

**DECLARATION OF COVENANTS OF ASSURANCE AND RESTRICTIONS OF
THE PLANTATION SUBDIVISION, PHASE II TO THE CITY OF ROGERS,
BENTON COUNTY, ARKANSAS**

PLAT BOOK: 2006, PAGES: 290
291

KNOW ALL MAN BY THE PRESENTS:

WHEREAS, the undersigned (herein referred to as Developer) is now the owner of all the lots of the Plantation Subdivision as reflected upon a plat of said subdivision filed in Plat Book ___ at Page No. ___ of the Plat Records of Benton County, Arkansas, in the office of the Circuit Clerk and Ex-Officio Recorder of Benton County, Arkansas, and which plat, be referenced, made a part of this Declaration, and the Declaration is likewise made a part by reference of said plat;

NOW, THEREFORE, the Developer declares that the lots in said Plantation Phase II are and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, changes and liens hereinafter set forth or as hereinafter, changed or amended.

**ARTICLE I
PROPERTY SUBJECT TO THIS DECLARATION**

1.1 The real property which is, and shall be held, transferred, sold, conveyed and occupied subject to this Declaration, is located and situated in Benton County, Arkansas, and which Subdivision is located on the following lands, to wit:

A part of the Northwest Quarter (NW ¼), lying west of Old Wire Road, in Section Thirty (30), Township Nineteen North (T-19-N) Range Twenty-Nine West (R-29-W), all being in Benton County, Arkansas, and being more particularly described as follows to-wit:

Commencing at a point; thence S.02°28'57"W., a distance of 1,541.92 feet to the POINT OF BEGINNING; thence S.74°46'38"E., a distance of 43.42 feet; thence S.75°25'19"E., a distance of 155.51 feet; thence S.71°11'48"E., a distance of 167.82 feet; thence S.55°36'39"E., a distance of 142.68 feet; thence S.45°47'12"E., a distance of 16.94 feet; thence S.31°44'46"E., a distance of 70.87 feet; thence S.88°11'05"E., a distance of 425.66 feet; thence N.01°48'55"E., a distance of 292.00 feet; thence S.88°11'05"E., a distance of 522.87 feet; thence N.89°34'09"E., a distance of 408.48 feet; thence S.79°10'57"E., a distance of 182.77 feet; thence S.10°49'03"W., a distance of 463.30 feet; thence S.11°09'20"W., a distance of 541.32 feet; thence S.10°27'21"W., a distance of 122.32 feet; thence S.11°40'44"W., a distance of 16.99 feet; thence N.88°11'05"W., a distance of 1,894.59 feet; thence N.02°28'57"E., a distance of 1,090.82 feet to the POINT OF BEGINNING. Containing 2,071,741.81 square feet or 47.5606 acres, more or less.

**ARTICLE II
DEFINITIONS**

2.1 The following terms as used in this Declaration of Covenants of Assurance and Restrictions are defined as followed:

- a. "Declaration" means the Declaration of Covenants of Assurance and Restrictions for The Plantation Subdivision, Phase II to the City of Rogers, Arkansas.
- b. "Property" means the Plantation Subdivision to the City of Rogers, Arkansas, as the same may be shown on the plat referenced hereinabove and recorded in Benton County, Arkansas
- c. "Lot" means any numbered lot designated on the Plat of the property, except as may be herein accepted.

Book/Pg: 2006/14201
Term/Cashier: CIRCLK04 / smh/ite
Tran: 3976.118377.330909
Recorded: 03-17-2006 14:00:54
DFE Deed
REC Recording Fee
Total Fees: \$ 20.00

20.00
0.00

- d. "Plat" means the map of the Plat of The Plantation Subdivision Phase II to the City of Rogers, Arkansas as it is recorded.
- e. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot subject to this Declaration, except that such term shall not mean Developer regardless of whether Developer has a fee simple interest in any lot.
- f. "Developer" shall mean and refer to First Street, LLC.
- g. "Subdivision" shall mean The Plantation Subdivision, Phase II, to the City of Rogers, Arkansas, as per plat on file in the office of the Circuit Clerk, and Ex-Officio Recorder of Benton County, Arkansas.

ARTICLE III
RESTRICTIONS AND RESIDENTIAL LOTS

3.1 Fences: Fencing of front yards is prohibited. Fencing on corner lots may extend to, but not beyond, the exterior side setback lines. All privacy fences shall be constructed of wood, be built so that the framing shall be toward the inside of the owner's lot and shall be constructed at a height of six (6) feet to maintain uniformity. All single family lots shall construct a shadow box style fence along entire front setback line(s) that extends to the adjacent dwelling at time of construction. (Note: Corner lots have two front setbacks) There shall be no chain link, cyclone fences or double fencing allowed. Fences shall be maintained so as not to become unsightly or an annoyance or nuisance to the neighborhood.

3.2 Nuisances: No noxious or offensive activities or nuisances shall be permitted on any lot or parcel.

3.3 Signs: No person shall erect or maintain upon any Lot, or improvement thereto, any sign or advertisement, except a real estate sign when the property is listed for sale; provided, however, that this restriction shall not apply to Developer during development and construction of the Subdivision.

3.4 Animals: No animals shall be kept or maintained on any lot except the usual household pets which shall be kept reasonably confined so as not to become a nuisance and shall not disturb the peaceful enjoyment of residents, and all Owners shall comply with applicable laws, ordinances and regulations concerning animals.

3.5 Garbage and Refuse Disposal: No owner shall accumulate on his or her lot litter, refuse or garbage, except in approved receptacle. Said receptacles are to remain behind the front building line of any house except for the twelve hours before and after the scheduled trash pick up. All owners shall be required to have mandatory trash pick up as provided or required by the City of Rogers, Arkansas.

3.6 Limited Access: There shall be no access to any lot on the perimeter except for designated streets or roads within the Subdivision and as otherwise required by the City of Rogers.

3.7 Drilling and Mining: No drilling, refining, quarrying or mining operations of any kind shall be permitted on any lot.

3.8 Communication Towers and Satellite Dishes: No communications mast, tower, or structure may be installed on any lot, except that satellite dishes may be installed only on the rear roof of a dwelling and shall not exceed the height of the highest roof ridge line of such dwelling.

3.9 Parking: No inoperative vehicles of any nature shall be permitted to remain on any said lot or lots for a period in excess of any part of one day. It is the intention of the developer that all parking shall be in driveways and not in the street or on the lawns. Accordingly, no vehicle may be parked on the street for more than one (1) day

and shall not be parked overnight on the street. No vehicle maintenance shall be performed on the streets, in the front yards or on parking pads of any lot. No commercial vehicle, semi trailer trucks, delivery vans, or commercial utility vehicles can be parked on the street or at any time, except for the purpose of making a delivery or temporary repairs or maintenance for a lot or dwelling in the subdivision, however, that this restriction shall not apply to Developer during construction and development of the Subdivision.

3.10 Structures other than Dwelling: No trailer, mobile home, tent, shack or other unsightly building or structure, temporary or permanent, shall be erected or used on said lots. However, it is permissible to have one storage building per single family lot and two per multi family lot located in the rear yard of a dwelling or unit, provided that the square footage of such storage building does not exceed 250 square feet and is constructed of a material and color that compliments the dwelling, which it accompanies and be screened by fencing so that they are not readily visible from the street or adjoining lots. See article 3.1 for fencing restrictions.

3.11 Recreational Vehicles and Boats: Recreational and camping vehicles, trailers and boats may be stored and parked on the lots. However, these vehicles, trailers and boats shall be located behind the front building setback line and be screened so that they are not readily visible from the street or adjoining lots.

3.12 Minimum Square Footage: All dwellings shall be single family residential in the Subdivision and shall have a minimum of twelve hundred fifty (1250) square feet of heated area. Two story dwellings shall have a minimum of one thousand (1000) square feet of heated area on the first level. The minimum square footage requirement is exclusive of garages, porches, patios and decks.

3.13 Restrictions of Type of Dwelling: There shall be no dwelling erected on any lot other than a detached single family dwelling having at least a two car enclosed garage with entrances from the front or side.

3.14 Exterior of Dwellings: The exterior of all dwellings erected on the lots shall be of a masonry veneer construction to the extent that the entire front exterior of each such dwelling shall be of masonry veneer excluding windows and doors and shall have a minimum one (1) foot masonry wrap onto sides of dwelling. All roof pitches shall be a minimum of 8/12 pitch and shall be composition roofs with a minimum of 3 tab shingles.

3.15 Private Drives: All private drives on said lot or lots connecting said lot or lots with the public street shall be of paved, hard concrete surface construction and shall have parking space of at least 16 feet in width to accommodate at least 2 vehicles.

3.16 Lot maintenance and Sod: All lots shall be maintained, mowed and kept free of noxious weeds whether they are improved or unimproved. Further, upon construction of a dwelling, the Owner shall sod the lawn area of the lot from the front of such dwelling to the curb line and plant one (1) tree in the front yard with a minimum of 1 ½ in diameter in size within 30 days of completion of dwelling, provided, however, that this section shall not apply to Developer during construction and development of the Subdivision. All concrete lined drainage structures with grass side slopes in Phase I and II are to be maintained by the HOA.

3.17 Playground equipment, etc.: No playground equipment, swing sets, trampolines, swimming pools, picnic tables or similar equipment is allowed in the front yards of any said lots.

3.18 Platted easements: All lots are subject to easements that are shown on the Plat.

3.19 Amenities: All lot owners shall be responsible for the repair and maintenance of all amenities provided by Developer, such as entry monuments, fencing and/or landscaping. Fencing includes any perimeter fencing along Old Wire Road and First Street. The developer is not responsible for any amenity after it is constructed or installed. (See recorded plat for HOA areas.)

3.20 Mailboxes: Mailboxes are to be a cast aluminum (or similar material) box/stand combination unit. Specifications for mailboxes are to be supplied by the Developer. Mailboxes must be located in accordance with US Post Office recommendations.

3.21 Sex Offender Restriction: No person who is required to register as a sex offender pursuant to the Sex Offender Registration Act of 1997, Arkansas Code Ann. §§12-12-901, et seq, as amended from time to time, or any other similar federal, state or local law, regulation or ordinance may rent, reside in, own or occupy any Lot or Dwelling in the subdivision either permanently or temporarily.

3.22 Home Owners Association: The Plantation Homeowners' Association, Inc. (hereinafter "Association") has or will be formed and incorporated by the Developer for the purpose of providing a home owner's association that will serve both Phase I and Phase II of the Plantation Subdivision."

Subject to the by-laws of the Association, all lot owners must be members of the Association and shall automatically become members of the Association upon conveyance of a lot to such owner. Each owner shall be assessed an annual membership fee of \$50.00 per lot as recorded. The fee is due and payable to the Association on the first day of January each year, with the first such assessment being prorated and paid at closing according to time of conveyance of a lot. The annual assessments shall be for the purposes as set forth in the Bylaws of the Association and may be changed from time to time by the Association in accordance with Association Bylaws. In no event shall an annual membership fee be applicable at any time to any lot owned by the Developer. The Association shall be entitled to enforce any and all restrictions and covenants contained herein and shall meet to set yearly assessments.

The Bylaws of the Association provide that if the assessments are not paid on the date when due, the said assessment shall become delinquent, together with such penalties, interest and late charges that shall accrue, and shall become a continuing lien on the property which shall bind such property in the hands of the then Owner, his heirs, devisees, personal representatives and assigns.

All Association memberships will pass with lot ownership in the subdivision. All lots will carry one (1) vote in the Association, except that the Developer shall have four (4) votes per lot until the Developer has conveyed all lots to Owners.

The Bylaws of the Association set other rules and regulations for the subdivision and all owners shall be bound by and adhere to the Bylaws, rules, and regulations set by the Association. The Association shall be responsible for maintaining Common Properties, including but not limited to sprinkler systems, landscaping, signs, walls, utility bills, insurance and any other cost and expense associated with the Common Properties.

3.23 Covenants to run with the Land: All covenants and restrictions set forth in this Declaration are to run with the land and shall be binding on all current owners of the Subdivision, their successors, heirs and assigns, for a period of thirty (30) years from the date this Declaration is recorded; provided, however, that these covenants and restrictions may be amended at any time by an instrument signed by a majority number of record owners representing not less than 60% of the lots in the subdivision. Such amendments shall be made in writing in recordable form and shall be recorded with the Registrar of Deeds in Benton County, Arkansas.

Provided, further, that the expiration of the thirty (30) year period set forth above and any time within six (6) months from said expiration, a majority of the lots, through their record owners, may express their intention, in writing, so drafted and executed as to be recorded with the registrar of deeds in Benton County, Arkansas, that they no longer care for the covenants, and the same shall then be terminated. In the event that no action is taken within the prescribed time, this Declaration shall continue for additional periods of ten years, and for any such ten year period, said covenants may be terminated in accordance with the terms for the original termination. It is further provided that this Declaration may be amended after the expiration of the time periods as set forth in this paragraph, either by adding to or taking from said Declaration in their present form, providing that said amendment or amendments shall be incorporated in a written instrument executed by no less than a majority of the lots, through their record owners, and which instruments shall be capable of being recorded as above referred and shall be recorded with the Registrar of Deeds in Benton County, Arkansas.

3.24 Amendment by Developer: The Developer reserves the right for two (2) years from the date of filing of the final plat of the subdivision, without joinder or consent of any Owner, Developer, Builder or mortgages, to amend this Declaration or the By-Laws by an instrument in writing duly signed, acknowledged and filed for record, for the purpose of resolving or clarifying any ambiguities or conflicts herein, or correcting any inadvertent

misstatements, errors or omissions herein, or to comply with the requirements of Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Veteran's Administration, Federal Housing Administration, or other government related financing party; provided that no such amendment shall change the vested property rights of any Owner or adversely affect the general development plan of Developer, except as otherwise provided herein. Furthermore, Developer reserves the right to make additional restrictions in any deed conveying title to a Lot.

ARTICLE IV
MISCELLANEOUS

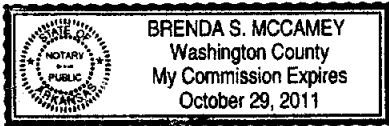
4.1 Violations: If the parties hereto, or their heirs, successors or assigns or any other person shall violate or attempt to violate any of the covenants or restrictions herein while said covenants or restrictions are still in force, it shall be lawful for any person or persons owning any interest in any lot or lots in the subdivision or for the Association, to prosecute any violation or any attempted violations of any such covenant or restriction, either to prevent the person from doing so or to recover damages or other penalties and costs, including reasonable attorney's fees for such violations.

4.2 Severance: Invalidation of any one of these covenants by judgment or court order shall, in no way, affect any other provisions herein contained.

4.3 Waiver: Failure of any of the parties, their heirs, successors or assigns, to exercise any of the options contained herein upon breach by the other party, its heirs, successors or assigns, subject to this Declaration, shall not constitute a waiver of that party's rights to exercise such options upon future breach.

IN WITNESS WHEREOF, the undersigned have set their hand and seal this 10th day of March, 2006.

FIRST STREET, LLC.



By: Philip Taldo
Philip Taldo, President - One Springdale, Inc. Member
By: Gary Griffin
Gary Griffin, Secretary - One Springdale, Inc., Member

ACKNOWLEDGEMENT

STATE OF ARKANSAS)
) ss.
COUNTY OF WASHINGTON)

BE IT REMEMBERED, That on this day came before the undersigned, a Notary Public within and for the County aforesaid, duly commissioned and acting, appeared in person the within named Philip Taldo and Gary Griffin to me personally known, who stated that they were President and Secretary, respectively of One Springdale, Inc. and were duly authorized in their respective capacities to execute the foregoing instrument for and in the name and behalf of said corporation executed and delivered said instrument for the consideration, uses and purposes therein mentioned and set forth.

Witness my hand and seal as such Notary Public this 10th day of March, 2006.

Brenda S. McCamey
Notary Public

2007 6244
Recorded in the Above
Deed Book & Page
02-14-2007 10:27:01 AM
Brenda DeShields-Circuit Clerk
Benton County, AR

BY LAWS OF
THE PLANTATION HOMEOWNERS ASSOCIATION, INC.
(An Arkansas Non-Profit Corporation)

Book/Pg: 2007/6244
Term/Cashier: CIRCUIT-L9WVHG6 / jsodrey
Tran: 5184.148116.411378
Recorded: 02-14-2007 10:27:16
DFE Deed 35.00
REC Recording Fee 0.00
Total Fees: \$ 35.00

ARTICLE I
REGISTERED OFFICE

1.1. The Plantation Homeowners Association, Inc. an Arkansas Non-Profit Corporation (the "Association"), shall have all times within the State of Arkansas a registered office and a registered agent. The Association may have other offices within the State of Arkansas as may be determined from time to time by its Board of Directors (the "Board").

ARTICLE II

ADOPTION OF DECLARATION OF COVENANTS, CONDITIONS, AND
RESTRICTIONS AS PART OF BYLAWS

2.1. Adoption by reference. The Declaration of Covenants, Conditions and Restrictions for The Plantation Subdivision Phase I and II to the City of Rogers, Arkansas (the "Declaration") as recorded in Record No. ~~2005-56014, 2006-14201~~ of the Real Estate Records of Benton County, Arkansas, and any amendments thereto hereafter made, if any, are hereby adopted and incorporated as part of these Bylaws by reference as though the same were set out herein word for word.

2.2. Declaration to Control. In the event any provision contained in these Bylaws or any rule or regulation of the Association or any other acts of the Association shall be in conflict with the Declaration, then the Declaration shall control.

ARTICLE III

DEFINITIONS

- 3.1. The following words, when used in these By-Laws shall have the following meaning:
- a. "The Association" shall mean and refer to The Plantation Homeowners Association, Inc. (an Arkansas non-profit corporation).
 - b. "Properties" shall mean and refer to all lots in The Plantation Subdivision, Phase I and II, to the City of Rogers, Arkansas.
 - c. "Common Properties" shall mean and refer to those real properties owned by or hereafter acquired by the Association. Common properties are intended to be devoted to the common and private use and enjoyment of owners of the properties.
 - d. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot subject to these By-Laws, except that such term shall not mean Developer regardless of whether Developer has a fee simple interest in any lot.
 - e. "Member" shall mean and refer to all those persons or entities who are members of the Association as provided herein.
 - f. "Developer" shall mean and refer to First Street, LLC.
 - g. "By-Laws" shall mean and refer to this document and all declarations and by-laws contained herein.

- h. "Declaration" shall mean and refer to The Declaration of Covenants, Conditions, and Restrictions for the lots in The Plantation Phase I and II as reflected in Record No. 2005 50014 ~~2006 14201~~ of the Deed Records of Benton County, Arkansas and any amendments thereto or hereafter made.
- i. "Subdivision" shall mean and refer to The Plantation Subdivision, Phase I and II, to the City of Rogers, Arkansas, as per plat on file in the office of the Circuit Clerk, and Ex-Officio Recorder of Benton County, Arkansas.
- j. "Lot" means any numbered lot designated on the Plats of the Subdivision, except as may be herein below accepted.
- k. "Plat" means the map of the plat of The Plantation Subdivision Phase I and II to the City of Rogers, Arkansas, as it is recorded.

ARTICLE IV

PROPERTY SUBJECT TO THESE BY-LAWS

4.1. The real property which is, and shall be held, transferred, sold, conveyed and occupied subject to these By-laws, is located and situated in Benton County, Arkansas, and which subdivision is located on the following lands, to-wit:

All Lots, in The Plantation Subdivision Phase I and Phase II to the City of Rogers, Arkansas, and which Subdivision is filed in Plat Book 2005 at Page No. 1242 and 2006 at Page No. 290+296 of the Plat of Records of Benton County, Arkansas, in the office of the Circuit Clerk and Ex-Officio Recorder of Benton County, Arkansas to-wit:

A part of the Northwest Quarter (NW ¼), lying west of Old Wire Road, in Section Thirty (30), Township Nineteen North (T-19-N) Range Twenty-Nine West (R-29-W), all being in Benton County, Arkansas, and being more particularly described as follows to-wit:

Beginning at a Found Iron Pin on the Northwest Corner of said Section Thirty (30); thence South 88°22'17" East - 2,069.84 feet; thence South 03°15'14" West - 80.69 feet; thence South 00°44'35" East - 370.42 feet; thence South 01°27'34" East - 289.95 feet; thence South 00°33'24" - 261.30 feet; thence South 03°48'50" West - 108.03 feet; thence South 08°46'10" West - 79.88 feet; thence South 10°27'43" West - 129.97 feet; thence South 11°50'56" West - 142.95 feet; thence South 10°49'03" West - 516.06 feet; thence South 11°09'20" West - 541.32 feet; thence South 10°27'21" West 122.32 feet; thence South 11°40'44" West - 16.99 feet; thence North 88°11'05" West - 1,894.59 feet; thence North 02°28'57" East - 2,632.74 feet to the POINT OF BEGINNING, containing 123.80 acres, more or less, subject to easements and/or rights of way.

ARTICLE V

MEMBERSHIP AND VOTING RIGHTS OF THE ASSOCIATION

5.1. **Membership:** Every person or entity, including the Developer, their heirs, and assigns, who is a record owner of a fee, or undivided fee, interest in any lot which is located in the Subdivision, shall be a member of the Association. Any person or entity that holds such an interest merely as security for the performance of an obligation shall not be a member.

5.2. **Voting Rights:** Voting members of the Association shall be entitled to vote in the election of Directors of the Association and for all other purposes. Said voting rights are more specifically set forth below.

Members shall be all those persons or entities as defined in § 5.1 Such record owner (or record owners as the case may be) or any lot shall be entitled to one vote for each lot in which said owner or owners hold the interest required for membership. When more than one person holds such interest or interest in any lot, all such persons shall be members, and the vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such lot except as hereinafter provided. A photocopy of the latest recorded deed for each lot furnished by the owner shall be conclusive evidence of the right of the record owner or owner shown thereon to cast the vote for such lot as a member of the Association, and such recorded deed shall be filed with the Secretary of the Association prior to any vote. When any lot is owned by more than one person or entity the first name appearing in the granting clause of said deed shall be the person or entity to cast the vote for the lot described thereon, unless an agreement signed in writing by all record owners is filed with the Secretary designating another record owner of said lot to cast the vote for such lot. Voting rights of any corporate entity shall be cast in accordance with a certificate of resolution setting forth such Authority and signed by the Secretary of said corporation to be filed with the Secretary of the Association prior to any vote.

Notwithstanding the forgoing, however, the Developer shall have four (4) votes for each lot that it owns for as long as it owns a lot(s).

5.3. Membership Meetings: The Association members shall annually hold a regular meeting, one of the purposes of which shall be to elect directors. The first regular meeting members may be held, subject to the terms hereof, on any date, at the option of the Board, within one year after the incorporation of the Association. Subsequent to the first meeting, there shall be a regular annual meeting of members held each year within thirty (30) days of the anniversary of the first regular annual meeting. All such meetings of regular members shall be held at such a place mailed to or otherwise delivered to all members at least fifteen (15) days and not more than forty-five (45) days prior to the date of such meeting. Such notice shall also state the purpose of such meeting.

5.4. Special Meetings: Special Meeting of the members may be called by the President or by a Majority of the directors, or by fifty percent (50%) of the lots, by and through their owners. Special meetings shall be called by delivering written notice to all members not less than ten (10) days nor more than thirty (30) days prior to the date of said meeting, stating the date, time place and purposes of the special meeting.

5.5. Waiver of Notice: Waiver of notice any meeting of the members shall be deemed the equivalent of proper notice. Any member may, in writing, waive notice of any meeting of the members, either before or after such meeting. Attendance at a meeting by a member, whether in person or by proxy, shall be deemed a waiver by such member of notice at the time, date, and place thereof unless such member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall be deemed a waiver of notice of all business transacted thereat unless objection to a lack of notice is raised before the business, of which proper notice was not given, is put to a vote.

5.6. Quorum: A quorum of members for any meeting shall be deemed present throughout such meeting if members represented in person or by proxy and holding more than one-half of the votes entitled to be cast at such meeting are present at the beginning at such meeting.

5.7. Adjournment: Any meeting of the members may be adjourned from time to time for periods not exceeding 48 hours by vote of the members holding the majority of the votes represented at such meeting, regardless of whether a quorum is present. Any business which could be transacted properly at the original session of the meeting may be transacted at an adjourned session, and not additional notice of such adjourned session shall be required.

5.8. Consents: Any actions which may be taken by a vote of the members may also be taken by written consent signed by all members.

5.9. Meeting Rules: The Board may prescribe reasonable rules of the conduct of all meetings of the Board and the Members.

ARTICLE VI

DIRECTORS AND OFFICERS

6.1. Initial Board of Directors: The initial Board of Directors shall be composed of John Easterling and Brenda Hathorn, who shall serve until the annual meeting to be held in the year 2006.

6.2. Election of Directors: Upon the end of the term of the initial Directors or their initial resignation as set forth above in paragraph 6.1, the membership shall elect the Board of Directors, which, unless a special meeting is held to have the first election, shall be held at the annual meeting of the membership.

6.3. Number and Tenure of Directors: The number of directors to be elected, after the initial Directors, shall be five (5) and their terms shall be as follows: The three (3) individuals receiving the highest number of votes for Director shall serve a two year term. The two (2) elected Directors receiving the lowest vote shall serve for a one year term. Thereafter, the Directors' seats that will be vacated will be voted upon at the Members' annual meeting to serve a two year term as set out hereinabove. Directors and officers shall serve with no compensation.

6.4. Duties: The business and property of the Association shall be managed by the Board of Directors.

6.5. Cumulative Voting: Members shall be entitled to cumulative voting for Directors.

6.6. Election of Officers: The Directors shall elect a President, Vice-President, Secretary and a Treasurer to serve one year terms until the next election.

6.7. Duties of President: The President of the Association shall be its chief executive officer and have the responsibility for the supervision of the management of the affairs of the Association. The President shall preside over meetings of the Board of Directors.

6.8. Duties of Vice President: The Vice-President shall perform the duties and exercise the powers of the President during absence or disability of the President. In the event of the death, resignation, or removal of the President, the Vice-President shall serve as President until a new President has been elected.

6.9. Duties of Secretary: The Secretary of the Association shall keep the minutes of the meetings of the Board of Directors and the Membership and shall keep and make all other records and reports, except for accounting purposes, necessary and proper to the operation of the Association.

6.10. Duties of Treasurer: The Treasurer of the Association shall keep the books of account of the Association, maintain deposit accounts for the funds of the Association which shall be subject to withdrawal upon the signatures of the President and Treasurer and whose signature shall be duly certified to the depositories of the Association, and be responsible for the proper recording to any governmental agency and the membership of the Association for funds received and paid out, including the responsibility to submit a financial report to the Board of Directors at each regular Directors' meeting and to the membership at the annual meeting of the membership.

6.11. Association or Optional Committees: The Board of Directors may, from time to time, establish such committees as the Board of Directors deems necessary and desirable to assist in the efficient operation of the Association. Committee members shall be members of the Association and shall be appointed by the Board of Directors and shall serve at the pleasure of the Board of Directors.

6.12. Directors' Meetings: Regular meeting of the Board of Directors shall be held, at least, annually at the office of the Association or at such other places as the President may designate. Special meetings may be called any time by the President, and may be called by any officer of the Association upon written demand of two (2) or more Directors. A quorum shall be deemed to exist at any regular or special meeting of the Directors if three or more directors are present.

6.13. Meeting Rules: The Board may prescribe reasonable rules for the conduct of all meetings of the Board and Members.

6.14. Execution of Documents: When the execution of any contract, conveyance or any instrument has been authorized by the Board of Directors without specification as to the representative of the Association to execute said instrument or instruments, the President and the Secretary may execute the same in the name and in behalf of the Association and may affix the corporate seal thereto. The Board shall have the power to designate the officers and agents who shall have the authority to execute any instrument in behalf of the Association.

6.15. Removal of Directors and Newly Created Directorships and Vacancies: Any or all of the Directorships may be removed for cause by a majority vote of the Members or by action of the Board. Directors may be removed without cause only by a majority vote of the Members. Newly created directorships resulting from the resignation or death of a Director may be filled by a majority of the Directors then in office. Vacancies occurring by reason of the removal of Directors with or without cause shall be filled by a majority vote of the members. A Director elected to fill a vacancy caused by resignation, death or removal shall be elected to hold office for the unexpired term of his or her predecessor.

ARTICLE VII

PLAN FOR MAINTENANCE OF COMMON PROPERTIES

7.1. Monuments, Fencing, and Other Improvements: It is contemplated that certain signage monuments and fencing and other improvements in the Subdivision may be erected on the Common Properties by the Developer. At such time as the Common Properties are conveyed or dedicated by the Developer to the Association, the cost, maintenance, capital improvements, operation, taxes, and other expenses incident to the Common Properties shall be the obligation of the Association and shall be paid from assessments against each lot as herein provided. All other Common Properties designated by the Association shall also be maintained at the expense of the Association.

ARTICLE VIII

PROPERTY RIGHTS OF THE COMMON PROPERTIES

8.1. Members' Easement for Enjoyment: Subject to the provision of this article and related provisions set forth elsewhere herein, every member shall have a right of enjoyment in and to the Common Properties and the area, subject to the rules and regulations governing such use as promulgated, from time to time, by the Association. Such right and easement shall be appurtenant to and shall pass with the conveyance of title to every lot.

8.2. Extent of Members' Rights of Enjoyment: The rights of easements of enjoyment created hereby shall be subject to the following:

- a. The right of the Association to borrow money for the purpose of acquiring, construction, improving and maintaining the Common Properties and in aid thereof to mortgage said properties or executes a deed of trust or other instrument covering said properties. In the event of default upon any such mortgage, the lender shall have a right, after taking possession of such properties, to charge service or use charges, admission and other fees as a condition enjoyment by the Members, and if necessary to have other relief as permitted by law; and,
- b. The right of the Association to take such steps as are reasonable necessary to protect the above described properties against foreclosure; and,
- c. The right of the Association to suspend or permanently cancel the rights of any member and membership in the Association as hereinafter provided; and,

- d. The right of the Association to charge reasonable service or use charges, admission and other fees for the use, service and enjoyment for the Common Properties; and,
- e. The right of the Association to limit the number of members per lot who may be entitled to the benefit of the easement of enjoyment as to the Common Properties by reason of ownership of a lot; and,
- f. The right of individual members to have exclusive use of any of the Common Properties as from time to time may be granted by the Board of its designate;
- g. The right of the Association to pass and enforce rules and regulations to use, control and maintenance of the Common Properties and the areas situated thereon

ARTICLE IX

COVENANT FOR MAINTENANCE AND OTHER ASSESSMENTS

9.1. Creation of Lien: Each owner of any lot of the Subdivision, by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed, contract to purchase, or other conveyance, shall be deemed to covenant and agree to pay to the Association: (1) Annual assessments or charges; (2) special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land shall be a continuing lien upon the property against which each such assessment is made. In no event shall an annual or special assessment be applicable at any time to any lot owned by the Developer, and the Developer shall not be obligated to pay any annual or special assessment.

9.2. Purpose of Assessments: The assessments levied pursuant hereto by the Association shall be used for the purposes of acquisition, improvements and maintenance of the Common Properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Properties, insurance thereon and repair, replacement, and medications thereto, and for the cost of labor, equipment, materials, management and supervision thereof. In addition, assessments may also be used for expenses related to the necessary and reasonable operation of the Association, including, but not limited to, collection of assessments and related costs and enforcement of the covenants and restrictions of the Subdivision.

9.3. Basis and Maximum of Annual Assessments: Until the third annual meeting of the members, the annual assessment for each lot shall be \$50⁰⁰. An Owner's first such assessment shall be prorated and paid to the Association at closing according to time of conveyance of a lot from the Developer to the Owner. From and after the third annual meeting of the members, the annual assessment may be increased, as hereinafter provided, by a majority vote of the votes entitled to be cast by the members for the next succeeding "assessment year" (beginning January 1) and at the end of each such period of one year for each succeeding period of one year. At no time shall the annual assessment per lot be increased more than twenty-five percent (25%) above the prior year's annual assessment. Said annual assessment shall be payable in advance on the 1st day of January each year. The Board of Directors may, after consideration of current maintenance costs and future needs of the Association, fix the actual assessment for any year at a lesser amount.

9.4. Special Assessments for Capital Improvements: In addition to the annual assessments authorized by § 9.3 hereof, the Association may levy in any assessment year a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement or a described capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto, provide that any such assessment shall have the assent 2/3 of the votes entitled to be cast by members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be mailed to all members at the last known address of each member at least fifteen (15) days in advance and shall set forth the purpose of the meeting.

9.5. Quorum for any Action Authorized Under Sections 9.4 and 9.5: As to any meeting on any action authorized by Sections 9.4 and 9.5 hereof, the presence at the meeting of members, or of proxies, entitled to cast fifty percent (50%) of all votes of the membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in sections 9.4.

9.6. Late Payment of Assessments: As hereinabove provided, each annual assessment shall be due and payable on the 1st day of January of each year. In the event of default as to any payment (annual or special), and if the default is not remedied within ninety (90) days, the Association shall have the option of taking such action as permitted by law or equity and by these By-Laws and the Declaration. An additional late charge of ten percent (10%) shall be assessed on any payment which is more than ninety (90) days delinquent. Costs of collection of the assessment, including reasonable attorney's fees therefore, shall also be assessed.

The due date of any special assessment under § 9.4 hereof shall be fixed in the resolution of the members of the association authorizing such assessments, with the same option on the part of the Association in the event of default, and if no due date is affixed, then it shall be due within thirty (30) days after the approval of such special assessment.

9.7. Duties of the Board of Directors: In addition to the other duties of the Board of Directors, the said Board of Directors shall fix the date of any special assessment against each lot for any special assessment period at least thirty (30) days in advance of such special assessment, written notice of the special assessment shall thereupon be sent to every member subject thereto at the last known mailing address of such member.

The Secretary of the Association, upon demand at any reasonable time, shall furnish to any member liable for said assessment a certificate in writing signed by an officer of the Association, setting forth whether said assessments have been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

9.8. Effect of Non-Payment of Assessment and the Lien Remedies of the Association: If the assessments (annual or special) are not paid on the date when due (being the date specified in § 9.6 hereof), the such assessment shall become delinquent as provided in § 9.6 hereof and shall, together with such interest, late charges thereon and costs of collection thereof as herein provided, thereupon become a continuing lien on the lot which shall bind such lot in the hands of the then owner, its successors, heirs, devisees, personal representatives and assigns. If the assessment is not paid as provided, it shall bear interest from the date of delinquency at the maximum rate of interest allowed by law, not to exceed ten percent (10%) per annum, and the Association may foreclose the lien against said lot, and there shall be added to the amount of such assessment the cost of attorney fees in connection with any court proceedings arising therefrom, together with all court costs, late charges, and expenses incurred by the Association.

9.9. Subordination of the Lien or Mortgages: The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust now or hereafter placed upon the lots subject to assessment; provided however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such lot pursuant to a Decree of Foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such lot from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

9.10. Suspension of Rights of Membership: Prior to the foreclosure of any lien upon any lot subject the these By-laws and the Declaration, the Board of Directors of the Association may elect to suspend all membership rights of any member or members of the Association who are delinquent in any payment due to the Association for more than thirty (30) days, with such suspension to continue for so long as any such delinquency exists. Further, the Board of Directors may suspend membership rights for a period of thirty (30) days for the infraction of any rules or regulations by the member, family of the member or quest of the member, relating to the use of the Common Properties. Suspension of membership rights shall be effective from the date that notice of suspension is mailed to the member via US Certified Mail, return receipt requested, postage prepaid, to the last known address of the said member.

9.11. Cancellation and Hearing: The said Board of Directors may elect to permanently cancel the membership and all membership rights of any member who is delinquent in any payment due to the Association for more than ninety (90) days or when such member, family of the member, or guest of the member are guilty of repeated or flagrant violation(s) after a hearing conducted by said Board of Directors, which notice of such hearing mailed to such member at least thirty (30) days in advance of said hearing date, and further provided that such member may appeal any such decision of said Board of Directors to the membership of the Association by such affected member calling a special meeting of the membership of the Association by notice mailed to each member at least ten (10) days in advance of the desired special meeting date, and said notice setting forth the time, date, place and purpose of said meeting. A majority vote of the votes entitled to be cast by the members of the Association attending such special meeting shall be necessary to override the decision of the Board of Directors, and all votes shall be by secret ballot. Notice shall be mailed by the member via US Certified Mail, post prepaid, return receipt requested.

ARTICLE X

AUTHORITY OF MEMBERSHIP

10.1. Authority of Membership to Overrule Board of Directors: The action of the Board of Directors may be overruled by a majority of votes entitled to be cast by the members who are voting in person or by proxy at a meeting called by five or more members in good standing, notice of which meeting shall be mailed to all members at the last known mailing address of each member of at least fifteen (15) days in advance, and shall set forth the purpose of the meeting.

10.2. No Detriment of Third Parties: No action by the members overruling the Board of Directors shall be effective to cause a detrimental effect on any third parties relying on prior action of the Board of Directors, nor shall any members of the Board of Directors be liable for damages for any action subsequently overruled at any membership meeting except for intentional acts of fraud or bad faith.

ARTICLE XI

INDEMNIFICATION

11.1. General: The Association shall indemnify and hold harmless each of its directors and officers, each member of any committee appointed pursuant to the By-Laws of the Association, the Board and the Developer and its successors in interest against all contractual and other liabilities to others arising out of contracts made by, or other acts of, such directors, Board, officers, committee members or Developer, in behalf of the lot owners, or arising out of their status as directors, Board Officers, committee members or Developer, unless any such contract or act shall have been made fraudulently or with gross negligence or criminal intent. The Association may obtain insurance for such purposes, which shall be an expense of the Association. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including but not limited to counsel fees, amounts of judgments paid and amounts paid in settlement) reasonably incurred in connection with the defense or any claim, action, suit or proceeding, whether civil, criminal, administrative or other, in which any such director, officer, Board, committee member or Developer may be involved by virtue of such persons being or have been such director, officer, Board, committee member or Developer, provided, however, that such indemnity shall not be operative with respect to (a) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the performance of his duties as such director, officer, Board, committee member or Developer, or (b) any matter settled or comprised, unless in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such persons being adjudged liable for gross negligence or fraud in the performance of his duties as such director, officer, Board, committee member or Developer.

11.2. Success or Merits: To the extent that the Board, Developer, a director, officer of the Association or member of any committee appointed pursuant to these By-Laws has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Paragraph 11.1 above, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

11.3. Expenses in Advance of Disposition: Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized in the specific case upon receipt of an undertaking by or on behalf of the director, officer, entitled to be indemnified by the Association as authorized in this Article.

11.4. Non-Exclusive Remedy: The indemnification provided by this Article XI shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of members of the Association or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. Such right to indemnification shall continue as to a person or entity that has ceased to be Developer, a director, an officer of the Association or a member of such committee, and shall inure to the benefit of the heirs, executors, administrators, personal representatives, successors and assigns of such person or entity.

ARTICLE XII

AMENDMENTS

12.1 Any or all of the provisions contained in these By-Laws may be changed or amended by an instrument in writing, drafted so as to be recorded with the Registrar of Deeds of Benton County, Arkansas, signed by all the then members of the Association entitled to vote as heretofore provided.

ARTICLE XIII

INVALIDATION

13.1. By Court Order: Invalidation of any other of these covenants and by-laws by judgment or court order shall in no way effect any of the other provisions herein contained.

13.2. Conflict of Provisions: Where any provision herein is in conflict with any resolution or regulation of the Association, the provisions herein shall control.

ARTICLE XIV

NOTICE

14.1. Notice by Mail and Waiver of Notice: Unless otherwise expressly provided herein, notice shall be effective when mailed postage prepaid, first class mail, to the person entitled to notice at the last known address of such person reflected by the records of the Association. Any notice required may be waived by waiver signed by the person entitled to notice or by the attendance of the person who is entitled to notice at any meeting where notice is required.

14.2. Notice by Personal Service: Notice may be given to same by delivery of a copy of such notice by an officer or director of the Association (or agent thereof) to the person entitled to notice, with the officer or director delivering such notice to certify on a copy thereof. Said copy shall be maintained in the records of the Association.

15.3. Person Entitled to Notice: The person entitled to notice shall be the person indicated by the books and records of the Association to be the person entitled to the voting rights for each of the said lots and proper notice to such person shall be deemed to be the proper notice to all other owners of any interest in a lot. Notice of all meetings shall be given no more than forty-five (45) days and no fewer than fifteen (15) days in advance of said meeting.

IN WITNESS WHEREOF, the foregoing Declaration and By-Laws of The Plantation Subdivision adopted by the Board of Directors of The Plantation Homeowners Association, Inc. on the 1 day of April, 2006.

