. The consumption of utilities billed to the Association.
 - e. The use, maintenance, and appearance of portions of Dwellings such as roofs, windows, doors, porches, etc. that are visible from the street, Common Areas, or other Dwellings.
 - f. Landscaping and maintenance of yards.
 - g. The Ownership of Lots.
 - h. The occupancy and leasing of Dwellings.
 - i. The types, sizes, numbers, locations, and behavior of animals at the Property.
 - j. The types, sizes, numbers, conditions, uses, appearances, and locations of motorized and recreational vehicles on the Property.
 - k. Disposition of trash and control of vermin, termites, and pests.
 - l. Anything that interferes with maintenance of the Property, operation of the Association, administration of the Documents, or the quality of life for Owners or Residents.
- 5.3 **ANIMALS.** No animal, bird, fish, reptile, or insect of any kind may be kept, maintained, raised, or bred anywhere on the Property for a commercial purpose or for food. Customary domesticated household pets may be kept subject to the Rules. Unless the Rules provide otherwise:

- 5.3.1 **Number.** No more than two (2) dogs and two (2) cats may be maintained in each dwelling. Permission to maintain other types or additional numbers of household pets must be obtained in writing from the Board.
- 5.3.2 **Disturbance.** Pets must be kept in a manner that does not disturb the peaceful enjoyment of residents of other lots. No pet may be permitted to bark, howl, whine, screech, or make other loud noises for extended or repeated periods of time.
- 5.3.3 **Indoors/Outdoors.** Subject to the limited yard privilege below, a permitted pet must be maintained inside the dwelling, and may not be kept within a courtyard or a fenced yard. No pet is allowed on the Common Areas unless carried or leashed.
- 5.3.4 **Limited Yard Privilege.** Dogs and cats may be kept within a courtyard or a fenced yards only if they do not disturb or annoy people on the Property. The Board is the sole arbiter of what constitutes a disturbance or annoyance. If the Board determines that a dog or cat disturbs people, the Board may permanently revoke the privilege of keeping the dog or cat on a patio, within a courtyard or in a fenced yard. Thereafter, the dog or cat must be maintained inside the Dwelling.
- 5.3.5 **Pooper Scooper.** Owners and Residents are responsible for the removal of his pet's wastes from the Property. Unless the Rules provide otherwise, Owners and Residents must prevent his pet from relieving itself on Common Property or the Lot of another Owner.
- 5.3.6 **Liability.** An Owner is responsible for any property damage, injury, or disturbance caused or inflicted by an animal kept on the Lot. The Owner must compensate any person injured by the animal. The Owner of a Lot on which an animal is kept is deemed to indemnify and to hold harmless the Board, the Association, and other Owners and Residents, from any loss, claim, or liability resulting from any action of the animal or arising by reason of keeping the animal on the Property.
- 5.4 **ANNOYANCE.** No Lot or Common Area may be used in any way that: (1) may reasonably be considered annoying to neighbors; (2) may be calculated to reduce the desirability of the Property as a residential neighborhood; (3) may endanger the health or safety of other Owners or Residents or their guests; (4) may result in the cancellation of insurance on the Property; or (5) violates any law. The Board has the sole authority to determine what constitutes an annoyance.
- 5.5 **APPEARANCE.** Both the Lot and the Dwelling must be maintained in a manner so as not to be unsightly when viewed from the street or neighboring lots. The ACC is the sole arbiter of acceptable appearance standards.
- 5.6 **CHRISTMAS DECORATIONS.** Christmas decorations shall not be allowed prior to November 15th or after January 31st.
- 5.7 **DRAINAGE.** No person may interfere with the established drainage pattern over any part of the Property without the Board's prior written approval of an adequate alternative provision for proper drainage.
- 5.8 **DRIVEWAYS.** The driveway portion of a Lot may not be used for any purpose that interferes with its ongoing use as a route of vehicular access to the garage. Without the board's prior approval, a driveway may not be used: (1) for storage purposes, including storage of boats, recreational vehicles, trailers, and inoperable vehicles; or (2) for repair or restoration of vehicles.
- 5.9 **FIRES.** Except for outdoor fireplaces and barbecue fires, no exterior fires on the Property are permitted.

- 5.10 **GARAGES.** Without the Board's prior written approval, the original garage area of a Lot may not be enclosed or used for any purpose that prohibits the parking of at least two (2) operable vehicles therein.
- 5.11 **BASKETBALL GOALS. OTHER SPORTING AND/OR RECREATIONAL EQUIPMENT.** Without the ACC's prior written approval, basketball goals, other sporting and/or recreational equipment may not be attached, mounted, or installed in any part of an unfenced yard or on a driveway. Portable basketball goals are specifically prohibited.
- 5.12 **LANDSCAPING.** No person may perform landscaping, planting, or gardening on Common Property without the Board's prior written authorization.
- 5.13 **LEASING OF DWELLINGS.** When an Owner's personal or business circumstances temporarily preclude their use of the Dwelling as their primary or secondary residence for a period of a year or more, the Owner may lease the Dwelling on his Lot provided the lease period is at least one (1) year. Whether or not it is so stated in a lease, every lease is subject to the Documents. An Owner is responsible for providing his tenant with copies of the Documents and notifying him of changes thereto. Failure by the tenant or his invitees to comply with the Documents, federal or state law, or local ordinance is deemed to be a default under the lease. When the Association notifies an Owner of his tenant's violation, the Owner will promptly obtain his tenant's compliance or exercise his rights as a landlord for tenant's breach of lease. If the tenant's violation continues or is repeated, and if the Owner is unable, unwilling, or unavailable to obtain his tenant's compliance, then the Association has the power and right to pursue the remedies of a landlord under the lease or state law for the default, including eviction of the tenant. The Owner of a leased Dwelling is liable to the Association for any expenses incurred by the Association in connection with enforcement of the Documents against his tenant. The Association is not liable to the Owner for any damages, including lost rents, suffered by the Owner in relation to the Association's enforcement of the Documents against the Owner's tenant.
- 5.14 **NOISE & ODOR.** A Resident must exercise reasonable care to avoid making or permitting to be made loud, disturbing, or objectionable noises or noxious odors that are likely to disturb or annoy Residents of neighboring Lots. The Rules may prohibit the use of noise-producing security devices and wind chimes.
- 5.15 **OCCUPANCY.** Other than the completed principle Dwelling, no thing or structure on a Lot (including the garage) may be occupied as a residence at any time by any person.
- 5.16 **OWNERSHIP OF DWELLINGS.** The ownership of Lots within the Property shall be limited to individuals and families for use as their primary or secondary residence. When an Owner's personal or business circumstances temporarily preclude their use of the Dwelling as their primary or secondary residence for a period of a year or more, the Owner may lease their Dwelling as outlined in Subsection 5.13.
- 5.17 **RESIDENTIAL USE.** The use of a Lot is limited exclusively to residential purposes or any other use permitted by this Declaration. This residential restriction does not, however, prohibit a resident from using a Dwelling for personal business or professional pursuits provided that: (1) the uses are incidental to the use of the Dwelling as a residence; (2) the uses conform to all applicable governmental ordinances; (3) there is no external evidence of the uses; (4) the uses do not entail visits to the Lot by employees or the public in quantities that materially increase the number of vehicles parked on the street; and (5) the uses do not interfere with Residents' use and enjoyment of neighboring Lots.
- 5.18 **SCREENING.** The Owner of a Lot must screen the following items from the view of the public and neighboring Lots and Dwellings in a manner acceptable to and approved in writing by the ACC:
- a. Yard maintenance equipment.

- b. Wood piles and compost piles.
 - c. Vehicles, boats, recreational vehicles and trailers.
 - d. Garbage cans and refuse containers.
 - e. Anything determined by the board to be unsightly or inappropriate for the Property
- 5.19 **SIGNS.** No signs advertising Dwellings for sale or lease, other advertising signs, or unsightly objects may be erected, placed, or permitted to remain on the Property or to be visible from windows in the Dwelling without the Board's prior written approval. The Board's approval may specify the location, nature, appearance, dimensions, number, and time period of any advertising sign. The Association may effect the removal of any sign that violates this section without liability for trespass or any other liability connected with the removal. Notwithstanding the foregoing, and subject to the Board's disapproval, an Owner may erect one professionally made sign per Lot of not more than six (6) square feet advertising a Dwelling for sale or lease.
- 5.20 **TELEVISION.** Each resident of the Property will avoid doing or permitting anything to be done that may unreasonably interfere with the television, radio, telephonic, electronic, microwave, cable, or satellite reception on the Property. Without the prior written consent of the ACC, no person may install the following equipment on a Lot if it would be visible from a street: an antenna, microwave or satellite dish, receiving or transmitting tower; provided, however, that direct broadcast satellites (DBS) and multipoint distribution service (MDS) antennas that are one meter or less in diameter may be installed, subject to the right of the Association to adopt reasonable Rules for the location, appearance, camouflaging, installation, maintenance, and use of the antennas, masts, and dishes to the extent permitted by public law.
- 5.21 **TEMPORARY STRUCTURES.** Improvements or structures of a temporary or mobile nature, such as storage sheds are specifically prohibited, however, the ACC may authorize an Owner's contractor to maintain a temporary structure (such as a portable toilet or construction trailer) on the Lot during approved construction.
- 5.22 **VEHICLES.** All vehicles on the Property, whether owned or operated by the Residents or their guests, are subject to this Section and Rules adopted by the Board. No truck larger than 3-quarters of a ton, vehicle with advertising signage, motor home, camper, bus, trailer, boat, aircraft, inoperable vehicle, or any other similar vehicle or any vehicular equipment, mobile or otherwise, which the Board deems to be a nuisance, unsightly, or inappropriate may be kept, parked, or stored anywhere on the Property without Board approval. The foregoing restriction does not apply to vehicles and equipment temporarily on the Property in connection with the construction or maintenance of a Dwelling. Vehicles that transport inflammatory or explosive cargo are prohibited from the Property at all times. The Association may effect the removal of any vehicle in violation of this section or the Rules without liability to the Owner or operator of the vehicle.
- 5.23 **WINDOW TREATMENTS.** Without the ACC's prior written approval, all window treatments that are visible from the street or another Dwelling must appear to be white in color or match the color of the window.

ARTICLE 6
ASSOCIATION AND MEMBERSHIP RIGHTS

- 6.1 **THE ASSOCIATION.** The duties and powers of the Association are those set forth in the Documents, together with the general and implied powers of a Property Owners Association and a nonprofit corporation organized under the laws of the State of Arkansas. Generally, the Association may do any and all things that are lawful and necessary, proper, or desirable in operating for the peace, health, comfort, and general benefit of its members, subject only to the limitations on the exercise of such powers as stated in the Documents. The Association comes into existence on the earlier of (1) issuance of its corporate charter or (2) the initial levy of Assessments against the Lots and Owners. The Association will continue to exist at least as long as the Declaration is effective against the Property, regardless of whether its corporate charter lapses from time to time.
- 6.2 **GOVERNANCE.** The Association will be governed by a Board of Directors elected by the members. Unless the Association's Bylaws or Articles of Incorporation provide otherwise, the Board will consist of at least three (3) persons elected at the annual meeting of the Association, or at a special meeting called for that purpose. The Association will be administered in accordance with the Bylaws. Unless the Documents provide otherwise, any action requiring approval of the members may be approved in writing by Owners of at least a majority of the lots, or at a meeting of the Association by Owners representing at least a majority of the votes that are represented at the meeting.
- 6.3 **MEMBERSHIP.** Each Owner is a member of the Association, Ownership of a Lot being the sole qualification for membership. Membership is appurtenant to and may not be separated from Ownership of the Lot. The board may require satisfactory evidence of transfer of Ownership before a purported owner is entitled to vote at meetings of the Association. If a Lot is owned by more than one person or entity, each co-owner is a member of the Association and may exercise the membership rights appurtenant to the Lot. A member who sells his Lot under a contract for deed may delegate his membership rights to the contract purchaser, provided a written assignment is delivered to the Board. However, the contract seller remains liable for all Assessments attributable to his Lot until fee title to the Lot is transferred.
- 6.4 **VOTING.** Each Lot has one (1) vote. The vote or votes appurtenant to each Lot may not be divided and must be cast in unison. Cumulative voting is not allowed. Votes may be cast by written proxy, according to the requirements of the Association's Bylaws. Appendix B contains an exception to the number of votes during the Development Period.
- 6.5 **BOOKS & RECORDS.** The Association will maintain copies of the Documents and the Association's books, records, and financial statements. Books and records of the Association will be made available for inspection and copying.
- 6.6 **INDEMNIFICATION.** The Association indemnifies every officer, director, and committee member (for purposes of this Section, "Leaders") against expenses, including attorney's fees, reasonably incurred by or imposed on the Leader in connection with an action, suit, or proceeding to which the Leader is a party by reason of being or having been a Leader. A Leader is not liable for a mistake of judgment, negligent or otherwise. A Leader is liable for his willful misfeasance, malfeasance, misconduct, or bad faith. This right to indemnification does not exclude any other rights to which present or former Leaders may be entitled. As a common expense, the Association will maintain adequate general liability and directors and officers liability insurance to fund this obligation, if it is reasonably available.
- 6.7 **OBLIGATIONS OF OWNERS.** Without limiting the obligations of Owners under the Documents, each Owner has the following obligations:

- 6.7.1 **Information.** Within thirty (30) days after acquiring an interest in a Lot, within thirty (30) days after the Owner has notice of a change in any information required by this Subsection, and on request by the Association from time to time, an Owner will provide the Association with the following information (1) a copy of the recorded deed by which Owner has title to the lot; (2) the Owner's mailing address, phone number(s) and email address, and vehicle(s) license number(s); (3) any mortgagee's name, address, and loan number; (4) the name, phone number(s) of any resident other than the Owner; (5) the name, mailing address, phone number(s) and email address of Owner's managing agent, if any.
- 6.7.2 **Pay Assessments.** Each owner will pay Assessments properly levied by the Association against the Owner or his Lot, and will pay regular Assessments without demand by the Association.
- 6.7.3 **Comply.** Each Owner will comply with the Documents as amended from time to time.
- 6.7.4 **Reimburse.** Each Owner will pay for damage to the Property caused by the negligence or willful misconduct of the Owner, a Resident of the Owner's lot, or the Owner or Resident's family, guests, employees, contractors, agents, or invitees.
- 6.7.5 **Liability.** Each Owner is liable to the Association for violations of the Documents by the Owner, a resident of the Owner's lot, or the Owner or Resident's family, guests, employees, agents, or invitees, and for costs incurred by the Association to obtain compliance, including attorney's fees whether or not suit is filed.

ARTICLE 7
COVENANT FOR ASSESSMENTS

- 7.1 **PURPOSE OF ASSESSMENTS.** The Association will use Assessments for the general purposes of preserving and enhancing the Property, and for the common benefit of Owners and Residents, including but not limited to maintenance of real and personal property, management and operation of the Association, and any expense reasonably related to the purposes for which the Property was developed. If made in good faith, the Board's decision with respect to the use of Assessments is final.
- 7.2 **PERSONAL OBLIGATION.** An Owner is obligated to pay Assessments levied by the Board against the Owner or his Lot. An Owner makes payment to the Association at its principal office or at any other place the Board directs. Payments must be made in full regardless of whether an Owner has a dispute with the Association, another Owner, or any other person or entity regarding any matter to which this Declaration pertains. No Owner may exempt himself from his Assessment liability by waiver of the use or enjoyment of the Common Area or by abandonment of his Lot. An Owner's obligation is not subject to offset by the Owner, nor is it contingent on the Association's performance of the Association's duties. Payment of Assessments is both a continuing affirmative covenant personal to the Owner and a continuing covenant running with the Lot.
- 7.3 **TYPES OF ASSESSMENTS.** There are three (3) types of assessments: Regular, Special and Individual.
- 7.3.1 **Regular Assessments.** Each Lot is liable for its proportionate share of the Association's annual budget. If the board does not approve an annual budget or fails to determine new Regular Assessments for any year, or delays in doing so, Owners will continue to pay the Regular Assessment as last determined. Regular Assessments are used for common expenses related to the reoccurring, periodic, and anticipated responsibilities of the Association, including but not limited to:

- a. Maintenance, repair, and replacement, as necessary, of the Common Area.
- b. Utilities billed to the Association for the Common Areas.
- c. Services billed to the Association and serving all Lots.
- d. Taxes on property owned by the Association.
- e. Management, legal, accounting, auditing, and professional fees for services to the Association.
- f. Costs of operating the Association, such as telephone, postage, office supplies, printing, meeting expenses, and educational opportunities of benefit to the Association.
- g. Premiums and deductibles on insurance policies and bonds deemed by the Board to be necessary or desirable for the benefit of the Association, including fidelity bonds and directors and officers liability insurance.
- h. Contributions to the reserve funds.
- i. Any other expense which the Association is required by law or the Documents to pay, or which in the opinion of the Board is necessary or proper for the operation and maintenance of the Property or for enforcement of the Documents.

7.3.2 **Special Assessments.** In addition to Regular Assessments, and subject to the Owners' control for Assessment increases, the Board may levy one or more Special Assessments against all Lots for the purpose of defraying, in whole or in part, common expenses not anticipated by the annual budget or reserve funds. Special assessments do not require the approval of the Owners, except that Special Assessments for the following purposes must be approved by Owners representing at least a majority of the votes in the Association:

- a. Acquisition of real property, other than the purchase of a Lot at the sale foreclosing the Association's lien against the Lot.
- b. Construction of additional improvements within the Property, but not replacement of original improvements.
- c. Any expenditure that may reasonably be expected to significantly increase the Association's responsibility and financial obligation for operations, insurance, maintenance, repairs, or replacement.

7.3.3 **Individual Assessments.** In addition to Regular and Special Assessments, the Board may levy an Individual Assessment against a Lot and its Owner. Individual Assessments may include, but are not limited to: vacant lot maintenance expense, interest, late charges, and collection costs on delinquent assessments; reimbursement for costs incurred in bringing an Owner or his Lot into compliance with the Documents; fines for violations of the Documents; insurance deductibles; transfer fees and resale certificate fees; reimbursement for damage or waste caused by willful or negligent acts; common expenses that benefit fewer than all of the Lots, which may be assessed according to benefit received; and "pass through" expenses for services to Lots provided through the Association and which are equitably paid by each Lot according to benefit received.

7.4 **RATES OF ASSESSMENTS.**

7.4.1 **Regular and Special Assessments.** The Owners' share of Regular and Special Assessments is the same for all Lots – House Lots or Attached Housing Lots - whether vacant or improved.

7.4.2 **Declarant and Builder Lots.** Notwithstanding the preceding subsections, a Lot that is owned by Declarant or Builders during the Development Period is eligible for the assessment exemption in Appendix C.

7.5 **ANNUAL BUDGET.** The Board will prepare and approve an estimated Annual Budget for each fiscal year. The Annual Budget will take into account the estimated income and expenses for the year, contributions to reserve funds, and a projection for uncollected receivables. The Board will make the Annual Budget available to an Owner of each Lot, although failure to receive an Annual Budget does not affect an Owner's liability for Assessments.

7.6 **DUE DATE.** Regular Assessments are due on the first day of each calendar month. Special and Individual Assessments are due on the date stated in the Notice of Assessment or, if no date is stated, within ten (10) days after notice of the Assessment is given. Assessments are delinquent if not received by the Association on or before the due date.

7.7 **CONTROL FOR ASSESSMENT INCREASES.** This Section of the Declaration may not be amended without the approval of Owners of at least sixty-seven (67) percent of the Lots. In addition to other rights granted to Owners by this Declaration, Owners have the following powers and controls over the Association's budget:

7.7.1 **Veto Increased Dues.** At least thirty (30) days prior to the effective date of an increase in Regular Assessments, the Board will notify the Owner of each Lot of the amount of, the budgetary basis for, and the effective date of the increase. The increase will automatically become effective unless Owners representing at least a majority of the votes in the Association disapprove the increase by petition or at a meeting of the Association. In that event, the last-approved budget will continue in effect until a revised budget is approved.

7.7.2 **Veto Special Assessment.** At least thirty (30) days prior to the effective date of a Special Assessment, the Board will notify an Owner of each Lot of the amount of, the budgetary basis for, and the effective date of the Special Assessment. The Special Assessment will automatically become effective unless Owners representing at least a majority of the votes in the Association disapprove the special Assessment by petition or at a meeting of the Association.

7.8 **RESERVE FUNDS.** The Association will establish, maintain, and accumulate reserves for operations and for replacement and repair. The Association will budget for reserves and use its best efforts to fund reserves out of regular contributions.

7.8.1 **Operations Reserves.** The Association will maintain Operations Reserves at a level sufficient to cover the cost of operational or maintenance emergencies or contingencies, including the full amount of deductibles on insurance policies maintained by the Association.

7.8.2 **Common Area Reserves.** The Association will maintain Replacement and Repair Reserves at a level that anticipates the scheduled replacement or major repair of components of the Common Areas.

- 7.9 **ASSOCIATION'S RIGHT TO BORROW MONEY.** The Association is granted the right to borrow money, subject to the consent of Owners representing at least a majority of the votes in the Association and the ability of the Association to repay the borrowed funds from Assessments. To assist its ability to borrow, the Association is granted the right to encumber, mortgage, pledge, or deed in trust any of its real or personal property, and the right to assign its right to future income, as security for money borrowed or debts incurred, provided that the rights of the lender in the pledged property are subordinate and inferior to the rights of the Owners hereunder.
- 7.10 **ASSESSMENT LIEN.** Each Owner, by accepting an interest in or title to a Lot, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to pay Assessments to the Association. Each Assessment is a charge on the Lot and is secured by a continuing lien on the Lot. Each Owner, and each prospective Owner, is placed on notice that his title may be subject to the continuing lien for Assessments attributable to a period prior to the date he purchased his Lot.
- 7.10.1 **Superiority of Assessment Lien.** The Assessment Lien is superior to all other liens and encumbrances on a Lot, except only for (1) real property taxes and assessments levied by governmental and taxing authorities; (2) a recorded deed of trust lien securing a loan for construction of the original Dwelling; and (3) a first or senior purchase money vendor's lien or deed of trust lien recorded before the date on which the delinquent Assessment became due.
- 7.10.2 **Effect of Foreclosure.** Foreclosure of a superior lien extinguishes the Association's claim against the Lot for unpaid Assessments that became due before the sale, but does not extinguish the Association's claim against the former Owner. The purchaser at the foreclosure sale is liable for Assessments coming due from and after the date of the sale, and for the Owner's pro rata share of the pre-foreclosure deficiency as an Association expense. If an owner fails to pay Assessments due to the Association, the Owner may lose title to the Lot if the Association forecloses its Assessment lien against the Lot.
- 7.10.3 **Perfection of Lien.** The Association's lien for Assessments is created by recordation of this Declaration, which constitutes record notice and perfection of the lien. No other recordation of a lien or notice of lien is required. However, the Association, at its option, may cause a notice of the lien to be recorded in the Benton County real property records. If the debt is cured after a notice has been recorded, the Association will record a release of the notice at the expense of the curing Owner.
- 7.10.4 **Power of Sale.** By accepting an interest in or title to a Lot, each Owner grants to the Association a private power of non-judicial sale in connection with the Association's assessment lien. The board may appoint, from time to time, an officer, agent, trustee, substitute trustee, or attorney to exercise the power of sale on behalf of the Association. The appointment must be in writing and may be in the form of a resolution recorded in the minutes of a board meeting.
- 7.10.5 **Foreclosure of Lien.** The assessment lien may be enforced by judicial or non-judicial foreclosure. A non-judicial foreclosure must be conducted in accordance with the provisions applicable to the exercise of powers of sale as set forth in the Arkansas Code, or in any manner permitted by law. In any foreclosure, the Owner is required to pay the Association's costs and expenses for the proceedings, including reasonable attorneys' fees. The Association has the power to bid on the Lot at foreclosure sale and to acquire, hold, lease, mortgage, and convey same.

ARTICLE 8

EFFECT OF NONPAYMENT OF ASSESSMENTS AND VIOLATION OF THE DOCUMENTS

- 8.1 **COLLECTING DELINQUENT ASSESSMENTS.** Owners who honor their obligations to the Association should not be burdened by Owners who default. The Board is responsible for taking action to collect delinquent Assessments. Neither the Board nor the Association, however, is liable to an Owner or other person for its failure or inability to collect or attempt to collect an Assessment. The following remedies are in addition to and not in substitution for all other rights and remedies which the Association has.
- 8.1.1 **Delinquency.** An Assessment is delinquent if the Association does not receive payment in full by the Assessment's due date.
- 8.1.2 **Notice to Mortgagee.** The Board may notify and communicate with the holder of any lien against a Lot regarding the Owner's default in payment of Assessments.
- 8.1.3 **Interest.** Delinquent Assessments are subject to interest from the due date until paid, at a rate to be determined by the Board from time to time, not to exceed the maximum permitted by law. Interest is an Individual Assessment.
- 8.1.4 **Late Fees.** Delinquent Assessments are subject to reasonable late fees, at a rate to be determined by the Board from time to time. Late fees are an Individual Assessment.
- 8.1.5 **Costs of Collection.** The Owner of a Lot against which Assessments are delinquent is liable to the Association for reimbursement of reasonable costs incurred by the Association to collect the delinquent Assessments, including attorneys fees and processing fees charged by the manager. Collection costs are an Individual Assessment.
- 8.1.6 **Acceleration.** If an Owner defaults in paying an Assessment that is payable in installments, the Board may accelerate the remaining installments on ten (10) days' written notice to the defaulting Owner. The entire unpaid balance of the Assessment becomes due on the date stated in the notice.
- 8.1.7 **Suspension of Use and Vote.** If an Owner's account has been delinquent for at least thirty (30) days, the Board may suspend the right of Owners and Residents to use Common Areas and common services during the period of delinquency. The Board may not suspend an Owner or Resident's right of access to the Lot. The Board may also suspend the right to vote appurtenant to the Lot. Suspension does not constitute a waiver or discharge of the Owner's obligation to pay Assessments.
- 8.1.8 **Money Judgment.** The Association may file suit seeking a money judgment against an Owner delinquent in the payment of Assessments, without foreclosing or waiving the Association's lien for Assessments.
- 8.1.9 **Foreclosure of Assessment Lien.** As provided by this Declaration, the Association may foreclose its lien against the Lot by judicial or non-judicial means.
- 8.1.10 **Application of Payments.** The Board may adopt and amend policies regarding the application of payments. The Board may refuse to accept partial payment, i.e., less than the full amount due and payable. The Board may also refuse to accept payments to which the payer attaches conditions or directions contrary to the Board's policy for applying payments. The Board's policy may provide that endorsement and deposit of a payment does not constitute acceptance by the Association, and that acceptance occurs when the Association posts the payment to the Lot's account.

- 8.2 **ENFORCING THE DOCUMENTS.** The remedies provided in this Section for breach of the Documents are cumulative and not exclusive. In addition to other rights and remedies provided by the Documents and by law, the Association has the following right to enforce the Documents:
- 8.2.1 **Nuisance.** The result of every act or omission that violates any provision of the Documents is a nuisance, and any remedy allowed by law against a nuisance, either public or private, is applicable against the violation.
- 8.2.2 **Fine.** The Association may levy reasonable charges, as an Individual Assessment, against an Owner and his Lot if the Owner or Resident, or the Owner or Resident's family, guests, employees, agents, or contractors violate a provision of the Documents. Fines may be levied for each act of violation or for each day a violation continues, and do not constitute a waiver or discharge of the Owner's obligations under the Documents.
- 8.2.3 **Suspension.** The Association may suspend the right of Owners and Residents to use Common Areas for any period during which the Owner or Resident, or the Owner or Resident's family, guests, employees, agents, or contractors violate the Documents. A suspension does not constitute a waiver or discharge of the Owner's obligations under the Documents.
- 8.2.4 **Self-Help.** The Association has the right to enter any part of the Property, including Lots, to abate or remove, using force as may reasonably be necessary, any erection, thing, animal, person, vehicle, or condition that violates the Documents. In exercising this right, the Board is not trespassing and is not liable for damages related to the abatement. The Board may levy its costs of abatement against the Lot and Owner as an Individual Assessment. Unless an emergency situation exists in the good faith opinion of the Board, the Board will give the violating Owner fifteen (15) days' notice of its intent to exercise self-help. Notwithstanding the foregoing, the Association may not demolish an item of substantial construction on a Lot without judicial proceedings.
- 8.2.5 **Judicial Enforcement.** The Association, as well as any Owner shall have the common law right to enforce the terms and provisions of the Documents by any appropriate judicial process, including but not limited to injunctive relief.
- 8.2.6 **No Waiver.** The Association and every Owner has the right to enforce all restrictions, conditions, covenants, liens, and charges now or hereafter imposed by the Documents. Failure by the Association or by any Owner to enforce a provision of the Documents is not a waiver of the right to do so thereafter.
- 8.3 **NOTICE AND HEARING.** Before levying a fine for violation of the Documents (other than nonpayment of Assessments), or before levying an Individual Assessment for property damage, the Association will give the Owner written notice of the levy and an opportunity to be heard before the Board. The Association may also give a copy of the notice to the Resident. Pending the hearing, the Association may continue to exercise its other rights and remedies for the violation, as if the declared violation were valid. The Owner's request for a hearing suspends only the levy of a fine or damage charge. The Owner may attend the hearing in person, or may be represented by another person or written communication. The Board may adopt additional procedures and requirements for notices and hearing.
- 8.4 **LIMITATIONS OF INTEREST.** The Association, and its officers, directors, managers and attorneys, intend to conform strictly to the applicable usury laws of the State of Arkansas. Notwithstanding anything to the contrary in this Declaration, the Bylaws, the Association's collection policies and resolutions, or any other document or agreement executed or made in connection with any of these, the Association will not in any event be entitled to receive or collect, as interest, a sum greater

than the maximum amount permitted by applicable law. If from any circumstances whatsoever, the Association ever receives, collects or applies as interest any sum in excess of the maximum rate permitted by law, the excess amount will be applied to the reduction of unpaid Special and Regular Assessments, or reimbursed to the Owner if those Assessments are paid in full.

ARTICLE 9
MAINTENANCE AND REPAIR OBLIGATIONS

- 9.1 **OVERVIEW.** Generally, the Association maintains the Common Areas, and the Owner maintains his Lot and Dwelling. If an Owner fails to maintain his Lot, the Association may perform the work at the Owner's expense.
- 9.2 **ASSOCIATION MAINTAINS.** The Association's maintenance obligations will be discharged when and how the Board deems appropriate. The Association maintains, repairs, and replaces, as a Common Expense, the portions of the Property listed below, regardless of whether the portions are on Lots or Common Areas.
- a. All Common Areas.
 - b. Real and personal property owned by the Association but which is not a Common Area, such as a Lot owned by the Association.
- 9.3 **OWNER'S RESPONSIBILITY.** Every owner has the following responsibilities and obligations for the maintenance, repair, and replacement of the Property:
- 9.3.1 **Lot Maintenance.** Each Owner, at the Owner's expense, must maintain his Lot and all improvements on the Lot, including but not limited to the Dwelling, fences, gates, yards, sidewalks, and driveways. Maintenance includes preventative maintenance, repair as needed, and replacement as needed. Each Owner is expected to maintain his Lot at a level, to a standard, and with an appearance that is commensurate with the Property. Each Owner will comply with any standards established by the Association for the frequency and duration of watering the yards.
 - 9.3.2 **Avoid Damage.** An Owner may not do any work or to fail to do any work which, in the reasonable opinion of the Board, would materially jeopardize the soundness and safety of the Property, reduce the value of the Property, adversely affect the appearance of the Property, or impair any easement relating to the Property.
 - 9.3.3 **Responsible for Damage.** An Owner is responsible for his own willful or negligent acts and those of his or the Resident's family, guests, agents, employees, or contractors when those acts necessitate maintenance, repair, or replacement to the Common Areas or the property of another Owner.
- 9.4 **OWNER'S DEFAULT IN MAINTENANCE.** If the Board determines that an Owner has failed to properly discharge his obligation to maintain, repair, and replace items for which the Owner is responsible, the Board may give the Owner written notice of the Association's intent to provide the necessary maintenance at Owner's expense. The notice must state, with reasonable particularity, the maintenance deemed necessary and a reasonable period of time in which to complete the work. If the Owner fails or refuses to timely perform the maintenance, the Association may do so at Owner's expense, which is an Individual Assessment against the Owner and his Lot. In case of an emergency,

however, the Board's responsibility to give the Owner written notice may be waived and the Board may take any action it deems necessary to protect persons or property, the cost of the action being the Owner's expense.

- 9.5 **COMMON RETAINING WALL AND/OR FENCE.** A Common Retaining Wall and/or Fence located on or near the common property line of non-scenic Lots, and to the extent not inconsistent with the provisions of this Section, is subject to the general rules of law regarding Common Retaining Walls and/or Fences and liability for property damage due to negligence, willful acts, or omissions.
- 9.5.1 **Encroachments & Easement.** If a Common Retaining Wall and/or Fence is on one Lot or another due to an error in construction, the midpoint of the Common Retaining Wall and/or Fence is nevertheless deemed to be on the property line for purposes of this Section. Each Lot sharing a Common Retaining Wall and/or Fence is subject to an Easement for the existence and continuance of any encroachment by the Common Retaining Wall and/or Fence as a result of construction, repair, shifting, settlement, or movement in , any portion of the Common Retaining Wall and/or Fence, so that the encroachment may remain undisturbed as long as the Common Retaining Wall and/or Fence stands. Each Lot is subject to a reciprocal easement for the maintenance, repair, replacement, or reconstruction of the Common Retaining Wall and/or Fence.
- 9.5.2 **Right to Repair.** If the Common Retaining Wall and/or Fence is damaged or destroyed from any cause, the Owner of either Lot may repair or rebuild the Common Retaining Wall and/or Fence to its previous condition, and the Owners of both Lots, their successors and assigns, have the right to the full use of the repaired or rebuilt Common Retaining Wall and/or Fence.
- 9.5.3 **Maintenance Costs.** The Owners of the adjoining Lots share equally the costs of repair, reconstruction, or replacement of the Common Retaining Wall and/or Fence, subject to the right of one Owner to call for a larger contribution from the other under any rule of law regarding liability for negligence or willful acts or omissions, and subject to the two modifications below. If an Owner is responsible for damage to or destruction of the Common Retaining Wall and/or Fence, that Owner will bear the entire cost of repair, reconstruction, or replacement. If an Owner fails or refuses to pay his share of costs of repair or replacement of the Common Retaining Wall and/or Fence, the Owner advancing monies has a right to file a claim of lien for the monies advanced in the Benton County real property records, and has the right to foreclose the lien as if it were a mechanic's lien. The right of an Owner to a contribution from another Owner under this Section is appurtenant to the land and passes to the Owner's successors in title. If the dividing line between two (2) House Lots contains a retaining wall, the Owner of the higher or uphill lot is solely responsible for the cost of maintaining the retaining wall and any integral fence.
- 9.5.4 **Alterations.** The owner of a Lot sharing a Common Retaining Wall and/or Fence may not cut openings in the Common Retaining Wall and/or Fence or alter or change the Common Retaining Wall and/or Fence in any manner that affects the use, condition, or appearance of the Common Retaining Wall and/or Fence to the adjoining Lot.

ARTICLE 10 **INSURANCE**

- 10.1 **GENERAL PROVISIONS.** All insurance affecting the Property is governed by the provisions of this Article, with which the Board will make every reasonable effort to comply. The cost of insurance coverages and bonds maintained by the Association is an expense of the Association. Insurance policies and bonds obtained and maintained by the Association must be issued by responsible

insurance companies authorized to do business in the State of Arkansas. The Association must be the named insured on all policies obtained by the Association. Each Owner irrevocably appoints the Association, acting through its Board, as his trustee to negotiate, receive, administer, and distribute the proceeds of any claim against an insurance policy maintained by the Association. Additionally:

- 10.1.1 **Notice of Cancellation or Modification.** Each insurance policy maintained by the Association should contain a provision requiring the insurer to give at least ten (10) days' prior written notice to the Board before the policy may be canceled, terminated, materially modified, or allowed to expire, by either the insurer or the insured.
- 10.1.2 **Deductibles.** An insurance policy obtained by the Association may contain a reasonable deductible, which will be paid by the party who would be liable for the loss or repair in the absence of insurance. If a loss is due wholly or partly to an act or omission of an Owner or Resident or their invitees, the Owner must reimburse the Association for the amount of the deductible that is attributable to the act or omission.
- 10.2 **PROPERTY.** To the extent it is reasonably available, the Association will obtain blanket all-risk insurance for insurable Common Area improvements. If blanket all-risk insurance is not reasonably available, then the Association will obtain an insurance policy providing fire and extended coverage. Also, the Association will insure the improvements on any Lot owned by the Association.
- 10.3 **GENERAL LIABILITY.** The Association will maintain a commercial general liability insurance policy over the Common Areas -- expressly excluding the liability of each Owner and Resident within his Lot -- for bodily injury and property damage resulting from the operation, maintenance, or use of the Common Areas. If the policy does not contain a severability of interest provision, it should contain an endorsement to preclude the insurer's denial of an Owner's claim because of negligent acts of the Association or other Owners.
- 10.4 **DIRECTORS & OFFICERS LIABILITY.** To the extent it is reasonably available, the Association will maintain directors and officers liability insurance, errors and omissions insurance, indemnity bonds, or other insurance the Board deems advisable to insure the Association's directors, officers, committee members, and managers against liability for an act or omission in carrying out their duties in those capacities.
- 10.5 **OTHER COVERAGES.** The Association may maintain any insurance policies and bonds deemed by the Board to be necessary or desirable for the benefit of the Association, including but not limited to worker's compensation insurance, fidelity coverage, and any insurance and bond requested and required by an Underwriting Lender for PUD's as long as an Underwriting Lender is a Mortgagee or an Owner.

ARTICLE 11 **MORTGAGEE PROTECTION**

- 11.1 **INTRODUCTION.** This Article establishes certain standards for the benefit of Mortgagees, and is written to comply with Fannie Mae's Selling Guide in effect at the time of drafting. If a Mortgagee requests from the Association compliance with the guidelines of an Underwriting Lender, the Board, without approval of Owners or Mortgagees, may amend this Article and other provisions of the Documents, as necessary, to meet the requirements of the Underwriting Lender. This Article is supplemental to, not a substitution for, any other provision of the Documents. In case of conflict, this Article controls.
- 11.2 **MORTGAGEE RIGHTS.**

- 11.2.1 **Termination.** An action to terminate the legal status of the Property after substantial destruction or condemnation must be approved by at least fifty-one (51) percent of Mortgagees, in addition to the required consents of Owners. The approval of a Mortgagee is implied when the Mortgagee fails to respond within thirty (30) days after receiving the Association's written request for approval of a proposed amendment, provided the Association's request was delivered by certified or registered mail, return receipt requested.
- 11.2.2 **Right of First Refusal.** Any right of first refusal imposed by the Association with respect to a lease, sale, or transfer of a Lot does not apply to a lease, sale, or transfer by a Mortgagee, including transfer by deed in lieu of foreclosure or foreclosure of a deed of trust lien.
- 11.3 **INSURANCE POLICIES.** If an Underwriting Lender is a Mortgagee or an owner, at the request of the Underwriting Lender the Association will comply with the Underwriting Lender's insurance requirements to the extent the requirements are reasonable and available, and do not conflict with other insurance requirements of this Declaration.

ARTICLE 12 AMENDMENTS

- 12.1 **CONSENTS REQUIRED.** As permitted by this Declaration, certain amendments of this Declaration may be executed by Declarant alone, or by the Board alone. Otherwise, amendments to this Declaration must be approved by Owners of at least a Majority of the Lots.
- 12.2 **METHOD OF AMENDMENT.** For an amendment that requires the approval of Owners, this Declaration may be amended by any method selected by the Board from time to time, pursuant to the Bylaws, provided the method gives an Owner of each Lot the substance if not exact wording of the proposed amendment, a description of the effect of the proposed amendment, and an opportunity to vote for or against the proposed amendment.
- 12.3 **EFFECTIVE.** To be effective, an amendment must be in the form of a written instrument (1) referencing the name of the Property, the name of the Association, and the recording data of this Declaration and any amendments hereto; (2) signed and acknowledged by an officer of the Association, certifying the requisite approval of Owners and, if required, Eligible Mortgagees; and (3) recorded in the real property records of Benton County, Arkansas.
- 12.4 **DECLARANT PROVISIONS.** No amendment may affect Declarant's rights under this Declaration without Declarant's written and acknowledged consent, which must be part of the recorded amendment instrument. This Section may not be amended without Declarant's written and acknowledged consent.
- 12.5 **MERGER.** Merger or consolidation of the Association with another association must be evidenced by an amendment to this Declaration. The amendment must be approved by Owners of at least a Majority of the Lots. Upon a merger or consolidation of the Association with another association, the property, rights, and obligations of another association may, by operation of law, be added to the properties, rights, and obligations of the Association as a surviving corporation pursuant to the merger. The surviving or consolidated association may administer the provisions of the Documents within the Property, together with the covenants and restrictions established upon any other property under its jurisdiction. No merger or consolidation, however, will effect a revocation, change, or addition to the covenants established by this Declaration within the Property.
- 12.6 **TERMINATION.** Termination of the terms of this Declaration and the status of the Property as a PUD are according to the following provisions. In the event of substantially total damage, destruction, or public condemnation of the Property, an amendment to terminate must be approved by owners of at least sixty-seven (67) percent of the Lots. In the event of public condemnation of the entire Property,

an Amendment to Terminate may be executed by the Board without a vote of Owners. In all other circumstances, an Amendment to Terminate must be approved by Owners of at least eighty (80) percent of the Lots.

- 12.7 **CONDEMNATION.** In any proceeding, negotiation, settlement, or agreement concerning condemnation of a Common Area, the Association will be the exclusive representative of the Owners. The Association may use condemnation proceeds to repair and replace any damage or destruction of a Common Area, real or personal, caused by the condemnation. Any condemnation proceeds remaining after completion, or waiver, of the repair and replacement will be deposited in the Association's reserve funds.

ARTICLE 13
GENERAL PROVISIONS

- 13.1 **COMPLIANCE.** The Owners hereby covenant and agree that the administration of the Association will be in accordance with the provisions of the Documents and all applicable laws, regulations, and ordinances, as same may be amended from time to time, of any governmental or quasi-governmental entity having jurisdiction over the Association or Property.
- 13.2 **NOTICE.** All demands or other notices required to be sent to an Owner or Resident by the terms of this Declaration may be sent by ordinary or certified mail, postage prepaid, to the party's last known address as it appears on the records of the Association at the time of mailing. If an Owner fails to give the Association an address for mailing notices, all notices may be sent to the Owner's Lot, and the Owner is deemed to have been given notice whether or not he actually receives it.
- 13.3 **SEVERABILITY.** Invalidation of any provision of this Declaration by judgment or court order does not affect any other provision, which remains in full force and effect. The effect of a general statement is not limited by the enumeration of specific matters similar to the general.
- 13.4 **CAPTIONS.** In all Documents, the captions of Articles and Sections are inserted only for convenience and are in no way to be construed as defining or modifying the text to which they refer.
- 13.5 **APPENDIXES.** The appendixes listed below are attached to this Declaration and incorporated herein by reference. Because Appendixes B and C of this Declaration are destined to become obsolete, beginning twenty (20) years after the date this Declaration is first recorded, the Board may restate, rerecord, or publish this Declaration without Appendixes B and C, provided the other appendixes are not relettered. The automatic expiration and subsequent deletion of Appendixes B and C do not constitute an amendment of this Declaration. The Appendixes to this Declaration include:
- A - Description of Subject Land
- B - Declarant's Representations and Reservations
- C - Description of Additional Land Subject to Annexation
- 13.6 **INTERPRETATION.** Whenever used in the Documents, unless the context provides otherwise, a reference to a gender includes all genders. Similarly, a reference to the singular includes the plural, the plural the singular, where the same would be appropriate.
- 13.7 **DURATION.** Unless terminated or amended by Owners as permitted herein, the provisions of this Declaration run with and bind the Property, and will remain in effect perpetually to the extent permitted by law.

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SIGNED AND ACKNOWLEDGED

SIGNED on this _____ day of _____, 2001.

C.R. Reaves Family Limited Partnership

By: Charles R. Reaves
Charles R. Reaves, General Partner

STATE OF ARKANSAS)
) ss.
COUNTY OF BENTON)

On this 5th day of December, 2001 came before the undersigned, a Notary Public within and for the State and County aforesaid, duly commissioned and acting, Charles R. Reaves, to me well known as the General Partner of C. R. Reaves Family Limited Partnership and executed the above and foregoing Declaration of Covenants, Conditions and Restrictions for SHADOW VALLEY on behalf of the partnership.

WITNESS my hand, at office, this 5th day of December, 2001.

Michele B. Anders
Notary Public

My Commission Expires 1/13/03

Official Seal
Michele B. Anderson
Notary Public-Arkansas
Benton County
My Comm. Expires Jan 13, 2003

DESCRIPTION OF SUBJECT LAND

The 47.10 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 1, Single Family Lots 1 - 129, City of Rogers, Arkansas, filed with the Benton County Clerk on Dec 5, , 2001, and recorded in Book P4, Page 358 real property records of Benton County, Arkansas.

And

The 9.54 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 1, Townhome Lots 1 - 44, City of Rogers, Arkansas, filed with the Benton County Clerk on Dec, 5, 2001, and recorded in Book P4, Page 359 real property records of Benton County, Arkansas.

DECLARANT REPRESENTATIONS & RESERVATIONSB. 1. GENERAL PROVISIONS.

- B.1.1. Introduction. Declarant intends the Declaration to be perpetual and understands that provisions pertaining to the initial development, construction, marketing, and control of the Property will become obsolete when Declarant's role is complete. As a courtesy to future users of the Declaration, who may be frustrated by then obsolete terms, Declarant is compiling the Declarant related provisions in this Appendix.
- B.1.2. General Reservation & Construction. Notwithstanding other provisions of the Documents to the contrary, nothing contained therein may be construed to, nor may any Mortgagee, other Owner, or the Association, prevent or interfere with the rights contained in this Appendix which Declarant hereby reserves exclusively unto itself and its successors and assigns. In case of conflict between this Appendix and any other Document, this Appendix controls. This Appendix may not be amended without the prior written consent of Declarant. The terms and provisions of this Appendix must be construed liberally to give effect to Declarant's intent to protect Declarant's interests in the Property.
- B.1.3. Purpose of Development and Declarant Control Periods. This Appendix gives Declarant certain rights during the Development Period and the Declarant Control Period to ensure a complete and orderly buildout and sellout of the Property, which is ultimately for the benefit and protection of Owners and Mortgagees. Declarant may not use its control of the Association and the Property for an advantage over the Owners by way of retention of any residual rights or interests in the Association or through the creation of any contractual agreements which the Association may not terminate without cause and upon ninety (90) days' notice.
- B.1.4. Definitions. As used in this Appendix and elsewhere in the Documents, the following words and phrases, when capitalized, have the following specified meanings:
- a. **"Builder"** means a person or entity which purchases, or contracts to purchase, a Lot from Declarant for the purpose of constructing a Dwelling for resale or under contract to an Owner other than Declarant.
 - b. **"Declarant Control Period"** means that period of time during which Declarant controls the operation of the Association. The duration of the Declarant Control Period will be from the date this Declaration is recorded for a maximum period not to exceed the earliest of:
 - (1) Ten (10) years from date this Declaration is recorded.
 - (2) Four (4) months after title to seventy-five (75) percent of the Lots that may be created (including on land subject to annexation) has been conveyed to Owners other than Builders.
 - (3) Two (2) years after Declarant ceases developing, constructing, or marketing the Property and the Lots.

(4) When, in Declarant's sole opinion, the Association is viable, self-supporting, and operational.

- c. **"Development Period"** means that period of time during which the Property is being developed, constructed, or marketed, and extends from the date this Declaration is recorded until title to all of the Lots that may be created (including on land subject to annexation) have been conveyed to Owners other than Builders. The Development Period may not exceed twenty (20) years.

B.2. **DECLARANT CONTROL PERIOD RESERVATIONS.** Declarant reserves the following powers, rights, and duties during the Declarant Control Period:

- B.2.1. **Officers & Directors.** During the Declarant Control Period, the number of directors is three (3) and Declarant may appoint, remove, and replace any officer or director of the Association, none of whom need be members or Owners.
- B.2.2. **Budget Funding.** During the Declarant Control Period only, Declarant is responsible for the difference between the Association's operating expenses and the Regular Assessments received from Owners other than Declarant, and will provide any additional funds necessary to pay actual cash outlays of the Association. On termination of the Declarant Control Period, Declarant will cease being responsible for the difference between the Association's operating expenses and the Assessments received from Owners other than Declarant.
- B.2.3. **Expenses of Declarant.** Expenses related to the completion and marketing of the Property will be paid by Declarant and are not expenses of the Association.
- B.2.4. **Budget Control.** During the Declarant Control Period, the right of Owners to veto Assessment increases or Special Assessments is not effective and may not be exercised.
- B.2.5. **Organizational Meeting.** Within sixty (60) days after the end of the Declarant Control Period, or sooner at the Declarant's option, Declarant will call an organizational meeting of the members of the Association for the purpose of electing, by vote of the Owners, directors to the Board. Written notice of the organizational meeting must be given to an Owner of each Lot at least ten (10) days before the meeting. For the organizational meeting, Owners of ten (10) percent of the Lots constitute a quorum.
- B.2.6. **Common Area.** At or prior to termination of the Declarant Control Period, Declarant will convey title to the real estate parcels of the Common Area to the Association by deed -- with or without warranty. At the time of conveyance, the Common Areas will be free of encumbrance except for the property taxes accruing for the year of conveyance. Declarant's conveyance of title is a ministerial task that does not require and is not subject to acceptance by' the Association or the Owners.

B.3. **Development Period Reservations.** Declarant reserves the following Easements and rights, exercisable at Declarant's sole discretion, at any time during the Development Period:

- B.3.1. **Phasing.** The Property is subject to expansion by phasing. During the Development Period, Declarant may annex additional land to the Property and subject it to the Declaration and the jurisdiction of the Association by recording an amendment of this Declaration, executed by Declarant, in the Real Property Records of Benton County, Arkansas. The amendment of

annexation must include a legal description of the additional real property or a reference to the recorded Plat that describes the additional real property.

- B.3.2. **Weighted Votes.** During the Development Period, each Lot owned by Declarant or Builders has twenty (20) votes. On termination of the Development Period and thereafter, each Lot owned by Declarant or Builders has the number of votes allocated to the type of Lot by this Declaration.
- B.3.3. **ACC.** During the Development Period, Declarant has the absolute right to appoint the Architectural Control Committee, consisting of any number of persons who serve at the pleasure of Declarant, and who may be removed and replaced by Declarant. Notwithstanding the foregoing, during the Development Period -- after termination of Declarant Control, or earlier if Declarant permits -- the Board may appoint or serve as a "Modifications Committee" to respond exclusively to modifications of completed Dwellings that are owned by persons other than Declarant or Builders. A Modifications Committee may not involve itself with the approval of new houses and townhomes on vacant Lots.
- B.3.4. **Deemed ACC Approval.** During the Development Period, applications by Builders are deemed approved by the ACC if the ACC fails to respond in writing -- negatively, affirmatively, or requesting information -- within fifteen (15) days after the ACC's actual receipt of the Builder's application. In exercising Deemed Approval, the burden is on the Builder to document the ACC's actual receipt of the Builder's application. As it applies to Builders, this Subsection is a substitute for Section 4.5.1 of this Declaration.
- B.3.5. **Amendment.** During the Development Period, Declarant may amend this Declaration and the other Documents, without consent of other Owners or any Mortgagee, for the following limited purposes:
- a. To add real property to the Property.
 - b. To create Lots, Easements, and Common Areas within the Property.
 - c. To subdivide, combine, or reconfigure Lots owned by the Declarant or the Association.
 - d. To change the designation of Lots as House Lots or Attached Housing Lots.
 - e. To convert Lots into Common Areas.
 - f. To merge the Association with another Property Owners Association.
 - g. To comply with requirements of an Underwriting Lender.
 - h. To resolve conflicts, clarify ambiguities, and to correct inadvertent misstatements, errors, or omissions in the Documents.
- B.3.6. **Completion.** During the Development Period, Declarant has: (1) the right to complete or make improvements indicated on the Plat; (2) the right to sell or lease any Lot owned by Declarant; and (3) an Easement and right to erect, construct, and maintain on and in the Common Area and Lots owned or leased by Declarant whatever Declarant determines to be necessary or advisable in connection with the construction, completion, management, maintenance, leasing, and marketing of the Property.

- B.3.7. **Promotion.** During the Development Period -- for purposes of promoting, identifying, and marketing the Property -- Declarant reserves (1) an easement and right to place and relocate signs, banners, flags, display lighting, and seasonal landscaping on the Property; (2) the right to permit Builders to construct and use model homes on the Property; (3) the right to permit Builders to place signs and promotional materials on the Property; and (4) the right to exempt Builders from the sign restriction in this Declaration.
- B. 3.8. **Access.** During the Development Period, Declarant has an easement and right of ingress and egress in and through the Property for purposes of constructing, maintaining, managing, and marketing the Property, and for discharging Declarant's obligations under this Declaration. Declarant also has the right to provide a reasonable means of access for construction workers and suppliers and the home buying public through the entrance gates in connection with the construction and active marketing of Lots and Dwellings by Declarant or Builders, including the right to require that the gates be kept open during certain hours or on certain days.
- B.3.9. **Easements.** During the Development Period, Declarant may grant permits, licenses, and easements over, in, on, under, and through the Property for drainage, landscaping, roads, trash removal, utilities and other purposes necessary for the proper development and operation of the Property. Utilities may include, but are not limited to, water, sewer, electricity, gas, internet access, telephone, television and security.
- B.3.10. **Assessments.** During the Development Period, Lots owned by Declarant and Builders are not subject to Assessment until the first full month after the date title to a Lot transfers to an Owner other than a Builder. After the Development Period, Declarant and Builders are liable for Assessments on each Lot owned in the same manner as any Owner.
- B.4. **Successor Declarant.** Declarant may designate one or more Successor Declarants for specified designated purposes and/or for specified portions of the Property, or for all purposes and all of the Property. To be effective, the designation must be in writing, signed and acknowledged by Declarant and Successor Declarant, and recorded in the Real Property Records of Benton County, Arkansas. Declarant (or Successor Declarant) may subject the designation of Successor Declarant to limitations and reservations. Unless the designation of Successor Declarant provides otherwise, a Successor Declarant has the rights of Declarant under this Section and may designate further Successor Declarants.

APPENDIX C

DESCRIPTION OF ADDITIONAL LAND SUBJECT TO ANNEXATION

During the Development Period, Declarant may -- but is not required to -- annex any real property any portion of which is at the time of annexation is contiguous with, adjacent to, or within 1,500 feet of real property that is subject to this Declaration.

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01195029
DECLARATION

FILED FOR RECORD
At 7:58 O'Clock P M

DEC 05 2001
SUE HODGES
Clerk and Recorder
Benton County, ARK.

OF
COVENANTS, CONDITIONS & RESTRICTIONS
FOR
THE TOWNHOMES AT SHADOW VALLEY

This Declaration of Covenants, Conditions & Restrictions (CCR's) for The Townhomes at Shadow Valley is made by C. R. Reaves Family Limited Partnership, a Arkansas partnership ("**Declarant**"), on the date signed below.

Declarant owns the 9.54 acres of real property described in Appendix A of this Declaration, together with the improvements thereon.

Declarant desires to develop the real property with a residential neighborhood to be known as The Townhomes at Shadow Valley. Declarant further desires to provide for the preservation and maintenance of portions of The Townhomes at Shadow Valley, and to protect the value, desirability, and attractiveness of The Townhomes at Shadow Valley. Declarant deems it advisable to create an Association to perform these functions and activities more fully described in this Declaration.

The Townhomes at Shadow Valley is located in Shadow Valley , a Master Planned Community (MPC). As originally conceived by Declarant, the development consists of forty-four (44) Lots to be improved with Townhomes. Entry to The Townhomes at Shadow Valley will be from Valley View Road..

Declarant hereby declares that the real property described in Appendix A is subject to this Declaration.

ARTICLE I
DEFINITIONS

DEFINITIONS. The following words and phrases, whether or not capitalized, have specified meanings when used in the Documents, unless a different meaning is apparent from the context in which the word or phrase is used.

- 1.1 "**ACC**" means the Architectural Control Committee of the Association.
- 1.2 "**Assessment**" means any charge levied against a Lot or Owner by the Association, pursuant to the Documents.
- 1.3 "**Association**" means the Association of Owners of all Lots in the Property, initially organized as The Townhomes at Shadow Valley Property Owners Association, Inc. (TTatSVPOA), a Arkansas nonprofit corporation, and serving as the "Property Owners' Association" defined in the Arkansas Code.
- 1.4 "**Attached Housing Lots**" means a portion of the Property intended for independent ownership, as shown on the Plat, on which a Townhome has been or will be constructed.
- 1.5 "**Board**" means the Board of Directors of the Association.
- 1.6 "**CCR's**" means Covenants, Conditions and Restrictions.

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- 1.7 **"City"** means the City of Rogers, Benton County, Arkansas, in which the Property is located.
- 1.8 **"Common Areas"** means that portion of the Common Property shown or referenced on the Plat, or otherwise designated, intended for the use and enjoyment of the Owners, Residents, their families and guests.
- 1.9 **"Common Property"** means and includes:
- a. All of the Property, save and except the Lots, including the driveways, entryway, landscaping, parking lots, putting green, signs, street lights, Townhome exteriors, Townhome roofs, yards and other Common Property shown on or referenced on the Plat.
 - b. Fixtures and improvements on or appurtenant to the driveways, entryway, landscaping, parking lots, putting green, signs, street lights, Townhome exteriors, Townhome roofs, yards and other Common Property, even if the fixtures and improvements are located on lots.
 - c. Any modification, replacement, or addition to any of the above-described areas and improvements.
 - d. Personal property owned by the Association, such as books and records, office equipment, supplies, and furniture.
- 1.10 **"Declarant"** means C. R. Reaves Family Limited Partnership (RFLP), a Arkansas partnership, which is developing the Property, or the successors and assigns of RFLP, which acquire any portion of the Property for the purpose of development and which are designated a Successor Declarant by RFLP, or by any such successor and assign, in a recorded document.
- 1.11 **"Declarant Control Period"** means that period of time, beginning the date this Declaration is recorded, during which Declarant controls the operation of the Association, pursuant to Appendix C of this Declaration.
- 1.12 **"Declaration"** means this Document, as it may be amended from time to time.
- 1.13 **"Development Period"** means that period of time, beginning the date this Declaration is recorded, during which Declarant reserves certain rights for expansion of the Property, and the marketing and build-out of lots, pursuant to Appendix C of this Declaration.
- 1.14 **"Documents"** means, singly or collectively as the case may be, this Declaration, the Plat, the Bylaws, the Association's Articles of Incorporation, and the Rules of the Association, as any of these may be amended from time to time. An appendix, exhibit, schedule, or certification accompanying a Document is a part of that Document.
- 1.15 **"Easement"** means the right an Owner grants to others for ingress and/or egress or other use or uses of the Owner's property.
- 1.16 **"Leader"** means an officer, director or committee member of the Board.
- 1.17 **"Lot"** means a portion of the Property intended for independent ownership, as shown on the Plat, on which a Townhome has been or will be constructed. Where the context indicates or requires, "Lot" includes all improvements thereon. The Property includes only "Attached Housing Lots" on which a Townhome has been or will be constructed
- 1.18 **"Master Association (MA)"** means the Shadow Valley Property Owners Association, Inc. (SVPOA) which derives its authority from the Declaration dated Dec 5, 2001, and recorded in

Book 2001, Page 194999, real property records of Benton County, Arkansas, as corrected, amended, and supplemented, and which administers Shadow Valley, the MPC in which the Property is located.

- 1.19 **"Master Covenants, Conditions & Restrictions (MCCR's)"** means the CCR's of the MA.
- 1.20 **"Master Planned Community (MPC)"** means a large-scale development containing several neighborhoods, on site amenities, retail stores, office space, etc.
- 1.21 **"Majority"** means more than half.
- 1.22 **"Member"** means a member of the Association, each Member being an Owner of a Lot, unless the context indicates that Member means a Member of the Board or a Member of a committee of the Association.
- 1.23 **"Owner"** means a holder of recorded fee simple title to a Lot. Declarant is the initial Owner of all Lots. Contract sellers and mortgagees who acquire title to a Lot through a deed in lieu of foreclosure or through judicial or non-judicial foreclosure are Owners. Persons or entities having ownership interests merely as security for the performance of an obligation are not Owners. Every Owner is a member of the Association.
- 1.24 **"Planned Unit Development (PUD)"** means a MPC developed in accordance with the City of Rogers, Arkansas Planned Unit Development (PUD) Zoning Ordinance.
- 1.25 **"Plat"** means the Plat recorded or to be recorded in the real property records of Benton County, Arkansas pertaining to The Townhomes at Shadow Valley, part of a PUD within the City of Rogers, including all dedications, limitations, restrictions, easements, and reservations shown on the Plat, as it may be amended from time to time.
- 1.26 **"Property"** means all the land subject to this Declaration and all improvements, easements, rights, and appurtenances to the land. The name of the Property is The Townhomes at Shadow Valley. The Property is located on land described in Appendix A to this Declaration, and includes every Lot thereon.
- 1.27 **"Resident"** means an occupant of a Townhome, regardless of whether the person owns the Lot.
- 1.28 **"Rules"** means rules and regulations adopted by the Board in accordance with the Documents.
- 1.29 **"Underwriting Lender"** means Federal Home Loan Mortgage Corporation (Freddie Mac) or Federal National Mortgage Association (Fannie Mae), singly or collectively. The use of this term and these institutions may not be construed as a limitation on an Owner's financing options nor as a representation that the Property is approved by any institution.

ARTICLE 2
PROPERTY SUBJECT TO DOCUMENTS

- 2.1 **PROPERTY.** The Property described in Appendix A is held, transferred, sold, conveyed, leased, occupied, used, insured, and encumbered subject to the terms, covenants, conditions, restrictions, liens, and easements of this Declaration, including Declarant's representations and reservations in the attached Appendix B, which run with the Property and bind all parties having or acquiring any right, title, or interest in the Property, their heirs, successors, and assigns, and inure to the benefit of each Owner of the Property.
- 2.2 **MASTER COVENANTS, CONDITIONS & RESTRICTIONS (MCCR's).** In addition to this Declaration, the Property is subject to the MCCR's and the jurisdiction of the MA. The Owner of each

Lot is automatically a member of the MA and obligated to pay Assessments levied by the MA, which has a lien against the Lot, pursuant to Article 3 of the MCCR's. All improvements on the property including the Townhomes are subject to the ACC of the MA, pursuant to Article 4 of the MCCR's.

Each Lot Owner is a Member of two (2) Associations, this Association and the MA, each of which levies Assessments for which the Lot Owner is liable. Each Lot Owner is subject to two (2) sets of CCR's, this Declaration and the MCCR's, and to two (2) assessment liens.

- 2.3 **ADDITIONAL PROPERTY.** Additional real property may be annexed to the Property and subjected to the Declaration and the jurisdiction of the Association on approval of Owners representing at least sixty-seven (67) percent of the Lots in the Property, or, during the Development Period, by Declarant as permitted in Appendixes B and C. Annexation of additional Property is accomplished by recording a Declaration of Annexation, including an amendment of Appendix A, in the Benton County real property records.
- 2.4 **DRIVEWAYS WITHIN PROPERTY.** Driveways within the Property are part of the Common Area owned by the Association. To the extent not prohibited by public law, the Association is specifically authorized to adopt, amend, repeal, and enforce rules, regulations, and procedures for use of the driveways, including but not limited to:
- a. Identification of vehicles used by Owners and Residents, and their families and guests.
 - b. Designation of speed limits and parking and/or no parking areas.
 - c. Removal or prohibition of vehicles that violate applicable Rules.
 - d. Fines for violations of applicable Rules.

ARTICLE 3
PROPERTY EASEMENTS AND RIGHTS

- 3.1 **GENERAL.** In addition to other Easements and rights established by the Documents, the Property is subject to the Easements and rights contained in this Article.
- 3.2 **OWNER'S EASEMENT OF ENJOYMENT.** Every Owner is granted a right and Easement of enjoyment over the Common Areas and to use of improvements therein, subject to other rights and Easements contained in the Documents.
- 3.3 **OWNER'S MAINTENANCE EASEMENT.** Every Owner is granted an access Easement over adjoining Lots and Common Areas for the maintenance or reconstruction of his Townhome and other improvements on his Lot, provided exercise of the Easement does not damage or materially interfere with the use of the adjoining Lot or Common Area. Requests for entry to an adjoining Lot or Common Area must be made to the Owner of the adjoining Lot, or the Association in the case of Common Areas, in advance, for a time reasonably convenient for the adjoining Owner, who may not unreasonably withhold consent. If an Owner damages an adjoining Lot or Common Area in exercising this Easement, the Owner is obligated to restore the damaged property to its original condition, at his expense, within a reasonable period of time.
- 3.4 **TOWNHOME EASEMENT.** Every Owner of a Townhome Lot is granted an Easement over, under and through every other Townhome Lot that is a part of the same building in which his Townhome is located, for the limited purpose of installing, maintaining and replacing wires, cables, conduit and pipes that serve his Townhome, but only to the extent that use of this Easement is reasonable and

necessary. In the event of dispute, the Board is the arbiter of whether the anticipated use of this Easement is reasonable and necessary. Reciprocally, the Owner of a Townhome that contains wire, cables, conduit or pipes that serve one or more other Townhomes has a duty to refrain from interfering with or damaging those items. This Easement and reciprocal responsibility anticipate that the electrical meters for all the Townhomes in one building may be grouped at one end of the building. It also anticipates that attic or roofline installations of wiring may be the most cost effective and least unsightly way of accommodating future needs. The procedures and liabilities of the preceding "Owner's Maintenance Easement" apply to this Townhome Easement.

- 3.5 **OWNER'S INGRESS/EGRESS EASEMENT.** Every Owner is granted a perpetual Easement over the Property's driveways, as may be reasonably required, for vehicular ingress to and egress from his Lot.
- 3.6 **OWNER'S ENCROACHMENT EASEMENT.** The Owner of every Townhome Lot is granted an easement for the existence and continuance of any encroachment by his Lot on any adjoining Lot or Common Area now existing or which may come into existence hereafter, as a result of construction, repair, shifting, settlement, or movement of any portion of a building, or as a result of condemnation or eminent domain proceedings, so that the encroachment may remain undisturbed so long as the improvement stands.
- 3.7 **ASSOCIATION'S ACCESS EASEMENT.** The Association is granted an Easement of access and entry to every Lot and Common Area to perform maintenance, to enforce architectural and use restrictions, to respond to emergencies, and to perform any other duties required by the Documents.
- 3.6 **UTILITY EASEMENT.** The Association may grant permits, licenses, and Easements over Common Areas for utilities, roads, and other purposes necessary for the proper operation of the Property. A company or entity, public or private, furnishing utility service to the Property, is granted an Easement over the Property for ingress, egress, meter reading, installation, maintenance, repair, or replacement of utility lines and equipment, and to do anything else necessary to properly maintain and furnish utility service to the Property; provided, however, this Easement may not be exercised without prior notice to the Board. Utilities may include, but are not limited to, water, sewer, trash removal, electricity, gas, telephone, master or cable television, and security.
- 3.7 **SECURITY.** The Association may, but is not obligated to, maintain or support certain activities within the Property designed, either directly or indirectly, to improve safety in or on the Property. Each Owner and Resident acknowledges and agrees, for himself and his guests, that Declarant, the Association, and its directors, officers, committees, agents, and employees are not providers, insurers, or guarantors of security within the Property. Each Owner and Resident acknowledges and accepts his sole responsibility to provide security for his own person and property, and assumes all risks for loss or damage to same. Each Owner and Resident further acknowledges that Declarant, the Association, and its directors, officers, committees, agents, and employees have made no representations or warranties, nor has the Owner or Resident relied on any representation or warranty, express or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any fire, burglar, and/or intrusion systems recommended or installed, or any security measures undertaken within the Property. Each Owner and Resident acknowledges and agrees that Declarant, the Association, and its directors, officers, committees, agents, and employees may not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.
- 3.8 **RISK.** Each Owner and Resident uses all Common Area amenities at his own risk. All Common Area amenities are unattended and unsupervised. The gatehouse at the entrance may not be staffed. Each Owner and Resident is solely responsible for his own safety and that of his guests. The Association disclaims any and all liability or responsibility for injury or death occurring from use of the Common Area amenities.

ARTICLE 4
ARCHITECTURAL COVENANTS AND CONTROL

- 4.1 **TWO (2) LEVELS OF ARCHITECTURAL CONTROL.** Each Townhome Lot is subject to two independent architectural controls, Article 4 of the MCCR's administered by the MA and this Article 4 administered by the ACC of this Association. The two (2) ACC's are independent of each other and require independent applications and submissions. Each Owner is hereby given notice of his duty to comply with the requirements of both committees.
- 4.2 **PURPOSE.** Because the Lots are part of a single, unified neighborhood, the Association has the right, acting through the ACC to regulate the design, use, and appearance of the Lots and Common Areas in order to preserve and enhance the Property's value and architectural harmony. The purpose of this Article is to ensure that all Townhomes constructed shall utilize good quality materials and workmanship and shall promote and ensure the level of taste, design, quality, and harmony by which the Property is developed and maintained.
- 4.3 **ARCHITECTURAL CONTROL COMMITTEE (ACC).** The ACC consists of the Declarant and two (2) persons appointed by the Declarant during the Development Period. After the Development Period, the ACC shall consist of three (3) persons appointed by the Board, pursuant to the Bylaws, or, at the Board's option, the Board may act as the ACC. If the Board acts as the ACC, all references in the Documents to the ACC are construed to mean the Board. Members of the ACC need not be Owners or Residents.
- 4.4 **PROHIBITION OF CONSTRUCTION, ALTERATION & IMPROVEMENT.** Without the ACC's prior written approval, a person may not construct a Townhome or make an addition, alteration, improvement, installation, modification, redecoration, or reconstruction of or to the Property, if it will be visible from a driveway, another Townhome, or a Common Area. This prohibition includes, without limitation, a change in the color of any material on the exterior of a Townhome. The ACC has the right but not the duty to evaluate every aspect of construction, landscaping, and Property use that may adversely affect the general value or appearance of the Property.
- 4.5 **ACC GUIDELINES and LIMITATIONS.** The Association, acting through the ACC, shall establish architectural restrictions, guidelines, and standards, subject to revision from time to time, including revisions to reflect changes in technology, style, and taste. The Association, acting through the ACC, has the right to establish and enforce architectural restrictions, guidelines, and standards relating to every aspect of proposed or existing improvements on a Lot, including but not limited to Dwellings, fences, and landscaping, and further including replacements or modifications of original construction or installation.
- 4.6 **ACC APPROVAL REQUIREMENTS.** To request ACC approval, an Owner should review the ACC Guidelines and Limitations and must make written application and submit two (2) identical sets of plans and specifications for the structure showing the nature, kind, shape, colors, size and materials to be used and the location of the structure on the Lot with the finished floor elevation (FFE) relative to top of the common driveway curb. If the FFE is not at least one (1) foot higher than the top of the common driveway curb, the plans shall include a drainage plan. The application must clearly identify any requirement of this Declaration for which a variance is sought. The ACC will return one set of plans and specification to the applicant marked with the ACC's response, such as "Approved" or "Denied." The ACC will retain the other set of plans and specifications, together with the application, for the Association's files. Verbal approval by a director, officer, member of the ACC, or the Association's manager does not constitute ACC approval, which must be in writing. ACC approval of plans and specifications is for the mutual benefit of all Owner's and is not intended to be, and shall not be construed as, an approval or certification that the plans and specifications are technically sound or correct from an engineering or architectural standpoint. Each Owner shall be individually responsible for the technical aspect of the plans and specifications.

- 4.5.1 **Deemed Approval.** If the ACC fails to respond in writing -- negatively, affirmatively, or requesting information -- within thirty (30) days after the ACC's actual receipt of the Owner's application, the Owner may submit a second request for processing of its original application. If the Board fails to respond within fifteen (15) days after the Board's actual receipt of the Owner's second request, the Owner's application is deemed approved. In exercising Deemed Approval, the burden is on the Owner to document the Board's actual receipt of the Owner's initial application and second request.
- 4.5.2 **Building Permit.** If the application is for work that requires a building permit from the City, the ACC's approval is conditioned on the City's issuance of the appropriate permit. The ACC's approval of plans and specifications does not mean that they comply with the City's requirements. Alternatively, approval by the City does not ensure ACC approval.

ARTICLE 5
CONSTRUCTION AND USE RESTRICTIONS

- 5.1 **CONSTRUCTION RESTRICTIONS.** Improvements constructed on every Lot must comply with the architectural restrictions, guidelines and standards established by the ACC including but not limited to the following:
 - 5.1.1 **Use.** All Lots shall be governed by the applicable City of Rogers codes and regulations governing Townhomes as they exist on the date of construction. Any conflict between such ordinances and this Declaration shall be resolved in favor of the more restrictive provisions.
 - 5.1.2 **Size.** No Townhome shall be constructed with less heated and cooled living space than the minimum specified on the Plat.
 - 5.1.3 **Setbacks.** No Townhome shall be constructed on any Lot outside of the building area shown on the Plat reflecting said Lot. For this purpose, eaves, steps and open porches shall not be considered as part of the building, however, this shall not be construed to permit any portion of any building on a Lot to encroach upon another Lot.
 - 5.1.4 **Building Exteriors.** All Townhome exteriors must be at least 75% brick, stone, stucco or other material specifically approved by the ACC.
 - 5.1.5 **Roofs.** All Townhome roofs must have a pitch of at least 8/12 and be architectural roofing shingles or other roofing material specifically approved by the ACC. No standard 3-tab roofing material shall be allowed.
 - 5.1.6 **Garages.** All Townhomes shall have a garage, or garages, attached and/or detached, for not less than two (2) cars.
 - 5.1.7 **Driveways.** All Townhomes shall have a driveway at least seventeen (17) feet wide and shall be constructed of concrete or other material specifically approved by the ACC.
- 5.2 **ASSOCIATION'S RIGHT TO PROMULGATE RULES.** The Association, acting through its Board, is granted the right to adopt, amend, repeal, and enforce reasonable Rules, and penalties for infractions thereof, regarding the occupancy, use, disposition, maintenance, appearance, and enjoyment of the Property. In addition to the restrictions contained in this Article, each Lot is owned and occupied subject to the right of the Board to establish Rules, and penalties for infractions thereof, governing:

- a. Use of Common Areas.
 - b. Hazardous, illegal, or annoying materials or activities on the Property.
 - c. The use of Property-wide services provided through the Association.
 - d. The consumption of utilities billed to the Association.
 - e. The use, maintenance, and appearance of portions of Townhomes such as courtyards, decks, doors, fenced yards, porches, roofs, windows, etc. that are visible from the driveways, Common Areas, or other Townhomes.
 - f. Landscaping and maintenance of courtyards and yards.
 - g. The Ownership of Lots.
 - h. The occupancy and leasing of Townhomes.
 - i. The types, sizes, numbers, locations, and behavior of animals at the Property.
 - j. The types, sizes, numbers, conditions, uses, appearances, and locations of motorized and recreational vehicles on the Property.
 - k. Disposition of trash and control of vermin, termites, and pests.
 - l. Anything that interferes with maintenance of the Property, operation of the Association, administration of the Documents, or the quality of life for Owners or Residents.
- 5.3 **ANIMALS.** No animal, bird, fish, reptile, or insect of any kind may be kept, maintained, raised, or bred anywhere on the Property for a commercial purpose or for food. Customary domesticated household pets may be kept subject to the Rules. Unless the Rules provide otherwise:
- 5.3.1 **Number.** No more than four (4) pets may be maintained in each dwelling. Of the four (4) pets, no more than two (2) may be cats and/or dogs. Permission to maintain other types or additional numbers of household pets must be obtained in writing from the Board.
 - 5.3.2 **Disturbance.** Pets must be kept in a manner that does not disturb the peaceful enjoyment of residents of other lots. No pet may be permitted to bark, howl, whine, screech, or make other loud noises for extended or repeated periods of time.
 - 5.3.3 **Indoors/Outdoors.** Subject to the limited yard privilege below, a permitted pet must be maintained inside the dwelling, and may not be kept on a deck, within a courtyard or in a fenced yard. No pet is allowed on the Common Areas unless carried or leashed.
 - 5.3.4 **Limited Yard Privilege.** Dogs and cats may be kept on a deck, within a courtyard or in a fenced yard only if they do not disturb or annoy people on the Property. The Board is the sole arbiter of what constitutes a disturbance or annoyance. If the Board determines that a dog or cat disturbs people, the Board may permanently revoke the privilege of keeping the dog or cat on a deck, within a courtyard or in a fenced yard. Thereafter, the dog or cat must be maintained inside the Dwelling.

- 5.3.5 **Pooper Scooper.** Owners and Residents are responsible for the removal of his pet's wastes from the Property. Unless the Rules provide otherwise, Owners and Residents must prevent his pet from relieving itself on Common Property or the Lot of another Owner.
- 5.3.6 **Liability.** An Owner is responsible for any property damage, injury, or disturbance caused or inflicted by an animal kept on the Lot. The Owner must compensate any person injured by the animal. The Owner of a Lot on which an animal is kept is deemed to indemnify and to hold harmless the Board, the Association, and other Owners and Residents, from any loss, claim, or liability resulting from any action of the animal or arising by reason of keeping the animal on the Property.
- 5.4 **ANNOYANCE.** No Lot or Common Area may be used in any way that (1) may reasonably be considered annoying to neighbors; (2) may be calculated to reduce the desirability of the Property as a residential neighborhood; (3) may endanger the health or safety of other Owners or Residents or their guests; (4) may result in the cancellation of insurance on the Property; or (5) violates any law. The Board has the sole authority to determine what constitutes an annoyance.
- 5.5 **DRAINAGE.** No person may interfere with the established drainage pattern over any part of the Property without the Board's prior written approval of an adequate alternative provision for proper drainage.
- 5.6 **DRIVEWAYS.** Personal driveways may not be used for any purpose that interferes with its ongoing use as a route of vehicular access to the garage. Without the board's prior approval, a driveway may not be used: (1) for storage purposes, including storage of boats, recreational vehicles, trailers, and inoperable vehicles; or (2) for repair or restoration of vehicles.
- 5.7 **FIRES.** Except for exterior fireplaces or barbecue fires, no exterior fires on the Property are permitted.
- 5.8 **GARAGES.** Without the Board's prior written approval, the original garage area of a Lot may not be enclosed or used for any purpose that prohibits the parking of at least two (2) operable vehicles therein. Garage doors are to be kept closed at all times except when a vehicle is entering or leaving.
- 5.9 **BASKETBALL GOALS. OTHER SPORTING AND/OR RECREATIONAL EQUIPMENT.** Without the ACC's prior written approval, basketball goals, other sporting and/or recreational equipment may not be attached, mounted, or installed in any part of a personal driveway, courtyard or fenced yard.
- 5.10 **LANDSCAPING.** No person may perform landscaping, planting, or gardening on Common Property without the Board's prior written authorization.
- 5.11 **LEASING OF TOWNHOMES.** When an Owner's personal or business circumstances temporarily preclude their use of the Townhome as their primary or secondary residence for a period of a year or more, the Owner may lease the Townhome on his Lot provided the lease period is at least one (1) year. Whether or not it is so stated in a lease, every lease is subject to the Documents. An Owner is responsible for providing his tenant with copies of the Documents and notifying him of changes thereto. Failure by the tenant or his invitees to comply with the Documents, federal or state law, or local ordinance is deemed to be a default under the lease. When the Association notifies an Owner of his tenant's violation, the Owner will promptly obtain his tenant's compliance or exercise his rights as a landlord for tenant's breach of lease. If the tenant's violation continues or is repeated, and if the Owner is unable, unwilling, or unavailable to obtain his tenant's compliance, then the Association has the power and right to pursue the remedies of a landlord under the lease or state law for the default, including eviction of the tenant. The Owner of a leased Townhome is liable to the Association for any expenses incurred by the Association in connection with enforcement of the Documents against his

tenant. The Association is not liable to the Owner for any damages, including lost rents, suffered by the Owner in relation to the Association's enforcement of the Documents against the Owner's tenant.

- 5.12 **NOISE & ODOR.** A Resident must exercise reasonable care to avoid making or permitting to be made loud, disturbing, or objectionable noises or noxious odors that are likely to disturb or annoy Residents of neighboring Lots. The Rules may prohibit the use of noise-producing security devices and wind chimes.
- 5.13 **OCCUPANCY.** Other than the completed principal Dwelling, no thing or structure on a Lot (including the garage) may be occupied as a residence at any time by any person.
- 5.14 **OWNERSHIP OF DWELLINGS.** The ownership of Lots within the Property shall be limited to individuals and families for use as their primary or secondary residence. When an Owner's personal or business circumstances temporarily preclude their use of the Townhome as their primary or secondary residence for a period of a year or more, the Owner may lease their Townhome as outlined in Subsection 5.11.
- 5.15 **RESIDENTIAL USE.** The use of a Townhome is limited exclusively to residential purposes or any other use permitted by this Declaration. This residential restriction does not, however, prohibit a resident from using a Townhome for personal business or professional pursuits provided that (1) the uses are incidental to the use of the Townhome as a residence; (2) the uses conform to all applicable governmental ordinances; (3) there is no external evidence of the uses; (4) the uses do not entail visits to the Townhome by employees or the public in quantities that materially increase the number of vehicles parked in the parking lots; and (5) the uses do not interfere with Residents' use and enjoyment of neighboring Townhomess.
- 5.16 **SIGNS.** No signs advertising Townhomes for sale or lease, other advertising signs, or unsightly objects maybe erected, placed, or permitted to remain on the Property or to be visible from windows in a Townhome without the Board's prior written approval. The Board's approval may specify the location, nature, appearance, dimensions, number, and time period of any advertising sign. The Association may effect the removal of any sign that violates this section without liability for trespass or any other liability connected with the removal. Notwithstanding the foregoing, and subject to the Board's disapproval, an Owner may erect one professionally made sign per Lot of not more than 5 square feet advertising a Townhome for sale or lease.
- 5.17 **TELEVISION.** Each resident of the Property will avoid doing or permitting anything to be done that may unreasonably interfere with the television, radio, telephonic, electronic, microwave, cable, or satellite reception on the Property. Without the prior written consent of the ACC, no person may install the following equipment on a Townhome if it would be visible from a common driveway: an antenna, microwave or satellite dish, receiving or transmitting tower; provided, however, that direct broadcast satellites (DBS) and multipoint distribution service (MDS) antennas that are one meter or less in diameter may be installed, subject to the right of the Association to adopt reasonable Rules for the location, appearance, camouflaging, installation, maintenance, and use of the antennas, masts, and dishes to the extent permitted by public law.
- 5.18 **TEMPORARY STRUCTURES.** Improvements or structures of a temporary or mobile nature, such as storage sheds are specifically prohibited, however, the ACC may authorize an Owner's contractor to maintain a temporary structure (such as a portable toilet or construction trailer) on the Lot during approved construction.
- 5.19 **VEHICLES.** All vehicles on the Property, whether owned or operated by the Residents or their guests, are subject to this Section and Rules adopted by the Board. No truck larger than 3-quarters of a ton, vehicle with advertising signage, motor home, camper, bus, trailer, boat, aircraft, inoperable

vehicle, or any other similar vehicle or any vehicular equipment, mobile or otherwise, which the Board deems to be a nuisance, unsightly, or inappropriate may be kept, parked, or stored anywhere on the Property without Board approval. The foregoing restriction does not apply to vehicles and equipment temporarily on the Property in connection with the construction or maintenance of a Dwelling. Vehicles that transport inflammatory or explosive cargo are prohibited from the Property at all times. The Association may effect the removal of any vehicle in violation of this section or the Rules without liability to the Owner or operator of the vehicle.

- 5.20 **WINDOW TREATMENTS.** Without the ACC's prior written approval, all window treatments that are visible from a common driveway, Common Property or another Townhome must appear to be white in color or match the color of the window.

ARTICLE 6

ASSOCIATION AND MEMBERSHIP RIGHTS

- 6.1 **TWO (2) ASSOCIATIONS.** Acquisition of an ownership interest in a Townhome automatically means membership in two (2) Associations, the MA and this Association. This Article addresses only the membership aspects of this Association.
- 6.2 **THE ASSOCIATION.** The duties and powers of the Association are those set forth in the Documents, together with the general and implied powers of a Property Owners Association and a nonprofit corporation organized under the laws of the State of Arkansas. Generally, the Association may do any and all things that are lawful and necessary, proper, or desirable in operating for the peace, health, comfort, and general benefit of its members, subject only to the limitations on the exercise of such powers as stated in the Documents. The Association comes into existence on the earlier of (1) issuance of its corporate charter or (2) the initial levy of Assessments against the Lots and Owners. The Association will continue to exist at least as long as the Declaration is effective against the Property, regardless of whether its corporate charter lapses from time to time.
- 6.3 **GOVERNANCE.** The Association will be governed by a Board of Directors elected by the members. Unless the Association's Bylaws or Articles of Incorporation provide otherwise, the Board will consist of at least three (3) persons elected at the annual meeting of the Association, or at a special meeting called for that purpose. The Association will be administered in accordance with the Bylaws. Unless the Documents provide otherwise, any action requiring approval of the members may be approved in writing by Owners of at least a Majority of the Lots, or at a meeting of the Association by Owners representing at least a Majority of the votes that are represented at the meeting.
- 6.4 **MEMBERSHIP.** Each Owner is a member of the Association, Ownership of a Lot being the sole qualification for membership. Membership is appurtenant to and may not be separated from Ownership of the Lot. The board may require satisfactory evidence of transfer of Ownership before a purported owner is entitled to vote at meetings of the Association. If a Lot is owned by more than one person or entity, each co-owner is a member of the Association and may exercise the membership rights appurtenant to the Lot. A member who sells his Lot under a contract for deed may delegate his membership rights to the contract purchaser, provided a written assignment is delivered to the Board. However, the contract seller remains liable for all Assessments attributable to his Lot until fee title to the Lot is transferred.
- 6.4 **VOTING.** Each Lot has one (1) vote. The vote or votes appurtenant to each Lot may not be divided and must be cast in unison. Cumulative voting is not allowed. Votes may be cast by written proxy, according to the requirements of the Association's Bylaws. Appendix B contains an exception to the number of votes during the Development Period.

- 6.5 **BOOKS & RECORDS.** The Association will maintain copies of the Documents and the Association's books, records, and financial statements. Books and records of the Association will be made available for inspection and copying.
- 6.6 **INDEMNIFICATION.** The Association indemnifies every officer, director, and committee member (for purposes of this Section, "Leaders") against expenses, including attorney's fees, reasonably incurred by or imposed on the Leader in connection with an action, suit, or proceeding to which the Leader is a party by reason of being or having been a Leader. A Leader is not liable for a mistake of judgment, negligent or otherwise. A Leader is liable for his willful misfeasance, malfeasance, misconduct, or bad faith. This right to indemnification does not exclude any other rights to which present or former Leaders may be entitled. As a common expense, the Association will maintain adequate general liability and directors and officers liability insurance to fund this obligation, if it is reasonably available.
- 6.7 **OBLIGATIONS OF OWNERS.** Without limiting the obligations of Owners under the Documents, each Owner has the following obligations:
- 6.7.1 **Information.** Within thirty (30) days after acquiring an interest in a Lot, within thirty (30) days after the Owner has notice of a change in any information required by this Subsection, and on request by the Association from time to time, an Owner will provide the Association with the following information (1) a copy of the recorded deed by which Owner has title to the lot; (2) the Owner's mailing address, phone number(s) and email address, and vehicle(s) license number(s); (3) the name, phone number(s) of any resident other than the Owner; (4) the name, mailing address, phone number(s) and email address of Owner's managing agent, if any.
- 6.7.2 **Pay Assessments.** Each owner will pay Assessments properly levied by the Association against the Owner or his Lot, and will pay Regular Assessments without demand by the Association.
- 6.7.3 **Comply.** Each Owner will comply with the Documents as amended from time to time.
- 6.7.4 **Reimburse.** Each Owner will pay for damage to the Property caused by the negligence or willful misconduct of the Owner, a Resident of the Owner's lot, or the Owner or Resident's family, guests, employees, contractors, agents, or invitees.
- 6.7.5 **Liability.** Each Owner is liable to the Association for violations of the Documents by the Owner, a resident of the Owner's lot, or the Owner or Resident's family, guests, employees, agents, or invitees, and for costs incurred by the Association to obtain compliance, including attorney's fees whether or not suit is filed.

ARTICLE 7
COVENANT FOR ASSESSMENTS

- 7.1 **PURPOSE OF ASSESSMENTS.** The Association will use Assessments for the general purposes of preserving and enhancing the Property, and for the common benefit of Owners and Residents, including but not limited to maintenance of real and personal property, management and operation of the Association, and any expense reasonably related to the purposes for which the Property was developed. If made in good faith, the Board's decision with respect to the use of Assessments is final.
- 7.2 **PERSONAL OBLIGATION.** An Owner is obligated to pay Assessments levied by the Board against the Owner or his Lot. An Owner makes payment to the Association at its principal office or at any

other place the Board directs. Payments must be made in full regardless of whether an Owner has a dispute with the Association, another Owner, or any other person or entity regarding any matter to which this Declaration pertains. No Owner may exempt himself from his Assessment liability by waiver of the use or enjoyment of the Common Area or by abandonment of his Lot. An Owner's obligation is not subject to offset by the Owner, nor is it contingent on the Association's performance of the Association's duties. Payment of Assessments is both a continuing affirmative covenant personal to the Owner and a continuing covenant running with the Lot.

7.3 **TYPES OF ASSESSMENTS.** There are three (3) types of assessments: Regular, Special and Individual.

7.3.1 **Regular Assessments.** Each Townhome Owner is assessed his proportionate share of the Association's Annual Budget as a Regular Assessment. If the Board does not approve an Annual Budget or fails to determine a new Regular Assessments for any year, or delays in doing so, Townhome Owners will continue to pay the Regular Assessment as last determined. Regular Assessments are used for regular expenses related to the reoccurring, periodic, and anticipated responsibilities of the Association, including but not limited to:

- a. Maintenance, repair, and replacement, as necessary, of components of the Common Areas.
- b. Utilities billed to the Association for the Common Areas.
- c. Services billed to the Association and serving all Townhomes.
- d. Taxes on property owned by the Association.
- e. Management, legal, accounting, auditing, and professional fees for services to the Association.
- f. Costs of operating the Association, such as telephone, postage, office supplies, printing, meeting expenses, and educational opportunities of benefit to the Association.
- g. Premiums and deductibles on insurance policies and bonds deemed by the Board to be necessary or desirable for the benefit of the Association, including fidelity bonds and directors and officers liability insurance.
- h. Contributions to the reserve funds for the Common Areas.
- i. Any other expense which the Association is required by law or the Documents to pay, or which in the opinion of the Board is necessary or proper for the operation and maintenance of the Property or for enforcement of the Documents.

7.3.2 **Special Assessments.** In addition to Regular Assessments, and subject to the Owners' control for Assessment increases, the Board may levy one or more Special Assessments against all Townhome Owners for the purpose of defraying, in whole or in part, common expenses not anticipated by the Annual Budget or reserve funds. Special assessments do not require the approval of the Owners, except that Special Assessments for the following purposes must be approved by Owners representing at least a majority of the votes in the Association:

- a. Acquisition of real property, other than the purchase of a Lot at the sale foreclosing the Association's lien against the Lot.

- b. Construction of additional improvements within the Property, but not replacement of original improvements.
- c. Any expenditure that may reasonably be expected to significantly increase the Association's responsibility and financial obligation for operations, insurance, maintenance, repairs, or replacement.

7.3.3 **Individual Assessments.** In addition to Regular and Special Assessments, the Board may levy an Individual Assessment against a Lot and its Owner. Individual Assessments may include, but are not limited to: interest, late charges, and collection costs on delinquent assessments; reimbursement for costs incurred in bringing an Owner or his Lot into compliance with the Documents; fines for violations of the Documents; insurance deductibles; transfer fees and resale certificate fees; reimbursement for damage or waste caused by willful or negligent acts; common expenses that benefit fewer than all of the Lots, which may be assessed according to benefit received; and "pass through" expenses for services to Lots provided through the Association and which are equitably paid by each Lot according to benefit received.

7.4 **RATES OF ASSESSMENTS.**

7.4.1 **Regular Assessments.** The Owners' share of Regular and Special Assessments is the same for all Townhomes.

7.4.2 **Declarant and Builder Lots.** Notwithstanding the preceding subsections, a Lot that is owned by Declarant or Builders during the Development Period is eligible for the assessment exemption in Appendix B.

7.5 **ANNUAL BUDGET.** The Board will prepare and approve an estimated Annual Budget for each fiscal year to determine the Regular Assessments. The Annual Budget will take into account the estimated income and expenses for the year, contributions to reserve funds, and a projection for uncollected receivables. The Board will make the Annual Budget available to an Owner of each Townhome, although failure to receive an Annual Budget does not affect an Owner's liability for Assessments.

7.6 **DUE DATE.** Regular assessments are due on the first day of each calendar month. Special and Individual Assessments are due on the date stated in the Notice of Assessment or, if no date is stated, within ten (10) days after notice of the Assessment is given. Assessments are delinquent if not received by the Association on or before the due date.

7.7 **CONTROL FOR ASSESSMENT INCREASES.** This Section of the Declaration may not be amended without the approval of Owners of at least sixty-seven (67) percent of the Lots. In addition to other rights granted to Owners by this Declaration, Owners have the following powers and controls over the Association's budget:

7.7.1 **Veto Increased Regular Assessments.** At least thirty (30) days prior to the effective date of an increase in Regular Assessments, the Board will notify the Owner of each Lot the amount of, the budgetary basis for, and the effective date of the increase. The increase will automatically become effective unless Owners representing at least a majority of the votes in the Association disapprove the increase by petition or at a meeting of the Association. In that event, the last-approved budget will continue in effect until a revised budget is approved.

7.7.2 **Veto Special Assessment.** At least thirty (30) days prior to the effective date of a Special Assessment, the Board will notify an Owner of each Lot of the amount of, the budgetary basis for, and the effective date of the Special Assessment. The Special Assessment will automatically become effective unless Owners representing at least a majority of the votes in

the Association disapprove the special Assessment by petition or at a meeting of the Association.

- 7.8 **RESERVE FUNDS.** The Association will establish, maintain, and accumulate reserves for operations and for replacement and repair. The Association will budget for reserves and use its best efforts to fund reserves out of regular contributions.
- 7.8.1 **Operations Reserves.** The Association will maintain Operations Reserves at a level sufficient to cover the cost of operational or maintenance emergencies or contingencies, including the full amount of deductibles on insurance policies maintained by the Association.
- 7.8.2 **Common Area Reserves.** The Association will maintain Replacement and Repair Reserves at a level that anticipates the scheduled replacement or major repair of components of the Common Areas.
- 7.9 **ASSOCIATION'S RIGHT TO BORROW MONEY.** The Association is granted the right to borrow money, subject to the consent of Owners representing at least a majority of the votes in the Association and the ability of the Association to repay the borrowed funds from Assessments. To assist its ability to borrow, the Association is granted the right to encumber, mortgage, pledge, or deed in trust any of its real or personal property, and the right to assign its right to future income, as security for money borrowed or debts incurred, provided that the rights of the lender in the pledged property are subordinate and inferior to the rights of the Owners hereunder.
- 7.10 **ASSESSMENT LIEN.** Each Owner, by accepting an interest in or title to a Lot, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to pay Assessments to the Association. Each Assessment is a charge on the Lot and is secured by a continuing lien on the Lot. Each Owner, and each prospective Owner, is placed on notice that his title may be subject to the continuing lien for Assessments attributable to a period prior to the date he purchased his Lot.
- 7.10.1 **Superiority of Assessment Lien.** The Assessment Lien is superior to all other liens and encumbrances on a Lot, except only for (1) real property taxes and assessments levied by governmental and taxing authorities; (2) a recorded deed of trust lien securing a loan for construction of the original Dwelling; and (3) a first or senior purchase money vendor's lien or deed of trust lien recorded before the date on which the delinquent Assessment became due.
- 7.10.2 **Effect of Foreclosure.** Foreclosure of a superior lien extinguishes the Association's claim against the Lot for unpaid Assessments that became due before the sale, but does not extinguish the Association's claim against the former Owner. The purchaser at the foreclosure sale is liable for Assessments coming due from and after the date of the sale, and for the Owner's pro rata share of the pre-foreclosure deficiency as an Association expense. If an Owner fails to pay Assessments due to the Association, the Owner may lose title to the Lot if the Association forecloses its Assessment lien against the Lot.
- 7.10.3 **Perfection of Lien.** The Association's lien for Assessments is created by recordation of this Declaration, which constitutes record notice and perfection of the lien. No other recordation of a lien or notice of lien is required. However, the Association, at its option, may cause a notice of the lien to be recorded in the Benton County real property records. If the debt is cured after a notice has been recorded, the Association will record a release of the notice at the expense of the curing Owner.
- 7.10.4 **Power of Sale.** By accepting an interest in or title to a Lot, each Owner grants to the Association a private power of non judicial sale in connection with the Association's assessment lien. The Board may appoint, from time to time, an officer, agent, trustee, substitute trustee, or attorney to exercise the power of sale on behalf of the Association. The

appointment must be in writing and may be in the form of a resolution recorded in the minutes of a board meeting.

- 7.10.5 **Foreclosure of Lien.** The assessment lien may be enforced by judicial or non-judicial foreclosure. A non-judicial foreclosure must be conducted in accordance with the provisions applicable to the exercise of powers of sale as set forth in the Arkansas Code, or in any manner permitted by law. In any foreclosure, the Owner is required to pay the Association's costs and expenses for the proceedings, including reasonable attorneys' fees. The Association has the power to bid on the Lot at foreclosure sale and to acquire, hold, lease, mortgage, and convey same.

ARTICLE 8
EFFECT OF NONPAYMENT OF ASSESSMENTS
AND VIOLATION OF THE DOCUMENTS

- 8.1 **COLLECTING DELINQUENT ASSESSMENTS.** Owners who honor their obligations to the Association should not be burdened by Owners who default. The Board is responsible for taking action to collect delinquent Assessments. Neither the Board nor the Association, however, is liable to an Owner or other person for its failure or inability to collect or attempt to collect an Assessment. The following remedies are in addition to and not in substitution for all other rights and remedies which the Association has.
- 8.1.1 **Delinquency.** An Assessment is delinquent if the Association does not receive payment in full by the Assessment's due date.
- 8.1.2 **Notice to Mortgagee.** The Board may notify and communicate with the holder of any lien against a Lot regarding the Owner's default in payment of Assessments.
- 8.1.3 **Interest.** Delinquent Assessments are subject to interest from the due date until paid, at a rate to be determined by the Board from time to time, not to exceed the maximum permitted by law. Interest is an Individual Assessment.
- 8.1.4 **Late Fees.** Delinquent Assessments are subject to reasonable late fees, at a rate to be determined by the Board from time to time. Late fees are an Individual Assessment.
- 8.1.5 **Costs of Collection.** The Owner of a Lot against which Assessments are delinquent is liable to the Association for reimbursement of reasonable costs incurred by the Association to collect the delinquent Assessments, including attorneys fees and processing fees charged by the manager. Collection costs are an Individual Assessment.
- 8.1.6 **Acceleration.** If an Owner defaults in paying an Assessment that is payable in installments, the Board may accelerate the remaining installments on ten (10) days' written notice to the defaulting Owner. The entire unpaid balance of the Assessment becomes due on the date stated in the notice.
- 8.1.7 **Suspension of Use and Vote.** If an Owner's account has been delinquent for at least thirty (30) days, the Board may suspend the right of Owners and Residents to use Common Areas and common services during the period of delinquency. The Board may not suspend an Owner or Resident's right of access to the Lot. The Board may also suspend the right to vote appurtenant to the Lot. Suspension does not constitute a waiver or discharge of the Owner's obligation to pay Assessments.

- 8.1.8 **Money Judgment.** The Association may file suit seeking a money judgment against an Owner delinquent in the payment of Assessments, without foreclosing or waiving the Association's lien for Assessments.
- 8.1.9 **Foreclosure of Assessment Lien.** As provided by this Declaration, the Association may foreclose its lien against the Lot by judicial or non-judicial means.
- 8.1.10 **Application of Payments.** The Board may adopt and amend policies regarding the application of payments. The Board may refuse to accept partial payment, i.e., less than the full amount due and payable. The Board may also refuse to accept payments to which the payer attaches conditions or directions contrary to the Board's policy for applying payments. The Board's policy may provide that endorsement and deposit of a payment does not constitute acceptance by the Association, and that acceptance occurs when the Association posts the payment to the Lot's account.
- 8.2 **ENFORCING THE DOCUMENTS.** The remedies provided in this Section for breach of the Documents are cumulative and not exclusive. In addition to other rights and remedies provided by the Documents and by law, the Association has the following right to enforce the Documents:
- 8.2.1 **Nuisance.** The result of every act or omission that violates any provision of the Documents is a nuisance, and any remedy allowed by law against a nuisance, either public or private, is applicable against the violation.
- 8.2.2 **Fine.** The Association may levy reasonable charges, as an Individual Assessment, against an Owner and his Lot if the Owner or Resident, or the Owner or Resident's family, guests, employees, agents, or contractors violate a provision of the Documents. Fines may be levied for each act of violation or for each day a violation continues, and do not constitute a waiver or discharge of the Owner's obligations under the Documents.
- 8.2.3 **Suspension.** The Association may suspend the right of Owners and Residents to use Common Areas for any period during which the Owner or Resident, or the Owner or Resident's family, guests, employees, agents, or contractors violate the Documents. A suspension does not constitute a waiver or discharge of the Owner's obligations under the Documents.
- 8.2.4 **Self-Help.** The Association has the right to enter any part of the Property, including Lots, to abate or remove, using force as may reasonably be necessary, any erection, thing, animal, person, vehicle, or condition that violates the Documents. In exercising this right, the Board is not trespassing and is not liable for damages related to the abatement. The Board may levy its costs of abatement against the Lot and Owner as an Individual Assessment. Unless an emergency situation exists in the good faith opinion of the Board, the Board will give the violating Owner fifteen (15) days' notice of its intent to exercise self-help. Notwithstanding the foregoing, the Association may not demolish an item of substantial construction on a Lot without judicial proceedings.
- 8.2.5 **Judicial Enforcement.** The Association, as well as any Owner, has the common law right to enforce the terms and provisions of the Documents by any appropriate judicial process, including but not limited to injunctive relief.
- 8.2.6 **No Waiver.** The Association and every Owner has the right to enforce all restrictions, conditions, covenants, liens, and charges now or hereafter imposed by the Documents. Failure by the Association or by any Owner to enforce a provision of the Documents is not a waiver of the right to do so thereafter.

- 8.3 **NOTICE AND HEARING.** Before levying a fine for violation of the Documents (other than nonpayment of Assessments), or before levying an Individual Assessment for property damage, the Association will give the Owner written notice of the levy and an opportunity to be heard before the Board. The Association may also give a copy of the notice to the Resident. Pending the hearing, the Association may continue to exercise its other rights and remedies for the violation, as if the declared violation were valid. The Owner's request for a hearing suspends only the levy of a fine or damage charge. The Owner may attend the hearing in person, or may be represented by another person or written communication. The Board may adopt additional procedures and requirements for notices and hearing.
- 8.4 **LIMITATIONS OF INTEREST.** The Association, and its officers, directors, managers and attorneys, intend to conform strictly to the applicable usury laws of the State of Arkansas. Notwithstanding anything to the contrary in this Declaration, the Bylaws, the Association's collection policies and resolutions, or any other document or agreement executed or made in connection with any of these, the Association will not in any event be entitled to receive or collect, as interest, a sum greater than the maximum amount permitted by applicable law. If from any circumstances whatsoever, the Association ever receives, collects or applies as interest any sum in excess of the maximum rate permitted by law, the excess amount will be applied to the reduction of unpaid Special and Regular Assessments, or reimbursed to the Owner if those Assessments are paid in full.

ARTICLE 9
MAINTENANCE AND REPAIR OBLIGATIONS

- 9.1 **OVERVIEW.** Generally, the Association maintains the Common Areas and the Owner maintains the interior of the Townhome and the courtyard or area inside a fenced yard. If an Owner fails to maintain the courtyard or area inside a fenced yard, the Association may perform the work at the Owner's expense.
- 9.2 **ASSOCIATION'S MAINTENANCE RESPONSIBILITY.** The Association's maintenance obligations include preventative maintenance, repair as needed and replacement as needed of the components of the Common Areas.
- 9.3 **COMMON AREAS.** The Common Areas include but are not limited to:
- 9.3.1 Driveways, common and personal.
 - 9.3.2 Sidewalks, common and personal.
 - 9.3.3 Irrigation system.
 - 9.3.4 Yards and landscaping including plant material. Does not include courtyards and fenced yards.
 - 9.3.5 Townhome foundations, exteriors (including courtyards, decks and fenced yards) and roofs.
- 9.4 **OWNER'S RESPONSIBILITY.** Every owner has the following responsibilities and obligations for the maintenance, repair, and replacement of the Property:
- 9.4.1 **Avoid Damage.** An Owner may not do any work or to fail to do any work which, in the reasonable opinion of the Board, would materially jeopardize the soundness and safety of the Property, reduce the value of the Property, adversely affect the appearance of the Property, or impair any Easement relating to the Property.

- 9.4.2 **Responsible for Damage.** An Owner is responsible for his own willful or negligent acts and those of his or the Resident's family, guests, agents, employees, or contractors when those acts necessitate maintenance, repair, or replacement to the Common Areas, the Areas of Common Responsibility or the property of another Owner.

ARTICLE 10 **INSURANCE**

- 10.1 **GENERAL PROVISIONS.** All insurance affecting the Property is governed by the provisions of this Article, with which the Board will make every reasonable effort to comply. The cost of insurance coverages and bonds maintained by the Association is an expense of the Association. Insurance policies and bonds obtained and maintained by the Association must be issued by responsible insurance companies authorized to do business in the State of Arkansas. The Association must be the named insured on all policies obtained by the Association. Each Owner irrevocably appoints the Association, acting through its Board, as his trustee to negotiate, receive, administer, and distribute the proceeds of any claim against an insurance policy maintained by the Association. Additionally:
- 10.1.1 **Notice of Cancellation or Modification.** Each insurance policy maintained by the Association should contain a provision requiring the insurer to give at least ten (10) days' prior written notice to the Board before the policy may be canceled, terminated, materially modified, or allowed to expire, by either the insurer or the insured.
- 10.1.2 **Deductibles.** An insurance policy obtained by the Association may contain a reasonable deductible, which will be paid by the party who would be liable for the loss or repair in the absence of insurance. If a loss is due wholly or partly to an act or omission of an Owner or Resident or their invitees, the Owner must reimburse the Association for the amount of the deductible that is attributable to the act or omission.
- 10.2 **PROPERTY.** To the extent it is reasonably available, the Association will obtain blanket all-risk insurance for insurable Common Area and Areas of Common Responsibility improvements. If blanket all-risk insurance is not reasonably available, then the Association will obtain an insurance policy providing fire and extended coverage. Also, the Association will insure the improvements on any Lot owned by the Association.
- 10.3 **GENERAL LIABILITY.** The Association will maintain a commercial general liability insurance policy over the Common Areas -- expressly excluding the liability of each Owner and Resident within his Lot -- for bodily injury and property damage resulting from the operation, maintenance, or use of the Common Areas. If the policy does not contain a severability of interest provision, it should contain an endorsement to preclude the insurer's denial of an Owner's claim because of negligent acts of the Association or other Owners.
- 10.4 **DIRECTORS & OFFICERS LIABILITY.** To the extent it is reasonably available, the Association will maintain directors and officers liability insurance, errors and omissions insurance, indemnity bonds, or other insurance the Board deems advisable to insure the Association's directors, officers, committee members, and managers against liability for an act or omission in carrying out their duties in those capacities.
- 10.5 **OTHER COVERAGES.** The Association may maintain any insurance policies and bonds deemed by the Board to be necessary or desirable for the benefit of the Association, including but not limited to worker's compensation insurance, fidelity coverage, and any insurance and bond requested and required by an Underwriting Lender for PUD's as long as an Underwriting Lender is a Mortgagee or an Owner.

ARTICLE 11
MORTGAGEE PROTECTION

- 11.1 **INTRODUCTION.** This Article establishes certain standards for the benefit of Mortgagees, and is written to comply with Fannie Mae's Selling Guide in effect at the time of drafting. If a Mortgagee requests from the Association compliance with the guidelines of an Underwriting Lender, the Board, without approval of Owners or Mortgagees, may amend this Article and other provisions of the Documents, as necessary, to meet the requirements of the Underwriting Lender. This Article is supplemental to, not a substitution for, any other provision of the Documents. In case of conflict, this Article controls.
- 11.2 **MORTGAGEE RIGHTS.**
- 11.2.1 **Termination.** An action to terminate the legal status of the Property after substantial destruction or condemnation or other reasons must be approved by at least fifty-one (51) percent of Mortgagees, in addition to the required consents of Owners. The approval of a Mortgagee is implied when the Mortgagee fails to respond within thirty (30) days after receiving the Association's written request for approval of a proposed amendment, provided the Association's request was delivered by certified or registered mail, return receipt requested.
- 11.2.2 **Right of First Refusal.** Any right of first refusal imposed by the Association with respect to a lease, sale, or transfer of a Lot does not apply to a lease, sale, or transfer by a Mortgagee, including transfer by deed in lieu of foreclosure or foreclosure of a deed of trust lien.
- 11.3 **INSURANCE POLICIES.** If an Underwriting Lender is a Mortgagee or an owner, at the request of the Underwriting Lender the Association will comply with the Underwriting Lender's insurance requirements to the extent the requirements are reasonable and available, and do not conflict with other insurance requirements of this Declaration.

ARTICLE 12
AMENDMENTS

- 12.1 **CONSENTS REQUIRED.** As permitted by this Declaration, certain amendments of this Declaration may be executed by Declarant alone, or by the Board alone. Otherwise, amendments to this Declaration must be approved by Owners of at least a Majority of the Lots.
- 12.2 **METHOD OF AMENDMENT.** For an amendment that requires the approval of Owners, this Declaration may be amended by any method selected by the Board from time to time, pursuant to the Bylaws, provided the method gives an Owner of each Lot the substance if not exact wording of the proposed amendment, a description of the effect of the proposed amendment, and an opportunity to vote for or against the proposed amendment.
- 12.3 **EFFECTIVE.** To be effective, an amendment must be in the form of a written instrument (1) referencing the name of the Property, the name of the Association, and the recording data of this Declaration and any amendments hereto; (2) signed and acknowledged by an officer of the Association, certifying the requisite approval of Owners and, if required, Mortgagees; and (3) recorded in the real property records of Benton County, Arkansas.
- 12.4 **DECLARANT PROVISIONS.** No amendment may affect Declarant's rights under this Declaration without Declarant's written and acknowledged consent, which must be part of the recorded amendment instrument. This Section may not be amended without Declarant's written and acknowledged consent.

- 12.5 **MERGER.** Merger or consolidation of the Association with another association must be evidenced by an amendment to this Declaration. The amendment must be approved by Owners of at least a Majority of the Lots. Upon a merger or consolidation of the Association with another association, the property, rights, and obligations of another association may, by operation of law, be added to the properties, rights, and obligations of the Association as a surviving corporation pursuant to the merger. The surviving or consolidated association may administer the provisions of the Documents within the Property, together with the covenants and restrictions established upon any other property under its jurisdiction. No merger or consolidation, however, will effect a revocation, change, or addition to the covenants established by this Declaration within the Property.
- 12.6 **TERMINATION.** Termination of the terms of this Declaration and the status of the Property as a PUD are according to the following provisions. In the event of substantially total damage, destruction, or public condemnation of the Property, an amendment to terminate must be approved by owners of at least sixty-seven (67) percent of the Lots. In the event of public condemnation of the entire Property, an Amendment to Terminate may be executed by the Board without a vote of Owners. In all other circumstances, an Amendment to Terminate must be approved by Owners of at least eighty (80) percent of the Lots.
- 12.7 **CONDEMNATION.** In any proceeding, negotiation, settlement, or agreement concerning condemnation of a Common Area, the Association will be the exclusive representative of the Owners. The Association may use condemnation proceeds to repair and replace any damage or destruction of a Common Area, real or personal, caused by the condemnation. Any condemnation proceeds remaining after completion, or waiver, of the repair and replacement will be deposited in the Association's reserve funds.

ARTICLE 13
GENERAL PROVISIONS

- 13.1 **COMPLIANCE.** The Owners hereby covenant and agree that the administration of the Association will be in accordance with the provisions of the Documents and all applicable laws, regulations, and ordinances, as same may be amended from time to time, of any governmental or quasi-governmental entity having jurisdiction over the Association or Property.
- 13.2 **NOTICE.** All demands or other notices required to be sent to an Owner or Resident by the terms of this Declaration may be sent by ordinary or certified mail, postage prepaid, to the party's last known address as it appears on the records of the Association at the time of mailing. If an Owner fails to give the Association an address for mailing notices, all notices may be sent to the Owner's Lot, and the Owner is deemed to have been given notice whether or not he actually receives it.
- 13.3 **SEVERABILITY.** Invalidation of any provision of this Declaration by judgment or court order does not affect any other provision, which remains in full force and effect. The effect of a general statement is not limited by the enumeration of specific matters similar to the general.
- 13.4 **CAPTIONS.** In all Documents, the captions of Articles and Sections are inserted only for convenience and are in no way to be construed as defining or modifying the text to which they refer.
- 13.5 **APPENDIXES.** The appendixes listed below are attached to this Declaration and incorporated herein by reference. Because Appendix B of this Declaration are destined to become obsolete, beginning twenty (20) years after the date this Declaration is first recorded, the Board may restate, rerecord, or publish this Declaration without Appendix B, provided the other appendixes are not relettered. The automatic expiration and subsequent deletion of Appendix B does not constitute an amendment of this Declaration. The Appendixes to this Declaration include:

A - Description of Subject Land

01195050

B - Declarant's Representations and Reservations

- 13.6 **INTERPRETATION.** Whenever used in the Documents, unless the context provides otherwise, a reference to a gender includes all genders. Similarly, a reference to the singular includes the plural, the plural the singular, where the same would be appropriate.
- 13.7 **DURATION.** Unless terminated or amended by Owners as permitted herein, the provisions of this Declaration run with and bind the Property, and will remain in effect perpetually to the extent permitted by law.

SIGNED AND ACKNOWLEDGED

SIGNED on this _____ day of _____, 2001.

C. R. Reaves Family Limited Partnership

By: Charles R. Reaves
Charles R. Reaves, General Partner

STATE OF ARKANSAS)
) ss.
COUNTY OF BENTON)

On this 5th day of December, 2001 came before the undersigned, a Notary Public within and for the State and County aforesaid, duly commissioned and acting, Charles R. Reaves, to me well known as the General Partner of C. R. Reaves Family Limited Partnership and executed the above and foregoing Declaration of Covenants, Conditions and Restrictions for SHADOW VALLEY on behalf of the partnership.

WITNESS my hand, at office, this 5th day of December, 2001.

Michele B. Anderson
Notary Public

My Commission Expires 1/13/2003

Official Seal
Michele B. Anderson
Notary Public-Arkansas
Benton County
My Comm. Expires Jan 13, 2003

DESCRIPTION OF SUBJECT LAND

The 9.54 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 1, Townhome Lots 1 - 44, City of Rogers, Arkansas, filed with the Benton County Clerk on Dec, 5, 2001, and recorded in Book P4, Page 359 real property records of Benton County, Arkansas.

DECLARANT REPRESENTATIONS & RESERVATIONS**B. 1. GENERAL PROVISIONS.**

B.1.1. **Introduction.** Declarant intends the Declaration to be perpetual and understands that provisions pertaining to the initial development, construction, marketing, and control of the Property will become obsolete when Declarant's role is complete. As a courtesy to future users of the Declaration, who may be frustrated by then obsolete terms, Declarant is compiling the Declarant related provisions in this Appendix.

B.1.2. **General Reservation & Construction.** Notwithstanding other provisions of the Documents to the contrary, nothing contained therein may be construed to, nor may any Mortgagee, other Owner, or the Association, prevent or interfere with the rights contained in this Appendix which Declarant hereby reserves exclusively unto itself and its successors and assigns. In case of conflict between this Appendix and any other Document, this Appendix controls. This Appendix may not be amended without the prior written consent of Declarant. The terms and provisions of this Appendix must be construed liberally to give effect to Declarant's intent to protect Declarant's interests in the Property.

B.1.3. **Purpose of Development and Declarant Control Periods.** This Appendix gives Declarant certain rights during the Development Period and the Declarant Control Period to ensure a complete and orderly buildout and sellout of the Property, which is ultimately for the benefit and protection of Owners and Mortgagees. Declarant may not use its control of the Association and the Property for an advantage over the Owners by way of retention of any residual rights or interests in the Association or through the creation of any contractual agreements which the Association may not terminate without cause and upon ninety (90) days notice.

B.1.4. **Definitions.** As used in this Appendix and elsewhere in the Documents, the following words and phrases, when capitalized, have the following specified meanings:

- a. **"Builder"** means a person or entity which purchases, or contracts to purchase, a Lot from Declarant for the purpose of constructing a Dwelling for resale or under contract to an Owner other than Declarant.
- b. **"Declarant Control Period"** means that period of time during which Declarant controls the operation of the Association. The duration of the Declarant Control Period will be from the date this Declaration is recorded for a maximum period not to exceed the earliest of:
 - (1) Three (3) years from date this Declaration is recorded.
 - (2) Four (4) months after title to seventy-five (75) percent of the Lots that may be created has been conveyed to Owners other than Builders.
 - (3) One (1) year after Declarant ceases developing, constructing, or marketing the Property and the Lots.
 - (4) When, in Declarant's sole opinion, the Association is viable, self-supporting, and operational.

- c. **"Development Period"** means that period of time during which the Property is being developed, constructed, or marketed, and extends from the date this Declaration is recorded until title to all of the Lots that may be created (including on land subject to annexation) have been conveyed to Owners other than Builders. The Development Period may not exceed five (5) years.

B.2. **DECLARANT CONTROL PERIOD RESERVATIONS.** Declarant reserves the following powers, rights, and duties during the Declarant Control Period:

- B.2.1. **Officers & Directors.** During the Declarant Control Period, the number of directors is three (3) and Declarant may appoint, remove, and replace any officer or director of the Association, none of whom need be members or Owners.
- B.2.2. **Budget Funding.** During the Declarant Control Period only, Declarant is responsible for the difference between the Association's operating expenses and the Regular Assessments received from Owners other than Declarant, and will provide any additional funds necessary to pay actual cash outlays of the Association. On termination of the Declarant Control Period, Declarant will cease being responsible for the difference between the Association's operating expenses and the Assessments received from Owners other than Declarant.
- B.2.3. **Expenses of Declarant.** Expenses related to the completion and marketing of the Property will be paid by Declarant and are not expenses of the Association.
- B.2.4. **Budget Control.** During the Declarant Control Period, the right of Owners to veto Assessment increases or Special Assessments is not effective and may not be exercised.
- B.2.5. **Organizational Meeting.** Within sixty (60) days after the end of the Declarant Control Period, or sooner at the Declarant's option, Declarant will call an organizational meeting of the members of the Association for the purpose of electing, by vote of the Owners, directors to the Board. Written notice of the organizational meeting must be given to an Owner of each Lot at least ten (10) days before the meeting. For the organizational meeting, Owners of ten (10) percent of the Lots constitute a quorum.
- B.2.6. **Common Area.** At or prior to termination of the Declarant Control Period, Declarant will convey title to the real estate parcels of the Common Area to the Association by deed -- with or without warranty. At the time of conveyance, the Common Areas will be free of encumbrance except for the property taxes accruing for the year of conveyance. Declarant's conveyance of title is a ministerial task that does not require and is not subject to acceptance by the Association or the Owners.

B.3. **Development Period Reservations.** Declarant reserves the following Easements and rights, exercisable at Declarant's sole discretion, at any time during the Development Period:

- B.3.1. **Phasing.** The Property is subject to expansion by phasing. During the Development Period, Declarant may annex additional land to the Property and subject it to the Declaration and the jurisdiction of the Association by recording an amendment of this Declaration, executed by Declarant, in the Real Property Records of Benton County, Arkansas. The amendment of annexation must include a legal description of the additional real property or a reference to the recorded Plat that describes the additional real property.

- B.3.2. **Weighted Votes.** During the Development Period, each Lot owned by Declarant or Builders has twenty (20) votes. On termination of the Development Period and thereafter, each Lot owned by Declarant or Builders has the number of votes allocated to the type of Lot by this Declaration.
- B.3.3. **ACC.** During the Development Period, Declarant has the absolute right to appoint the Architectural Control Committee, consisting of any number of persons who serve at the pleasure of Declarant, and who may be removed and replaced by Declarant. Notwithstanding the foregoing, during the Development Period -- after termination of Declarant Control, or earlier if Declarant permits -- the Board may appoint or serve as a "Modifications Committee" to respond exclusively to modifications of completed Dwellings that are owned by persons other than Declarant or Builders. A Modifications Committee may not involve itself with the approval of new houses and townhomes on vacant Lots.
- B.3.4. **Deemed ACC Approval.** During the Development Period, applications by Builders are deemed approved by the ACC if the ACC fails to respond in writing -- negatively, affirmatively, or requesting information -- within fifteen (15) days after the ACC's actual receipt of the Builder's application. In exercising Deemed Approval, the burden is on the Builder to document the ACC's actual receipt of the Builder's application. As it applies to Builders, this Subsection is a substitute for Section 4.5.1 of this Declaration.
- B.3.5. **Amendment.** During the Development Period, Declarant may amend this Declaration and the other Documents, without consent of other Owners or any Mortgagee, for the following limited purposes:
- a. To add real property to the Property.
 - b. To create Lots, Easements, and Common Areas within the Property.
 - c. To subdivide, combine, or reconfigure Lots owned by the Declarant or the Association.
 - d. To change the designation of Lots as House Lots or Attached Housing Lots.
 - e. To convert Lots into Common Areas.
 - f. To merge the Association with another Property Owners Association.
 - g. To comply with requirements of an Underwriting Lender.
 - h. To resolve conflicts, clarify ambiguities, and to correct inadvertent misstatements, errors, or omissions in the Documents.
- B.3.6. **Completion.** During the Development Period, Declarant has: (1) the right to complete or make improvements indicated on the Plat; (2) the right to sell or lease any Lot owned by Declarant; and (3) an Easement and right to erect, construct, and maintain on and in the Common Area and Lots owned or leased by Declarant whatever Declarant determines to be necessary or advisable in connection with the construction, completion, management, maintenance, leasing, and marketing of the Property.
- B.3.7. **Promotion.** During the Development Period -- for purposes of promoting, identifying, and marketing the Property -- Declarant reserves (1) an easement and right to place and relocate signs, banners, flags, display lighting, and seasonal landscaping on the Property; (2) the right

to permit Builders to construct and use model homes on the Property; (3) the right to permit Builders to place signs and promotional materials on the Property; and (4) the right to exempt Builders from the sign restriction in this Declaration.

- B. 3.8. **Access.** During the Development Period, Declarant has an easement and right of ingress and egress in and through the Property for purposes of constructing, maintaining, managing, and marketing the Property, and for discharging Declarant's obligations under this Declaration. Declarant also has the right to provide a reasonable means of access for construction workers and suppliers and the home buying public through the entrance gates in connection with the construction and active marketing of Lots and Dwellings by Declarant or Builders, including the right to require that the gates be kept open during certain hours or on certain days.
- B.3.9. **Easements.** During the Development Period, Declarant may grant permits, licenses, and easements over, in, on, under, and through the Property for drainage, landscaping, roads, trash removal, utilities and other purposes necessary for the proper development and operation of the Property. Utilities may include, but are not limited to, water, sewer, electricity, gas, internet access, telephone, television and security.
- B.3.10. **Assessments.** During the Development Period, Lots owned by Declarant and Builders are not subject to Assessment until the first full month after the date title to a Lot transfers to an Owner other than a Builder. After the Development Period, Declarant and Builders are liable for Assessments on each Lot owned in the same manner as any Owner.
- B.4. **Successor Declarant.** Declarant may designate one or more Successor Declarants for specified designated purposes and/or for specified portions of the Property, or for all purposes and all of the Property. To be effective, the designation must be in writing, signed and acknowledged by Declarant and Successor Declarant, and recorded in the Real Property Records of Benton County, Arkansas. Declarant (or Successor Declarant) may subject the designation of Successor Declarant to limitations and reservations. Unless the designation of Successor Declarant provides otherwise, a Successor Declarant has the rights of Declarant under this Section and may designate further Successor Declarants.

2003 7953

Recorded in the Above

Deed Book & Page

03-31-2003 09:51:35 AM

Brenda DeShields-Circuit Clerk

Benton County, AR

**DECLARATION OF ANNEXATION
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR SHADOW VALLEY
BENTON COUNTY, ARKANSAS**

KNOW ALL MEN BY THESE PRESENTS

WHEREAS, the C. R. Reaves Family Limited Partnership, an Arkansas limited partnership, did execute and record that certain Declaration of Covenants, Conditions and Restrictions (CCR's) for Shadow Valley PUD dated December 5, 2001 and recorded December 5, 2001 in Book P4, Page 359 of the Benton County real estate records; and,

WHEREAS, the undersigned has previously established Phase 1, Single Family Lots 1 - 129 and Phase 1, Townhome Lots 1 - 44 of Shadow Valley and has, by prior filing, incorporated said Phase 1, Single Family Lots 1 - 129 and Phase 1, Townhome Lots 1 - 44 within said Covenants; and,

WHEREAS, the undersigned, C. R. Reaves Family Limited Partnership, has additionally established Phase 2, Single Family Lots 1 - 112 and Phase 2, The Chateaux Lots 113 - 136 of Shadow Valley and wishes to ratify and confirm the same Covenants, Conditions and Restrictions referred to above, as herein amended, as also governing said Phase 2, Single Family Lots 1 - 112 and Phase 2, The Chateaux Lots 113 - 136.

NOW, THEREFORE, the undersigned, as owner of all property within Shadow Valley Phase 2, Rogers, Benton County, Arkansas, does hereby amend said Covenants, Conditions and Restrictions and declare as follows:

1. All lots within Phase 2 of Shadow Valley as same are platted and appear in Plat Record 2003 at Page 233 of the Benton County Real Estate Records are hereby incorporated into and governed by the Covenants, Conditions and Restrictions for Shadow Valley as above described and recorded and as thereafter amended.
2. Except as herein modified the original Covenants, Conditions and Restrictions for Shadow Valley, as subsequently amended, shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned has hereunto set his hands and seal this ____ day of March, 2003.

C. R. REAVES FAMILY LIMITED PARTNERSHIP

BY:


CHARLES R. REAVES, General Partner

ACKNOWLEDGMENT

STATE OF ARKANSAS)
)ss
COUNTY OF BENTON)

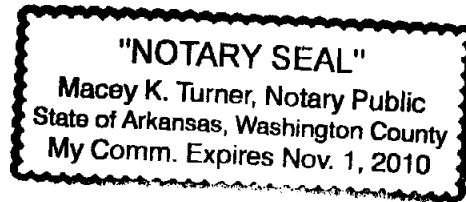
ON THIS DAY before the undersigned, a Notary Public, duly qualified and acting in and for the County and State aforesaid, personally appeared CHARLES R. REAVES, to me well known or satisfactorily proven to be the General Partner of the C. R. Reaves Family Limited Partnership, the party in the foregoing instrument and stated that he had executed the above and foregoing instrument for the consideration, uses and purposes therein stated.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on this 21 day of March, 2003.



NOTARY PUBLIC

My Commission Expires: 11-01-10



2003 7955
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03-31-2003 09:51:35 AM
Brenda DeShields-Circuit Clerk
Benton County, AR

APPENDIX A

DESCRIPTION OF SUBJECT LAND

The 47.10 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 1, Single Family Lots 1 - 129, City of Rogers, Arkansas, filed with the Benton County Clerk on December 5, 2001, and recorded in Book P4, Page 359, real property records of Benton County, Arkansas.

And

The 9.54 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 1, Townhome Lots 1 - 44, City of Rogers, Arkansas, filed with the Benton County Clerk on December 5, 2001, and recorded in Book P4, Page 359, real property records of Benton County, Arkansas.

And

The 38.65 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 2, Single Family Lots 1 - 112, City of Rogers, Arkansas, filed with the Benton County Clerk on March 31, 2003, and recorded in Book 2003, Page 229, real property records of Benton County, Arkansas.

And

The 5.02 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 2, The Chateaux Lots 113 - 136, City of Rogers, Arkansas, filed with the Benton County Clerk on March 31, 2003, and recorded in Book 2003, Page 231, real property records of Benton County, Arkansas.

Book/Pg: 2003/7953	
Term/Cashier: CIRCLK03 / TBarber	
Tran: 602.21787.53007	
Recorded: 03-31-2003 09:52:02	
DFE Deed	14.00
REC Recording Fee	0.00
Total Fees: \$ 14.00	

DECLARATION
OF
COVENANTS, CONDITIONS & RESTRICTIONS
FOR
THE CHATEAUX AT SHADOW VALLEY

2003 8172
Recorded in the Above
Deed Book & Page
04-01-2003 02:43:42 PM
Brenda DeShields-Circuit Clerk
Benton County, AR
Book/Pg: 2003/8172
Term/Cashier: CIRCLK04 / SWhite
Tran: 04-2029.53621
Recorded: 04-01-2003 14:44:22
DFE Deed
REC Recording Fee
Miscellaneous
Total Fees: \$ 92.00

89.00
0.00
3.00

This Declaration of Covenants, Conditions & Restrictions (CCR's) for The Chateaux at Shadow Valley is made by C. R. Reaves Family Limited Partnership, a Arkansas partnership ("**Declarant**"), on the date signed below.

Declarant owns the 5.02 acres of real property described in Appendix A of this Declaration, together with the improvements thereon.

Declarant desires to develop the real property with a residential neighborhood to be known as The Chateaux at Shadow Valley. Declarant further desires to provide for the preservation and maintenance of portions of The Chateaux at Shadow Valley, and to protect the value, desirability, and attractiveness of The Chateaux at Shadow Valley. Declarant deems it advisable to create an Association to perform these functions and activities more fully described in this Declaration.

The Chateaux at Shadow Valley is located in Shadow Valley , a Master Planned Community (MPC). As originally conceived by Declarant, the development consists of twenty-four (24) Lots to be improved with Chateaux. Entry to The Chateaux at Shadow Valley will be from Valley View Road..

Declarant hereby declares that the real property described in Appendix A is subject to this Declaration.

ARTICLE I
DEFINITIONS

DEFINITIONS. The following words and phrases, whether or not capitalized, have specified meanings when used in the Documents, unless a different meaning is apparent from the context in which the word or phrase is used.

- 1.1 "**ACC**" means the Architectural Control Committee of the Association.
- 1.2 "**Assessment**" means any charge levied against a Lot or Owner by the Association, pursuant to the Documents.
- 1.3 "**Association**" means the Association of Owners of all Lots in the Property, initially organized as The Chateaux at Shadow Valley Property Owners Association, Inc. (TCatSVPOA), a Arkansas nonprofit corporation, and serving as the "Property Owners' Association" defined in the Arkansas Code.
- 1.4 "**Housing Lots**" means a portion of the Property intended for independent ownership, as shown on the Plat, on which a Chateau has been or will be constructed.
- 1.5 "**Board**" means the Board of Directors of the Association.
- 1.6 "**CCR's**" means Covenants, Conditions and Restrictions.

- 1.7 **"City"** means the City of Rogers, Benton County, Arkansas, in which the Property is located.
- 1.8 **"Common Areas"** means that portion of the Common Property shown or referenced on the Plat, or otherwise designated, intended for the use and enjoyment of the Owners, Residents, their families and guests.
- 1.9 **"Common Property"** means and includes:
- a. All of the Property, save and except the portion of the Lots on which a Chateau is built, including the driveways, entryway, landscaping, parking lots, signs, street lights, Chateau exteriors, Chateau roofs, yards and other Common Property shown on or referenced on the Plat.
 - b. Fixtures and improvements on or appurtenant to the driveways, entryway, landscaping, parking lots, putting green, signs, street lights, Chateau exteriors, Chateau roofs, yards and other Common Property, even if the fixtures and improvements are located on Lots.
 - c. Any modification, replacement, or addition to any of the above-described areas and improvements.
 - d. Personal property owned by the Association, such as books and records, office equipment, supplies, and furniture.
- 1.10 **"Declarant"** means C. R. Reaves Family Limited Partnership (RFLP), a Arkansas partnership, which is developing the Property, or the successors and assigns of RFLP, which acquire any portion of the Property for the purpose of development and which are designated a Successor Declarant by RFLP, or by any such successor and assign, in a recorded document.
- 1.11 **"Declarant Control Period"** means that period of time, beginning the date this Declaration is recorded, during which Declarant controls the operation of the Association, pursuant to Appendix C of this Declaration.
- 1.12 **"Declaration"** means this Document, as it may be amended from time to time.
- 1.13 **"Development Period"** means that period of time, beginning the date this Declaration is recorded, during which Declarant reserves certain rights for expansion of the Property, and the marketing and build-out of lots, pursuant to Appendix C of this Declaration.
- 1.14 **"Documents"** means, singly or collectively as the case may be, this Declaration, the Plat, the Bylaws, the Association's Articles of Incorporation, and the Rules of the Association, as any of these may be amended from time to time. An appendix, exhibit, schedule, or certification accompanying a Document is a part of that Document.
- 1.15 **"Easement"** means the right an Owner grants to others for ingress and/or egress or other use or uses of the Owner's property.
- 1.16 **"Leader"** means an officer, director or committee member of the Board.
- 1.17 **"Lot"** means a portion of the Property intended for independent ownership, as shown on the Plat, on which a Chateau has been or will be constructed. Where the context indicates or requires, "Lot" includes all improvements thereon.
- 1.18 **"Master Association (MA)"** means the Shadow Valley Property Owners Association, Inc. (SVPOA) which derives its authority from the Declaration dated December 5, 2001, and recorded in Book 2001, Page 144999, real property records of Benton County, Arkansas, as corrected, amended, and supplemented, and which administers Shadow Valley, the MPC in which the Property is located.

- 1.19 **"Master Covenants, Conditions & Restrictions (MCCR's)"** means the CCR's of the MA.
- 1.20 **"Master Planned Community (MPC)"** means a large-scale development containing several neighborhoods, on site amenities , retail stores, office space, etc.
- 1.21 **"Majority"** means more than half.
- 1.22 **"Member"** means a member of the Association, each Member being an Owner of a Lot, unless the context indicates that Member means a Member of the Board or a Member of a committee of the Association.
- 1.23 **"Owner"** means a holder of recorded fee simple title to a Lot. Declarant is the initial Owner of all Lots. Contract sellers and mortgagees who acquire title to a Lot through a deed in lieu of foreclosure or through judicial or non-judicial foreclosure are Owners. Persons or entities having ownership interests merely as security for the performance of an obligation are not Owners. Every Owner is a member of the Association.
- 1.24 **"Planned Unit Development (PUD)"** means a MPC developed in accordance with the City of Rogers, Arkansas Planned Unit Development (PUD) Zoning Ordinance.
- 1.25 **"Plat"** means the Plat recorded or to be recorded in the real property records of Benton County, Arkansas pertaining to The Chateaux at Shadow Valley, part of a PUD within the City of Rogers, including all dedications, limitations, restrictions, easements, and reservations shown on the Plat, as it may be amended from time to time.
- 1.26 **"Property"** means all the land subject to this Declaration and all improvements, easements, rights, and appurtenances to the land. The name of the Property is The Chateaux at Shadow Valley. The Property is located on land described in Appendix A to this Declaration, and includes every Lot thereon.
- 1.27 **"Resident"** means an occupant of a Chateau, regardless of whether the person owns the Lot.
- 1.28 **"Rules"** means rules and regulations adopted by the Board in accordance with the Documents.
- 1.29 **"Underwriting Lender"** means Federal Home Loan Mortgage Corporation (Freddie Mac) or Federal National Mortgage Association (Fannie Mac), singly or collectively. The use of this term and these institutions may not be construed as a limitation on an Owner's financing options nor as a representation that the Property is approved by any institution.

ARTICLE 2
PROPERTY SUBJECT TO DOCUMENTS

- 2.1 **PROPERTY.** The Property described in Appendix A is held, transferred, sold, conveyed, leased, occupied, used, insured, and encumbered subject to the terms, covenants, conditions, restrictions, liens, and easements of this Declaration, including Declarant's representations and reservations in the attached Appendix B, which run with the Property and bind all parties having or acquiring any right, title, or interest in the Property, their heirs, successors, and assigns, and inure to the benefit of each Owner of the Property.
- 2.2 **MASTER COVENANTS, CONDITIONS & RESTRICTIONS (MCCR's).** In addition to this Declaration, the Property is subject to the MCCR's and the jurisdiction of the MA. The Owner of each Lot is automatically a member of the MA and obligated to pay Assessments levied by the MA, which has a lien against the Lot, pursuant to Article 3 of the MCCR's. All improvements on the property including the Chateaux are subject to the ACC of the MA, pursuant to Article 4 of the MCCR's.

Each Lot Owner is a Member of two (2) Associations, this Association and the MA, each of which levies Assessments for which the Lot Owner is liable. Each Lot Owner is subject to two (2) sets of CCR's, this Declaration and the MCCR's, and to two (2) assessment liens.

- 2.3 **ADDITIONAL PROPERTY.** Additional real property may be annexed to the Property and subjected to the Declaration and the jurisdiction of the Association on approval of Owners representing at least sixty-seven (67) percent of the Lots in the Property, or, during the Development Period, by Declarant as permitted in Appendixes B and C. Annexation of additional Property is accomplished by recording a Declaration of Annexation, including an amendment of Appendix A, in the Benton County real property records.
- 2.4 **DRIVEWAYS WITHIN PROPERTY.** Driveways within the Property are part of the Common Area owned by the Association. To the extent not prohibited by public law, the Association is specifically authorized to adopt, amend, repeal, and enforce rules, regulations, and procedures for use of the driveways, including but not limited to:
- a. Identification of vehicles used by Owners and Residents, and their families and guests.
 - b. Designation of speed limits and parking and/or no parking areas.
 - c. Removal or prohibition of vehicles that violate applicable Rules.
 - d. Fines for violations of applicable Rules.

ARTICLE 3
PROPERTY EASEMENTS AND RIGHTS

- 3.1 **GENERAL.** In addition to other Easements and rights established by the Documents, the Property is subject to the Easements and rights contained in this Article.
- 3.2 **OWNER'S EASEMENT OF ENJOYMENT.** Every Owner is granted a right and Easement of enjoyment over the Common Areas and to use of improvements therein, subject to other rights and Easements contained in the Documents.
- 3.3 **OWNER'S MAINTENANCE EASEMENT.** Every Owner is granted an access Easement over adjoining Lots and Common Areas for the maintenance or reconstruction of his Chateau and other improvements on his Lot, provided exercise of the Easement does not damage or materially interfere with the use of the adjoining Lot or Common Area. Requests for entry to an adjoining Lot or Common Area must be made to the Owner of the adjoining Lot, or the Association in the case of Common Areas, in advance, for a time reasonably convenient for the adjoining Owner, who may not unreasonably withhold consent. If an Owner damages an adjoining Lot or Common Area in exercising this Easement, the Owner is obligated to restore the damaged property to its original condition, at his expense, within a reasonable period of time.
- 3.4 **OWNER'S INGRESS/EGRESS EASEMENT.** Every Owner is granted a perpetual Easement over the Property's driveways, as may be reasonably required, for vehicular ingress to and egress from his Lot.
- 3.5 **OWNER'S ENCROACHMENT EASEMENT.** The Owner of every Chateau Lot is granted an easement for the existence and continuance of any encroachment by his Lot on any adjoining Lot or Common Area now existing or which may come into existence hereafter, as a result of construction,

repair, shifting, settlement, or movement of any portion of a building, or as a result of condemnation or eminent domain proceedings, so that the encroachment may remain undisturbed so long as the improvement stands.

- 3.6 **ASSOCIATION'S ACCESS EASEMENT.** The Association is granted an Easement of access and entry to every Lot and Common Area to perform maintenance, to enforce architectural and use restrictions, to respond to emergencies, and to perform any other duties required by the Documents.
- 3.7 **UTILITY EASEMENT.** The Association may grant permits, licenses, and Easements over Common Areas for utilities, roads, and other purposes necessary for the proper operation of the Property. A company or entity, public or private, furnishing utility service to the Property, is granted an Easement over the Property for ingress, egress, meter reading, installation, maintenance, repair, or replacement of utility lines and equipment, and to do anything else necessary to properly maintain and furnish utility service to the Property; provided, however, this Easement may not be exercised without prior notice to the Board. Utilities may include, but are not limited to, water, sewer, trash removal, electricity, gas, telephone, master or cable television, and security.
- 3.8 **SECURITY.** The Association may, but is not obligated to, maintain or support certain activities within the Property designed, either directly or indirectly, to improve safety in or on the Property. Each Owner and Resident acknowledges and agrees, for himself and his guests, that Declarant, the Association, and its directors, officers, committees, agents, and employees are not providers, insurers, or guarantors of security within the Property. Each Owner and Resident acknowledges and accepts his sole responsibility to provide security for his own person and property, and assumes all risks for loss or damage to same. Each Owner and Resident further acknowledges that Declarant, the Association, and its directors, officers, committees, agents, and employees have made no representations or warranties, nor has the Owner or Resident relied on any representation or warranty, express or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any fire, burglar, and/or intrusion systems recommended or installed, or any security measures undertaken within the Property. Each Owner and Resident acknowledges and agrees that Declarant, the Association, and its directors, officers, committees, agents, and employees may not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.
- 3.9 **RISK.** Each Owner and Resident uses all Common Area amenities at his own risk. All Common Area amenities are unattended and unsupervised. The gatehouse at the entrance may not be staffed. Each Owner and Resident is solely responsible for his own safety and that of his guests. The Association disclaims any and all liability or responsibility for injury or death occurring from use of the Common Area amenities.

ARTICLE 4 **ARCHITECTURAL COVENANTS AND CONTROL**

- 4.1 **TWO (2) LEVELS OF ARCHITECTURAL CONTROL.** Each Chateau Lot is subject to two independent architectural controls, Article 4 of the MCCR's administered by the MA and this Article 4 administered by the ACC of this Association. The two (2) ACC's are independent of each other and require independent applications and submissions. Each Owner is hereby given notice of his duty to comply with the requirements of both committees.
- 4.2 **PURPOSE.** Because the Lots are part of a single, unified neighborhood, the Association has the right, acting through the ACC to regulate the design, use, and appearance of the Lots and Common Areas in order to preserve and enhance the Property's value and architectural harmony. The purpose of this Article is to ensure that all Chateaux constructed shall utilize good quality materials and workmanship and shall promote and ensure the level of taste, design, quality, and harmony by which the Property is developed and maintained.

- 4.3 **ARCHITECTURAL CONTROL COMMITTEE (ACC).** The ACC consists of the Declarant and two (2) persons appointed by the Declarant during the Development Period. After the Development Period, the ACC shall consist of three (3) persons appointed by the Board, pursuant to the Bylaws, or, at the Board's option, the Board may act as the ACC. If the Board acts as the ACC, all references in the Documents to the ACC are construed to mean the Board. Members of the ACC need not be Owners or Residents.
- 4.4 **PROHIBITION OF CONSTRUCTION, ALTERATION & IMPROVEMENT.** Without the ACC's prior written approval, a person may not construct a Chateau or make an addition, alteration, improvement, installation, modification, redecoration, or reconstruction of or to the Property, if it will be visible from a driveway, another Chateau, or a Common Area. This prohibition includes, without limitation, a change in the color of any material on the exterior of a Chateau. The ACC has the right but not the duty to evaluate every aspect of construction, landscaping, and Property use that may adversely affect the general value or appearance of the Property.
- 4.5 **ACC GUIDELINES and LIMITATIONS.** The Association, acting through the ACC, shall establish architectural restrictions, guidelines, and standards, subject to revision from time to time, including revisions to reflect changes in technology, style, and taste. The Association, acting through the ACC, has the right to establish and enforce architectural restrictions, guidelines, and standards relating to every aspect of proposed or existing improvements on a Lot, including but not limited to Dwellings, fences, and landscaping, and further including replacements or modifications of original construction or installation.
- 4.6 **ACC APPROVAL REQUIREMENTS.** To request ACC approval, an Owner should review the ACC Guidelines and Limitations and must make written application and submit two (2) identical sets of plans and specifications for the structure showing the nature, kind, shape, colors, size and materials to be used and the location of the structure on the Lot with the finished floor elevation (FFE) relative to top of the common driveway curb. If the FFE is not at least one (1) foot higher than the top of the common driveway curb, the plans shall include a drainage plan. The application must clearly identify any requirement of this Declaration for which a variance is sought. The ACC will return one set of plans and specification to the applicant marked with the ACC's response, such as "Approved" or "Denied." The ACC will retain the other set of plans and specifications, together with the application, for the Association's files. Verbal approval by a director, officer, member of the ACC, or the Association's manager does not constitute ACC approval, which must be in writing. ACC approval of plans and specifications is for the mutual benefit of all Owners and is not intended to be, and shall not be construed as, an approval or certification that the plans and specifications are technically sound or correct from an engineering or architectural standpoint. Each Owner shall be individually responsible for the technical aspect of the plans and specifications.
- 4.5.1 **Deemed Approval.** If the ACC fails to respond in writing -- negatively, affirmatively, or requesting information -- within thirty (30) days after the ACC's actual receipt of the Owner's application, the Owner may submit a second request for processing of its original application. If the Board fails to respond within fifteen (15) days after the Board's actual receipt of the Owner's second request, the Owner's application is deemed approved. In exercising Deemed Approval, the burden is on the Owner to document the Board's actual receipt of the Owner's initial application and second request.
- 4.5.2 **Building Permit.** If the application is for work that requires a building permit from the City, the ACC's approval is conditioned on the City's issuance of the appropriate permit. The ACC's approval of plans and specifications does not mean that they comply with the City's requirements. Alternatively, approval by the City does not ensure ACC approval.

ARTICLE 5
CONSTRUCTION AND USE RESTRICTIONS

- 5.1 **CONSTRUCTION RESTRICTIONS.** Improvements constructed on every Lot must comply with the architectural restrictions, guidelines and standards established by the ACC including but not limited to the following:
- 5.1.1 **Use.** All Lots shall be governed by the applicable City of Rogers codes and regulations governing Chateaux as they exist on the date of construction. Any conflict between such ordinances and this Declaration shall be resolved in favor of the more restrictive provisions.
 - 5.1.2 **Size.** No Chateau shall be constructed with less heated and cooled living space than the minimum specified on the Plat.
 - 5.1.3 **Setbacks.** No Chateau shall be constructed on any Lot outside of the building area shown on the Plat reflecting said Lot. For this purpose, eaves, steps and open porches shall not be considered as part of the building, however, this shall not be construed to permit any portion of any building on a Lot to encroach upon another Lot.
 - 5.1.4 **Building Exteriors.** All Chateau exteriors must be at least 75% brick, stone, stucco or other material specifically approved by the ACC.
 - 5.1.5 **Roofs.** All Chateau roofs must have a pitch of at least 8/12 and be architectural roofing shingles or other roofing material specifically approved by the ACC. No standard 3-tab roofing material shall be allowed.
 - 5.1.6 **Garages.** All Chateaux shall have a garage, or garages, attached and/or detached, for not less than two (2) cars.
 - 5.1.7 **Driveways.** All Chateaux shall have a driveway at least seventeen (17) feet wide and shall be constructed of concrete or other material specifically approved by the ACC.
- 5.2 **ASSOCIATION'S RIGHT TO PROMULGATE RULES.** The Association, acting through its Board, is granted the right to adopt, amend, repeal, and enforce reasonable Rules, and penalties for infractions thereof, regarding the occupancy, use, disposition, maintenance, appearance, and enjoyment of the Property. In addition to the restrictions contained in this Article, each Lot is owned and occupied subject to the right of the Board to establish Rules, and penalties for infractions thereof, governing:
- a. Use of Common Areas.
 - b. Hazardous, illegal, or annoying materials or activities on the Property.
 - c. The use of Property-wide services provided through the Association.
 - d. The consumption of utilities billed to the Association.
 - e. The use, maintenance, and appearance of portions of Chateaux such as courtyards, decks, doors, fenced yards, porches, roofs, windows, etc. that are visible from the driveways, Common Areas, or other Chateaux.
 - f. Landscaping and maintenance of courtyards and yards.

- g. The Ownership of Lots.
 - h. The occupancy and leasing of Chateaux.
 - i. The types, sizes, numbers, locations, and behavior of animals at the Property.
 - j. The types, sizes, numbers, conditions, uses, appearances, and locations of motorized and recreational vehicles on the Property.
 - k. Disposition of trash and control of vermin, termites, and pests.
 - l. Anything that interferes with maintenance of the Property, operation of the Association, administration of the Documents, or the quality of life for Owners or Residents.
- 5.3 **ANIMALS.** No animal, bird, fish, reptile, or insect of any kind may be kept, maintained, raised, or bred anywhere on the Property for a commercial purpose or for food. Customary domesticated household pets may be kept subject to the Rules. Unless the Rules provide otherwise:
- 5.3.1 **Number.** No more than four (4) pets may be maintained in each dwelling. Of the four (4) pets, no more than two (2) may be cats and/or dogs. Permission to maintain other types or additional numbers of household pets must be obtained in writing from the Board.
 - 5.3.2 **Disturbance.** Pets must be kept in a manner that does not disturb the peaceful enjoyment of residents of other lots. No pet may be permitted to bark, howl, whine, screech, or make other loud noises for extended or repeated periods of time.
 - 5.3.3 **Indoors/Outdoors.** Subject to the limited yard privilege below, a permitted pet must be maintained inside the dwelling, and may not be kept on a deck, within a courtyard or in a fenced yard. No pet is allowed on the Common Areas unless carried or leashed.
 - 5.3.4 **Limited Yard Privilege.** Dogs and cats may be kept on a deck, within a courtyard or in a fenced yard only if they do not disturb or annoy people on the Property. The Board is the sole arbiter of what constitutes a disturbance or annoyance. If the Board determines that a dog or cat disturbs people, the Board may permanently revoke the privilege of keeping the dog or cat on a deck, within a courtyard or in a fenced yard. Thereafter, the dog or cat must be maintained inside the Dwelling.
 - 5.3.5 **Pooper Scooper.** Owners and Residents are responsible for the removal of his pet's wastes from the Property. Unless the Rules provide otherwise, Owners and Residents must prevent his pet from relieving itself on Common Property or the Lot of another Owner.
 - 5.3.6 **Liability.** An Owner is responsible for any property damage, injury, or disturbance caused or inflicted by an animal kept on the Lot. The Owner must compensate any person injured by the animal. The Owner of a Lot on which an animal is kept is deemed to indemnify and to hold harmless the Board, the Association, and other Owners and Residents, from any loss, claim, or liability resulting from any action of the animal or arising by reason of keeping the animal on the Property.
- 5.4 **ANNOYANCE.** No Lot or Common Area may be used in any way that (1) may reasonably be considered annoying to neighbors; (2) may be calculated to reduce the desirability of the Property as a residential neighborhood; (3) may endanger the health or safety of other Owners or Residents or their guests; (4) may result in the cancellation of insurance on the Property; or (5) violates any law. The Board has the sole authority to determine what constitutes an annoyance.

- 5.5 **DRAINAGE.** No person may interfere with the established drainage pattern over any part of the Property without the Board's prior written approval of an adequate alternative provision for proper drainage.
- 5.6 **DRIVEWAYS.** Personal driveways may not be used for any purpose that interferes with its ongoing use as a route of vehicular access to the garage. Without the board's prior approval, a driveway may not be used: (1) for storage purposes, including storage of boats, recreational vehicles, trailers, and inoperable vehicles; or (2) for repair or restoration of vehicles.
- 5.7 **FIRES.** Except for exterior fireplaces or barbecue fires, no exterior fires on the Property are permitted.
- 5.8 **GARAGES.** Without the Board's prior written approval, the original garage area of a Lot may not be enclosed or used for any purpose that prohibits the parking of at least two (2) operable vehicles therein. Garage doors are to be kept closed at all times except when a vehicle is entering or leaving.
- 5.9 **BASKETBALL GOALS. OTHER SPORTING AND/OR RECREATIONAL EQUIPMENT.** Without the ACC's prior written approval, basketball goals, other sporting and/or recreational equipment may not be attached, mounted, or installed in any part of a personal driveway, courtyard or fenced yard.
- 5.10 **LANDSCAPING.** No person may perform landscaping, planting, or gardening on Common Property without the Board's prior written authorization.
- 5.11 **LEASING OF CHATEAUX.** When an Owner's personal or business circumstances temporarily preclude their use of the Chateau as their primary or secondary residence for a period of a year or more, the Owner may lease the Chateau on his Lot provided the lease period is at least one (1) year. Whether or not it is so stated in a lease, every lease is subject to the Documents. An Owner is responsible for providing his tenant with copies of the Documents and notifying him of changes thereto. Failure by the tenant or his invitees to comply with the Documents, federal or state law, or local ordinance is deemed to be a default under the lease. When the Association notifies an Owner of his tenant's violation, the Owner will promptly obtain his tenant's compliance or exercise his rights as a landlord for tenant's breach of lease. If the tenant's violation continues or is repeated, and if the Owner is unable, unwilling, or unavailable to obtain his tenant's compliance, then the Association has the power and right to pursue the remedies of a landlord under the lease or state law for the default, including eviction of the tenant. The Owner of a leased Chateau is liable to the Association for any expenses incurred by the Association in connection with enforcement of the Documents against his tenant. The Association is not liable to the Owner for any damages, including lost rents, suffered by the Owner in relation to the Association's enforcement of the Documents against the Owner's tenant.
- 5.12 **NOISE & ODOR.** A Resident must exercise reasonable care to avoid making or permitting to be made loud, disturbing, or objectionable noises or noxious odors that are likely to disturb or annoy Residents of neighboring Lots. The Rules may prohibit the use of noise-producing security devices and wind chimes.
- 5.13 **OCCUPANCY.** Other than the completed principal Dwelling, no thing or structure on a Lot (including the garage) may be occupied as a residence at any time by any person.
- 5.14 **OWNERSHIP OF DWELLINGS.** The ownership of Lots within the Property shall be limited to individuals and families for use as their primary or secondary residence. When an Owner's personal or business circumstances temporarily preclude their use of the Chateau as their primary or secondary residence for a period of a year or more, the Owner may lease their Chateau as outlined in Subsection 5.11.

- 5.15 **RESIDENTIAL USE.** The use of a Chateau is limited exclusively to residential purposes or any other use permitted by this Declaration. This residential restriction does not, however, prohibit a resident from using a Chateau for personal business or professional pursuits provided that (1) the uses are incidental to the use of the Chateau as a residence; (2) the uses conform to all applicable governmental ordinances; (3) there is no external evidence of the uses; (4) the uses do not entail visits to the Chateau by employees or the public in quantities that materially increase the number of vehicles parked in the parking lots; and (5) the uses do not interfere with Residents' use and enjoyment of neighboring Chateaux.
- 5.16 **SIGNS.** No signs advertising Chateaux for sale or lease, other advertising signs, or unsightly objects maybe erected, placed, or permitted to remain on the Property or to be visible from windows in a Chateau without the Board's prior written approval. The Board's approval may specify the location, nature, appearance, dimensions, number, and time period of any advertising sign. The Association may effect the removal of any sign that violates this section without liability for trespass or any other liability connected with the removal. Notwithstanding the foregoing, and subject to the Board's disapproval, an Owner may erect one professionally made sign per Lot of not more than 5 square feet advertising a Chateau for sale or lease.
- 5.17 **TELEVISION.** Each resident of the Property will avoid doing or permitting anything to be done that may unreasonably interfere with the television, radio, telephonic, electronic, microwave, cable, or satellite reception on the Property. Without the prior written consent of the ACC, no person may install the following equipment on a Chateau if it would be visible from a common driveway: an antenna, microwave or satellite dish, receiving or transmitting tower; provided, however, that direct broadcast satellites (DBS) and multipoint distribution service (MDS) antennas that are one meter or less in diameter may be installed, subject to the right of the Association to adopt reasonable Rules for the location, appearance, camouflaging, installation, maintenance, and use of the antennas, masts, and dishes to the extent permitted by public law.
- 5.18 **TEMPORARY STRUCTURES.** Improvements or structures of a temporary or mobile nature, such as storage sheds are specifically prohibited, however, the ACC may authorize an Owner's contractor to maintain a temporary structure (such as a portable toilet or construction trailer) on the Lot during approved construction.
- 5.19 **VEHICLES.** All vehicles on the Property, whether owned or operated by the Residents or their guests, are subject to this Section and Rules adopted by the Board. No truck larger than 3-quarters of a ton, vehicle with advertising signage, motor home, camper, bus, trailer, boat, aircraft, inoperable vehicle, or any other similar vehicle or any vehicular equipment, mobile or otherwise, which the Board deems to be a nuisance, unsightly, or inappropriate may be kept, parked, or stored anywhere on the Property without Board approval. The foregoing restriction does not apply to vehicles and equipment temporarily on the Property in connection with the construction or maintenance of a Dwelling. Vehicles that transport inflammatory or explosive cargo are prohibited from the Property at all times. The Association may effect the removal of any vehicle in violation of this section or the Rules without liability to the Owner or operator of the vehicle.
- 5.20 **WINDOW TREATMENTS.** Without the ACC's prior written approval, all window treatments that are visible from a common driveway, Common Property or another Chateau must appear to be white in color or match the color of the window.

ARTICLE 6

ASSOCIATION AND MEMBERSHIP RIGHTS

- 6.1 **TWO (2) ASSOCIATIONS.** Acquisition of an ownership interest in a Chateau automatically means membership in two (2) Associations, the MA and this Association. This Article addresses only the membership aspects of this Association.

- 6.2 **THE ASSOCIATION.** The duties and powers of the Association are those set forth in the Documents, together with the general and implied powers of a Property Owners Association and a nonprofit corporation organized under the laws of the State of Arkansas. Generally, the Association may do any and all things that are lawful and necessary, proper, or desirable in operating for the peace, health, comfort, and general benefit of its members, subject only to the limitations on the exercise of such powers as stated in the Documents. The Association comes into existence on the earlier of (1) issuance of its corporate charter or (2) the initial levy of Assessments against the Lots and Owners. The Association will continue to exist at least as long as the Declaration is effective against the Property, regardless of whether its corporate charter lapses from time to time.
- 6.3 **GOVERNANCE.** The Association will be governed by a Board of Directors elected by the members. Unless the Association's Bylaws or Articles of Incorporation provide otherwise, the Board will consist of at least three (3) persons elected at the annual meeting of the Association, or at a special meeting called for that purpose. The Association will be administered in accordance with the Bylaws. Unless the Documents provide otherwise, any action requiring approval of the members may be approved in writing by Owners of at least a Majority of the Lots, or at a meeting of the Association by Owners representing at least a Majority of the votes that are represented at the meeting.
- 6.4 **MEMBERSHIP.** Each Owner is a member of the Association, Ownership of a Lot being the sole qualification for membership. Membership is appurtenant to and may not be separated from Ownership of the Lot. The board may require satisfactory evidence of transfer of Ownership before a purported owner is entitled to vote at meetings of the Association. If a Lot is owned by more than one person or entity, each co-owner is a member of the Association and may exercise the membership rights appurtenant to the Lot. A member who sells his Lot under a contract for deed may delegate his membership rights to the contract purchaser, provided a written assignment is delivered to the Board. However, the contract seller remains liable for all Assessments attributable to his Lot until fee title to the Lot is transferred.
- 6.4 **VOTING.** Each Lot has one (1) vote. The vote or votes appurtenant to each Lot may not be divided and must be cast in unison. Cumulative voting is not allowed. Votes may be cast by written proxy, according to the requirements of the Association's Bylaws. Appendix B contains an exception to the number of votes during the Development Period.
- 6.5 **BOOKS & RECORDS.** The Association will maintain copies of the Documents and the Association's books, records, and financial statements. Books and records of the Association will be made available for inspection and copying.
- 6.6 **INDEMNIFICATION.** The Association indemnifies every officer, director, and committee member (for purposes of this Section, "Leaders") against expenses, including attorney's fees, reasonably incurred by or imposed on the Leader in connection with an action, suit, or proceeding to which the Leader is a party by reason of being or having been a Leader. A Leader is not liable for a mistake of judgment, negligent or otherwise. A Leader is liable for his willful misfeasance, malfeasance, misconduct, or bad faith. This right to indemnification does not exclude any other rights to which present or former Leaders may be entitled. As a common expense, the Association will maintain adequate general liability and directors and officers liability insurance to fund this obligation, if it is reasonably available.
- 6.7 **OBLIGATIONS OF OWNERS.** Without limiting the obligations of Owners under the Documents, each Owner has the following obligations:
- 6.7.1 **Information.** Within thirty (30) days after acquiring an interest in a Lot, within thirty (30) days after the Owner has notice of a change in any information required by this Subsection, and on request by the Association from time to time, an Owner will provide the Association with the following information (1) a copy of the recorded deed by which Owner has title to the

lot; (2) the Owner's mailing address, phone number(s) and email address, and vehicle(s) license number(s); (3) the name, phone number(s) of any resident other than the Owner; (4) the name, mailing address, phone number(s) and email address of Owner's managing agent, if any.

- 6.7.2 **Pay Assessments.** Each owner will pay Assessments properly levied by the Association against the Owner or his Lot, and will pay Regular Assessments without demand by the Association.
- 6.7.3 **Comply.** Each Owner will comply with the Documents as amended from time to time.
- 6.7.4 **Reimburse.** Each Owner will pay for damage to the Property caused by the negligence or willful misconduct of the Owner, a Resident of the Owner's lot, or the Owner or Resident's family, guests, employees, contractors, agents, or invitees.
- 6.7.5 **Liability.** Each Owner is liable to the Association for violations of the Documents by the Owner, a resident of the Owner's lot, or the Owner or Resident's family, guests, employees, agents, or invitees, and for costs incurred by the Association to obtain compliance, including attorney's fees whether or not suit is filed.

ARTICLE 7 COVENANT FOR ASSESSMENTS

- 7.1 **PURPOSE OF ASSESSMENTS.** The Association will use Assessments for the general purposes of preserving and enhancing the Property, and for the common benefit of Owners and Residents, including but not limited to maintenance of real and personal property, management and operation of the Association, and any expense reasonably related to the purposes for which the Property was developed. If made in good faith, the Board's decision with respect to the use of Assessments is final.
- 7.2 **PERSONAL OBLIGATION.** An Owner is obligated to pay Assessments levied by the Board against the Owner or his Lot. An Owner makes payment to the Association at its principal office or at any other place the Board directs. Payments must be made in full regardless of whether an Owner has a dispute with the Association, another Owner, or any other person or entity regarding any matter to which this Declaration pertains. No Owner may exempt himself from his Assessment liability by waiver of the use or enjoyment of the Common Area or by abandonment of his Lot. An Owner's obligation is not subject to offset by the Owner, nor is it contingent on the Association's performance of the Association's duties. Payment of Assessments is both a continuing affirmative covenant personal to the Owner and a continuing covenant running with the Lot.
- 7.3 **TYPES OF ASSESSMENTS.** There are three (3) types of assessments: Regular, Special and Individual.
- 7.3.1 **Regular Assessments.** Each Chateau Owner is assessed his proportionate share of the Association's Annual Budget as a Regular Assessment. If the Board does not approve an Annual Budget or fails to determine a new Regular Assessments for any year, or delays in doing so, Chateau Owners will continue to pay the Regular Assessment as last determined. Regular Assessments are used for regular expenses related to the reoccurring, periodic, and anticipated responsibilities of the Association, including but not limited to:
- a. Maintenance, repair, and replacement, as necessary, of components of the Common Areas.
 - b. Utilities billed to the Association for the Common Areas.

- c. Services billed to the Association and serving all Chateaux.
- d. Taxes on property owned by the Association.
- e. Management, legal, accounting, auditing, and professional fees for services to the Association.
- f. Costs of operating the Association, such as telephone, postage, office supplies, printing, meeting expenses, and educational opportunities of benefit to the Association.
- g. Premiums and deductibles on insurance policies and bonds deemed by the Board to be necessary or desirable for the benefit of the Association, including fidelity bonds and directors and officers liability insurance.
- h. Contributions to the reserve funds for the Common Areas.
- i. Any other expense which the Association is required by law or the Documents to pay, or which in the opinion of the Board is necessary or proper for the operation and maintenance of the Property or for enforcement of the Documents.

7.3.2 **Special Assessments.** In addition to Regular Assessments, and subject to the Owners' control for Assessment increases, the Board may levy one or more Special Assessments against all Chateau Owners for the purpose of defraying, in whole or in part, common expenses not anticipated by the Annual Budget or reserve funds. Special assessments do not require the approval of the Owners, except that Special Assessments for the following purposes must be approved by Owners representing at least a majority of the votes in the Association:

- a. Acquisition of real property, other than the purchase of a Lot at the sale foreclosing the Association's lien against the Lot.
- b. Construction of additional improvements within the Property, but not replacement of original improvements.
- c. Any expenditure that may reasonably be expected to significantly increase the Association's responsibility and financial obligation for operations, insurance, maintenance, repairs, or replacement.

7.3.3 **Individual Assessments.** In addition to Regular and Special Assessments, the Board may levy an Individual Assessment against a Lot and its Owner. Individual Assessments may include, but are not limited to: interest, late charges, and collection costs on delinquent assessments; reimbursement for costs incurred in bringing an Owner or his Lot into compliance with the Documents; fines for violations of the Documents; insurance deductibles; transfer fees and resale certificate fees; reimbursement for damage or waste caused by willful or negligent acts; common expenses that benefit fewer than all of the Lots, which may be assessed according to benefit received; and "pass through" expenses for services to Lots provided through the Association and which are equitably paid by each Lot according to benefit received.

7.4 **RATES OF ASSESSMENTS.**

7.4.1 **Regular Assessments.** The Owners' share of Regular and Special Assessments is the same for all Chateaux.

- 7.4.2 **Declarant and Builder Lots.** Notwithstanding the preceding subsections, a Lot that is owned by Declarant or Builders during the Development Period is eligible for the assessment exemption in **Appendix B.**
- 7.5 **ANNUAL BUDGET.** The Board will prepare and approve an estimated Annual Budget for each fiscal year to determine the Regular Assessments. The Annual Budget will take into account the estimated income and expenses for the year, contributions to reserve funds, and a projection for uncollected receivables. The Board will make the Annual Budget available to an Owner of each Chateau, although failure to receive an Annual Budget does not affect an Owner's liability for Assessments.
- 7.6 **DUE DATE.** Regular assessments are due on the first day of each calendar month. Special and Individual Assessments are due on the date stated in the Notice of Assessment or, if no date is stated, within ten (10) days after notice of the Assessment is given. Assessments are delinquent if not received by the Association on or before the due date.
- 7.7 **CONTROL FOR ASSESSMENT INCREASES.** This Section of the Declaration may not be amended without the approval of Owners of at least sixty-seven (67) percent of the Lots. In addition to other rights granted to Owners by this Declaration, Owners have the following powers and controls over the Association's budget:
- 7.7.1 **Veto Increased Regular Assessments.** At least thirty (30) days prior to the effective date of an increase in Regular Assessments, the Board will notify the Owner of each Lot the amount of, the budgetary basis for, and the effective date of the increase. The increase will automatically become effective unless Owners representing at least a majority of the votes in the Association disapprove the increase by petition or at a meeting of the Association. In that event, the last-approved budget will continue in effect until a revised budget is approved.
- 7.7.2 **Veto Special Assessment.** At least thirty (30) days prior to the effective date of a Special Assessment, the Board will notify an Owner of each Lot of the amount of, the budgetary basis for, and the effective date of the Special Assessment. The Special Assessment will automatically become effective unless Owners representing at least a majority of the votes in the Association disapprove the special Assessment by petition or at a meeting of the Association.
- 7.8 **RESERVE FUNDS.** The Association will establish, maintain, and accumulate reserves for operations and for replacement and repair. The Association will budget for reserves and use its best efforts to fund reserves out of regular contributions.
- 7.8.1 **Operations Reserves.** The Association will maintain Operations Reserves at a level sufficient to cover the cost of operational or maintenance emergencies or contingencies, including the full amount of deductibles on insurance policies maintained by the Association.
- 7.8.2 **Common Area Reserves.** The Association will maintain Replacement and Repair Reserves at a level that anticipates the scheduled replacement or major repair of components of the Common Areas.
- 7.9 **ASSOCIATION'S RIGHT TO BORROW MONEY.** The Association is granted the right to borrow money, subject to the consent of Owners representing at least a majority of the votes in the Association and the ability of the Association to repay the borrowed funds from Assessments. To assist its ability to borrow, the Association is granted the right to encumber, mortgage, pledge, or deed in trust any of its real or personal property, and the right to assign its right to future income, as security for money borrowed or debts incurred, provided that the rights of the lender in the pledged property are subordinate and inferior to the rights of the Owners hereunder.

- 7.10 **ASSESSMENT LIEN.** Each Owner, by accepting an interest in or title to a Lot, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to pay Assessments to the Association. Each Assessment is a charge on the Lot and is secured by a continuing lien on the Lot. Each Owner, and each prospective Owner, is placed on notice that his title may be subject to the continuing lien for Assessments attributable to a period prior to the date he purchased his Lot.
- 7.10.1 **Superiority of Assessment Lien.** The Assessment Lien is superior to all other liens and encumbrances on a Lot, except only for (1) real property taxes and assessments levied by governmental and taxing authorities; (2) a recorded deed of trust lien securing a loan for construction of the original Dwelling; and (3) a first or senior purchase money vendor's lien or deed of trust lien recorded before the date on which the delinquent Assessment became due.
- 7.10.2 **Effect of Foreclosure.** Foreclosure of a superior lien extinguishes the Association's claim against the Lot for unpaid Assessments that became due before the sale, but does not extinguish the Association's claim against the former Owner. The purchaser at the foreclosure sale is liable for Assessments coming due from and after the date of the sale, and for the Owner's pro rata share of the pre-foreclosure deficiency as an Association expense. If an Owner fails to pay Assessments due to the Association, the Owner may lose title to the Lot if the Association forecloses its Assessment lien against the Lot.
- 7.10.3 **Perfection of Lien.** The Association's lien for Assessments is created by recordation of this Declaration, which constitutes record notice and perfection of the lien. No other recordation of a lien or notice of lien is required. However, the Association, at its option, may cause a notice of the lien to be recorded in the Benton County real property records. If the debt is cured after a notice has been recorded, the Association will record a release of the notice at the expense of the curing Owner.
- 7.10.4 **Power of Sale.** By accepting an interest in or title to a Lot, each Owner grants to the Association a private power of non judicial sale in connection with the Association's assessment lien. The Board may appoint, from time to time, an officer, agent, trustee, substitute trustee, or attorney to exercise the power of sale on behalf of the Association. The appointment must be in writing and may be in the form of a resolution recorded in the minutes of a board meeting.
- 7.10.5 **Foreclosure of Lien.** The assessment lien may be enforced by judicial or non-judicial foreclosure. A non-judicial foreclosure must be conducted in accordance with the provisions applicable to the exercise of powers of sale as set forth in the Arkansas Code, or in any manner permitted by law. In any foreclosure, the Owner is required to pay the Association's costs and expenses for the proceedings, including reasonable attorneys' fees. The Association has the power to bid on the Lot at foreclosure sale and to acquire, hold, lease, mortgage, and convey same.

ARTICLE 8
EFFECT OF NONPAYMENT OF ASSESSMENTS
AND VIOLATION OF THE DOCUMENTS

- 8.1 **COLLECTING DELINQUENT ASSESSMENTS.** Owners who honor their obligations to the Association should not be burdened by Owners who default. The Board is responsible for taking action to collect delinquent Assessments. Neither the Board nor the Association, however, is liable to an Owner or other person for its failure or inability to collect or attempt to collect an Assessment. The following remedies are in addition to and not in substitution for all other rights and remedies which the Association has.

- 8.1.1 **Delinquency.** An Assessment is delinquent if the Association does not receive payment in full by the Assessment's due date.
- 8.1.2 **Notice to Mortgagee.** The Board may notify and communicate with the holder of any lien against a Lot regarding the Owner's default in payment of Assessments.
- 8.1.3 **Interest.** Delinquent Assessments are subject to interest from the due date until paid, at a rate to be determined by the Board from time to time, not to exceed the maximum permitted by law. Interest is an Individual Assessment.
- 8.1.4 **Late Fees.** Delinquent Assessments are subject to reasonable late fees, at a rate to be determined by the Board from time to time. Late fees are an Individual Assessment.
- 8.1.5 **Costs of Collection.** The Owner of a Lot against which Assessments are delinquent is liable to the Association for reimbursement of reasonable costs incurred by the Association to collect the delinquent Assessments, including attorneys fees and processing fees charged by the manager. Collection costs are an Individual Assessment.
- 8.1.6 **Acceleration.** If an Owner defaults in paying an Assessment that is payable in installments, the Board may accelerate the remaining installments on ten (10) days' written notice to the defaulting Owner. The entire unpaid balance of the Assessment becomes due on the date stated in the notice.
- 8.1.7 **Suspension of Use and Vote.** If an Owner's account has been delinquent for at least thirty (30) days, the Board may suspend the right of Owners and Residents to use Common Areas and common services during the period of delinquency. The Board may not suspend an Owner or Resident's right of access to the Lot. The Board may also suspend the right to vote appurtenant to the Lot. Suspension does not constitute a waiver or discharge of the Owner's obligation to pay Assessments.
- 8.1.8 **Money Judgment.** The Association may file suit seeking a money judgment against an Owner delinquent in the payment of Assessments, without foreclosing or waiving the Association's lien for Assessments.
- 8.1.9 **Foreclosure of Assessment Lien.** As provided by this Declaration, the Association may foreclose its lien against the Lot by judicial or non-judicial means.
- 8.1.10 **Application of Payments.** The Board may adopt and amend policies regarding the application of payments. The Board may refuse to accept partial payment, i.e., less than the full amount due and payable. The Board may also refuse to accept payments to which the payer attaches conditions or directions contrary to the Board's policy for applying payments. The Board's policy may provide that endorsement and deposit of a payment does not constitute acceptance by the Association, and that acceptance occurs when the Association posts the payment to the Lot's account.
- 8.2 **ENFORCING THE DOCUMENTS.** The remedies provided in this Section for breach of the Documents are cumulative and not exclusive. In addition to other rights and remedies provided by the Documents and by law, the Association has the following right to enforce the Documents:
- 8.2.1 **Nuisance.** The result of every act or omission that violates any provision of the Documents is a nuisance, and any remedy allowed by law against a nuisance, either public or private, is applicable against the violation.

- 8.2.2 **Fine.** The Association may levy reasonable charges, as an Individual Assessment, against an Owner and his Lot if the Owner or Resident, or the Owner or Resident's family, guests, employees, agents, or contractors violate a provision of the Documents. Fines may be levied for each act of violation or for each day a violation continues, and do not constitute a waiver or discharge of the Owner's obligations under the Documents.
- 8.2.3 **Suspension.** The Association may suspend the right of Owners and Residents to use Common Areas for any period during which the Owner or Resident, or the Owner or Resident's family, guests, employees, agents, or contractors violate the Documents. A suspension does not constitute a waiver or discharge of the Owner's obligations under the Documents.
- 8.2.4 **Self-Help.** The Association has the right to enter any part of the Property, including Lots, to abate or remove, using force as may reasonably be necessary, any erection, thing, animal, person, vehicle, or condition that violates the Documents. In exercising this right, the Board is not trespassing and is not liable for damages related to the abatement. The Board may levy its costs of abatement against the Lot and Owner as an Individual Assessment. Unless an emergency situation exists in the good faith opinion of the Board, the Board will give the violating Owner fifteen (15) days' notice of its intent to exercise self-help. Notwithstanding the foregoing, the Association may not demolish an item of substantial construction on a Lot without judicial proceedings.
- 8.2.5 **Judicial Enforcement.** The Association, as well as any Owner, has the common law right to enforce the terms and provisions of the Documents by any appropriate judicial process, including but not limited to injunctive relief.
- 8.2.6 **No Waiver.** The Association and every Owner has the right to enforce all restrictions, conditions, covenants, liens, and charges now or hereafter imposed by the Documents. Failure by the Association or by any Owner to enforce a provision of the Documents is not a waiver of the right to do so thereafter.
- 8.3 **NOTICE AND HEARING.** Before levying a fine for violation of the Documents (other than nonpayment of Assessments), or before levying an Individual Assessment for property damage, the Association will give the Owner written notice of the levy and an opportunity to be heard before the Board. The Association may also give a copy of the notice to the Resident. Pending the hearing, the Association may continue to exercise its other rights and remedies for the violation, as if the declared violation were valid. The Owner's request for a hearing suspends only the levy of a fine or damage charge. The Owner may attend the hearing in person, or may be represented by another person or written communication. The Board may adopt additional procedures and requirements for notices and hearing.
- 8.4 **LIMITATIONS OF INTEREST.** The Association, and its officers, directors, managers and attorneys, intend to conform strictly to the applicable usury laws of the State of Arkansas. Notwithstanding anything to the contrary in this Declaration, the Bylaws, the Association's collection policies and resolutions, or any other document or agreement executed or made in connection with any of these, the Association will not in any event be entitled to receive or collect, as interest, a sum greater than the maximum amount permitted by applicable law. If from any circumstances whatsoever, the Association ever receives, collects or applies as interest any sum in excess of the maximum rate permitted by law, the excess amount will be applied to the reduction of unpaid Special and Regular Assessments, or reimbursed to the Owner if those Assessments are paid in full.

ARTICLE 9
MAINTENANCE AND REPAIR OBLIGATIONS

- 9.1 **OVERVIEW.** Generally, the Association maintains the Common Areas and the Owner maintains the interior of the Chateau and the courtyard or area inside a fenced yard. If an Owner fails to maintain the courtyard or area inside a fenced yard, the Association may perform the work at the Owner's expense.
- 9.2 **ASSOCIATION'S MAINTENANCE RESPONSIBILITY.** The Association's maintenance obligations include preventative maintenance, repair as needed and replacement as needed of the components of the Common Areas.
- 9.3 **COMMON AREAS.** The Common Areas include but are not limited to:
- 9.3.1 Driveways, common and personal.
 - 9.3.2 Sidewalks, common and personal.
 - 9.3.3 Irrigation system.
 - 9.3.4 Yards and landscaping including plant material. Does not include courtyards and fenced yards.
 - 9.3.5 Chateau foundations, exteriors (including courtyards, decks and fenced yards) and roofs.
- 9.4 **OWNER'S RESPONSIBILITY.** Every owner has the following responsibilities and obligations for the maintenance, repair, and replacement of the Property:
- 9.4.1 **Avoid Damage.** An Owner may not do any work or to fail to do any work which, in the reasonable opinion of the Board, would materially jeopardize the soundness and safety of the Property, reduce the value of the Property, adversely affect the appearance of the Property, or impair any Easement relating to the Property.
 - 9.4.2 **Responsible for Damage.** An Owner is responsible for his own willful or negligent acts and those of his or the Resident's family, guests, agents, employees, or contractors when those acts necessitate maintenance, repair, or replacement to the Common Areas, the Areas of Common Responsibility or the property of another Owner.

ARTICLE 10
INSURANCE

- 10.1 **GENERAL PROVISIONS.** All insurance affecting the Property is governed by the provisions of this Article, with which the Board will make every reasonable effort to comply. The cost of insurance coverages and bonds maintained by the Association is an expense of the Association. Insurance policies and bonds obtained and maintained by the Association must be issued by responsible insurance companies authorized to do business in the State of Arkansas. The Association must be the named insured on all policies obtained by the Association. Each Owner irrevocably appoints the Association, acting through its Board, as his trustee to negotiate, receive, administer, and distribute the proceeds of any claim against an insurance policy maintained by the Association. Additionally:
- 10.1.1 **Notice of Cancellation or Modification.** Each insurance policy maintained by the Association should contain a provision requiring the insurer to give at least ten (10) days' prior written notice to the Board before the policy may be canceled, terminated, materially modified, or allowed to expire, by either the insurer or the insured.

- 10.1.2 **Deductibles.** An insurance policy obtained by the Association may contain a reasonable deductible, which will be paid by the party who would be liable for the loss or repair in the absence of insurance. If a loss is due wholly or partly to an act or omission of an Owner or Resident or their invitees, the Owner must reimburse the Association for the amount of the deductible that is attributable to the act or omission.
- 10.2 **PROPERTY.** To the extent it is reasonably available, the Association will obtain blanket all-risk insurance for insurable Common Area and Areas of Common Responsibility improvements. If blanket all-risk insurance is not reasonably available, then the Association will obtain an insurance policy providing fire and extended coverage. Also, the Association will insure the improvements on any Lot owned by the Association.
- 10.3 **GENERAL LIABILITY.** The Association will maintain a commercial general liability insurance policy over the Common Areas -- expressly excluding the liability of each Owner and Resident within his Lot -- for bodily injury and property damage resulting from the operation, maintenance, or use of the Common Areas. If the policy does not contain a severability of interest provision, it should contain an endorsement to preclude the insurer's denial of an Owner's claim because of negligent acts of the Association or other Owners.
- 10.4 **DIRECTORS & OFFICERS LIABILITY.** To the extent it is reasonably available, the Association will maintain directors and officers liability insurance, errors and omissions insurance, indemnity bonds, or other insurance the Board deems advisable to insure the Association's directors, officers, committee members, and managers against liability for an act or omission in carrying out their duties in those capacities.
- 10.5 **OTHER COVERAGES.** The Association may maintain any insurance policies and bonds deemed by the Board to be necessary or desirable for the benefit of the Association, including but not limited to worker's compensation insurance, fidelity coverage, and any insurance and bond requested and required by an Underwriting Lender for PUD's as long as an Underwriting Lender is a Mortgagee or an Owner.

ARTICLE 11 **MORTGAGEE PROTECTION**

- 11.1 **INTRODUCTION.** This Article establishes certain standards for the benefit of Mortgagees, and is written to comply with Fannie Mae's Selling Guide in effect at the time of drafting. If a Mortgagee requests from the Association compliance with the guidelines of an Underwriting Lender, the Board, without approval of Owners or Mortgagees, may amend this Article and other provisions of the Documents, as necessary, to meet the requirements of the Underwriting Lender. This Article is supplemental to, not a substitution for, any other provision of the Documents. In case of conflict, this Article controls.
- 11.2 **MORTGAGEE RIGHTS.**
- 11.2.1 **Termination.** An action to terminate the legal status of the Property after substantial destruction or condemnation or other reasons must be approved by at least fifty-one (51) percent of Mortgagees, in addition to the required consents of Owners. The approval of a Mortgagee is implied when the Mortgagee fails to respond within thirty (30) days after receiving the Association's written request for approval of a proposed amendment, provided the Association's request was delivered by certified or registered mail, return receipt requested.

- 11.2.2 **Right of First Refusal.** Any right of first refusal imposed by the Association with respect to a lease, sale, or transfer of a Lot does not apply to a lease, sale, or transfer by a Mortgagee, including transfer by deed in lieu of foreclosure or foreclosure of a deed of trust lien.
- 11.3 **INSURANCE POLICIES.** If an Underwriting Lender is a Mortgagee or an owner, at the request of the Underwriting Lender the Association will comply with the Underwriting Lender's insurance requirements to the extent the requirements are reasonable and available, and do not conflict with other insurance requirements of this Declaration.

ARTICLE 12 **AMENDMENTS**

- 12.1 **CONSENTS REQUIRED.** As permitted by this Declaration, certain amendments of this Declaration may be executed by Declarant alone, or by the Board alone. Otherwise, amendments to this Declaration must be approved by Owners of at least a Majority of the Lots.
- 12.2 **METHOD OF AMENDMENT.** For an amendment that requires the approval of Owners, this Declaration may be amended by any method selected by the Board from time to time, pursuant to the Bylaws, provided the method gives an Owner of each Lot the substance if not exact wording of the proposed amendment, a description of the effect of the proposed amendment, and an opportunity to vote for or against the proposed amendment.
- 12.3 **EFFECTIVE.** To be effective, an amendment must be in the form of a written instrument (1) referencing the name of the Property, the name of the Association, and the recording data of this Declaration and any amendments hereto; (2) signed and acknowledged by an officer of the Association, certifying the requisite approval of Owners and, if required, Mortgagees; and (3) recorded in the real property records of Benton County, Arkansas.
- 12.4 **DECLARANT PROVISIONS.** No amendment may affect Declarant's rights under this Declaration without Declarant's written and acknowledged consent, which must be part of the recorded amendment instrument. This Section may not be amended without Declarant's written and acknowledged consent.
- 12.5 **MERGER.** Merger or consolidation of the Association with another association must be evidenced by an amendment to this Declaration. The amendment must be approved by Owners of at least a Majority of the Lots. Upon a merger or consolidation of the Association with another association, the property, rights, and obligations of another association may, by operation of law, be added to the properties, rights, and obligations of the Association as a surviving corporation pursuant to the merger. The surviving or consolidated association may administer the provisions of the Documents within the Property, together with the covenants and restrictions established upon any other property under its jurisdiction. No merger or consolidation, however, will effect a revocation, change, or addition to the covenants established by this Declaration within the Property.
- 12.6 **TERMINATION.** Termination of the terms of this Declaration and the status of the Property as a PUD are according to the following provisions. In the event of substantially total damage, destruction, or public condemnation of the Property, an amendment to terminate must be approved by owners of at least sixty-seven (67) percent of the Lots. In the event of public condemnation of the entire Property, an Amendment to Terminate may be executed by the Board without a vote of Owners. In all other circumstances, an Amendment to Terminate must be approved by Owners of at least eighty (80) percent of the Lots.

- 12.7 **CONDEMNATION.** In any proceeding, negotiation, settlement, or agreement concerning condemnation of a Common Area, the Association will be the exclusive representative of the Owners. The Association may use condemnation proceeds to repair and replace any damage or destruction of a Common Area, real or personal, caused by the condemnation. Any condemnation proceeds remaining after completion, or waiver, of the repair and replacement will be deposited in the Association's reserve funds.

ARTICLE 13
GENERAL PROVISIONS

- 13.1 **COMPLIANCE.** The Owners hereby covenant and agree that the administration of the Association will be in accordance with the provisions of the Documents and all applicable laws, regulations, and ordinances, as same may be amended from time to time, of any governmental or quasi-governmental entity having jurisdiction over the Association or Property.
- 13.2 **NOTICE.** All demands or other notices required to be sent to an Owner or Resident by the terms of this Declaration may be sent by ordinary or certified mail, postage prepaid, to the party's last known address as it appears on the records of the Association at the time of mailing. If an Owner fails to give the Association an address for mailing notices, all notices may be sent to the Owner's Lot, and the Owner is deemed to have been given notice whether or not he actually receives it.
- 13.3 **SEVERABILITY.** Invalidation of any provision of this Declaration by judgment or court order does not affect any other provision, which remains in full force and effect. The effect of a general statement is not limited by the enumeration of specific matters similar to the general.
- 13.4 **CAPTIONS.** In all Documents, the captions of Articles and Sections are inserted only for convenience and are in no way to be construed as defining or modifying the text to which they refer.
- 13.5 **APPENDIXES.** The appendixes listed below are attached to this Declaration and incorporated herein by reference. Because Appendix B of this Declaration are destined to become obsolete, beginning twenty (20) years after the date this Declaration is first recorded, the Board may restate, rerecord, or publish this Declaration without Appendix B, provided the other appendixes are not relettered. The automatic expiration and subsequent deletion of Appendix B does not constitute an amendment of this Declaration. The Appendixes to this Declaration include:
- A - Description of Subject Land
- B - Declarant's Representations and Reservations
- 13.6 **INTERPRETATION.** Whenever used in the Documents, unless the context provides otherwise, a reference to a gender includes all genders. Similarly, a reference to the singular includes the plural, the plural the singular, where the same would be appropriate.
- 13.7 **DURATION.** Unless terminated or amended by Owners as permitted herein, the provisions of this Declaration run with and bind the Property, and will remain in effect perpetually to the extent permitted by law.

SIGNED AND ACKNOWLEDGED

SIGNED on this 27 day of March, 2003.

C. R. Reaves Family Limited Partnership

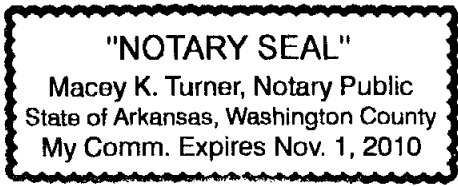
By: Charles R. Reaves
Charles R. Reaves, General Partner

STATE OF ARKANSAS)
) ss.
COUNTY OF BENTON)

On this 27 day of March, 2003 came before the undersigned, a Notary Public within and for the State and County aforesaid, duly commissioned and acting, Charles R. Reaves, to me well known as the General Partner of C. R. Reaves Family Limited Partnership and executed the above and foregoing Declaration of Covenants, Conditions and Restrictions for SHADOW VALLEY on behalf of the partnership.

WITNESS my hand, at office, this 27 day of March, 2003.

Macey K. Turner
Notary Public



My Commission Expires 11-01-10

APPENDIX A
DESCRIPTION OF SUBJECT LAND

The 5.02 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 2, Chateau Lots 113 - 136, City of Rogers, Arkansas, filed with the Benton County Clerk on March, 31, 2003, and recorded in Book 2003, Page 231, real property records of Benton County, Arkansas.

APPENDIX B

DECLARANT REPRESENTATIONS & RESERVATIONS

B. 1. GENERAL PROVISIONS.

B.1.1. **Introduction.** Declarant intends the Declaration to be perpetual and understands that provisions pertaining to the initial development, construction, marketing, and control of the Property will become obsolete when Declarant's role is complete. As a courtesy to future users of the Declaration, who may be frustrated by then obsolete terms, Declarant is compiling the Declarant related provisions in this Appendix.

B.1.2. **General Reservation & Construction.** Notwithstanding other provisions of the Documents to the contrary, nothing contained therein may be construed to, nor may any Mortgagee, other Owner, or the Association, prevent or interfere with the rights contained in this Appendix which Declarant hereby reserves exclusively unto itself and its successors and assigns. In case of conflict between this Appendix and any other Document, this Appendix controls. This Appendix may not be amended without the prior written consent of Declarant. The terms and provisions of this Appendix must be construed liberally to give effect to Declarant's intent to protect Declarant's interests in the Property.

B.1.3. **Purpose of Development and Declarant Control Periods.** This Appendix gives Declarant certain rights during the Development Period and the Declarant Control Period to ensure a complete and orderly buildout and sellout of the Property, which is ultimately for the benefit and protection of Owners and Mortgagees. Declarant may not use its control of the Association and the Property for an advantage over the Owners by way of retention of any residual rights or interests in the Association or through the creation of any contractual agreements which the Association may not terminate without cause and upon ninety (90) days notice.

B.1.4. **Definitions.** As used in this Appendix and elsewhere in the Documents, the following words and phrases, when capitalized, have the following specified meanings:

a. **"Builder"** means a person or entity which purchases, or contracts to purchase, a Lot from Declarant for the purpose of constructing a Dwelling for resale or under contract to an Owner other than Declarant.

b. **"Declarant Control Period"** means that period of time during which Declarant controls the operation of the Association. The duration of the Declarant Control Period will be from the date this Declaration is recorded for a maximum period not to exceed the earliest of:

(1) Three (3) years from date this Declaration is recorded.

(2) Four (4) months after title to seventy-five (75) percent of the Lots that may be created has been conveyed to Owners other than Builders.

(3) One (1) year after Declarant ceases developing, constructing, or marketing the Property and the Lots.

(4) When, in Declarant's sole opinion, the Association is viable, self-supporting, and operational.

- c. **"Development Period"** means that period of time during which the Property is being developed, constructed, or marketed, and extends from the date this Declaration is recorded until title to all of the Lots that may be created (including on land subject to annexation) have been conveyed to Owners other than Builders. The Development Period may not exceed five (5) years.

B.2. **DECLARANT CONTROL PERIOD RESERVATIONS.** Declarant reserves the following powers, rights, and duties during the Declarant Control Period:

- B.2.1. **Officers & Directors.** During the Declarant Control Period, the number of directors is three (3) and Declarant may appoint, remove, and replace any officer or director of the Association, none of whom need be members or Owners.
- B.2.2. **Budget Funding.** During the Declarant Control Period only, Declarant is responsible for the difference between the Association's operating expenses and the Regular Assessments received from Owners other than Declarant, and will provide any additional funds necessary to pay actual cash outlays of the Association. On termination of the Declarant Control Period, Declarant will cease being responsible for the difference between the Association's operating expenses and the Assessments received from Owners other than Declarant.
- B.2.3. **Expenses of Declarant.** Expenses related to the completion and marketing of the Property will be paid by Declarant and are not expenses of the Association.
- B.2.4. **Budget Control.** During the Declarant Control Period, the right of Owners to veto Assessment increases or Special Assessments is not effective and may not be exercised.
- B.2.5. **Organizational Meeting.** Within sixty (60) days after the end of the Declarant Control Period, or sooner at the Declarant's option, Declarant will call an organizational meeting of the members of the Association for the purpose of electing, by vote of the Owners, directors to the Board. Written notice of the organizational meeting must be given to an Owner of each Lot at least ten (10) days before the meeting. For the organizational meeting, Owners of ten (10) percent of the Lots constitute a quorum.
- B.2.6. **Common Area.** At or prior to termination of the Declarant Control Period, Declarant will convey title to the real estate parcels of the Common Area to the Association by deed -- with or without warranty. At the time of conveyance, the Common Areas will be free of encumbrance except for the property taxes accruing for the year of conveyance. Declarant's conveyance of title is a ministerial task that does not require and is not subject to acceptance by' the Association or the Owners.

B.3. **Development Period Reservations.** Declarant reserves the following Easements and rights, exercisable at Declarant's sole discretion, at any time during the Development Period:

- B.3.1. **Phasing.** The Property is subject to expansion by phasing. During the Development Period, Declarant may annex additional land to the Property and subject it to the Declaration and the jurisdiction of the Association by recording an amendment of this Declaration, executed by Declarant, in the Real Property Records of Benton County, Arkansas. The amendment of annexation must include a legal description of the additional real property or a reference to the recorded Plat that describes the additional real property.

- B.3.2. **Weighted Votes.** During the Development Period, each Lot owned by Declarant or Builders has twenty (20) votes. On termination of the Development Period and thereafter, each Lot owned by Declarant or Builders has the number of votes allocated to the type of Lot by this Declaration.
- B.3.3. **ACC.** During the Development Period, Declarant has the absolute right to appoint the Architectural Control Committee, consisting of any number of persons who serve at the pleasure of Declarant, and who may be removed and replaced by Declarant. Notwithstanding the foregoing, during the Development Period -- after termination of Declarant Control, or earlier if Declarant permits -- the Board may appoint or serve as a "Modifications Committee" to respond exclusively to modifications of completed Dwellings that are owned by persons other than Declarant or Builders. A Modifications Committee may not involve itself with the approval of new houses and chateaux on vacant Lots.
- B.3.4. **Deemed ACC Approval.** During the Development Period, applications by Builders are deemed approved by the ACC if the ACC fails to respond in writing -- negatively, affirmatively, or requesting information -- within fifteen (15) days after the ACC's actual receipt of the Builder's application. In exercising Deemed Approval, the burden is on the Builder to document the ACC's actual receipt of the Builder's application. As it applies to Builders, this Subsection is a substitute for Section 4.5.1 of this Declaration.
- B.3.5. **Amendment.** During the Development Period, Declarant may amend this Declaration and the other Documents, without consent of other Owners or any Mortgagee, for the following limited purposes:
- a. To add real property to the Property.
 - b. To create Lots, Easements, and Common Areas within the Property.
 - c. To subdivide, combine, or reconfigure Lots owned by the Declarant or the Association.
 - d. To change the designation of Lots as House Lots or Attached Housing Lots.
 - e. To convert Lots into Common Areas.
 - f. To merge the Association with another Property Owners Association.
 - g. To comply with requirements of an Underwriting Lender.
 - h. To resolve conflicts, clarify ambiguities, and to correct inadvertent misstatements, errors, or omissions in the Documents.
- B.3.6. **Completion.** During the Development Period, Declarant has: (1) the right to complete or make improvements indicated on the Plat; (2) the right to sell or lease any Lot owned by Declarant; and (3) an Easement and right to erect, construct, and maintain on and in the Common Area and Lots owned or leased by Declarant whatever Declarant determines to be necessary or advisable in connection with the construction, completion, management, maintenance, leasing, and marketing of the Property.
- B.3.7. **Promotion.** During the Development Period -- for purposes of promoting, identifying, and marketing the Property -- Declarant reserves (1) an easement and right to place and relocate signs, banners, flags, display lighting, and seasonal landscaping on the Property; (2) the right

to permit Builders to construct and use model homes on the Property; (3) the right to permit Builders to place signs and promotional materials on the Property; and (4) the right to exempt Builders from the sign restriction in this Declaration.

- B.3.8. **Access.** During the Development Period, Declarant has an easement and right of ingress and egress in and through the Property for purposes of constructing, maintaining, managing, and marketing the Property, and for discharging Declarant's obligations under this Declaration. Declarant also has the right to provide a reasonable means of access for construction workers and suppliers and the home buying public through the entrance gates in connection with the construction and active marketing of Lots and Dwellings by Declarant or Builders, including the right to require that the gates be kept open during certain hours or on certain days.
- B.3.9. **Easements.** During the Development Period, Declarant may grant permits, licenses, and easements over, in, on, under, and through the Property for drainage, landscaping, roads, trash removal, utilities and other purposes necessary for the proper development and operation of the Property. Utilities may include, but are not limited to, water, sewer, electricity, gas, internet access, telephone, television and security.
- B.3.10. **Assessments.** During the Development Period, Lots owned by Declarant and Builders are not subject to Assessment until the first full month after the date title to a Lot transfers to an Owner other than a Builder. After the Development Period, Declarant and Builders are liable for Assessments on each Lot owned in the same manner as any Owner.
- B.4. **Successor Declarant.** Declarant may designate one or more Successor Declarants for specified designated purposes and/or for specified portions of the Property, or for all purposes and all of the Property. To be effective, the designation must be in writing, signed and acknowledged by Declarant and Successor Declarant, and recorded in the Real Property Records of Benton County, Arkansas. Declarant (or Successor Declarant) may subject the designation of Successor Declarant to limitations and reservations. Unless the designation of Successor Declarant provides otherwise, a Successor Declarant has the rights of Declarant under this Section and may designate further Successor Declarants.

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Brenda DeShields-Circuit Clerk
Benton County, AR

APPENDIX C

DESCRIPTION OF ADDITIONAL LAND SUBJECT TO ANNEXATION

During the Development Period, Declarant may -- but is not required to -- annex any real property any portion of which is at the time of annexation is contiguous with, adjacent to, or within 1,500 feet of real property that is subject to this Declaration.

2003 10854
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04-25-2003 02:19:00 PM
DeShields-Circuit Clerk
Benton County, AR

**DECLARATION OF ANNEXATION
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR SHADOW VALLEY
BENTON COUNTY, ARKANSAS**

KNOW ALL MEN BY THESE PRESENTS

WHEREAS, the C. R. Reaves Family Limited Partnership, an Arkansas limited partnership, did execute and record that certain Declaration of Covenants, Conditions and Restrictions (CCR's) for Shadow Valley PUD dated December 5, 2001 and recorded December 5, 2001 in Book P4, Page 359 of the Benton County real estate records; and,

WHEREAS, the undersigned has previously established Phase 1, Single Family Lots 1 – 129 and Phase 1, Townhome Lots 1 – 44 of Shadow Valley and has, by prior filing, incorporated said Phase 1, Single Family Lots 1 – 129 and Phase 1, Townhome Lots 1 – 44 within said Covenants; and,

WHEREAS, the undersigned has previously established Phase 2, Single Family Lots 1 – 112 and Phase 2, The Chateaux Lots 113 – 136 of Shadow Valley and has, by prior filing, incorporated said Phase 2, Single Family Lots 1 – 112 and Phase 2, The Chateaux Lots 113 – 136 within said Covenants, and

WHEREAS, the undersigned, C. R. Reaves Family Limited Partnership, has additionally established Phase 3, Single Family Lots 1 – 31 of Shadow Valley and wishes to ratify and confirm the same Covenants, Conditions and Restrictions referred to above, as herein amended, as also governing said Phase 3, Single Family Lots 1 – 31.

NOW, THEREFORE, the undersigned, as owner of all property within Shadow Valley Phase 3, Rogers, Benton County, Arkansas, does hereby amend said Covenants, Conditions and Restrictions and declare as follows:

1. All lots within Phase 3 of Shadow Valley as same are platted and appear in Plat Record 2003 at Page 340 of the Benton County Real Estate Records are hereby incorporated into and governed by the Covenants, Conditions and Restrictions for Shadow Valley as above described and recorded and as thereafter amended.

2. Except as herein modified the original Covenants, Conditions and Restrictions for Shadow Valley, as subsequently amended, shall remain in full force and effect.

3. Additionally, all Phase 3 Lots are governed by the following Construction and Use Restrictions:

3.1 A landscape plan approved by the Architectural Control Committee (ACC) will be required for all Phase 3 Lots. Such landscape plans shall be submitted to the ACC following the procedures outlined in subsections 4.5 – 4.5.2.

3.2 A fence plan approved by the Architectural Control Committee (ACC) will be required for all Phase 3 Lots not designated as Scenic Lots. Such fence plans shall be submitted to the ACC following the procedures outlined in subsections 4.5 – 4.5.2.

IN WITNESS WHEREOF, the undersigned has hereunto set his hands and seal this 25th day of April, 2003.

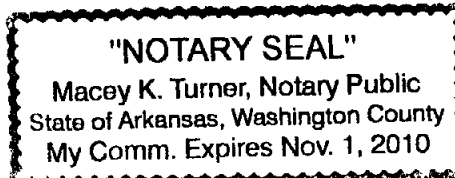
C. R. REAVES FAMILY LIMITED PARTNERSHIP

BY: *Charles R. Reaves*
CHARLES R. REAVES, General Partner

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04-25-2003 02:19:00 PM

ACKNOWLEDGMENT

STATE OF ARKANSAS)
)ss
COUNTY OF BENTON)



ON THIS DAY before the undersigned, a Notary Public, duly qualified and acting in and for the County and State aforesaid, personally appeared CHARLES R. REAVES, to me well known or satisfactorily proven to be the General Partner of the C. R, Reaves Family Limited Partnership, the party in the foregoing instrument and stated that he had executed the above and foregoing instrument for the consideration, uses and purposes therein stated.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on this 25 day of April, 2003.

Macey K. Turner
NOTARY PUBLIC

My Commission Expires: 11-01-10

2003 10856
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Deed Book & Page
04-25-2003 02:19:00 PM
Brenda DeShields-Circuit Clerk
Benton County, AR

APPENDIX A

DESCRIPTION OF SUBJECT LAND

The 47.10 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 1, Single Family Lots 1 - 129, City of Rogers, Arkansas, filed with the Benton County Clerk on December 5, 2001, and recorded in Book P4, Page 359, real property records of Benton County, Arkansas.

And

The 9.54 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 1, Townhome Lots 1 - 44, City of Rogers, Arkansas, filed with the Benton County Clerk on December 5, 2001, and recorded in Book P4, Page 359, real property records of Benton County, Arkansas.

And

The 38.65 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 2, Single Family Lots 1 - 112, City of Rogers, Arkansas, filed with the Benton County Clerk on March 21, 2003, and recorded in Book 2003, Page 229, real property records of Benton County, Arkansas.

And

The 5.02 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 2, The Chateaux Lots 113 - 136, City of Rogers, Arkansas, filed with the Benton County Clerk on March 31, 2003, and recorded in Book 2003, Page 231, real property records of Benton County, Arkansas.

And

The 20.96 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 3, Single Family Lots 1 - 31, City of Rogers, Arkansas, filed with the Benton County Clerk on April 25, 2003, and recorded in Book 2003, Page 340, real property records of Benton County, Arkansas.

Book/Pg: 2003/10854
Term/Cashier: CIRCLK03 / TBarber
Tran: 678.24335.60189
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DFE Deed 14.00
REC Recording Fee 0.00
Total Fees: \$ 14.00

2004 28686
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06-24-2004 12:32:03 PM
Brenda DeShields-Circuit Clerk
Benton County, AR

**DECLARATION OF ANNEXATION
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR SHADOW VALLEY
BENTON COUNTY, ARKANSAS**

Inst#s: 2004/28686
Term/Cashier: CIRCLK04 / SWhite
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DFE Deed
REC Recording Fee
Total Fees: \$ 14.00

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0.00

KNOW ALL MEN BY THESE PRESENTS

WHEREAS, the C. R. Reaves Family Limited Partnership, an Arkansas limited partnership, did execute and record that certain Declaration of Covenants, Conditions and Restrictions (CCR's) for Shadow Valley PUD dated December 5, 2001 and recorded December 5, 2001, Instrument No. 01194999, Benton County real estate records; and,

WHEREAS, the undersigned has previously established Phase 1, Single Family Lots 1 - 129 and Phase 1, Townhome Lots 1 - 44 of Shadow Valley and has, by prior filing, incorporated said Phase 1, Single Family Lots 1 - 129 and Phase 1, Townhome Lots 1 - 44 within said Covenants; and,

WHEREAS, the undersigned has previously established Phase 2, Single Family Lots 1 - 112 and Phase 2, The Chateaux Lots 113 - 136 of Shadow Valley and has, by prior filing, incorporated said Phase 2, Single Family Lots 1 - 112 and Phase 2, The Chateaux Lots 113 - 136 within said Covenants, and,

WHEREAS, the undersigned has previously established Phase 3, Single Family Lots 1 - 31 of Shadow Valley and has, by prior filing, incorporated said Phase 3, Single Family Lots 1 - 31 within said Covenants, and,

WHEREAS, the undersigned, C. R. Reaves Family Limited Partnership, has additionally established Phase 4, Single Family Lots 1 - 28 and Golf Villa Lots 29 - 35 of Shadow Valley and wishes to ratify and confirm the same Covenants, Conditions and Restrictions referred to above, as herein amended, as also governing said Phase 4, Single Family Lots 1 - 28 and Golf Villa Lots 29 - 35.

NOW, THEREFORE, the undersigned, as owner of all property within Shadow Valley Phase 4, Rogers, Benton County, Arkansas, does hereby amend said Covenants, Conditions and Restrictions and declare as follows:

1. All lots within Phase 4 of Shadow Valley as same are platted and appear in Plat Record 2004 at Page 629 of the Benton County Real Estate Records are hereby incorporated into and governed by the Covenants, Conditions and Restrictions for Shadow Valley as above described and recorded and as thereafter amended.
2. Except as herein modified the original Covenants, Conditions and Restrictions for Shadow Valley, as subsequently amended, shall remain in full force and effect.

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Brenda DeShields-Circuit Clerk
Benton County, AR

APPENDIX A

DESCRIPTION OF SUBJECT LAND

The 47.10 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 1, Single Family Lots 1 - 129, City of Rogers, Arkansas, filed with the Benton County Clerk on December 5, 2001, and recorded in Book P4, Page 358, real property records of Benton County, Arkansas.

And

The 9.54 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 1, Townhome Lots 1 - 44, City of Rogers, Arkansas, filed with the Benton County Clerk on December 5, 2001, and recorded in Book P4, Page 359, real property records of Benton County, Arkansas.

And

The 38.65 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 2, Single Family Lots 1 - 112, City of Rogers, Arkansas, filed with the Benton County Clerk on March 31, 2003, and recorded in Book 2003, Page 229, real property records of Benton County, Arkansas.

And

The 5.02 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 2, The Chateaux Lots 113 - 136, City of Rogers, Arkansas, filed with the Benton County Clerk on March 31, 2003, and recorded in Book 2003, Page 231, real property records of Benton County, Arkansas.

And

The 20.96 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 3, Single Family Lots 1 - 31, City of Rogers, Arkansas, filed with the Benton County Clerk on April 25, 2003, and recorded in Book 2003, Page 365, real property records of Benton County, Arkansas.

And

The 8.85 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 4, Single Family Lots 1 - 28 and Golf Villa Lots 29 - 35, City of Rogers, Arkansas, filed with the Benton County Clerk on June 23, 2004, and recorded in Book 2004, Page 629, real property records of Benton County, Arkansas.

Benton County, AR
I certify this instrument was filed on
06-24-2004 12:32:03 PM
and recorded in Deed Book
2004 at pages 28686 - 28688
Brenda DeShields-Circuit Clerk

2004 28693

Recorded in the Above

Deed Book & Page

06-24-2004 12:45:06 PM

Brenda DeShields-Circuit Clerk

Benton County, AR

Book/Pg: 2004/28693

Term/Cashier: CIRCLK04 / SWhite

Tran: 1909.62022.165293

Recorded: 06-24-2004 12:45:11

DFE Deed

REC Recording Fee

Total Fees: \$ 14.00

14.00

0.00

**DECLARATION OF ANNEXATION
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR SHADOW VALLEY
BENTON COUNTY, ARKANSAS**

KNOW ALL MEN BY THESE PRESENTS

WHEREAS, the C. R. Reaves Family Limited Partnership, an Arkansas limited partnership, did execute and record that certain Declaration of Covenants, Conditions and Restrictions (CCR's) for Shadow Valley PUD dated December 5, 2001 and recorded December 5, 2001, Instrument No. 01194999, Benton County real estate records; and,

WHEREAS, the undersigned has previously established Phase 1, Single Family Lots 1 - 129 and Phase 1, Townhome Lots 1 - 44 of Shadow Valley and has, by prior filing, incorporated said Phase 1, Single Family Lots 1 - 129 and Phase 1, Townhome Lots 1 - 44 within said Covenants; and,

WHEREAS, the undersigned has previously established Phase 2, Single Family Lots 1 - 112 and Phase 2, The Chateaux Lots 113 - 136 of Shadow Valley and has, by prior filing, incorporated said Phase 2, Single Family Lots 1 - 112 and Phase 2, The Chateaux Lots 113 - 136 within said Covenants, and,

WHEREAS, the undersigned has previously established Phase 3, Single Family Lots 1 - 31 of Shadow Valley and has, by prior filing, incorporated said Phase 3, Single Family Lots 1 - 31 within said Covenants, and,

WHEREAS, the undersigned has previously established Phase 4, Single Family Lots 1 - 28 and Golf Villa Lots 29 - 35 of Shadow Valley and has, by prior filing, incorporated said Phase 4, Single Family Lots 1 - 28 and Golf Villa Lots 29 - 35 within said Covenants, and,

WHEREAS, the undersigned, C. R. Reaves Family Limited Partnership, has additionally established Phase 5, Single Family Lots 1 - 46 of Shadow Valley and wishes to ratify and confirm the same Covenants, Conditions and Restrictions referred to above, as herein amended, as also governing said Phase 5, Single Family Lots 1 - 46.

NOW, THEREFORE, the undersigned, as owner of all property within Shadow Valley Phase 5, Rogers, Benton County, Arkansas, does hereby amend said Covenants, Conditions and Restrictions and declare as follows:

1. All lots within Phase 5 of Shadow Valley as same are platted and appear in Plat Record 2004 at Page 631 of the Benton County Real Estate Records are hereby incorporated into and governed by the Covenants, Conditions and Restrictions for Shadow Valley as above described and recorded and as thereafter amended.
2. Except as herein modified the original Covenants, Conditions and Restrictions for Shadow Valley, as subsequently amended, shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned has hereunto set his hands and seal this 23rd day of June, 2004.

C. R. REAVES FAMILY LIMITED PARTNERSHIP

BY:


CHARLES R. REAVES, General Partner

ACKNOWLEDGMENT

STATE OF ARKANSAS)

)ss

COUNTY OF BENTON)

ON THIS DAY before the undersigned, a Notary Public, duly qualified and acting in and for the County and State aforesaid, personally appeared CHARLES R. REAVES, to me well known or satisfactorily proven to be the General Partner of the C. R, Reaves Family Limited Partnership, the party in the foregoing instrument and stated that he had executed the above and foregoing instrument for the consideration, uses and purposes therein stated.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on this 23rd day of June, 2004.


NOTARY PUBLIC

My Commission Expires:

OFFICIAL SEAL
ROBIN APPLETON
NOTARY . ARKANSAS
BENTON COUNTY
COMISSION EXPIRES 10/01/07

2004 28695
Recorded in the Above
Deed Book & Page
06-24-2004 12:45:06 PM
Brenda DeShields-Circuit Clerk
Benton County, AR

DESCRIPTION OF SUBJECT LAND

The 47.10 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 1, Single Family Lots 1 - 129, City of Rogers, Arkansas, filed with the Benton County Clerk on December 5, 2001, and recorded in Book P4, Page 358, real property records of Benton County, Arkansas.

And

The 9.54 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 1, Townhome Lots 1 - 44, City of Rogers, Arkansas, filed with the Benton County Clerk on December 5, 2001, and recorded in Book P4, Page 359, real property records of Benton County, Arkansas.

And

The 38.65 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 2, Single Family Lots 1 - 112, City of Rogers, Arkansas, filed with the Benton County Clerk on March 31, 2003, and recorded in Book 2003, Page 229, real property records of Benton County, Arkansas.

And

The 5.02 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 2, The Chateaux Lots 113 - 136, City of Rogers, Arkansas, filed with the Benton County Clerk on March 31, 2003, and recorded in Book 2003, Page 231, real property records of Benton County, Arkansas.

And

The 20.96 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 3, Single Family Lots 1 - 31, City of Rogers, Arkansas, filed with the Benton County Clerk on April 25, 2003, and recorded in Book 2003, Page 365, real property records of Benton County, Arkansas.

And

The 8.85 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 4, Single Family Lots 1 - 28 and Golf Villa Lots 29 - 35, City of Rogers, Arkansas, filed with the Benton County Clerk on June 23, 2004, and recorded in Book 2004, Page 629, real property records of Benton County, Arkansas.

And

The 20.94 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 5, Single Family Lots 1 - 46, City of Rogers, Arkansas, filed with the Benton County Clerk on June 23, 2004, and recorded in Book 2004, Page 631, real property records of Benton County, Arkansas

Benton County, AR
I certify this instrument was filed on
06-24-2004 12:45:06 PM
and recorded in Deed Book
2004 at pages 28693 - 28695
Brenda DeShields-Circuit Clerk

2004 43382
Recorded in the Above
Deed Book & Page
09-17-2004 10:30:08 AM
Brenda DeShields-Circuit Clerk
Benton County, AR

**DECLARATION OF ANNEXATION
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR SHADOW VALLEY
BENTON COUNTY, ARKANSAS**

Book/Pg: 2004/43382
Term/Cashier: CIRCLK04 / SWhite
Tran: 2191.70040.186730
Recorded: 09-17-2004 10:30:47
DFE Deed
REC Recordins Fee
Total Fees: \$ 17.00

17.00
0.00

KNOW ALL MEN BY THESE PRESENTS

WHEREAS, the C. R. Reaves Family Limited Partnership, an Arkansas limited partnership, did execute and record that certain Declaration of Covenants, Conditions and Restrictions (CCR's) for Shadow Valley PUD dated December 5, 2001 and recorded December 5, 2001, Instrument No. 01194999, Benton County real estate records; and,

WHEREAS, the undersigned has previously established Phase 1, Single Family Lots 1 – 129 and Phase 1, Townhome Lots 1 – 44 of Shadow Valley and has, by prior filing, incorporated said Phase 1, Single Family Lots 1 – 129 and Phase 1, Townhome Lots 1 – 44 within said Covenants; and,

WHEREAS, the undersigned has previously established Phase 2, Single Family Lots 1 – 112 and Phase 2, The Chateaux Lots 113 – 136 of Shadow Valley and has, by prior filing, incorporated said Phase 2, Single Family Lots 1 – 112 and Phase 2, The Chateaux Lots 113 – 136 within said Covenants, and,

WHEREAS, the undersigned has previously established Phase 3, Single Family Lots 1 – 31 of Shadow Valley and has, by prior filing, incorporated said Phase 3, Single Family Lots 1 – 31 within said Covenants, and,

WHEREAS, the undersigned has previously established Phase 4, Single Family Lots 1 – 28 and Golf Villa Lots 29 - 35 of Shadow Valley and has, by prior filing, incorporated said Phase 4, Single Family Lots 1 – 28 and Golf Villa Lots 29 – 35 within said Covenants, and,

WHEREAS, the undersigned has previously established Phase 5, Single Family Lots 1 – 46 of Shadow Valley and has, by prior filing, incorporated said Phase 5, Single Family Lots 1 – 46 within said Covenants, and,

WHEREAS, the undersigned, C. R. Reaves Family Limited Partnership, has additionally established Phase 6, Single Family Lots 1 – 42 of Shadow Valley and wishes to ratify and confirm the same Covenants, Conditions and Restrictions referred to above, as herein amended, as also governing said Phase 6, Single Family Lots 1 – 42.

NOW, THEREFORE, the undersigned, as owner of all property within Shadow Valley Phase 6, Rogers, Benton County, Arkansas, does hereby amend said Covenants, Conditions and Restrictions and declare as follows:

1. All lots within Phase 6 of Shadow Valley as same are platted and appear in Plat Record 2004 at Page 1100⁺ of the Benton County Real Estate Records are hereby incorporated into and governed by the Covenants, Conditions and Restrictions for Shadow Valley as above described and recorded and as thereafter amended.

APPENDIX A

DESCRIPTION OF SUBJECT LAND

The 47.10 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 1, Single Family Lots 1 - 129, City of Rogers, Arkansas, filed with the Benton County Clerk on December 5, 2001, and recorded in Book P4, Page 358, real property records of Benton County, Arkansas.

And

The 9.54 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 1, Townhome Lots 1 - 44, City of Rogers, Arkansas, filed with the Benton County Clerk on December 5, 2001, and recorded in Book P4, Page 359, real property records of Benton County, Arkansas.

And

The 38.65 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 2, Single Family Lots 1 - 112, City of Rogers, Arkansas, filed with the Benton County Clerk on March 31, 2003, and recorded in Book 2003, Page 229, real property records of Benton County, Arkansas.

And

The 5.02 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 2, The Chateaux Lots 113 - 136, City of Rogers, Arkansas, filed with the Benton County Clerk on March 31, 2003, and recorded in Book 2003, Page 231, real property records of Benton County, Arkansas.

And

The 20.96 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 3, Single Family Lots 1 - 31, City of Rogers, Arkansas, filed with the Benton County Clerk on April 25, 2003, and recorded in Book 2003, Page 365, real property records of Benton County, Arkansas.

And

The 8.85 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 4, Single Family Lots 1 - 28 and Golf Villa Lots 29 - 35, City of Rogers, Arkansas, filed with the Benton County Clerk on June 23, 2004, and recorded in Book 2004, Page 629, real property records of Benton County, Arkansas.

2004 43385
Recorded in the Above
Deed Book & Page
09-17-2004 10:30:08 AM
Brenda DeShields-Circuit
Clerk
Benton County, AR

And

The 20.94 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 5, Single Family Lots 1 – 46, City of Rogers, Arkansas, filed with the Benton County Clerk on June 23, 2004, and recorded in Book 2004, Page 631, real property records of Benton County, Arkansas

And

The 17.13 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 6, Single Family Lots 1 – 42, City of Rogers, Arkansas, filed with the Benton County Clerk on September 17th, 2004, and recorded in Book 2004, Page 1100⁺⁰¹, real property records of Benton County, Arkansas

2004 43385
Recorded in the Above
Deed Book & Page
09-17-2004 10:30:08 AM
Brenda DeShields-Circuit Clerk
Benton County, AR

Benton County, AR
I certify this instrument was filed on
09-17-2004 10:30:08 AM
and recorded in Deed Book
2004 at pages 43382 - 43385
Brenda DeShields-Circuit Clerk

**DECLARATION OF ANNEXATION
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR SHADOW VALLEY
BENTON COUNTY, ARKANSAS**

2006 19146
Recorded in the Above
Deed Book & Page
04-13-2006 02:45:11 PM
Frank Shields-Circuit Clerk
Benton County, AR
Book/Pg: 2006/19146
Term/Cashier: CIRCUIT-L9HVHGG / dbrandon
Tran: 4063.120837.338219
Recorded: 04-13-2006 14:45:35
DFE Deed 17.00
REC Recording Fee 0.00
Total Fees: \$ 17.00

KNOW ALL MEN BY THESE PRESENTS

WHEREAS, the C. R. Reaves Family Limited Partnership, an Arkansas limited partnership, did execute and record that certain Declaration of Covenants, Conditions and Restrictions (CCR's) for Shadow Valley PUD dated December 5, 2001 and recorded December 5, 2001, Instrument No. 01194999, Benton County real estate records; and,

WHEREAS, the undersigned has previously established Phase 1, Single Family Lots 1 – 129 and Phase 1, Townhome Lots 1 – 44 of Shadow Valley and has, by prior filing, incorporated said Phase 1, Single Family Lots 1 – 129 and Phase 1, Townhome Lots 1 – 44 within said Covenants; and,

WHEREAS, the undersigned has previously established Phase 2, Single Family Lots 1 – 112 and Phase 2, The Chateaux Lots 113 – 136 of Shadow Valley and has, by prior filing, incorporated said Phase 2, Single Family Lots 1 – 112 and Phase 2, The Chateaux Lots 113 – 136 within said Covenants, and,

WHEREAS, the undersigned has previously established Phase 3, Single Family Lots 1 – 31 of Shadow Valley and has, by prior filing, incorporated said Phase 3, Single Family Lots 1 – 31 within said Covenants, and,

WHEREAS, the undersigned has previously established Phase 4, Single Family Lots 1 – 28 and Golf Villa Lots 29 - 35 of Shadow Valley and has, by prior filing, incorporated said Phase 4, Single Family Lots 1 – 28 and Golf Villa Lots 29 – 35 within said Covenants, and,

WHEREAS, the undersigned has previously established Phase 5, Single Family Lots 1 – 46 of Shadow Valley and has, by prior filing, incorporated said Phase 5, Single Family Lots 1 – 46 within said Covenants, and,

WHEREAS, the undersigned has previously established Phase 6, Single Family Lots 1 – 42 of Shadow Valley and has, by prior filing, incorporated said Phase 6, Single Family Lots 1 – 42 within said Covenants, and,

WHEREAS, the undersigned, C. R. Reaves Family Limited Partnership, has additionally established Phase 7 Lots 1 – 161 of Shadow Valley and wishes to ratify and confirm the same Covenants, Conditions and Restrictions referred to above, as herein amended, as also governing said Phase 7, Single Family Lots 1 – 161.

APPENDIX A

DESCRIPTION OF SUBJECT LAND

The 47.10 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 1, Single Family Lots 1 - 129, City of Rogers, Arkansas, filed with the Benton County Clerk on December 5, 2001, and recorded in Book P4, Page 358, real property records of Benton County, Arkansas.

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The 9.54 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 1, Townhome Lots 1 - 44, City of Rogers, Arkansas, filed with the Benton County Clerk on December 5, 2001, and recorded in Book P4, Page 359, real property records of Benton County, Arkansas.

And

The 38.65 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 2, Single Family Lots 1 - 112, City of Rogers, Arkansas, filed with the Benton County Clerk on March 31, 2003, and recorded in Book 2003, Page 229, real property records of Benton County, Arkansas.

And

The 5.02 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 2, The Chateaux Lots 113 - 136, City of Rogers, Arkansas, filed with the Benton County Clerk on March 31, 2003, and recorded in Book 2003, Page 231, real property records of Benton County, Arkansas.

And

The 20.96 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 3, Single Family Lots 1 - 31, City of Rogers, Arkansas, filed with the Benton County Clerk on April 25, 2003, and recorded in Book 2003, Page 365, real property records of Benton County, Arkansas.

And

The 8.85 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 4, Single Family Lots 1 - 28 and Golf Villa Lots 29 - 35, City of Rogers, Arkansas, filed with the Benton County Clerk on June 23, 2004, and recorded in Book 2004, Page 629, real property records of Benton County, Arkansas.

And

2006 19149

Recorded in the Above

Deed Book & Page

04-13-2006 02:45:11 PM

The 20.94 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 5, Single Family Lots 1 – 46, City of Rogers, Arkansas, filed with the Benton County Clerk on June 23, 2004, and recorded in Book 2004, Page 631, real property records of Benton County, Arkansas

And

The 17.13 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 6, Single Family Lots 1 – 42, City of Rogers, Arkansas, filed with the Benton County Clerk on September 17, 2004, and recorded in Book 2004, Page 1100, real property records of Benton County, Arkansas

And

The 64.03 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 7, Lots 1 – 161, City of Rogers, Arkansas, filed with the Benton County Clerk on April 12, 2006, and recorded in Book 2006, Page 446, real property records of Benton County, Arkansas

Benton County, AR

I certify this instrument was filed on

04-13-2006 02:45:11 PM

and recorded in Deed Book

2006 at pages 19146 - 19149

Brenda DeShields-Circuit Clerk

Brenda DeShields-Circuit Clerk
Benton County, AR
Book/Pg: 2011/56258
Term/Cashier: CASH4/Mistie Hance
12/02/2011 3:12PM
Tran: 173294
Fees: \$45.00

**DECLARATION OF AMENDMENTS
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR SHADOW VALLEY
BENTON COUNTY, ARKANSAS**

KNOW ALL MEN BY THESE PRESENTS

WHEREAS, the C. R. Reaves Family Limited Partnership, an Arkansas limited partnership, did execute and record that certain Declaration of Covenants, Conditions and Restrictions (CCR's) for Shadow Valley PUD dated December 5, 2001 and recorded December 5, 2001, Instrument No. 01194999, Benton County real estate records; and,

WHEREAS, the undersigned has previously established Phase 1, Single Family Lots 1 – 129 and Phase 1, Townhome Lots 1 – 44 of Shadow Valley and has, by prior filing, incorporated said Phase 1, Single Family Lots 1 – 129 and Phase 1, Townhome Lots 1 – 44 within said Covenants; and,

WHEREAS, the undersigned has previously established Phase 2, Single Family Lots 1 – 112 and Phase 2, The Chateaux Lots 113 – 136 of Shadow Valley and has, by prior filing, incorporated said Phase 2, Single Family Lots 1 – 112 and Phase 2, The Chateaux Lots 113 – 136 within said Covenants, and,

WHEREAS, the undersigned has previously established Phase 3, Single Family Lots 1 – 31 of Shadow Valley and has, by prior filing, incorporated said Phase 3, Single Family Lots 1 – 31 within said Covenants, and,

WHEREAS, the undersigned has previously established Phase 4, Single Family Lots 1 – 28 and Golf Villa Lots 29 - 35 of Shadow Valley and has, by prior filing, incorporated said Phase 4, Single Family Lots 1 – 28 and Golf Villa Lots 29 – 35 within said Covenants, and,

WHEREAS, the undersigned has previously established Phase 5, Single Family Lots 1 – 46 of Shadow Valley and has, by prior filing, incorporated said Phase 5, Single Family Lots 1 – 46 within said Covenants, and,

WHEREAS, the undersigned has previously established Phase 6, Single Family Lots 1 – 42 of Shadow Valley and has, by prior filing, incorporated said Phase 6, Single Family Lots 1 – 42 within said Covenants, and,

WHEREAS, the undersigned, C. R. Reaves Family Limited Partnership, has additionally established Phase 7 Lots 1 – 161 of Shadow Valley and wishes to ratify and confirm the same Covenants, Conditions and Restrictions referred to above, as herein amended, as also governing said Phase 7, Single Family Lots 1 – 161.

NOW, THEREFORE, the undersigned, as owner of all property within Shadow Valley Phase 7, Rogers, Benton County, Arkansas, does hereby amend said Covenants, Conditions and Restrictions and declare as follows:

1. All lots within Phase 7 of Shadow Valley as same are platted and appear in Plat Record 2006 at Page 446 of the Benton County Real Estate Records are hereby incorporated into and

Book 2011 Page 56258
Recorded in the Above
DEED Book & Page
12/02/2011

governed by the Covenants, Conditions and Restrictions for Shadow Valley as above described and recorded and as thereafter amended.

2. Except as herein modified the original Covenants, Conditions and Restrictions for Shadow Valley, as subsequently amended, shall remain in full force and effect.
3. Additionally, special rights as noted on the Plat are granted to the owners of Lots 1-10 and 19-25.
4. Additionally, special fence requirements as noted on the Plat will govern the fences on Lots 11-14, 34-36, 42, 50-53, 79-83, 89-94 and 147-158.

NOW, THEREFORE, the undersigned, as Declarant, does hereby amend said Covenants, Conditions and Restrictions to correct a scrivener's error and declare clarifications, revisions and additions as follows:

- 1.31 **"Shadow Valley Vehicle Stickers"** means the windshield sticker that allows entry to the Community via the Gatehouse Member Lane without checking in at the Gatehouse
- 1.32 **"Member Entry To The Community"** means access via the Gatehouse Member Lane without checking in at the Gatehouse.
- 1.33 **"Shadow Valley Community Golf Carts"** means golf carts leased from Shadow Valley Country Club (SVCC).
- 1.34 **"Non-Shadow Valley Golf Carts, Utility Vehicles and ATVs"** means golf carts, utility vehicles and ATV's owned by Shadow Valley Property Owners with usage in the Community limited to the streets, SVCC parking lot and SVPOA Common Property designated parking areas.
- 1.35 **"Damage To SVPOA Common Property "** means damage to SVPOA Common Property by a Shadow Valley Property Owner or their Guest(s).
- 5.1.10 **Retaining Walls and/or Privacy Fences – Lots Not Designated As Scenic Lots.** Retaining Walls and/or Privacy Fences six (6) feet in height above the finished grade shall be constructed on all Lots not designated as Scenic Lots on the Plat for said Lot to enclose the rear yards and fifteen (15) feet of the side yards measured from the rear of the house. Retaining walls and/or privacy fences on Lots which are adjacent to other Lots within the Property shall be built on the common property line and shall be considered to be common. Fencing on corner Lots shall extend to, but not beyond the corner of the house. All retaining walls and/or privacy fences shall be constructed using materials, design and a layout specifically approved by the ACC. Painting or staining of privacy fences is prohibited.
- 5.13 **LEASING OF SINGLE FAMILY DWELLINGS.** When an Owner's personal or business circumstances temporarily preclude their use of their Single Family Dwelling as their primary or secondary residence for a period of a year or more, in the sole judgment of the Shadow Valley POA, Inc. (SVPOA), with approval confirmed in writing to the Owner, the Owner may lease the Single Family Dwelling provided the lease period is at least one (1) year, the lease is between the Owner of the property (Lessor) and the Lessee and includes the following stipulations:

1. The Owner is responsible for payment of the Shadow Valley POA, Inc. (SVPOA) dues.
2. The Owner is responsible for payment of the Shadow Valley Country Club (SVCC) Membership (Social, Tennis or Golf as applicable) dues.
3. The Lessee agrees to observe all rules and regulations of the Shadow Valley POA, Inc. (SVPOA).
4. The Owner will not have Membership Privileges. The Lessee will not be a member of the Shadow Valley Country Club (SVCC) but will have Social, Tennis or Golf Membership Privileges in accordance with the Owner's Membership as long as all SVCC rules and regulations are observed.

Whether or not it is so stated in the lease, every lease is subject to the Documents. The Owner is responsible for providing his tenant with copies of the Documents and notifying him of changes thereto. Failure by the tenant or his invitees to comply with the Documents, federal or state law, or local ordinance is deemed to be a default under the lease. When the Association notifies an Owner of his tenant's violation, the Owner will promptly obtain his tenant's compliance or exercise his rights as a landlord for tenant's breach of lease. If the tenant's violation continues or is repeated, and if the Owner is unable, unwilling, or unavailable to obtain his tenant's compliance, then the Association has the power and right to pursue the remedies of a landlord under the lease or state law for the default, including eviction of the tenant. The Owner of a leased Single Family Dwelling is liable to the Association for any expenses incurred by the Association in connection with enforcement of the Documents against his tenant. The Association is not liable to the Owner for any damages, including lost rents, suffered by the Owner in relation to the Association's enforcement of the Documents against the Owner's tenant.

5.13.A. **LEASING OF EXTERIOR MAINTENANCE PROVIDED DWELLINGS.** The Owner may lease the Exterior Maintenance Provided Dwelling provided the lease period is at least one (1) year, the lease is between the Owner of the property (Lessor) and the Lessee and includes the following:

1. The Owner is responsible for payment of the Shadow Valley POA, Inc. (SVPOA) dues.
2. The Owner is responsible for payment of The Townhomes / The Chateaux / The Golf Villas at Shadow Valley POA (as applicable) dues.
3. The Owner is responsible for payment of the Shadow Valley Country Club (SVCC) Membership (Social, Tennis or Golf as applicable) dues.
4. The Lessee agrees to observe all rules and regulations of the Shadow Valley POA, Inc. (SVPOA).
5. The Owner will not have Membership Privileges. The Lessee will not be a member of the Shadow Valley Country Club (SVCC) but will have Social, Tennis or Golf Membership Privileges in accordance with the Owner's Membership as long as all SVCC rules and regulations are observed.

Whether or not it is so stated in a lease, every lease is subject to the Documents. An Owner is responsible for providing his tenant with copies of the Documents and notifying him of changes thereto. Failure by the tenant or his invitees to comply with the Documents, federal or state law, or local ordinance is deemed to be a default under the lease. When the Association notifies an Owner of his tenant's violation, the Owner will promptly obtain his tenant's compliance or exercise his rights as a landlord for tenant's breach of lease. If the tenant's violation continues or is repeated, and if the Owner is unable, unwilling, or unavailable to obtain his tenant's compliance, then the Association has the power and right to pursue the remedies of a landlord under the lease or state law for the default, including eviction of the tenant. The Owner of a leased Exterior Maintenance Provided Dwelling is liable to the Association for any expenses incurred by the Association in connection with enforcement of the Documents against his tenant. The Association is not liable to the Owner for any damages, including lost rents, suffered by the Owner in relation to the Association's enforcement of the Documents against the Owner's tenant.

5.16 **OWNERSHIP OF SINGLE FAMILY DWELLINGS.** The ownership of Single Family Lots within the Property shall be limited to individuals and families for use as their primary or secondary residence. When an Owner's personal or business circumstances temporarily preclude their use of the Dwelling as their primary or secondary residence for a period of a year or more, the Owner may lease their Dwelling as outlined in Subsection 5.13.

5.16.A. **OWNERSHIP OF EXTERIOR MAINTENANCE PROVIDED DWELLINGS.** The Owner of Exterior Maintenance Provided Dwellings within the Property may lease their Dwelling as outlined in Subsection 5.13.A.

5.22 **VEHICLES.** All vehicles on the Property, whether owned or operated by the Residents or their guests, are subject to this Section and Rules adopted by the Board. No truck larger than 3-quarters of a ton, vehicle with advertising signage, motor home, camper, bus, trailer, boat, aircraft, inoperable vehicle, or any other similar vehicle or any vehicular equipment, mobile or otherwise, which the Board deems to be a nuisance, unsightly, or inappropriate may be kept, parked, or stored anywhere on the Property without Board approval. The foregoing restriction does not apply to vehicles and equipment temporarily on the Property in connection with the construction or maintenance of a Dwelling. Vehicles that transport inflammatory or explosive cargo are prohibited from the Property at all times. The Association may effect the removal of any vehicle in violation of this section or the Rules without liability to the Owner or operator of the vehicle.

- a. Shadow Valley Vehicle Stickers will be issued for vehicles registered by Shadow Valley Property Owners and Shadow Valley Country Club Members for Member Entry To The Community.

VIOLATION(S) OF THE COMMUNITY'S TRAFFIC AND SAFETY REGULATIONS AS DETERMINED SOLELY BY THE SHADOW VALLEY POA, INC. (SVPOA) MAY RESULT IN THE REVOCATION OF THE STICKER(S) AND THE RIGHT(S) TO MEMBER ENTRY TO THE COMMUNITY.

- b. Shadow Valley Community Golf Carts will be registered at the time of lease execution. The registration will include the names of all authorized drivers and a copy of their State issued vehicle driver's permit or license. Proof of insurance is required. Decals will be issued which must be placed on the front and rear bumpers of the golf cart and must be clearly visible. If a decal becomes damaged or

unreadable, it must be replaced before continuing to use the golf cart. The replacement decal(s) will be at the lessee's expense.

c. Non-Shadow Valley Golf Carts, Utility Vehicles and ATV's must be registered with the and their usage in the Community is limited to the streets and the designated areas of the Clubhouse parking lot. The registration will include the names of all authorized drivers and a copy of their State issued vehicle driver's permit or license. Proof of insurance is required. Decals will be issued which must be placed on the front and rear bumpers of the golf cart and must be clearly visible. If a decal becomes damaged or unreadable, it must be replaced before continuing to use the golf cart, utility vehicle or ATV. The replacement decal(s) will be at the owner's expense.

5.24 Damage To SVPOA Common Property by a Shadow Valley property owner or their Guest(s) as determined by the sole judgment of the SVPOA will be the responsibility of the Shadow Valley Property Owner.

B.1.4.b. **Definitions.** As used in this Appendix and elsewhere in the Documents, the following words and phrases, when capitalized, have the following specified meanings:

b. "**Declarant Control Period**" means that period of time during which Declarant controls the operation of the Association. The duration of the Declarant Control Period will be from the date this Declaration is recorded for a maximum period not to exceed the earliest of:

- (1) Twenty (20) years from December 5, 2001, the date the original Declaration was recorded.
- (2) Four (4) months after title to seventy-five (75) percent of the Lots that may be created (including on land subject to annexation) has been conveyed to Owners other than Builders.
- (3) Two (2) years after Declarant ceases developing, constructing, or marketing the Property and the Lots.
- (4) When, in Declarant's sole opinion, the Association is viable, self-supporting, and operational.

IN WITNESS WHEREOF, the undersigned has hereunto set his hands and seal this 2nd day of December, 2011.

C. R. REAVES FAMILY LIMITED PARTNERSHIP

BY:


CHARLES R. REAVES, General Partner

And

The 5.02 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 2, The Chateaux Lots 113 - 136, City of Rogers, Arkansas, filed with the Benton County Clerk on March 31, 2003, and recorded in Book 2003, Page 231, real property records of Benton County, Arkansas.

And

The 20.96 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 3, Single Family Lots 1 - 31, City of Rogers, Arkansas, filed with the Benton County Clerk on April 25, 2003, and recorded in Book 2003, Page 365, real property records of Benton County, Arkansas.

And

The 8.85 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 4, Single Family Lots 1 - 28 and Golf Villa Lots 29 - 35, City of Rogers, Arkansas, filed with the Benton County Clerk on June 23, 2004, and recorded in Book 2004, Page 629, real property records of Benton County, Arkansas.

And

The 20.94 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 5, Single Family Lots 1 - 46, City of Rogers, Arkansas, filed with the Benton County Clerk on June 23, 2004, and recorded in Book 2004, Page 631, real property records of Benton County, Arkansas

And

The 17.13 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 6, Single Family Lots 1 - 42, City of Rogers, Arkansas, filed with the Benton County Clerk on September 17, 2004, and recorded in Book 2004, Page 1100, real property records of Benton County, Arkansas

And

The 64.03 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 7, Lots 1 - 161, City of Rogers, Arkansas, filed with the Benton County Clerk on April 12, 2006, and recorded in Book 2006, Page 446, real property records of Benton County, Arkansas

Benton County, AR
I certify this instrument was filed on
12/02/2011 3:14PM
and recorded in DEED Book
2011 at pages 56258 - 56264
Brenda DeShields-Circuit Clerk

Brenda DeShields-Circuit Clerk
Benton County, AR
Book/Pg: 2015/62261
Term/Cashier: CASH2/Laura L. Tway
11/03/2015 10:08:23AM
Tran: 353961
Total Fees: \$30.00

**DECLARATION OF ANNEXATION
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR SHADOW VALLEY
BENTON COUNTY, ARKANSAS**

Book 2015 Page 62261
Recorded in the Above
DEED Book & Page
11/03/2015

KNOW ALL MEN BY THESE PRESENTS

WHEREAS, the C. R. Reaves Family Limited Partnership, an Arkansas limited partnership, did execute and record that certain Declaration of Covenants, Conditions and Restrictions (CCR's) for Shadow Valley PUD dated December 5, 2001 and recorded December 5, 2001, Instrument No. 01194999, Benton County real estate records; and,

WHEREAS, the undersigned has previously established Phase 1, Single Family Lots 1 – 129 and Phase 1, Townhome Lots 1 – 44 of Shadow Valley and has, by prior filing, incorporated said Phase 1, Single Family Lots 1 – 129 and Phase 1, Townhome Lots 1 – 44 within said Covenants; and,

WHEREAS, the undersigned has previously established Phase 2, Single Family Lots 1 – 112 and Phase 2, The Chateaux Lots 113 – 136 of Shadow Valley and has, by prior filing, incorporated said Phase 2, Single Family Lots 1 – 112 and Phase 2, The Chateaux Lots 113 – 136 within said Covenants, and,

WHEREAS, the undersigned has previously established Phase 3, Single Family Lots 1 – 31 of Shadow Valley and has, by prior filing, incorporated said Phase 3, Single Family Lots 1 – 31 within said Covenants, and,

WHEREAS, the undersigned has previously established Phase 4, Single Family Lots 1 – 28 and Golf Villa Lots 29 - 35 of Shadow Valley and has, by prior filing, incorporated said Phase 4, Single Family Lots 1 – 28 and Golf Villa Lots 29 – 35 within said Covenants, and,

WHEREAS, the undersigned has previously established Phase 5, Single Family Lots 1 – 46 of Shadow Valley and has, by prior filing, incorporated said Phase 5, Single Family Lots 1 – 46 within said Covenants, and,

WHEREAS, the undersigned has previously established Phase 6, Single Family Lots 1 – 42 of Shadow Valley and has, by prior filing, incorporated said Phase 6, Single Family Lots 1 – 42 within said Covenants, and,

WHEREAS, the undersigned has previously established Phase 7, Single Family Lots 1 – 161 of Shadow Valley and has, by prior filing, incorporated said Phase 7, Single Family Lots 1 – 161 within said Covenants, and,

WHEREAS, the undersigned has previously amended said Covenants and has, by prior filing, incorporated said amendments within said Covenants, and,

WHEREAS, the undersigned, C. R. Reaves Family Limited Partnership, has additionally established Phase 9 Lots 1 – 14 of Shadow Valley and wishes to ratify and confirm the same Covenants referred to above, as herein amended, as also governing said Phase 9, Single Family Lots 1 – 161.

NOW, THEREFORE, the undersigned, as owner of all property within Shadow Valley Phase 9, Rogers, Benton County, Arkansas, does hereby amend said Covenants, Conditions and Restrictions and declare as follows:

1. All lots within Phase 9 of Shadow Valley as same are platted and appear in Plat Record 2015 at Page 649 of the Benton County Real Estate Records are hereby incorporated into and governed by the Covenants, Conditions and Restrictions for Shadow Valley as above described and recorded and as thereafter amended.
2. Except as herein modified the original Covenants, Conditions and Restrictions for Shadow Valley, as subsequently amended, shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned has hereunto set his hands and seal this 2nd day of November, 2015.

C. R. REAVES FAMILY LIMITED PARTNERSHIP

BY: Charles R. Reaves
CHARLES R. REAVES, General Partner

ACKNOWLEDGMENT

STATE OF ARKANSAS)
)ss
COUNTY OF BENTON)

ON THIS DAY before the undersigned, a Notary Public, duly qualified and acting in and for the County and State aforesaid, personally appeared CHARLES R. REAVES, to me well known or satisfactorily proven to be the General Partner of the C. R, Reaves Family Limited Partnership, the party in the foregoing instrument and stated that he had executed the above and foregoing instrument for the consideration, uses and purposes therein stated.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on this 2nd day of November, 2015.

Kerri Pingel
NOTARY PUBLIC

My Commission Expires:



APPENDIX A

DESCRIPTION OF SUBJECT LAND

The 47.10 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 1, Single Family Lots 1 - 129, City of Rogers, Arkansas, filed with the Benton County Clerk on December 5, 2001, and recorded in Book P4, Page 358, real property records of Benton County, Arkansas.

And

The 9.54 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 1, Townhome Lots 1 - 44, City of Rogers, Arkansas, filed with the Benton County Clerk on December 5, 2001, and recorded in Book P4, Page 359, real property records of Benton County, Arkansas.

And

The 38.65 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 2, Single Family Lots 1 - 112, City of Rogers, Arkansas, filed with the Benton County Clerk on March 31, 2003, and recorded in Book 2003, Page 229, real property records of Benton County, Arkansas.

And

The 5.02 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 2, The Chateaux Lots 113 - 136, City of Rogers, Arkansas, filed with the Benton County Clerk on March 31, 2003, and recorded in Book 2003, Page 231, real property records of Benton County, Arkansas.

And

The 20.96 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 3, Single Family Lots 1 - 31, City of Rogers, Arkansas, filed with the Benton County Clerk on April 25, 2003, and recorded in Book 2003, Page 365, real property records of Benton County, Arkansas.

And

The 8.85 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 4, Single Family Lots 1 - 28 and Golf Villa Lots 29 - 35, City of Rogers, Arkansas, filed with the Benton County Clerk on June 23, 2004, and recorded in Book 2004, Page 629, real property records of Benton County, Arkansas.

And

The 20.94 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 5, Single Family Lots 1 – 46, City of Rogers, Arkansas, filed with the Benton County Clerk on June 23, 2004, and recorded in Book 2004, Page 631, real property records of Benton County, Arkansas.

And

The 17.13 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 6, Single Family Lots 1 – 42, City of Rogers, Arkansas, filed with the Benton County Clerk on September 17, 2004, and recorded in Book 2004, Page 1100, real property records of Benton County, Arkansas.

And

The 64.03 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 7, Lots 1 – 161, City of Rogers, Arkansas, filed with the Benton County Clerk on April 12, 2006, and recorded in Book 2006, Page 446, real property records of Benton County, Arkansas.

And

The 4.48 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 9, Lots 1 – 14, City of Rogers, Arkansas, filed with the Benton County Clerk on November 2, 2015, and recorded in Book 2015, Page 649, real property records of Benton County, Arkansas.

Benton County, AR
I certify this instrument was filed on
11/03/2015 10:08:23AM
and recorded in DEED Book
2015 at pages 62261 - 62264
Brenda DeShields-Circuit Clerk

**DECLARATION OF ANNEXATION
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR SHADOW VALLEY
BENTON COUNTY, ARKANSAS**

Brenda DeShields-Circuit Clerk
Benton County, AR
Book/Pg: 2016/16439
Term/Cashier: CASH4/Barbara Metcalf
03/28/2016 1:18:42PM
Tran: 371809
Total Fees: \$45.00

KNOW ALL MEN BY THESE PRESENTS

WHEREAS, the C. R. Reaves Family Limited Partnership, an Arkansas limited partnership, did execute and record that certain Declaration of Covenants, Conditions and Restrictions (CCR's) for Shadow Valley PUD dated December 5, 2001 and recorded December 5, 2001, Instrument No. 01194999, Benton County real estate records; and,

WHEREAS, the undersigned has previously established Phase 1, Single Family Lots 1 – 129 and Phase 1, Townhome Lots 1 – 44 of Shadow Valley and has, by prior filing, incorporated said Phase 1, Single Family Lots 1 – 129 and Phase 1, Townhome Lots 1 – 44 within said Covenants; and,

WHEREAS, the undersigned has previously established Phase 2, Single Family Lots 1 – 112 and Phase 2, The Chateaux Lots 113 – 136 of Shadow Valley and has, by prior filing, incorporated said Phase 2, Single Family Lots 1 – 112 and Phase 2, The Chateaux Lots 113 – 136 within said Covenants, and,

WHEREAS, the undersigned has previously established Phase 3, Single Family Lots 1 – 31 of Shadow Valley and has, by prior filing, incorporated said Phase 3, Single Family Lots 1 – 31 within said Covenants, and,

WHEREAS, the undersigned has previously established Phase 4, Single Family Lots 1 – 28 and Golf Villa Lots 29 - 35 of Shadow Valley and has, by prior filing, incorporated said Phase 4, Single Family Lots 1 – 28 and Golf Villa Lots 29 – 35 within said Covenants, and,

WHEREAS, the undersigned has previously established Phase 5, Single Family Lots 1 – 46 of Shadow Valley and has, by prior filing, incorporated said Phase 5, Single Family Lots 1 – 46 within said Covenants, and,

WHEREAS, the undersigned has previously established Phase 6, Single Family Lots 1 – 42 of Shadow Valley and has, by prior filing, incorporated said Phase 6, Single Family Lots 1 – 42 within said Covenants, and,

WHEREAS, the undersigned has previously established Phase 7, Single Family Lots 1 – 161 of Shadow Valley and has, by prior filing, incorporated said Phase 7, Single Family Lots 1 – 161 within said Covenants, and,

WHEREAS, the undersigned has previously amended said Covenants and has, by prior filing, incorporated said amendments within said Covenants, and,

APPENDIX A

DESCRIPTION OF SUBJECT LAND

The 47.10 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 1, Single Family Lots 1 - 129, City of Rogers, Arkansas, filed with the Benton County Clerk on December 5, 2001, and recorded in Book P4, Page 358, real property records of Benton County, Arkansas.

And

The 9.54 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 1, Townhome Lots 1 - 44, City of Rogers, Arkansas, filed with the Benton County Clerk on December 5, 2001, and recorded in Book P4, Page 359, real property records of Benton County, Arkansas.

And

The 38.65 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 2, Single Family Lots 1 - 112, City of Rogers, Arkansas, filed with the Benton County Clerk on March 31, 2003, and recorded in Book 2003, Page 229, real property records of Benton County, Arkansas.

And

The 5.02 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 2, The Chateaux Lots 113 - 136, City of Rogers, Arkansas, filed with the Benton County Clerk on March 31, 2003, and recorded in Book 2003, Page 231, real property records of Benton County, Arkansas.

And

The 20.96 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 3, Single Family Lots 1 - 31, City of Rogers, Arkansas, filed with the Benton County Clerk on April 25, 2003, and recorded in Book 2003, Page 365, real property records of Benton County, Arkansas.

And

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The 20.94 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 5, Single Family Lots 1 – 46, City of Rogers, Arkansas, filed with the Benton County Clerk on June 23, 2004, and recorded in Book 2004, Page 631, real property records of Benton County, Arkansas.

And

The 17.13 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 6, Single Family Lots 1 – 42, City of Rogers, Arkansas, filed with the Benton County Clerk on September 17, 2004, and recorded in Book 2004, Page 1100, real property records of Benton County, Arkansas.

And

The 64.03 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 7, Lots 1 – 161, City of Rogers, Arkansas, filed with the Benton County Clerk on April 12, 2006, and recorded in Book 2006, Page 446, real property records of Benton County, Arkansas.

And

The 4.48 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 9, Lots 1 – 14, City of Rogers, Arkansas, filed with the Benton County Clerk on November 2, 2015, and recorded in Book 2015, Page 649, real property records of Benton County, Arkansas.

Benton County, AR
I certify this instrument was filed on
03/28/2016 1:18:42PM
and recorded in DEED Book
2016 at pages 16439 - 16442
Brenda DeShields-Circuit Clerk

**DECLARATION OF ANNEXATION
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR SHADOW VALLEY
BENTON COUNTY, ARKANSAS**

Brenda DeShields-Circuit Clerk
Benton County, AR
Book/Pg: 2016/16443
Term/Cashier: CASH4/Barbara Metcalf
03/28/2016 1:18:43PM
Tran: 371809
Total Fees: \$45.00

KNOW ALL MEN BY THESE PRESENTS

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WHEREAS, the undersigned has previously established Phase 1, Single Family Lots 1 – 129 and Phase 1, Townhome Lots 1 – 44 of Shadow Valley and has, by prior filing, incorporated said Phase 1, Single Family Lots 1 – 129 and Phase 1, Townhome Lots 1 – 44 within said Covenants; and,

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WHEREAS, the undersigned has previously established Phase 4, Single Family Lots 1 – 28 and Golf Villa Lots 29 - 35 of Shadow Valley and has, by prior filing, incorporated said Phase 4, Single Family Lots 1 – 28 and Golf Villa Lots 29 – 35 within said Covenants, and,

WHEREAS, the undersigned has previously established Phase 5, Single Family Lots 1 – 46 of Shadow Valley and has, by prior filing, incorporated said Phase 5, Single Family Lots 1 – 46 within said Covenants, and,

WHEREAS, the undersigned has previously established Phase 6, Single Family Lots 1 – 42 of Shadow Valley and has, by prior filing, incorporated said Phase 6, Single Family Lots 1 – 42 within said Covenants, and,

WHEREAS, the undersigned has previously established Phase 7, Single Family Lots 1 – 161 of Shadow Valley and has, by prior filing, incorporated said Phase 7, Single Family Lots 1 – 161 within said Covenants, and,

WHEREAS, the undersigned has previously established Phase 9, Single Family Lots 1 – 14 of Shadow Valley and has, by prior filing, incorporated said Phase 9, Single Family Lots 1 – 14 within said Covenants, and,

APPENDIX A

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And

The 4.48 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 9, Lots 1 – 14, City of Rogers, Arkansas, filed with the Benton County Clerk on November 2, 2015, and recorded in Book 2015, Page 649, real property records of Benton County, Arkansas.

And

The 26.52 acre tract described by metes and bounds in the Legal Description of the Final Plat of Shadow Valley PUD, Phase 8, Lots 1 – 76, City of Rogers, Arkansas, filed with the Benton County Clerk on March 23, 2016, and recorded in Book 2016, Page 208, real property records of Benton County, Arkansas.

Benton County, AR
I certify this instrument was filed on
03/28/2016 1:18:43PM
and recorded in DEED Book
2016 at pages 16443 - 16446
Brenda DeShields-Circuit Clerk