

Stonegate on Kiley Farm,
Lots 35-61

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Doris Tate, County Clerk and Recorder

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DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
STONEGATE ON RILEY FARM,
A RESIDENTIAL SUBDIVISION TO THE
CITY OF FORT SMITH, ARKANSAS

THIS DECLARATION, made as of the 3 day of November, 2003, by Pinemeadow, Inc. hereinafter referred to as the "Declarant".

WITNESSETH

WHEREAS, Declarant is the owner of certain real estate located in the City of Fort Smith, Sebastian County, State of Arkansas, which is more particularly described in Exhibit "A" and which was platted as a residential subdivision on May 15, 2003 under the name Stonegate on Riley Farm, Lots 35 through 61 as plat number 1707a (the "Plat") in the plat records of Sebastian County, Arkansas. Lots 46 and 47 were re-platted on October 22, 2003, as plat number 1716b ("re-plat of Lots 46 and 47") in the plat records of Sebastian County, Arkansas. Lots 46 and 47 were re-platted in order to create Lots 46A and 47A and Tract A ("Tract A"). The Plat and the re-plat of Lots 46 and 47 are hereinafter sometimes collectively referred to hereinafter as the "Plats". The subdivision is hereinafter referred to as "Stonegate";

WHEREAS, Declarant expressly declares its intention to develop Stonegate as a gated single family residential development; to insure the management, maintenance, preservation, improvement and control of the Common Areas; to enforce all mutual, common or reciprocal interests in or restrictions upon all of the Lots and Common Areas in Stonegate; and to provide for an orderly, uniform and desirable development of Stonegate;

WHEREAS, the Stonegate Property Owners Association, Inc. was incorporated on the 26th day of September, 2003, under the laws of the State of Arkansas as a nonprofit corporation;

PINEMEADOW INC
PO BOX 180547
FORT SMITH AR 72918

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NOW, THEREFORE, Declarant states and hereby declares that Stonegate (and all of the Lots and Common Areas therein) are and shall be held, sold, conveyed and occupied subject to the conditions, covenants, rights, restrictions, dedications, easements, charges and liens set forth: (a) in this Declaration; (b) on the Plats; and (c) in the Articles, the Bylaws and the Association's Rules and Regulations (as hereinafter defined), as all of the the same may be amended from time to time (hereinafter collectively referred to as the "Covenants"). The Covenants shall: (i) run with the Property (and all of the Lots and Common Areas) and shall be binding upon the Declarant, the Association, the Owners and any person who occupies or resides on a Lot, and (ii) shall inure to the benefit of the Declarant, the Association and each Owner. All of the Common Areas shall be owned by the Association for the common use and enjoyment of the Members of the Association.

ARTICLE 1
DEFINITIONS

The following words, when used in this Declaration (unless the context shall so prohibit), shall have the following meanings:

1. Articles. "Articles" shall mean the duly adopted Articles of Incorporation of the Association, as the same may be amended from time to time.
2. Assessments. "Assessments" shall mean the Annual Assessments, Special Group Assessment or Special Individual Assessments described in Article 4.
3. Association. "Association" shall mean the Stonegate Property Owners Association, Inc., a non-profit corporation organized under the laws of the State of Arkansas, or its successors and assigns.
4. Association Fence. "Association Fence" shall mean the fence constructed and installed by Declarant in the "fence easement", which fence easement is shown on the Plat.
5. Association Rules and Regulations. The "Association's Rules and Regulations" shall mean the regulations, procedures and standards adopted by the Board pursuant to Article 5 herein.

6. Board of Directors. "Board of Directors" or "Board" shall mean the Board of Directors of the Association. 030151

7. Bylaws. "Bylaws" shall mean the Bylaws of the Association as such Bylaws may be amended from time to time.

8. ROW. "ROW" shall mean that part of the street right of way for Riley Park Drive that lies between the boundary line of Stonegate and the curb and gutter for Riley Park Drive.

9. Common Areas. "Common Areas" shall mean the following:

- a. Fee title to Tract A and the common mailbox and all other structures, equipment and other improvements thereon.
- b. The private drive easements as shown on the Plat ("private drive easements"), the access easements as shown on the Plat ("access easements") and all of the streets, roads, curbs, gutters and associated improvements constructed thereon.
- c. The easements for the entry gates and the gatehouse as shown on the Plat and the gates, gatehouse and associated structures, lines and equipment constructed or installed thereon.
- d. The "fence easement", as shown on the Plat, and the Association Fence and all landscaping, controls, equipment and other improvements constructed or located on the "fence easement"; as well as separate easements on and across each Lot for access to the Association Fence and the associated improvements.
- e. All sewer, drainage, sidewalk, waterline, utility or other easements or crossings shown on the Plat, and any light, fixture, equipment, structure, line or improvement thereon.
- f. An easement on and across each Lot to mow and maintain the lawns as described in Article 5, Section 1b.

10. Common Expenses. "Common Expenses" shall mean the following:

- a. The expenses of maintenance and administration of the Common Areas, including but not limited to: (i) the construction, maintenance, repair, resurfacing or replacement of the streets, roads, curbs, gutters and associated improvements

in the private drive easements and access easements; (ii) maintenance, purchase, removal, repair or replacement of fences, gates, controls, gatehouse, sidewalks, equipment, lines, structures and other improvements in or on the Common Areas; (iii) payment of any tax, fine, levy or governmental assessment against the Common Areas; (iv) insurance covering the Common Areas, the Association or the Board; or (v) utility services for or to the Common Areas.

- b. The on-going expenses of the Association, including but not limited to the cost of mowing, weed-eating and weed control of the Lots, Common Areas and ROW and the cost of the equipment therefore.
- c. The expenses approved by the Owners acting through the Association in accordance with the Articles and Bylaws.
- d. The expenses declared as "Common Expenses" by the provisions of this Declaration.

11. Covenants. "Covenants" shall mean all of the conditions, rights, restrictions, dedications, easements, rules, regulations, standards, procedures, charges and liens set forth in this Declaration, on the Plat and the re-plat of Lots 46 and 47 and in the Articles, the Bylaws and the Association's Rules and Regulations, as all of the same may be from time to time amended.

12. Declarant. "Declarant" shall mean Pinemeadow, Inc., its successors and assigns.

13. Lot. "Lot" shall mean any one of the twenty-seven separately identified parcels of real property, numerically described and designated as a Lot on the Plat, except Tract A which is part of the Common Areas.

14. Member. "Member" shall mean and refer to an Owner of a Lot. For purpose of this Declaration all of the record owners of a Lot shall constitute one "Member". All Owners, other than Declarant, shall be Class A Members. The Declarant shall be a Class B Member.

15. Owner. "Owner" shall mean the record owner or owners, whether one or more persons or entities, of legal title to a Lot, including a buyer under a contract of sale, but excluding those having an interest in a Lot pursuant to a lease or as security for the performance of a mortgage, deed of trust or similar encumbrance. For the purpose of this Declaration all of the record title owners of a Lot

shall constitute one "Owner" but their liability for assessments shall be joint and several. Each Owner shall be and must remain a Member of the Association. 03-0153

16. Residence. "Residence" shall mean the dwelling constructed on each Lot for occupancy by a single family. Each Residence (and the garage attached thereto) shall be constructed in conformity with the architectural and design standards as set forth: (a) herein; (b) in the Bylaws; or (c) in the Association's Rules and Regulations. Additional restrictions on the type design and use of the Lots and Residences (and the garages attached thereto) are included hereinafter.

17. Residential Use. "Residential Use" shall mean the occupation and use of a Residence and Lot in conformity with the Covenants and the requirements imposed by applicable zoning laws or other state, county or municipal rules and regulations.

18. Single Family. "Single Family" shall mean one or more persons each related to the other by blood, marriage, legal adoption or legal guardianship, or a group of not more than four persons not all so related, who maintain a common household in a Residence.

ARTICLE 2

CREATION OF PROPERTY RIGHTS

1. Conveyance of Common Areas and Dedication of Easements. Declarant, in consideration of the benefits to be derived from this development, the receipt and sufficiency of which are acknowledged, hereby grants, bargains, sells and conveys to the Association, its successors and assigns, all of its right, title and interest in and to the Common Areas, less and except all oil, gas, coal and minerals, and subject to: (a) all easements, restrictions, rights-of-way, conveyances and zoning ordinances of record; and (b) the easements (or sub-easements) granted to the City of Fort Smith and public utilities as hereinafter described. Declarant grants to the City of Fort Smith, Sebastian County, Arkansas an easement (or sub-easement if the Common Area is an easement) over and across the Common Areas for the purpose of fire lanes, fire protection, emergency medical services, police protection, and garbage or trash services. Declarant further dedicates all easements shown on the Plats for public utility purposes and in this connection does authorize any franchised utility

company, including the City of Fort Smith, to use so much of the Common Areas (including any Common Area that is an easement) as is needed to install, repair and maintain water lines, sewer lines, electric lines, gas lines, cable lines, telephone lines and any other utility service lines.

2. Lots and Common Areas Subject to Covenants. All Lots and the Common Areas (and any easement granted herein or on the Plats) in Stonegate shall be acquired, transferred, assigned or conveyed subject to the Covenants, which shall run with each Lot and the Common Areas (and any easement granted herein or on the Plats).

3. Owner's Easements of Enjoyment. Every Owner shall have a right and an easement of enjoyment in and to all of the Common Areas without hindering the exercise of or encroachment upon the rights of any other Owner. The right and easement of enjoyment shall be appurtenant to and shall pass with the title to every Lot, subject to: (a) the right of the Association to control and limit the use of the Common Areas as provided in the Covenants; and (b) the public utility easements and easements in favor of the City of Fort Smith granted herein or on the Plats.

ARTICLE 3

ASSOCIATION, ADMINISTRATION,

CLASSES OF MEMBERS AND VOTING RIGHTS

1. Association to Manage Property. The Association, acting through the Board, shall manage and administer Stonegate in conformity with the Covenants. Copies of the Covenants shall be available for inspection by any Owner upon reasonable request to the Board

2. Membership. The Association shall be composed of all of the Owners. Membership in the Association shall be appurtenant to, and may not be separated from, ownership of a Lot, even though such interest and membership is not expressly mentioned in the deed or other instrument of conveyance. Ownership of a Lot shall be the sole qualification for membership in the Association.

3. Classes of Members. The Association shall consist of Class A Members and Class B Members.

- a. Class A Members. Class A Members shall be all of the Owners with the exception of Declarant. Each Class A Member shall be entitled to ⁰³⁰¹⁵⁶one vote for each Lot of which the Member is an Owner. The vote for a Lot owned by more than one person or entity with an ownership interest shall be exercised as those persons or entities agree among themselves, but in no event shall more than one vote be cast with respect to any one Lot.
- b. Class B Members. The Class B member shall be the Declarant. The Class B member shall be entitled to six (6) votes for each Lot that it owns. The Class B membership shall cease to exist when the Declarant owns no interest in any Lot.
4. Voting. The proportionate representation for voting purposes in the meetings of the Association shall be one (1) vote per Lot for Class A members and six (6) votes per Lot for Class B members.
5. Membership Meetings. Regular and special meetings of the Association shall be held in accordance with the provisions of the Bylaws.
6. Board of Directors. The affairs of the Association shall be managed by a Board of Directors ("Board"). The Board shall conduct regular and special meetings according to the provisions of the Bylaws.

ARTICLE 4

MAINTENANCE AND ASSESSMENTS

1. Creation of Lien and Personal Obligation of Assessment. Each Owner, by acceptance of a deed for a Lot, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association: (a) the Annual Assessments; (b) any Special Group Assessment; and (c) any Special Individual Assessments, with each such Assessment to be fixed, established, and collected from time to time as hereinafter provided. The Annual Assessments, Special Group Assessments and Special Individual Assessments, together with such interest thereon and costs of collection thereof, shall be a charge on the Lot of the Owner against

whom the assessment is made and, if notice of the Assessment is recorded, shall be a continuing lien upon the Lot. Said lien shall be superior to any homestead or other exemption provided by law, but shall not be prior or superior to any purchase money mortgage lien or any first mortgage. Said lien may be enforced by the Association and may be recorded or foreclosed, or both, in any manner provided by the laws of the State of Arkansas for the foreclosure of mortgages or deeds of trust, with or without power of sale. Each such assessment, together with such interest, costs and reasonable attorney's fees, shall also be the personal obligation of the Owner who was the owner of the Lot at the time when the assessment fell due. The personal obligation of an Owner shall not pass to the Owner's successors in title, unless expressly assumed; provided, however, that the lien shall continue to be a charge and lien upon the Lot as above provided until paid. No owner may waive or otherwise escape liability for any Assessment by non-use of the Common Properties or abandonment of a Lot.

2. Annual Assessments. Commencing on January 1, 2004, and on the same day of each year thereafter, there shall be an Annual Assessment due from each Owner, the amount of which shall be as set forth herein. The total of such Annual Assessments for all Lots shall be the estimated expenses of the Association in carrying out the duties described herein for the forthcoming calendar year, including but not limited to: (a) the estimated Common Expenses; (b) the payment of all other recurring obligations of the Association, including utilities; and (c) an amount, to be determined by the Board in its discretion, as a reserve fund for unforeseen Common Expenses. For the calendar year 2004, and until increased or decreased as hereinafter provided, the Annual Assessment shall be:

<u>Type of Member</u>	<u>Amount</u>
Class A	\$1500.00
Class B	\$ 000.00

3. Increase (Decrease) in Annual Assessments. The Board may increase (or decrease) the amount of the Annual Assessment each year, such increase to be made prior to, but effective as of, the beginning of such year. There shall be no Annual Assessment paid by the Class B Member(s) without the unanimous written approval by all Class B Member(s). Moreover, a Builder, defined as an owner of a Lot who has acquired such Lot for the purpose of the construction of a Residence for sale to a third party and who has not occupied the Residence or allowed it to be occupied, shall not be

subject to an Annual Assessment or any Special Group Assessment unless and until the Residence is occupied. Notwithstanding any other provision within the Covenants, Class A members shall not be entitled to amend the Covenants in any manner which would require: (a) the Declarant, as the Class B member, to be subjected to the Annual Assessment, any Special Group Assessment or any Special Individual Assessment; or (b) Builders to be subjected to the Annual Assessment or any Special Group Assessment.

4. Special Group Assessments. The Association may levy a Special Group Assessment upon Class A members, other than Builders, for the purpose of defraying, in whole or in part, the cost of: (a) capital improvements for the Common Areas; (b) the construction, reconstruction, repair or replacement of a Common Area not covered by the Annual Assessment or (c) any other unanticipated or underestimated expense normally covered by the Annual Assessment. Any Special Group Assessment must be approved by the vote of two-thirds (2/3) of the Class A members at a special meeting called for this purpose. Written notice of the special meeting shall be sent to all Members not less than ten (10) days and not more than thirty (30) days in advance of the special meeting.

5. Special Individual Assessments. The Board may impose Special Individual Assessments against an Owner to reimburse the Association for: (a) any costs, repair, expense or damage to the Common Areas or property owned or maintained by the Association (i.e., sprinkler systems, Association Fence, etc.) caused by an act or omission of an Owner, his family, contractors, tenants, guests or invitees, and not caused by ordinary wear and tear; (b) fines levied against an Owner for violation of the Covenants; or (c) the costs of the replacement of grass, plants, hedges, shrubbery or trees. If the Owner refuses to reimburse the Association after thirty (30) day written notice, the Board shall hold a special meeting to consider the imposition of a Special Individual Assessment. The Board shall give the subject Owner ten (10) days written notice by regular mail of the special meeting. The Owner shall have the right to be present and to speak to the Board at the special meeting. If the Board determines, in its sole discretion, to impose a Special Individual Assessment, the Board will determine the amount and terms of payment and whether to file a notice of the lien of the Special Individual Assessment.

6. Certificate of Payment. The Association shall, upon request, furnish to any Member, mortgagee of a Member, or prospective purchaser of any Lot a certificate in writing signed by an officer of the Association, setting forth whether the assessments on the specified Lot have been paid, and the amount of the delinquency, if any. A reasonable charge may be made by the Board for the issuance of such certificates. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

7. Accounts. All collected assessments shall be deposited in a commercial account or accounts with a federally insured bank or trust company to be selected by the Board. The Board shall have control of said accounts and shall be responsible to the Members for the maintenance of accurate records thereof at all times.

8. Allocation of Assessments. The Lots owned by Class A Members (other than Builders) shall each bear an equal share of the aggregate Annual Assessment or any Special Group Assessment.

9. Transfer of Lot by Sale or Foreclosure. The sale or transfer of any Lot shall not affect any Assessment lien; however, the sale or transfer of any Lot pursuant to mortgage foreclosure shall extinguish the lien of such Assessment as to payments which became due prior to such sale or transfer, except for Assessment liens recorded prior to the mortgage. No sale or transfer shall relieve an Owner from personal liability for any Assessments. In a voluntary conveyance of a Lot, the grantee shall be jointly and severally liable with the grantor for all unpaid Assessments against the grantor up to the time of the grant or conveyance without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee. However, if any such grantee shall have received a certificate from the Association setting forth the amount of the unpaid Assessments due the Association, such grantee shall not be liable for, nor shall the Lot be subject to a lien for, any unpaid Assessments against the grantor in excess of the amount set forth in the certificate, except for any Assessment becoming due after the date of the certificate.

10. Enforcement of Assessments. Any part of any Assessment not paid within thirty (30) days after the due date shall bear interest from the due date until paid, at the rate of ten percent (10%) per annum or the highest legal rate under Arkansas law, whichever is lower. When a notice of

Assessment has been recorded, the Assessment shall constitute a lien on the Lot which is prior and superior to all other liens except: (a) all taxes, bonds, assessments and other levies which, by law, would be superior thereto; and (b) the lien or charge of any first mortgage of record (meaning any recorded mortgage or deed of trust with first priority over other mortgages or deeds of trust) made in good faith and for value. Any Assessment lien, when delinquent, may be enforced by a sale of the Lot and any improvements thereon by the Association, its attorney or other person authorized by this document or by law to make the sale. Said sale shall be conducted in the manner of a foreclosure or judicial sale. The Association shall have the power to bid for the Lot at the foreclosure sale and to acquire and hold, lease, mortgage and convey the same. Suit to recover a money judgment for unpaid Assessments, interest, costs and attorneys' fees shall be maintainable without foreclosing or waiving the lien securing the unpaid Assessments. The Board may impose reasonable monetary penalties, which penalties may include but are not limited to attorney fees and expenses of litigation or collection, against an Owner who is in default in payment of any Assessment, after notice and hearing according to the Bylaws.

11. Commencement Date of Assessments. The Annual Assessments provided for herein shall commence on the date that an Owner takes title to a Lot. The Board shall determine the amount of the Assessment due from such Owner, calculated by the following formula: Annual Assessment Amount (plus any existing Special Group Assessment assessed during that calendar year) x days remaining in the calendar year/365. The Board shall notify the Owner in writing of the amount of the Assessments due from such Owner. The initial Assessments shall be due from the new Owner within forty-five (45) days of receipt of notice from the Board. Thereafter, the Annual Assessment attributable to such Lot shall be due and owing as of January 1 of each subsequent year.

12. Assessments Non-refundable. All Assessments shall be irrevocable and non-refundable.

ARTICLE 5

DUTIES AND POWERS OF THE ASSOCIATION AND BOARD 030160

1. Powers of the Association. The Association, acting through the Board, shall have all of the duties and powers described in the Covenants. Without limiting the foregoing, the Association, acting through the Board, shall have the duty and power to:

- a. Maintain Common Areas. Maintain, insure, repair, replace, restore, operate and manage all of the Common Areas, except for the easements (or sub-easements) granted herein or on the Plats to the City of Fort Smith or the public utilities.
- b. Maintain Yards and Common Areas. Mow, weed-eat and provide weed control for the lawns of the Lots and the grounds of the Common Areas and ROW, provided that the Association shall not be required to: (i) replace (or re-sod) any grass on any Lot; or (ii) trim, plant, maintain or replace any plants, flowers, bushes, hedges, shrubbery or trees on any Lot. The Association shall also provide all other necessary maintenance of the grounds and landscaping of the fence easement and ROW.
- c. Maintain Sprinkler Systems. Maintain, repair or replace the lawn sprinkler system on any Lot, the Common Areas or the ROW, unless the damage is caused by an act or omission of the Owner, or his family members, guests, invitees, contractors, tenants or persons under the Owner's control.
- d. Enforce Covenants. Enforce the Covenants by appropriate means, including without limitation, the expenditures of funds of the Association, imposition of fines, the employment of legal counsel and the commencement of legal proceedings.
- e. Purchase Insurance. Maintain such policy or policies of insurance, including but not limited to public liability, casualty or error and omissions, as are required by this Declaration or as the Board, in its sole discretion, deems necessary or desirable in protecting the Common Areas and the interests of the Members and the Association.

- f. Adopt Rules and Regulations. Adopt and enforce such rules, regulations and standards that are consistent with the Covenants and: (i) desirable for the design, construction, maintenance, enlargement, alteration, repair or replacement of the Residences or other structures within Stonegate; (ii) necessary for the use and maintenance of the Common Areas; (iii) necessary for the security and safety of persons or property within Stonegate; or (iv) necessary for the interpretation, implementation or enforcement of the Covenants. The Association's Rules and Regulations shall be prominently displayed or otherwise published to the Owners.
- g. Review Applications. Review, approve, modify or reject any application by an Owner: (i) pursuant to Article 7; or (ii) for any use of a Residence or Lot that requires Board approval pursuant to the Covenants.
- h. Execute Contracts. Enter into and execute contracts with any party for the purpose of purchasing or providing management (as an independent contractor or as an employee), maintenance, equipment, goods, materials or services (including but not limited to legal and accounting services) for the Common Areas or the Association.
- i. Transfer Property. Dedicate or transfer all or any part of the Common Properties to any municipal corporation, county government, political subdivision, public agency, governmental authority, or utility for such purposes and upon such conditions as may be agreed to by the Board.

The Board shall have the authority to contract with any Owner (including the Declarant) to perform any of the services or duties hereinabove described. Any such contract shall be on such terms and conditions and for such consideration as the Board may deem proper and in the best interests of the Association.

2. Reservation for Access, Maintenance, Repair and Emergencies. The Association shall have the irrevocable right, to be exercised by the Board or its agents, to have access to and across each Lot from time to time during reasonable hours in order to: (a) maintain, repair or replace any of the Common Areas; (b) prevent damage to the Common Areas or to another Lot or Residence; (c)

determine compliance with the Covenants; or (d) enforce the Covenants. Neither the Association nor its authorized representative(s) shall be deemed guilty of trespass by reason of such access. ⁰³⁰¹⁶² The Association, acting through the Board, shall have the right to grant permits, licenses and easements over the Common Areas for utilities, roads and other purposes.

3. Exclusion of Liability. Neither the Declarant, the Association, the Board, any member of the Board, nor any of their officers, employees or representatives shall be liable to any Owner for any act or omission in performing or failing to perform any duty described in the Covenants.

ARTICLE 6

USE RESTRICTIONS

Every Lot (and the Residence and other improvements thereon) and the Common Areas are subject to the following uses, restrictions, limitations and architectural controls:

1. Single Family Use. The Lots are intended for Residential Use and shall be limited to Single Family Residences. Only one (1) single family residential dwelling shall be constructed on each Lot. No multi-family dwelling, including but not limited to duplexes, shall be constructed on any Lot. No group home, residential care facility, residential treatment facility, halfway house, boarding house or day-care facility shall be constructed or maintained on any Lot. A Lot shall neither be subdivided, nor shall any part of a Lot (that is less than the entire Lot) be sold or otherwise transferred. No mobile, manufactured, modular or prefabricated home shall be erected or placed on any Lot at any time.

If the Owner is a business entity, a Lot may be used as a Residence for an existing officer, director, key employee, shareholder or general partner of the Owner. The Residence shall not be used for investment, speculation, a corporate retreat, a hospitality suite, or other similar purpose.

2. Utilities. No permanent water, sewer, gas, electric, telephone, cable TV or other utility service line shall be constructed, placed or maintained within Stonegate unless it is placed in underground conduits or cables or is otherwise suitable for direct burial and is buried or otherwise

concealed. No facility for alternative sources of energy (solar, wind, bio-mass, or other) shall be erected without the written approval of the Board.

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Utility service lines shall run from the nearest service pedestal or transformer to the point of use as determined by the location and construction of the Residence or other structure upon said Lot. Upon the installation of a utility service line the supplier of the service shall thereafter be deemed to have a definite, permanent, effective and exclusive right-of-way easement on the Lot, covering a five foot strip extended 2.5 feet on each side of such utility service line, extending from the service pedestal or transformer to the service entrance of the Residence or other structure ("utility service easement"). The supplier of the service, through its proper agents and employees, shall at all times have the right of access to all such utility service easements. This right shall apply to all suppliers of public utilities and quasi-public utilities, as for example, television cable companies. The Owner of each Lot shall be responsible for the protection of the utility service lines located on the Lot and shall prevent the alteration of grade or any construction activity which may interfere with the service. Repairs or costs of relocation required by the violation of this Covenant shall be paid by the Owner of the Lot. The utility service easements shall run with the land and shall be binding on and enforceable against the Owner (and his or her heirs, successors and assigns) of any Lot on which a utility service easement lies.

All gas lines to a residence or other structure ("gas lines") will be made of plastic pipe of a size and material approved by the gas company. An approved tracer wire will be installed in a trench with the plastic pipe and attached to the meter riser per the gas company's specifications. Meter set assemblies will be installed by a plumber and shall be installed within five feet of the front corner of the structure. No gas line will be installed under concrete or asphalt unless installed in a casing approved by the gas company. Gas lines and inlet meter risers will be tested at not less than 90 PSIG air or nitrogen for 24 hours, approval and acceptance of same to be by the gas company personnel. Plants, hedges, shrubbery and trees will be limited so as not to interfere with the meter reading and normal maintenance of said meter.

3. Fencing. The Association Fence shall be maintained, repaired and replaced by the Association. The Association shall have an easement across and upon every Lot in order to

maintain, repair or replace the Association Fence or any associated equipment or improvement. Other than the Association Fence, no fence, including a privacy screen or privacy fence, shall be constructed in Stonegate without the prior written approval of the Board; provided, however, that the Board may not approve a fence that: (a) is composed or constructed of concrete block or woven metal, galvanized metal or chain links; (b) extends into the front yard of any Residence; (c) does not comply with local and State codes; or (d) obstructs the sight of any automobile driver.

4. Minimum Square Footage Requirements. The minimum square footage of each Residence shall be 1650 of heated living space, exclusive of the garage.

5. Materials for Residence Exteriors. Except as hereinafter provided, all houses shall have 80% masonry exterior wall veneer from bearing-plate down, excluding window and door treatments. Masonite materials shall not be used for exterior siding or soffits. All exterior materials for siding and soffits shall be constructed of maintenance-free material approved by the Board in writing. All Residences shall have gutters and down spouts.

6. Roof Construction. Unless otherwise approved by the Board in writing, the roof of each Residence and any other structure in Stonegate, including garages, shall be constructed with Tamco Heritage shingles, or an equivalent or superior shingle approved by the Board, which shingles shall be of weathered wood color. All roofs shall have a minimum 9/12 pitch slope. All composition shingles shall be architectural grade, have a 25-year warranty and be self-sealing.

7. Building Setback Lines. No Residence (or any other structure approved by the Board), or part thereof, shall be erected or maintained on any Lot nearer to the: (i) front private drive easement than the building setback line ("BSL") as shown on the Plats; (ii) the side property line than the distance shown on Exhibit "B"; or (iii) the rear property line than the distance shown on Exhibit "C".

8. Design and Painting. All Residences (and any other structure approved by the Board) will be constructed according to a common architectural design and color scheme approved in writing by the Board. Any exterior paint applied to a Residence or other approved structure after initial construction must be identical to the original paint in color and texture. No paint shall be applied to brick or vinyl surfaces, unless approved in writing by the Board. The Owner shall be solely

responsible for the cost of any repainting. The Board shall have the power and authority to require an Owner to repaint his Residence or other approved structure if deemed necessary by the Board.

9. Garages. Each Residence must have an enclosed garage, which is capable of holding at least two mid-sized automobiles and which is attached to the Residence. No carports shall be permitted on any Lot. No garage may be altered in such a manner that the number of automobiles, which may reasonably be parked therein after the alteration is less than the number of automobiles that could have reasonably been parked in the garage as originally constructed.

10. Driveways. All driveways connecting the street or road on a private driveway easement to the enclosed garage of a Residence ("driveway" or "driveways") shall consist of a hard surface approved by the Board in writing.

11. Parking and Storage. All licensed and tagged automobiles and pick-up trucks (hereinafter collectively referred to as "automobile" or "automobiles") shall be parked either on the driveway or within the enclosed garage of a Residence, except on a temporary basis. Provided however, that no disabled or inoperable automobile shall be parked on a driveway for more than one period of ten (10) consecutive days. All un-licensed or un-tagged automobiles, all trucks (other than licensed and tagged pick-up trucks), trailers, campers (including a camper shell on a licensed and tagged pick-up truck), race cars (automobiles modified to race), motorcycles, motor bikes, motor scooters, golf carts, mopeds, trail bikes, four-wheelers, three-wheelers, "all-terrain" vehicles (ATV's), jet skis, ski-dos, recreational vehicles (RV's) and boats (hereinafter collectively referred to as a "recreational vehicle" or "recreational vehicles") shall be parked completely within the enclosed garage of a Residence, other than on a temporary basis. For purposes of these restrictions a "temporary basis" means a period of less than six consecutive hours in a twenty-four hour period. Provided however, that no automobile or recreational vehicle shall at any time be parked in or on: (a) the yard of a Lot; (b) a road or street constructed on an access easement or private drive easement; or (c) Tract A.

The foregoing notwithstanding, no commercial trucks, including but not limited to tractor/trailer units but excluding pick-up trucks, shall not be permitted within Stonegate at any time, except for the limited purpose of: (a) construction of a Residence; (b) moving personal property in or out of a

Residence; (c) pick-up and delivery of mails and parcels; (d) pick-up of trash or garbage; (e) the pick-up and delivery of Owners or occupants of Residences by schools, church groups or ^{03/01/66} civic groups; or (f) maintenance, repair or replacement of a Residence, yard of a Residence or any utilities, appliance or contents of a Residence.

The foregoing also notwithstanding, an automobile (but not a recreational vehicle) of an out-of-town guest of an Owner or occupant of a Residence, who is staying with the Owner or occupant in the Residence, may park his or her automobile on the road or street on the private drive easement directly in front of that Residence for period not to exceed 72 hours per visit. Except as expressly provided hereinabove no tangible personal property of any kind shall at any time be parked, located or stored on or in: (a) the yard or driveway of any Lot; (b) the roads or streets on the private drive and access easements; or (c) Tract A.

If any automobile, recreational vehicle or other tangible personal property (hereinafter collectively referred to as "personal property") is parked, located or stored in violation of this section, the Board may place a notice thereon specifying the nature of the violation and stating that after two (2) days the property may be towed or removed. The notice shall include the name and telephone number of a person to contact regarding the violation. If two (2) days after the notice is placed on the property, the violation continues, or if the violation occurs again within twelve (12) months of such notice, the property may be towed or removed in accordance with the notice without further notice to the Owner or owner of the property. If any personal property is parked, located or stored in a fire lane, or is blocking a fire hydrant, or is blocking another automobile, no notice shall be required and the personal property may be towed or removed immediately. The Owner and owner of the personal property shall be jointly and severally liable for any towing, removal or storage charge or other expense associated therewith. If personal property is towed, removed or stored in accordance with this section neither the Declarant, the Association, the Board, nor any officer or agent of the Declarant or the Association shall be liable to any person for any claim or damage resulting therefrom. The foregoing notwithstanding, the Board may elect to impose fines or use other available sanctions, rather than exercise its authority to tow, remove or store said personal property. All maintenance,

repairs or refurbishing of any automobile or recreational vehicle in Stonegate shall be conducted solely within the enclosed garage of a Residence, except for routine cleaning and washing. 03.01.67

12. Operation of Recreational Vehicles. Recreational Vehicles shall not be operated within Stonegate, except for the sole and exclusive purpose of ingress and egress to and from the garage of a Residence and a public road. The purpose of this restriction is to reduce noise in Stonegate. This restriction shall not apply to: (i) wheelchairs; or (ii) equipment normally used for lawn or garden maintenance so long as said equipment is operated at reasonable hours in the ordinary and usual manner for which it is intended.

13. Nuisances. No hazardous, illegal or offensive activity shall be conducted or permitted on any Lot, or in any part of Stonegate, nor shall anything be done on any Lot (or in any Residence), which in any way interferes with the quiet enjoyment by the Owners or occupants of other Lots. No substance or material shall be kept on any Lot that will emit foul or noxious odors. No activity shall be conducted on any Lot that shall in any way increase the rate of insurance for any Lot, any Residence or the Association, or cause any insurance policy to be canceled, or to cause a refusal to renew the same. No activity shall be conducted on any Lot, which will impair the structural integrity of any Residence. The burning or burying of leaves, debris or trash shall not be permitted on any Lot. The manufacture or sale of alcoholic beverages shall not be permitted in Stonegate. The development of minerals of any kind or nature is prohibited within Stonegate; provided, however, underground hydrocarbon minerals may be captured by wells located outside Stonegate. No privy, well, septic tank, fishpond, cesspool or disposal plant shall be installed or maintained on any Lot. The plumbing to all Residences shall be connected to a city sanitary sewer system. The Board shall have the duty and power to make and to enforce reasonable rules and regulations in furtherance of this provision.

14. Animals and Pets. No pets, animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot or in any Residence, except that two dogs or two cats (or one of each), may be kept in a Residence. However, any dog or cat which is permitted to run free, or which, in the sole discretion of the Board, endangers health, makes objectionable noise, or constitutes a nuisance or inconvenience to the Owners of other Lots shall be removed from Stonegate by the subject Owner upon request of the Board. If the subject Owner fails to honor such request, the pet may be removed

by the Board. No pets shall be kept, bred, or maintained for any commercial purpose. Dogs, which are household pets, shall at all times whenever they are outside of a Residence be on a leash under the physical control of a responsible person. Each owner is responsible for curbing their dog(s) and the immediate removal of their dog's excrement from any Common Area or any part of a Lot, including such Owner's Lot.

15. Guns. The discharge of firearms, fireworks or explosives within Stonegate is prohibited. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of any type, regardless of size.

16. Pools. No swimming pool of any type shall be erected, constructed or installed on any Lot, except that an Owner may have a small above-ground portable children's wading pool which is less than 2 feet in height. Any such above ground children's wading pool must be located at the rear of the Residence and must be stored when not in use.

17. Detached Structures and Outbuildings. Except during and for the sole purpose of the initial or replacement construction of a Residence, no tent, storage shed, storage building, basement, tree house, utility shed, shack, trailer or other detached structure or outbuilding of any type, shall at any time be placed or located upon a Lot or on the Common Areas unless approved in writing by the Board. Provided however, no detached structure, outbuilding or recreational vehicle shall be used as a Residence or as a residential dwelling at any time. The provisions of this section shall not apply to the patio of a Residence, if the patio is built during the initial or replacement construction of the Residence.

18. Artificial Vegetation, Exterior Sculpture, and Similar Items. No artificial vegetation shall be permitted in the yard of a Lot or on the exterior of any Residence or other approved structure. All exterior sculpture, artwork, fountains, banners, flags (other than an American Flag that is less than 3 feet by 5 feet), basketball or other sports goals or similar items to be constructed or located in the front yard of a Lot must be approved in writing by the Board. Lawn furniture shall not be placed in the front yard of a Lot for a period of more than 48 consecutive hours.

19. Signs. Unless approved in writing by the Board, no signs shall be placed on any Lot, except that one (1) sign, not exceeding four (4) square feet in size, advertising a particular Lot or

Residence for sale shall be permitted within the building setback lines. No "For Sale" sign shall be placed on any automobile, recreational vehicle or any other item of personal property parked, stored or located within Stonegate. 03-01-69

20. Leasing of Residences. "Leasing" for purposes of the Declaration, is defined as regular, exclusive occupancy of a Residence by any person or persons other than the Owner for which the Owner receives any consideration or benefit, including but not limited to a fee, service, gratuity, or emolument. Residences may be leased only in their entirety, with a minimum one (1) year written lease. No fraction or portion of a Residence may be leased. Separate rooms in a Residence may not be leased. There shall be no subleasing of a Residence or assignment of a lease, unless prior written approval is obtained from the Board. The Owner must provide any lessee with a copy of these Covenants.

21. Business Use. No trade or business may be conducted on any Lot or in any Residence, except that an Owner or occupant of a Residence may conduct business activities within the Residence so long as the business activity is approved in writing by the Board and: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Residence; (b) the business activity conforms to all of the zoning requirements for Stonegate; (c) the business activity does not involve customers, clients, vendors or co-workers coming to the Residence; (d) the business activity is consistent with the residential character of the Properties; and (e) the business activity as defined below does not constitute a nuisance. The term "business" and "trade" as used in this provision shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provisions of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefore. No "Garage Sale", "Yard Sale", "Estate Sale" or similar sale or activity shall be conducted on any Lot (or in any Residence).

Notwithstanding the above, the leasing of a Unit in accordance with Section 15 of this Article shall not be considered a trade or business within the meaning of this section.

22. Trash. All rubbish, refuse, debris, trash and garbage shall be regularly removed from any Lot, and shall not be allowed to accumulate thereon. Trash, garbage and other waste shall be kept in sanitary receptacles or plastic trash bags, which shall be located in the garage or at the rear of the Residence except on the "pick-up" day(s). No refuse, debris or compost pile shall be placed or located anywhere on any Lot. Trash cans or other receptacles or plastic bags of trash shall be placed on the curbside only on (or the night before) the designated "pick-up" day. Otherwise, they shall not be visible from the street. All trash cans or other receptacles must be removed on the pick-up day following pick-up.

23. Radio and Television Antennas. Antennas, aerials, satellite dishes, telecommunication towers or similar devices for television, citizen's band, telephone, shortwave or radio reception or transmission shall not be allowed in Stonegate, unless approved in writing by the Board. Provided, however, that each Residence may have one (1) satellite dish for television reception that: (i) does not exceed 24" in diameter; (ii) is attached to the Residence; and (iii) is not visible from a private drive easement.

24. Lawns and Landscaping. The Association shall mow and maintain the grass of the lawns of each Lot and the Common Areas, but shall not be responsible for: (a) the replacement or re-sodding of the grass on any Lot; or (b) the planting, maintenance, repair, replacement or removal of trees, flowers, hedges, plants, shrubs or other vegetation on any Lot. An Owner shall not plant any trees, flowers, hedges, plants, shrubs or other vegetation, except that the Owner, at his own cost, may plant: (a) one or more of the plants described in the Landscape Plan which is attached as Exhibit "D"; or (b) one or more other plants specifically authorized by the Board (collectively referred to herein as the "permitted plants"). The Owner shall be solely responsible for the cost of planting and maintaining the permitted plants and shall, at his own cost, replace or remove any dead or decaying permitted plants.

25. Owner's Maintenance Responsibilities. Except as provided otherwise in these Covenants, or by written agreement with the Board, the maintenance of each of the Lots and the Residences or other approved structures, landscaping and other improvements thereon shall be the sole responsibility of the Owner thereof, who shall maintain the Lot in accordance with the Covenants.

The Association shall, in the discretion of the Board, assume the maintenance responsibilities of such Owner if, in the opinion of the Board, the level and quality of maintenance provided by such Owner does not satisfy the Covenants. Before assuming the maintenance responsibilities, the Board shall notify the Owner in writing of its intention to do so, and if such Owner has not commenced and diligently pursued remedial action within thirty (30) days after mailing of such written notice, then the Board shall proceed to undertake such maintenance. The expenses of such maintenance by the Board shall be assessed by the Association to the Owner as a Special Individual Assessment pursuant to Article 4.

26. Appearance of Lot. All Owners shall be required to keep their Lot in a clean and sanitary condition whether or not they have constructed a residence on the Lot. "Indoor furniture" shall not be used as lawn furniture at any time and shall not be placed outside of the Residence or its garage. No clotheslines or drying yards shall be erected or constructed on any Lot.

27. Access to Lots. No portion of any Lot shall be used for a driveway, passageway or easement of any type to service or benefit property or owners of property adjoining the Stonegate.

28. Restrictions Cumulative. The restrictions contained in this Article shall be cumulative of, and in addition to, any restrictions imposed in the Articles, the Bylaws, the Association's Rules and Regulations or the statutes, rules, regulations and ordinances of the City of Fort Smith, Arkansas, or any other governmental authority or political subdivision having jurisdiction over Stonegate.

ARTICLE 7
ARCHITECTURAL STANDARDS

1. Submission of Plans. After initial construction neither the exterior of any Residence nor the exterior of any other approved structure shall be enlarged, modified, altered, replaced or repaired (unless the building plans and specifications for same have been approved in writing by the Board). After initial construction no new or additional structure or improvements of any kind shall be constructed, erected or placed on any Lot, unless the building plans and specifications for such have been approved in writing by the Board. In the event the Board fails to approve or disapprove any

such plans and specifications within thirty (30) days of their submission to the Board, approval will not be required and the Owner submitting such plans and specifications shall be deemed to have ⁰⁻³⁰⁻⁷² complied with this provision, so long as the plans and specifications strictly conform with all of the other Covenants. The Board may act upon its own motion or upon the written request of any Owner. The Association, acting through the Board, or any Owner may institute suit to enjoin or to remove such enlargement, modification, alterations, improvements, repairs or replacements which have not been approved as provided herein, at any time, and all costs and attorney fees shall be the responsibility of the Owner whose actions caused such suit to be instituted. Provided, however, that permission or approval shall not be required to repair or rebuild a Residence or other original structure if repaired or rebuilt strictly in accordance with the initial plans, specifications, color and material scheme. All such plans and specifications shall include plans for the diversion of surface water or drainage, if any. No concrete block foundation for any structure in the Addition may be exposed.

2. Destruction of Residence. If a Residence (or other approved structure) is destroyed by fire or other casualty, the Owner shall commence reconstruction or sell the Lot within ninety (90) days of said fire or other casualty. If the Owner fails to do so, the Board shall have the right (but not the obligation) to rebuild the Residence (or other structure) and to assess the Owner for the cost thereof as a Special Individual Assessment pursuant to Article 4.

ARTICLE 8

GENERAL PROVISIONS

1. Enforcement. The Association, acting through the Board, any individual Owner or any governmental agency or municipality having jurisdiction over Stonegate, shall have the right to enforce any of the Covenants in any proceeding at law or in equity. In such an action, the party seeking enforcement shall be entitled to recover costs and reasonable attorneys' fees; provided, however, that an individual Owner shall have no right to enforce the collection of any Assessment

Kiley Farms
Restrictive Covenants

PRYOR, ROBERTSON & BARRY, PLLC

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JACQUELINE JOHNSTON CRAVENS

THOMAS B. PRYOR (1869-1952)
THOMAS B. PRYOR JR. (1904-1953)
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*Of Counsel

TO: ~~Ronnie Rouse~~

CC: Pat Mickle

FROM: Greg Smith *G.S.*

DATE: January 8, 2001

RE: Protective Covenants and Bill of Assurance

*McCaw -
North of Rye Hill R.*

Please find enclosed a final of the above referenced document. If you have any questions please do not hesitate to contact me.

RECEIVED JAN 09 2001

PROTECTIVE COVENANTS AND BILL OF ASSURANCE

January 1, 2001

WHEREAS, Pinemeadow, Inc. is the owner of the real property described in Exhibit "A" which is situated in Fort Smith, Sebastian County, Arkansas (the "real property");

WHEREAS, Pinemeadow, Inc. has entered into an agreement to sell the real property to McCain Construction Company, Inc.;

WHEREAS, Pinemeadow, Inc. has and is in the process of creating residential subdivisions in a development known as Riley Farm; *North of Rye Hill Road*

WHEREAS, Riley Farm (including the Highpointe on Riley Farm Subdivision, Southfield on Riley Farm Subdivision, Woodlands on Riley Farm Subdivision, Highlands on Riley Farm Subdivision, Cedar Glenn on Riley Farm Subdivision, Valley View on Riley Farm Subdivision and Maple Park on Riley Farm Subdivision) is contiguous to the real property; and

WHEREAS, both Pinemeadow, Inc. and McCain Construction Company, Inc. desire that the real property be developed in a manner consistent with the scheme and plan of Riley Farm.

KNOW ALL MEN BY THESE PRESENTS:

1. The undersigned, Pinemeadow, Inc. and McCain Construction Company, Inc., hereby impose the following covenants, limitations, restrictions and uses (the "Covenants") on the real property:

a. The real property may be split into no more than five (5) residential building lots. (The residential building lots are hereinafter referred to collectively as the "lots" or singularly as a "lot".)

b. The lots shall be used, known and described as residential lots. Only one single family residential dwelling (the "residence") shall be constructed on a lot. No

*McCain
North of Rye Hill Road*

multi-family dwelling, including but not limited to a duplex, shall be constructed on a lot. No building or structure intended for or adapted to business or commercial purposes shall be built, placed or maintained on a lot. No home occupation, which involves customers or suppliers traveling to a lot, shall be conducted on a lot.

c. Each residence shall have a minimum of 2,000 square feet of heated space, excluding the garage. Each residence shall have a private enclosed garage large enough to accommodate at least two (2) vehicles. No carport shall be constructed on any lot. All driveways on a lot shall consist of concrete, asphalt or similar hard surface.

d. Any detached structure (including but not limited to a portable, pre-fabricated, or modular building) built or placed on a lot (such as a covered entertainment area, garage, guest house, barn or storage building) shall: (1) conform to the design and style of the residence (including but not limited to an external facade which is the same as the residence, a roof of the same composition as the residence and exterior paint colors that are the same as the residence); and (2) set on a permanent foundation. No sheet iron buildings of any type shall be erected or placed on a lot.

e. No trailer, tent or construction shack shall be erected or placed on a lot (and no construction materials placed or stored on a lot), except for the use by construction contractors for a period from thirty (30) days prior to the start of construction of the residence or a detached structure to the completion of construction. The construction of a residence shall be completed within twelve (12) months from the date construction begins and the construction of any detached structure shall be completed within six (6) months from the date construction begins. No mobile home

shall be erected or placed on a lot at any time. No trailer, tent or other temporary structure and no recreational vehicle ("RV") shall be used as a residence at any time. No building intended as a residence shall be moved from another location onto a lot.

f. All boats, motorcycles, RVs, all terrain vehicles ("ATVs") and trailers shall be stored in the garage or at the rear of the residence behind a privacy fence that is at least six (6) feet in height so as to be obscured from public view and the view of adjacent lots. Any vehicle that has been inoperative for a period of ten (10) days shall be stored in the garage or at the rear of the residence behind a privacy fence at least six (6) feet in height so as to be obscured from public view and the view of adjacent lots. Repairs, modifications or restorations of any vehicle, motorcycle, RV, ATV or trailer shall occur in the garage or at the rear of the residence behind a privacy fence of at least six (6) feet in height so as to be obscured from public view and the view of adjacent lots. No "For Sale" signs shall be placed on any vehicle, trailer, boat, RV, ATV or any other item of personal property parked, stored or located on any lot.

g. No residence or other structure shall be located nearer than forty (40) feet from the front property line of a lot. No residence or other structure shall be located nearer to the side or rear property line of a lot than is permitted by the minimum building set back requirements of the subdivision ordinances and zoning ordinances of the City of Fort Smith, Arkansas.

h. No activity shall be permitted on a lot that would be offensive to or become an annoyance or nuisance to the owners of the other lots or to the residents of the Riley Farm development. No firearms or fireworks shall be discharged on a lot. The

burning, bearing or storage of leaves, debris or trash shall not be permitted on a lot. The manufacture or sale of alcoholic beverages shall not be permitted on a lot. The consumption of alcoholic beverages shall not be visible from any street. No privy, cesspool or disposal plant shall be installed or maintained on any lot. All residences and detached structures shall have any plumbing connected to a septic tank system or, if available at the time of construction, to the City sanitary sewer system. All lots shall be maintained in a neat and orderly condition at all times.

i. Dogs and cats may be kept on a lot, subject to the following limitations: (1) they are not raised for commercial purposes; (2) they do not interfere with any other lot owner's right to the quiet enjoyment of his or her property; (3) they are not permitted to trespass onto other lots; and (4) any animal house or kennel is located at the rear of the residence so as to be obscured from public view and the view of adjacent lots. Horses, cattle, swine, poultry, fowl, wild animals and exotic animals shall not be kept on any lot.

2. The Covenants shall run with the land and are for the benefit of and are limitations upon Pinemeadow, Inc., McCain Construction Company, Inc. and all future owners of the lots.

3. The Covenants shall be binding upon Pinemeadow, Inc., McCain Construction Company, Inc. and all future owners of the lots until January 1, 2050, at which time they shall be automatically extended for an additional twenty (20) years, unless prior to that date a majority of the then lot owners agree in writing that the Covenants should be changed or amended in whole or in part. For purposes of such a

vote the owner or owners of each lot shall have just one vote regardless of the number of occupants or owners of said lot.

4. It shall be lawful for Pinemeadow, Inc., McCain Construction Company, Inc., or any person owning a lot, or an undivided fee interest therein, to initiate any proceeding at law or in equity against any party or person violating or attempting to violate any of the Covenants to seek an injunction against such violation(s) or to recover damages for such violation(s) or both.

5. The Covenants and restrictions contained herein shall be cumulative, and in addition to, any restrictions imposed by the statutes, rules, regulations and ordinances of the City of Fort Smith, Arkansas and any other governmental authority or political subdivision having jurisdiction over the real property.

6. The invalidation of any one of the Covenants by court order shall not invalidate any of the other provisions which shall remain in full force and effect.

7. The Covenants shall be deemed to be incorporated in any subdivision plat for the real property and in every deed covering a lot, or any portion thereof.

IN WITNESS WHEREOF, Pinemeadow, Inc. and McCain Construction Company, Inc. have set their hands and seals this ____ day of _____, 2001.

PINEMEADOW, INC.

By: _____
President

ATTEST:

Its:

McCain Construction Company, Inc.

By: _____
President

ATTEST:

Its:

