

DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS
FOR THE SILO FALLS ADDITION TO
THE CITY OF ROGERS,
BENTON COUNTY, ARKANSAS

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the Developer, D. C. Burton Properties, LLC., as owner of all that certain property located in Rogers, Benton County, Arkansas, known as Silo Falls Addition (hereafter the "Development", "development", or "Property") as appearing on that certain Plat recorded in the office of the Benton County Circuit clerk and Ex-Officio Recorder on the 15th day of September, 2005, in plat record 2005 at page 1132 of the Benton County Real Estate Records, desires to establish Covenants, Conditions and Restrictions (hereafter referred to as "CCR") governing the use of the property for the highest of residential uses and to restrict its uses as such; and,

WHEREAS, Developer desires to provide for the preservation and enhancement of value when and as the property is improved and desires to subject the development to these CCR as hereinafter set forth, each and all of which are hereby declared to be for the benefit of entire development and each and every owner of any and all parts thereof; and,

WHEREAS, Developer has deemed it desirable for the efficient preservation of the values and amenities in the development to create an entity to which should be delegated and assigned the power and authority of holding title to and maintaining and administering the Common Properties (as hereafter defined) and administering and enforcing the CCR governing same and collecting and disbursing all assessments and charges necessary for such maintenance, administration and enforcement; and,

WHEREAS, Developer has caused or will cause to be incorporated under the laws of the State of Arkansas the Silo Falls Property Owners Association, Inc. (hereafter referred to as the "SFPOA"), an Arkansas non-profit corporation, for the purpose of performing the above described functions and those that may hereafter be set forth.

NOW THEREFORE, the Developer hereby adopts and imposes upon the property the CCR stated herein and declares that the stated covenants shall apply to all of the property of the Silo Falls Addition as covenants running with the land:

1. SCOPE OF APPLICATION.

These covenants shall apply in their entirety to the Silo Falls Subdivision as platted and recorded as above referenced.

2. LAND USE AND BUILDING TYPES.

A. No lot shall be used except for residential purposes, except those tracts of land specifically designated as "common areas". No platted lot may be split or subdivided without the prior written approval of the Silo Falls Architectural Control Committee (hereafter referred to as the SFACC).. Except for the business of the Developer and furtherance of its sales program, the practice of any profession or the carrying on of any business or commercial activity is prohibited within the property. However, this restriction shall not be deemed to prohibit a resident or owner from engaging in personal business or professional pursuits in a dwelling 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

2005 64593

Recorded in the Above

Deed Book & Page

11-29-2005 02:53:01 PM

Brenda DeShields-Circuit Clerk

Benton County, AR

Book/Pg: 2005/64593

Term/Cashier: CIRCLK02 / mcarney

Tran: 3621.109113.301871

Recorded: 11-29-2005 14:53:21

DFE Deed

REC Recording Fee

Total Fees: \$ 44.00

44.00
0.00

external evidence of the uses; (4) the uses do not entail visits to the lot by employees or members of the public; and, (5) the uses do not interfere with residents' use and enjoyment of neighboring lots.

B. No building shall be erected, altered, placed, or permitted to remain on any lot other than one (1) detached single family dwelling. Pool house or play house out-buildings may be permitted/approved in the discretion of the Silo Falls Architectural Control Committee(hereafter referred to as the SFACC). Such out-building must be of a character and material consistent with the principal residence and the property. No other outbuildings will be permitted. If two or more adjacent lots have a common owner, then (subject to any applicable regulation or ordinance of the City of Rogers) the common lot line or lines of the lots may be considered to be removed and the lots considered as one for compliance. "Ground floor" shall mean heated and cooled living space on one level. For lots 1 through 30 and lots 62 through 130 the total heated living space of the main structure, exclusive of one-story porches and garages on one level, shall not be less than 2500 square feet. The ground floor of structures exceeding one story shall not be less than 1500 square feet. For lots 31 through 61 and lots 131 through 188 the total heated living space of the main structure, exclusive of one-story porches and garages on one level, shall not be less than 3200 square feet. The ground floor of structures exceeding one story shall not be less than 2000 square feet. All garages shall have a minimum capacity of two (2) cars and be not less than 440 square feet. No garage may be enclosed unless replaced by an additional 2-car garage and approved by the SFACC.

C. In order to preserve, to the extent possible, the natural beauty of the property and its setting, to maintain a pleasant and desirable environment, to establish and preserve a harmonious design for the property and to protect and enhance the property, the Owner does hereby create the Silo Falls Architectural Control Committee (SFACC). Said Committee shall approve the details of construction plans, including placement of the dwelling on the lot. The Developer, joined by one person appointed by the Developer, shall perform the function of the SFACC until such time as 100% of the lots in the development have been sold. Thereafter such duties shall be transferred to the Property Owners Association at which time a new SFACC will be formed by the SFPOA consisting of seven (7) persons who are resident homeowners in Silo Falls. Terms for those so serving shall be staggered and members of the SFACC shall be elected at the annual meeting of the general SFPOA membership.

D. No building or improvement of any type shall be constructed, erected, placed or altered upon any lot or property within Silo Falls and no grading shall be commenced until the building plans and specifications, plot plan, including placement of the improvement upon the lot, the landscaping plan, and construction schedule have been approved by the SFACC. Any modification to the exterior of any improvement in a manner not previously approved by the SFACC shall be submitted as provided above. Approval or disapproval of any plans must be given by the SFACC within 15 business days from submission or same shall be deemed to have been approved. The SFACC shall promulgate specifications for submissions, which shall be available to all prospective purchasers, their architects, and builders. Those specifications shall include, but not be limited to, the following:

- i. Exterior of any structure must be 70% brick or masonry. Only eaves or porch areas shall be non-masonry. Drivet shall not be permitted. Vinyl or metal siding and vinyl soffit, or fascia are prohibited. Vinyl window products are permitted.
- ii. Roof structures shall be not less than 10/12 pitch. All roofing material shall architectural shingles with not less than 30 year warranty. Other materials may be used as approved by the SFACC in its sole discretion.
- iii. All driveways shall be concrete and a minimum of 18 feet in width.

iv. All yards must be 100% sodded prior to occupancy. Other landscaping requirements shall be as established by the SFACC.

v. No outbuildings shall be permitted except detached garages, pool houses and playhouses. All such permitted outbuildings must be approved by the SFACC.

vi. All garage doors on houses constructed on lots 1 through 30 and 62 through 130 must have decorative garage doors approved by the SFACC. Houses built on all other lots must have side or rear loading garages unless otherwise approved by the SFACC.

vii. Initial new construction shall not include formica counter-tops.

viii. The SFACC shall approve a type and brand of trash can that is uniform in size, shape and appearance for use by all residents within Silo Falls unless otherwise mandated by the trash service provider or the City of Rogers.

E. All approvals shall be withheld until all submissions for a given project are in complete compliance with the applicable covenants. THE APPROVAL OF PLANS AND SPECIFICATIONS AS REQUIRED HEREIN IS FOR THE MUTUAL BENEFIT OF THE OWNERS WITHIN THE PROPERTY AND SHALL NOT BE CONSTRUED AS AN APPROVAL OR CERTIFICATION THAT SUCH PLANS AND SPECIFICATIONS ARE TECHNICALLY SOUND OR PROPERLY ENGINEERED.

F. The SFACC shall maintain a list of builders who, in the discretion of the SFACC, shall be permitted to perform construction within the subdivision. Only improvements to be constructed by those builders appearing on such list will be approved by the SFACC.

G. No mobile, modular, or prefabricated homes of any kind shall be placed or constructed upon any property within the above-described lands. All applicable building codes for the City of Rogers must be complied with. Any conflict between the city codes or ordinances of the city of Rogers and these CCR or the specification of the SFACC shall be resolved in favor of the more restrictive provisions.

3. GENERAL RESTRICTIONS.

a. No noxious or offensive activity and no commercial activities of any kind shall be carried on upon any lot in this addition, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.

b. No tent, shack, or barn shall be erected on any lot in this property, temporarily or permanently, except for temporary use by construction contractors only. Tents used for recreational purposes of a short duration shall be considered as excluded by this provision.

c. No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except that dogs, cats or other household pets may be kept provided that they be docile and are not kept, bred or maintained for commercial purposes. Owners and residents are responsible for removal of all pet waste from the Property. Owners and residents shall not permit their pets to relieve themselves on common property or the property of others unless immediately and completely removed by the pet owner or responsible resident.

d. No trash, ashes or other refuse may be thrown or dumped on any of the lots in the addition. Containers for trash or garbage that is to be picked up on a regular basis may be placed in the

open for access on days when such pick-up is scheduled. At all other times such containers must be stored in such a manner as to be shielded from view by adjoining property owners or from the street.

e. No building material of any kind or character shall be placed or stored upon any property until the owner is ready to commence construction of the improvements requiring such materials. Building materials shall not be placed or stored in the street or between the curb and property lines. During construction all construction debris, refuse, and trash shall be confined in roll-off type containers so as to prevent same from blowing or scattering about the adjoining properties or the development. Such confinement and its location must be reflected in the submissions to the SFACC and approved prior to construction.

f. No previously approved structure shall be used for any purpose other than that for which it was originally approved.

g. No cars, trucks, buses, mail carts, dune buggies, golf carts, mobile homes, commercial vehicles, motor homes, travel trailers, campers, boats, motors or trailers shall be kept on the Common Area, on any lot or in the street adjacent to any lot except that such items may be stored or parked inside an enclosed garage or similar enclosure so screened with fencing or plant material as not to be visible from the street or any adjoining lot. No RV or boat may be stored or parked in the yard of any property or on the street longer than is reasonably necessary for loading and unloading. Vehicles belonging to guests of residents may be parked on the street on a very short term (8 hours) basis.

h. Grass, weeds and vegetation shall be kept mowed and cleared at regular intervals on each lot by the owner thereof so as to maintain the same in a neat and attractive manner. No debris shall be allowed to accumulate upon any lot. Dead trees, shrubs, vines and plants shall be promptly removed from each lot. The Property Owners Association shall have the right, privilege and option to cause any unkept lots to be mowed and to remove dead trees, plants or other vegetation and debris from such lot if, after ten days' notice in writing, from the Property Owners Association to the owner, the owner has failed or neglected to do so, and the Property Owners Association shall be entitled to a lien on such lot for the cost of such work.

i. The placement of electronic antennas or satellite receiver dishes must be approved by the SFACC. Under no circumstance shall any such device be placed in front of any residence in the property. Such devices may be placed beside a residence with proper screening approved by the SFACC. Only the small 18-24 inch satellite receiver dishes will be approved. All such installations must be below eave height unless a variance is granted by the SFACC.

j. There shall be no hunting, trapping, unnatural harm to animals nor any target or trap shooting within the property.

k. The back yards of all lots shall be fenced. The approval requirements outlined in Section 2, above will also apply to fencing. Fencing of front yards is prohibited. Fencing on corner lots shall not extend beyond the front setback line of any adjoining property. All wooden fencing must be of a "shadow box" design. The approval of the type and exact location of all fencing shall be in the sole discretion of the SFACC. Other types of decorative fencing around swimming pools will be permitted subject to the approval of the SFACC. The cost of all common fencing, including fencing around the retention basin near the northeast corner of the Development, shall be shared by the builders. Maintenance of all common fencing shall be the duty of the Silo Falls Property Owners' Association as hereafter constituted.

l. Except as required for approved construction, no tree having a diameter of 2 inches or more shall be removed from any property within the above lands without the prior written approval of the SFACC.

m. Not less than 70% (seventy per cent) of the exterior walls of any home constructed within the above lands shall be constructed of brick, stone or stucco unless approved in writing by the SFACC. The color of such material shall be noted on plans and specification submitted for approval to the SFACC.

n. All exposed foundation or stem walls shall covered by brick, stone or stucco. No concrete blocks, poured concrete or any other foundation material will be exposed.

o. Building setbacks, side yards and rear yards minimums shall adhere to requirements as set out by the City of Rogers and the plat of Silo Falls . Any waiver shall be approved in writing by the City of Rogers and the SFACC.

p. The SFACC may waive, in a particular instance, the building material requirements or any other requirement set out in this subsection; provided, such waiver must be in writing to be valid and dated and signed by a majority of the SFACC.

q. All satellite receiver dishes or other antennae must be installed and located so as to not be visible from the street and be below eave height.

r. Access to the community retention pond shall be regulated by the Silo Falls Property Owner's Association with the gate thereto controlled by a key or code system accessible by residents of Silo Falls.

4. BUILDING LOCATION

Front (including both street sides on corner lots) and rear building setbacks shall be as shown on the plat of Silo Falls Addition. Side setbacks shall be not less than seven and one-half (7.5) feet for lots 1 through 30 and lots 62 through 130. Side setbacks shall be not less than ten (10) feet for all other lots. No variance from same shall be valid unless approved by both Board of Adjustments for the City of Rogers and the SFACC in writing. All mailboxes shall be as approved by the SFACC. The SFACC may require specific mailboxes and or designs for Silo Falls . The mailbox design and location must be included on plans and specification submitted for approval to the SFACC.

5. MAIL RECEPTACLES.

The design and location of all mail receptacles shall conform to all United States Post Office rules and regulations and be approved by the SFACC prior to installation.

6. PROPERTY OWNERS ASSOCIATION, MEMBERSHIP DUES AND CREATION OF LIENS.

a. For the purpose of maintaining areas to be used in common with some or all of the residents and owners of property in the development, the entrance, common exterior fencing, community swimming pool, recreation areas, club house, and drainage, if any of the above, and such other activities and undertakings as may be for the general use and benefit of owners and residents of the property, each and every lot owner, in accepting a conveyance of any lot in this property, agrees to and shall become a member of and be subject to the obligations and duly enacted by-laws and rules of the Silo Falls Property

Owners Association, a non-profit corporation (hereafter, the SFPOA). Each such member of the SFPOA, including the developer, shall have one (1) vote for each lot owned within the Property. The Developer shall retain full voting control of the POA until such time as 100% of the lots in the Development have been sold.

b. The Silo Falls Property Owners Association may, by majority vote of its duly elected Board of Directors, levy assessments or dues against all lot owners in order to defray the costs of performing maintenance or repairs upon common property within the property. All property owners in the property shall pay the required dues to the Silo Falls Property Owners Association promptly when the same become due, and in the event of failure to pay the same promptly when the same become due, such dues shall constitute a lien upon the property owned by such owner in the Addition and the same may be enforced in equity as in the case of any lien foreclosure authorized in the State of Arkansas. All delinquent assessments shall bear interest at the maximum rate permitted by Arkansas law at that time from the date the same become due until they are paid, and the association shall be entitled to a reasonable fee for its attorneys when their services become necessary to collect any delinquent assessments or dues, all of which shall be a part of the lien for dues.

c. The liens herein created or retained for unpaid assessments or dues to the Silo Falls Property Owners Association are hereby made expressly inferior and subordinate to valid and bona fide mortgages and deeds of trust or retained vendor's liens securing obligations of owners of any of the lots in the addition up to the time of sale at foreclosure of any such mortgage, deed of trust or vendor's lien and for a period of six (6) months thereafter or until the residence upon such property is occupied, whichever date shall first occur, after which time monthly membership dues shall thereafter accrue as a lien upon such lot in the identical form and manner as prior to the foreclosure sale of the property involved. This subordination shall be construed to apply not only to the original, but to all successive, mortgages, deeds of trust, and vendor's liens given by property owners to secure obligations, together with all extensions and renewals thereof.

7. SEWAGE DISPOSAL.

All plumbed improvements in the development shall be connected to the Rogers municipal sewage disposal system.

8. EASEMENTS.

Utility easements are hereby created and reserved for a distance of ~~ten~~ (10) feet on either side of any property line. This easement shall be for the purpose of construction and maintenance of any utilities necessary to serve the Property. This easement shall include ingress and egress for the purpose of such construction and maintenance.

9. MAINTENANCE OF EASEMENTS.

Within the utility easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities or which may change the direction or flow of drainage channels within the easements or which may obstruct or retard the flow of water through drainage channels within the easement. The easement area of each lot and all improvements in it shall be maintained continuously by the owner of the lot, except for those improvements for which the Developer, a public authority, or utility company is responsible.

10. SIGHT DISTANCE AT INTERSECTIONS.

No fence, wall hedge, or shrub that obstructs a sight-line at elevation between two (2) and six (6) feet above roadways shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points twenty-five (25) feet from the intersection of the streets property lines. The same sight-lines limitation shall apply on any lot within ten (10) feet from the intersection of a street property line with edge of a driveway or alley. No tree shall be permitted to remain within such distance of such an intersection unless the foliage line is maintained at sufficient height to prevent obstruction of the sight-line.

11. SIGNS.

All signs are prohibited upon the Properties, except as approved by the SFACC, and except:

- a. Signs erected by the City of Rogers or Developer for dedication of streets, traffic control and directional purposes;
- b. Signs of a temporary nature advertising property for sale and construction signs, which signs shall not exceed 9 square feet in area.
- c. Signs erected by the Developer advertising the name and entrance of the subdivision.
- d. Signs erected by the Developer or builder advertising the showing of a model home or show house. Signs shall not exceed 9 square feet.

12. FENCING.

- a. Lots 34 through 42 shall have wrought-iron fencing constructed along all rear property lines adjacent to the storm water detention pond in conformity with SFACC specifications.
- b. The side and rear lot lines of all lots, except corner lots, shall be fenced in conformity with the SFACC specifications. Fencing will be optional on corner lots with any such fencing being subject to the approval of the SFACC as to location, design and materials.
- c. Chain link fencing is prohibited.
- d. All fencing on any lot that is not lot-line fencing as described above shall be subject to the approval of the SFACC as to location, design, and materials.

13. ADDITIONAL LANDS

Additional real property may be annexed to the property and subjected to the terms and conditions of these CCR and the jurisdiction of the SFPOA on approval of owners representing at least 65% of the Lots in Silo Falls, or, during the period prior to the Developer having sold 80% of the lots in Silo Falls, by the Developer. Such annexation shall be accomplished by recording a Declaration of Annexation in the Benton County Real Estate Records.

14. REMEDIES FOR DEFAULT IN OBSERVANCE OF COVENANTS.

If the owner or occupant of any lot fails to observe any covenant and if the default continues after ten (10) days written notice to the owner, then the Developer, their successors or assigns, may without

liability to the owner or occupant in trespass or otherwise, enter upon (or authorize one or more others to enter upon) the lot, remove or cause to be removed the garbage, trash, rubbish, or do any other things necessary for compliance with these restrictions, so as to place the lot in a neat, attractive and healthful and sanitary condition, and may charge the owner or occupant of such lot for the reasonable costs of such work and associated materials and impose upon said property a lien for such costs if same remain unpaid for a period of thirty (30) days.. The owner or occupant, as the case may be, agrees by the purchase or occupancy of the property to pay the statement immediately upon request. The Owner, or any other property owner within the Property, may bring any action provided by law, either at law or equity, for the enforcement of these Covenants.

15. TERM AND AMENDMENT OF THE COVENANT.

These covenants shall run with the land. All persons or corporations who now own or shall hereafter acquire any of the lots in this property shall be deemed to have agreed and covenanted with the owners of all other lots in this property and with its or their heirs, successors and assigns to conform to and observe the restrictions, covenants and stipulations contained herein for a period of 25 years from the date these covenants are recorded, and these covenants shall thereafter automatically extend in effect for successive periods of 10 years unless prior to the end of the original term or any successive term of the application hereof a majority of the then owners of lots in the property agree to the amendment or removal of these covenants in whole or in part. These covenants may be amended at any time by instrument signed by the owners (including the Developer) of 75% of the platted lots within the Development. No changes in these covenants in the manner herein set forth shall be valid unless the same shall be placed of record in the office of the Recorder of Benton County, Arkansas, duly executed and acknowledged by the requisite number of owners.

16. RIGHT TO ENFORCE.

A. The covenants, agreements and restrictions herein set forth shall run with the title to the lots in this property and bind the present owners, their heirs, successors and assigns, future owners and their heirs, successors and assigns; and all parties claiming by, through or under them shall be taken to hold, agree and covenant with the owners of other lots in the property, their heirs, successors and assigns, and with Owners, as to the covenants and agreements herein set forth and contained. None shall be personally binding on any person, persons, or corporations except with respect to breaches committed during its, his or their holding of title to lots in the property. Any owner or owners of lots in this Property, or Owners, shall have the right to sue for and obtain an injunction, prohibitive or mandatory, to prevent the breach of or to enforce the observance of any of the covenants, agreements or restrictions contained herein together with any other rights to which they might otherwise be entitled under the laws of the State of Arkansas. The invalidation of any one of these covenants, restrictions or agreements herein contained by the order of a court of competent jurisdiction shall in no way affect any of the other provisions hereof which will remain in full force and effect.

B. The SFPOA has the right to enter any part of the Property, including lots, to abate or remove, using force as may be reasonably necessary, any erection, thing, animal, person, vehicle, or condition that violates the CCR. In exercising this right the SFPOA, its Board and Officers, are not trespassing and are not liable for damages related to such abatement. The Board or Officers may levy the cost of abatement against the lot and its Owner as an individual assessment. Unless an emergency situation exists in the good faith opinion of the Board or Officers, the Owner will be provided fifteen (15) days written notice of the intent of the Board or Officers to exercise this self-help remedy. The foregoing notwithstanding, the SFPOA may not demolish an item of substantial construction on a lot without judicial authorization.

17. DEVELOPER'S REPRESENTATIONS & RESERVATIONS.

Those certain Developer's Representations and Reservations attached hereto as "Appendix A" are specifically incorporated herein by reference and made a part hereof as if set forth word for word. Any conflict or ambiguity which may exist between these CCR and said Appendix A shall be controlled by Appendix A.

18. SEVERABILITY.

Should any term or provision of these CCR be deemed by any Court of competent jurisdiction to be invalid or unenforceable such provision shall be deemed to be severed and removed from these CCR and such determination shall not affect the validity or enforceability of the remaining provisions of these CCR.

IN WITNESS WHEREOF, the Owner has hereunto set its hand and seal this 22 day of, November, 2005.

D. C. BURTON PROPERTIES, LLC.
Owner and Developer

BY: [Signature]

Managing Member

ACKNOWLEDGMENT

STATE OF ARKANSAS)
)ss
COUNTY OF Sebastian)

On this day before the undersigned, a Notary Public, duly qualified and acting in and for the County and State aforesaid, personally appeared David Burton, to me well known or satisfactorily proven to be the Managing Member of Quail Ridge Development, LLC. 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 22 day of November, 2005.

My Commission Expires: 5-5-13

[Signature]
NOTARY PUBLIC

CATHY BREEDLOVE
NOTARY PUBLIC-ARKANSAS
SEBASTIAN COUNTY
My Commission Expires May 5, 2013

CATHY BF
NOTARY PUBLIC-
SEBASTIAN CO
My Commission Expires M.

APPENDIX A

DEVELOPER'S REPRESENTATIONS & RESERVATIONS

A.1 GENERAL PROVISIONS.

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

A.1.2. General Reservation & Construction. Notwithstanding other provisions of the CCR to the contrary, nothing contained therein may be construed to, nor may any Mortgagee, other Owner, or the SFPOA, prevent or interfere with the rights contained in this Appendix which Developer 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 Developer. The terms and provisions of this Appendix must be construed liberally to give effect to Developer's intent to protect Developer's interests in the Property.

A.1.3. Purpose of Development and Developer Control Periods. This Appendix gives Developer certain rights during the Development Period and the Developer 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. Developer may not use its control of the SFPOA and the Property for an advantage over the Owners by way of retention of any residual rights or interests in the SFPOA or through the creation of any contractual agreement which the SFPOA may not terminate without cause and upon ninety (90) days' notice.

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

- a. "Builder" means any person or entity which purchases, or contracts to purchase, a Lot from Developer for the purpose of constructing a Dwelling for resale or under contract to an Owner other than Developer.
- b. "Developer Control Period" means that period of time during which Developer controls the operation of the SFPOA., The duration of the Developer Control Period will be from the date this CCR is recorded for a maximum period not to exceed the earliest of:
 - (1) Ten (10) years from date this CCR is recorded.
 - (2) Ninety (90) days after title to one hundred (100%) 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 Developer ceases developing, constructing, or marketing the Property and the Lots.

- (4) When, in Developer's sole opinion, the SFPOA 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 CCR 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.

A.2. DEVELOPER CONTROL PERIOD RESERVATIONS. Developer reserves the following powers, rights, and duties during the Developer Control Period:

A.2.1. Officers & Directors. During the Developer Control Period, the number of directors of the SFPOA is three (3) and Developer may appoint, remove, and replace any officer or director of the SFPOA, none of whom need be members or Owners.

A.2.2. Budget Funding. During the Developer Control Period only, Developer is responsible for the difference between the SFPOA's operating expenses and the Regular Assessments received from Owners other than Developer, and will provide any additional funds necessary to pay actual cash outlays of the SFPOA. On termination of the Developer Control Period, Developer will cease being responsible for the difference between the SFPOA's operating expenses and the Assessments receiver, from Owners other than Developer.

A.2.3. Expenses of Developer. Expenses related to the completion and marketing of the Property will be paid by Developer and are not expenses of the SFPOA.

A.2.4. Budget Control. During the Developer Control Period, the right of Owners to veto Assessment increases or Special Assessments is not effective and may not be exercised.

A.2.5. Organizational Meeting. Within sixty (60) days after the end of the Developer Control Period, or sooner at the Developer's option, Developer will call an organizational meeting of the members of the SFPOA 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.

A.2.6. Common Area. At or prior to termination of the Developer Control Period, Developer will convey title to the real estate parcels of the Common Area to the SFPOA 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. Developer's conveyance of title is a ministerial task that does not require and is not subject to acceptance by the SFPOA or the Owners.

A.3. DEVELOPMENT PERIOD RESERVATIONS. Developer reserves the following Easements and rights, exercisable at Developer's sole discretion, at any time during the Development Period:

A.3.1. Phasing. The Property may be subject to expansion by phasing. During the Development Period, Developer may annex additional land to the Property and subject it to the CCR and the jurisdiction of the SFPOA by recording an amendment of this CCR, executed by Developer, 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.

A.3.2. Weighted Votes. During the Development Period, each Lot owned by Developer has twenty (20) votes. On termination of the Development Period and thereafter, each Lot owned by Developer has the number of votes allocated to the Lot by this CCR.

A.3.3. SFACC. During the Development Period, Developer has the absolute right to appoint the Architectural Control Committee, consisting of any number of persons who serve at the pleasure of Developer, and who may be removed and replaced by Developer. Notwithstanding the foregoing, during the Development Period--after termination of Developer Control, or earlier if Developer 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 Developer or Builders. A Modifications Committee may not involve itself with the approval of new houses on vacant Lots.

A.3.4. Deemed SFACC Approval. During the Development Period, applications by Builders are deemed approved by the SFACC if the SFACC fails to respond in writing -negatively, affirmatively, or requesting information - within fifteen (15) days after the SFACC's actual receipt of the Builder's application. In exercising Deemed Approval, the burden is on the Builder to document the SFACC'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 CCR.

A.3.5. Amendment. During the Development Period, Developer may amend this CCR and the other CCR, 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 Developer or the SFPOA.
- d. To change the designation of Lots.
- e. To convert Lots into Common Areas.
- f. To comply with requirements of an Underwriting Lender.
- g. To resolve conflicts, clarify ambiguities, and to correct inadvertent misstatements, errors, or emissions in the CCR.

A.3.6. Completion. During the Development Period, Developer has: (1) the right to complete or make improvements indicated on the Plat; (2) the right to sell or lease any Lot owned by Developer; and (3) an Easement and right to erect, construct, and maintain on and in the Common Area and Lots owned or leased by Developer whatever Developer determines to be necessary or advisable in connection with the construction, completion, management, maintenance, leasing, and marketing of the Property.

A.3.7. Promotion. During the Development Period--for purposes of promoting, identifying, and marketing the Property --Developer 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

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Benton County, AR

this CCR.

A.3.8. Access. During the Development Period, Developer 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 Developer's obligations under this CCR. Developer also has the right to provide a reasonable means of access for construction workers and suppliers and the home buying public through the entrance in connection with the construction and active marketing of Lots and Dwellings by Developer or Builders.

A.3.9. Easements. During the Development Period, Developer 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.

A.3.10 Assessments. During the Development Period, Lots owned by Developer 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, Developer and Builders are liable for Assessments on each Lot owned in the same manner as any Owner.

A.4. SUCCESSOR DEVELOPER. Developer may designate one or more Successor Developers 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 Developer and Successor Developer, and recorded in the Real Property Records of Benton County, Arkansas. Developer (or Successor Developer) may subject the designation of Successor Developer to limitations and reservations. Unless the designation of Successor Developer provides otherwise, a Successor Developer has the rights of Developer under this Section and may designate further Successor Developers.

Benton County, AR
I certify this instrument was filed on
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and recorded in Deed Book
2005 at pages 64593 - 64605
Brenda DeShields-Circuit Clerk