

DECLARATION OF COVENANTS OF ASSURANCE AND RESTRICTIONS OF THE
PINWOOD SUBDIVISION TO THE CITY OF SPRINGDALE, ARKANSAS

KNOW ALL MEN BY THE PRESENTS:

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WITNESS:

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WASHINGTON CO AR

WHEREAS, the undersigned (herein referred to as Developer) is now the owner of all of the lots of the Pinewood Subdivision as reflected upon a plat of said subdivision filed in Plat Book 16 at Page No. 133, 134 of the Plat Records of Washington County, Arkansas, in the office of the Circuit Clerk and Ex-Officio Recorder of Washington County, Arkansas, and as reflected upon a plat of said subdivision filed in Plat Book P 3 at Page No. 455, 456 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 is, by reference, made a part of this Declaration, and this Declaration is likewise made a part by reference of said plat;

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

FILED FOR RECORD
At 9:46 O'Clock A M

ARTICLE I

PROPERTY SUBJECT TO THIS DECLARATION

NOV 29 2000

SUE HODGES
Circuit Clerk and Recorder
Benton County, ARK.

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

All Lots, except Lots 115 and 116, in the Pinewood Subdivision in the City of Springdale, Arkansas, and which Subdivision is filed in Plat Book 16 at Page No. 133, 134 of the Plat Records of Washington County, Arkansas, in the office of the Circuit Clerk and Ex-Officio Recorder of Washington County, Arkansas, and in Plat Book P 3 at Page No. 455, 456 of the Plat Records of Benton County, Arkansas, in the office of the Circuit Clerk and Ex-Officio Recorder of Benton County, Arkansas, to-wit:

Beginning at a found iron pin at the Northwest corner of the Northwest Quarter (NW 1/4) of the Northeast Quarter (NE 1/4); thence South 89°36'13" East - 464.67 feet to the intersection of the East right-of-way of U.S. Highway 71 and the North line of said Section twenty-eight (28); thence along said Highway right-of-way South 0°15'38" East - 1.46 feet to a right-of-way marker; thence South 11°40'48" West - 193.58 feet to a right-of-way marker; thence South 0°51'46" West - 600.07 feet to a right-of-way marker; thence South 0°27'20" East - 499.98 feet to a right-of-way marker; thence South 0°14'29" East - 450.08 feet to a right-of-way marker; thence South 1°49'59" East - 316.90 feet to a right-of-way marker; thence South 1°49'12" East - 413.27 feet to a right-of-way marker; thence South 26°24'25" East - 67.94 feet to a right-of-way marker; thence South 67°39'47" East - 141.80 feet to a right-of-way marker; thence leaving said right-of-way South 0°55'32" East - 62.90 feet to the South line of Northeast Quarter (NE 1/4) of said Section twenty-eight (28); thence South 89°06'30" East - 607.37 feet; thence North 0°09'41" West - 242.50 feet; thence N 89°50'19" East - 122.00 feet; thence N 0°09'41" West - 2409.14 feet to the Northeast corner of the Northwest Quarter (NW 1/4) of the Northeast Quarter (NE 1/4) of said Section twenty-eight (28); thence North 89°36'13" West - 664.81 feet; thence North 0°21'40" East - 488.75 to the centerline of Bel Air Road; thence along the centerline of said road North 87°00'25" West - 205.88 feet to the East right-of-way of said Highway 71; thence along said right-of-way South 0°14'36" East - 289.06 feet to a right-of-way marker; thence South 0°15'38" East 209.04 feet to the POINT OF BEGINNING, containing 56.37 acres, more or less, 2.30 acres, more or less, are in the Southwest Quarter (SW 1/4) of the Southeast Quarter (SE 1/4) of said Section twenty-one (21), Township eighteen (18) North, Range thirty (30) West, Benton County, Arkansas.

Further, Lots 113 and 114 on said Plat shall not be subject to this Declaration until such time as the Developer shall raze or remove the existing outbuildings on Lots 113 and 114. Said outbuildings

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are a storage shed and storage garage. At such time as said outbuildings are razed and removed by the Developer, the Developer shall file an affidavit stating that the outbuildings have been razed or removed in the land records of Washington County and Benton County, Arkansas and, upon such filing and thereafter, Lots 113 and 114 shall be fully subject to this Declaration.

ARTICLE II

DEFINITIONS

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

- a. "Declaration" means this Declaration of Covenants of Assurance and Restrictions for the Pinewood Subdivision to the City of Springdale, Arkansas.
- b. "Property" means the Pinewood Subdivision to the City of Springdale, Arkansas, as the same may be shown on the plat referenced hereinabove and recorded in Washington County, Arkansas and Benton County, Arkansas.
- c. "Lot" means any numbered Lot designated on the Plat of the property, except as may be hereinabove excepted.
- d. "Plat" means the map of the plat of the Pinewood Subdivision to the City of Springdale, 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 these By-Laws, 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 Gary Brandon Enterprises, Inc.
- g. "Subdivision" shall mean the Pinewood Subdivision to the City of Springdale, Arkansas, as per plat on file in the office of the Circuit Clerks, and Ex-Officio Recorders of Washington County, Arkansas and Benton County, Arkansas.
- h. "Association" shall mean and refer to the Pinewood Homeowners Association, Inc., a non-profit corporation organized and existing pursuant to the laws of the State of Arkansas.
- i. "Common Properties" shall mean and refer to those real properties owned by or hereafter acquired by the Association, including, but not limited to the pool, park and pond areas, jogging trails, Property fencing and a forty-foot green space subject to a thirty-foot easement of Arkansas Western Gas as shown on the Plat. Common properties are intended to be devoted to the common and private use and enjoyment of owners of the properties.

ARTICLE III

RESTRICTIONS ON RESIDENTIAL LOTS

3.1. Fences: Before any privacy fence may be constructed on any residential Lot, plans must be submitted to the ARC (as hereinafter defined) showing the materials to be used and the location of the fence and such plans must be approved by the ARC in accordance with the procedures set forth herein; provided, however, that, in no event shall any fence built on Lots 3, 4, 22 or 76 be attached to or otherwise detract from the appearance and visibility of the entry signs to the Property. All privacy fences shall be constructed 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. Privacy fences shall be

constructed of wood, wrought iron or masonry. There shall be no chain link or cyclone fences allowed.

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.

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 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 receptacles. All Owners shall be required to have a mandatory trash pick up as provided by the City of Springdale, Arkansas.

3.6. Limited Access: There shall be no access to any Lot on the perimeter except from designated streets or roads within the Subdivision.

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 lowest roof ridge line of such dwelling.

3.9. Parking on the Streets: No vehicles may be parked overnight in the streets of the Subdivision. Owners shall provide sufficient off-street parking to accommodate the vehicles used by their families and guests. Furthermore, no semi-trailer trucks or commercial vehicles shall be allowed to park in the Subdivision, either on the streets or on the Lots.

3.10. Homeowners Association: The Pinewood Homeowners Association, Inc. (hereinafter "Association") has been formed and incorporated by the Developer. All Lot Owner's must be members of the Association and shall automatically become members of the Association upon the conveyance of a lot to them. Each owner shall be assessed an annual membership fee of \$500.00, due and payable to the Association on the first day of February 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. The Association Bylaws may also provide for penalties, interest, or late charges associated with the non-payments of such assessments. In no event shall an annual membership fee be applicable at any time to any Lot owned by the Developer.

If the assessments are not paid on the date when due, then such 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 sixty-nine (69) Lots to Owners, at which time the Developer shall have one (1) vote per lot that it still owns and has not conveyed.

Further, at such time as the Developer conveys to the Association the Common Properties and improvements thereon, 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.

3.11. Structures other than Dwellings: 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 a storage building in the rear yard of a Dwelling provided that the square footage of such storage building does not exceed 250 square feet and is constructed of a material that complements the Dwelling which it accompanies. Further, before any such storage building can be constructed, the Owner must submit plans to the Association's Architectural Review Committee (hereinafter "ARC") for its approval as provided in § 3.15 hereinbelow.

3.12. 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 house or fences, or in or behind the garage, or otherwise screened so that they are not readily visible from the street or adjoining Lots. Screening walls and fences must be constructed of brick, stone, or decorative wood.

3.13. Minimum Square Footage: All Dwellings in the Subdivision shall have a minimum of two thousand (2,000) square feet of heated area. The minimum square footage requirements is exclusive of garages, porches, patios and decks.

3.14. Restriction of Type of Dwelling: There shall be no Dwellings erected on any Lot other than an attached single family dwelling having at least a two-car enclosed garage with entrances from the front or side.

3.15. Approval of Plans by ARC: All plans for improvements to be constructed on each Lot shall be first submitted for review and approval by the Association's Architectural Review Committee ("ARC"). Approval by the ARC must be obtained in writing before construction on any improvement on any Lot begins and any variances to the improvement initially approved must be authorized in writing by the chairman of the ARC.

3.16. Exterior of Dwellings: The exterior of all Dwellings erected on the Lots shall be of a masonry veneer construction to the extent that the exterior of each such Dwelling is at least eighty percent (80%) masonry veneer, excluding windows and doors. Stucco-like, EIFS materials may be used on dwellings below the plate line if approved by the ARC. There shall be no man-made siding, such as masonite, metal, vinyl, etc., however, such siding restrictions shall not apply to gables. All roof pitches shall be a minimum of 8/12 pitch. Any composition roof on any dwelling in the subdivision shall be a 25 year architectural shingle roof and must have a minimum 300 pound architect design.

3.17. Lot maintenance and sod: All Lots shall be maintained, mowed and kept free of noxious weeds whether they be 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.

3.18. 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 parties, their successors, heirs and assigns, for a period of thirty (30) years from the date this Declaration is recorded; provided, however, that after a period of three (3) years from the date this Declaration is recorded, the covenants and restrictions may be amended at any time by the record owners of at least sixty (60) percent of the total Lots in the Subdivision. Such amendments shall be made and executed by said record owners so as to be recorded with the registrar of deeds of Washington County and Benton County, Arkansas.

Provided, further, that after 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 Washington County and 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 instrument shall be capable of being recorded as above referred to under the same terms and conditions thereof.

Notwithstanding the foregoing, no amendment allowed by this §3.18 shall be made at any time that purports to dissolve, disband or otherwise restrict the operation of the Homeowners Association.

3.19. 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, as well as the Homeowners Association, to prosecute any violation or attempted violation 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 violation.

ARTICLE IV

MISCELLANEOUS

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

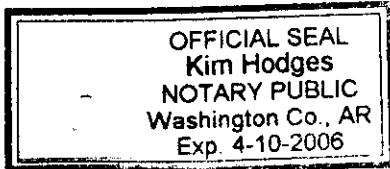
4.2. Waiver: Failure of any of the parties, their heirs, successors or assigns, to exercise any of the options contained herein upon breach by the other party, its heirs, successors or assigns, subject to this Declaration, shall not constitute a waiver of that party's right to exercise such option upon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

IN WITNESS WHEREOF, the undersigned have set their hands and seals this 27th day of November, 2000.

GARY BRANDON ENTERPRISES, INC.

By: [Signature]
Gary L. Brandon, President

By: [Signature]
Sherri D. Brandon, Secretary



ACKNOWLEDGMENT

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 Gary L. Brandon and Sherri D. Brandon to me personally known, who stated that they were the President and Secretary of Gary Brandon Enterprises, Inc., a corporation, and were duly authorized in their respective capacities to execute the foregoing instrument for and in the name and behalf of said corporation, and further stated and acknowledged that they had so signed, 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 27th day of November, 2000.

[Signature]
Notary Public

My Commission Expires:
4-10-2006

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At 9:47 O'Clock A M

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

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ARTICLE I

WASHINGTON CO AR
C. HARRISS

SUE HODGES
Clerk and Recorder
Benton County, ARK.

DEFINITIONS

The following words, when used in these By-Laws shall have the following meaning:

- a. "The Association" shall mean and refer to the Pinewood Homeowners Association, Inc. (an Arkansas non-profit corporation).
- b. "The properties" shall mean and refer to all lots in the Pinewood subdivision to the City of Springdale, 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 Gary Brandon Enterprises, Inc.
- 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 of Assurance and Restrictions for the lots in the Pinewood Subdivision as reflected in Plat Book 16 at Page No. 133 & 133A, of the Deed Records of Washington County, Arkansas and in Plat Book 13 at Page No. 455 & 455A, of the Deed Records of Benton County, Arkansas, and any amendments thereto or hereafter made.
- i. "Subdivision" shall mean and refer to the Pinewood Subdivision to the City of Springdale, Arkansas, as per plat on file in the office of the Circuit Clerks, and Ex-Officio Recorders of Washington County, Arkansas and Benton County, Arkansas.
- j. "Lot" means any numbered Lot designated on the Plat of the Subdivision, except as may be hereinbelow excepted.
- k. "Plat" means the map of the plat of the Pinewood Subdivision to the City of Springdale, Arkansas, as it is recorded.

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ARTICLE II

ADOPTION OF DECLARATION OF COVENANTS AND RESTRICTIONS
AS A PART OF THESE BY-LAWS

- 2.1. Adoption by Reference: The Declaration is hereby adopted and incorporated as a part of these By-laws by reference as full as though same were set out herein word for word.
- 2.2. Declaration to Control: In the event any provisions contained in these By-laws or any rule or regulation of the association or any other action of the Association shall be in conflict with the Declaration, then the Declaration shall control.

ARTICLE III

PROPERTY SUBJECT TO THESE BY-LAWS

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

All Lots, except Lots 115 and 116, in the Pinewood Subdivision in the City of Springdale, Arkansas, and which Subdivision is filed in Plat Book 16 at Page No. 133-133^A of the Plat Records of Washington County, Arkansas, in the office of the Circuit Clerk and Ex-Officio Recorder of Washington County, Arkansas, and in Plat Book 93 at Page No. 455-455^A of the Plat Records of Benton County, Arkansas, in the office of the Circuit Clerk and Ex-Officio Recorder of Benton County, Arkansas, to-wit:

Beginning at a found iron pin at the Northwest corner of the Northwest Quarter (NW¼) of the Northeast Quarter (NE¼); thence South 89°36'13" East - 464.67 feet to the intersection of the East right-of-way of U.S. Highway 71 and the North line of said Section twenty-eight (28); thence along said Highway right-of-way South 0°15'38" East - 1.46 feet to a right-of-way marker; thence South 11°40'48" West - 193.58 feet to a right-of-way marker; thence South 0°51'46" West - 600.07 feet to a right-of-way marker; thence South 0°27'20" East - 499.98 feet to a right-of-way marker; thence South 0°14'29" East - 450.08 feet to a right-of-way marker; thence South 1°49'59" East - 316.90 feet to a right-of-way marker; thence South 1°49'12" East - 413.27 feet to a right-of-way marker; thence South 26°24'25" East - 67.94 feet to a right-of-way marker; thence South 67°39'47" East - 141.80 feet to a right-of-way marker; thence leaving said right-of-way South 0°55'32" East - 62.90 feet to the South line of Northeast Quarter (NE¼) of said Section twenty-eight (28); thence South 89°06'30" East - 607.37 feet; thence North 0°09'41" West - 242.50 feet; thence N 89°50'19" East - 122.00 feet; thence N 0°09'41" West - 2409.14 feet to the Northeast corner of the Northwest Quarter (NW¼) of the Northeast Quarter (NE¼) of said Section twenty-eight (28); thence North 89°36'13" West - 664.81 feet; thence North 0°21'40" East - 488.75 to the centerline of Bel Air Road; thence along the centerline of said road North 87°00'25" West - 205.88 feet to the East right-of-way of said Highway 71; thence along said right-of-way South 0°14'36" East - 289.06 feet to a right-of-way marker; thence South 0°15'38" East 209.04 feet to the POINT OF BEGINNING, containing 56.37 acres, more or less, 2.30 acres, more or less, are in the Southwest Quarter (SW¼) of the Southeast Quarter (SE¼) of said Section twenty-one (21),

Township eighteen (18) North, Range thirty (30) West, Benton County, Arkansas.

Further, Lots 113 and 114 on said Plat shall not be subject to these By-laws until such time as the Developer shall raze or remove the existing outbuildings on Lots 113 and 114. Said outbuildings are a storage shed and storage garage. At such time as said outbuildings are razed and removed by the Developer, the Developer shall file an affidavit stating that the outbuildings have been razed or removed in the land records of Washington County and Benton County, Arkansas and, upon such filing and thereafter, Lots 113 and 114 shall be fully subject to these By-laws.

ARTICLE IV

REGISTERED OFFICE

4.1. The Association shall have at 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 (hereinafter the "Board").

ARTICLE V

MEMBERSHIP AND VOTING RIGHTS OF THE ASSOCIATION

5.1. Membership: Every person or entity, including the Developer, their heirs, successors 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 who 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) of any lot shall be entitled to one vote for such lot in which said owner or owners hold the interest required for membership. When more than one person holds such interest or interests 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 owners 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 designate 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 foregoing, however, the Developer shall have four (4) votes for each lot that it owns until the Developer has conveyed sixty-nine (69) Lots to Owners, at which time the Developer shall have one (1) vote for each lot that its still owns and has not conveyed.

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 of 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 members shall be held at such place in Springdale, Arkansas and at such time as is specified in the written notice of such meeting. Such notice shall be mailed to or otherwise delivered to all members at least ten (10) days and not more than sixty (60) days prior to the date of such meeting. Such notice shall also state the purpose of such meeting.

5.4. Special Meetings: Special meetings of the members may be called by the President or by a Majority of the directors, or by fifty (50%) of the members. Special meetings shall be called by delivering written notice to all members not less than ten 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 of 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 of the time, date, and place thereof unless such member specifically object to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed a waiver of notice of all business transacted thereat unless objection to 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 no additional notice of such adjourned session shall be required.

5.8. Consents: Any action 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 for the conduct of all meetings of the Board and members.

ARTICLE VI

DIRECTORS AND OFFICERS

6.1. Elections of Directors: The membership shall elect the Board of Directors at the annual meeting.

6.2. Number and Tenure of Directors: The initial number of Directors shall be two (2) and each initial Director shall serve beginning immediately after election and shall serve until the third annual meeting. At the third annual meeting, the number of Directors to be elected shall be increased to five (5) and their terms shall be as follows: The three individuals receiving the highest number of votes for Director shall serve a two year term. The two elected Directors receiving the lowest vote total 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.

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

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

6.5. Election of Officers: The Directors shall elect at the first Directors meeting following the annual meeting of the Association a President, Vice-President, Secretary and Treasurer to serve one year terms until the next election.

6.6. 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.

6.7. 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.

6.8. 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.

6.9. 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 reporting 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.

6.10. Association Committees:

a. 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.

b. Architectural Review Committee: The Board of Directors shall create an Architectural Review Committee ("ARC") and shall appoint at least two (2) and not more

than four (4) members of the Association to serve thereon and shall appoint one committee member to serve as chairman. The responsibilities of the ARC shall be, in addition to any other directives of the Board of Directors, to review all plans for improvements to Lots and Common Properties before construction of any such improvement may begin and to review any variances to initial plan approvals. The ARC shall either approve, in writing, the plans as submitted or shall return them to the member submitting such plans with written reasons as to the reason the plans are not approved. Actions taken by the ARC are reviewable by the Board of Directors within fifteen (15) days of the ARC action, and may be overturned by a majority vote of the Board of Directors.

6.11. Directors' Meetings: Regular meeting of the Board of Directors shall be held quarterly at the office of the Association or at such other places as the President may designate. Special meetings may be called at 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 two or more directors are present.

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

6.13. 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 authority to execute any instrument in behalf of the Association.

6.14. Removal of Directors and Newly Created Directorships and Vacancies: Any or all of the Directors may be removed 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 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 vote of 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. Islands, Walls, Fences, Swimming Pool and Other Improvements: It is contemplated that certain shell islands, walls, fences, jogging trails, swimming pool and all landscaping and street lights in the Subdivision, and sign posts and any other improvements may be erected on the common properties by the Developer. At such time as the common properties are conveyed 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.

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 areas, 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 pas 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, constructing, improving and maintaining the common properties and in aid thereof to mortgage said properties or execute 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 to continued 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 reasonably 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 of 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 or its designate;

g. The right of the Association to pass and enforce rules and regulations related to use, control and maintenance of the common properties and the areas situate 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 of 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 corrected 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 and 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, improvement 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 modifications 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 \$500.00. 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 February 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 February 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, provided that any such assessment shall have the assent of 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. Change in Basis of Maximum of Annual Assessments: Subject to the limitations of § 9.3 hereof, and for the purposes therein specified, the Association may change the maximum and basis of the assessments fixed by § 9.3. hereof prospectively for any such period, provided that any such change shall have the assent of 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, where a quorum is present, written notice of which shall be mailed to all members at the last known mailing address of each voting member at least fifteen (15) days in advance and shall set forth the purpose of the meeting.

9.6. Quorum for any Action Authorized Under Sections 9.4 and 9.5: The quorum of

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 and 9.5.

9.7. Late Payment of Assessments: As hereinabove provided, each annual assessment shall be due and payable on the 1st day of February 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 therefor, 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.

9.8. 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.

9.9. 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 § 9.7 hereof), then such assessment shall be come delinquent as provided in § 9.7 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 shall bear interest from 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.

9.10. 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.

9.11. Suspension of Rights of Membership: Prior to the foreclosure of any lien upon any lot subject to 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 not to exceed thirty (30) days for the infraction of any rules or regulations by the member, family of the member or guest of the member, relating to the use of any of the common properties. Suspension of membership rights shall be effective from the date that notice of suspension is mailed to the member via U.S. Certified mail, return receipt requested, postage prepaid, to the last known address of the said member.

9.12. 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 U.S. Certified mail, postage 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 at least fifteen (15) days in advance, and shall set forth the purpose of the meeting.

10.2. No Detriment to 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

AMENDMENTS

11.1. 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 Washington County and Benton County, Arkansas, signed by all the then members of the Association entitled to vote as heretofore provided.

ARTICLE XII

INVALIDATION

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

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

ARTICLE XIII


NOTICE

13.1. 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.

13.2. Notice by Personal Service: Notice may be given to any person entitled 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.

13.3. 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 Pinewood Subdivision adopted by the Board of Directors of the Pinewood Homeowners Association, Inc. on the 14th day of July, ~~1999~~ 2000



Secretary,
The Pinewood Homeowners Association, Inc.

[ACKNOWLEDGEMENT ON FOLLOWING PAGE]

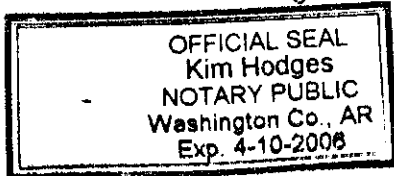
ACKNOWLEDGMENT

STATE OF ARKANSAS)
) ss.
COUNTY OF WASHINGTON)

00123164

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 Sherri D. Brandon to me personally known, who stated that she was the Secretary of Pinewood Homeowners Association, Inc., a non-profit corporation, and was duly authorized to execute the foregoing instrument for and in the name and behalf of said corporation, and further stated and acknowledged that she had so signed, 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 14th
day of February, ~~1999~~ 2000.



Kim Hodges
Notary Public

My Commission Expires:

4-10-2006