

DEER VALLEY ESTATES, LLC

BILL OF ASSURANCE

WHEREAS, Dan Hesse, Barry Hesse, and Daniel Hundley, are the owners of the following described land lying in the Western District of Craighead County, Arkansas, to-wit:

Part of the Northwest Quarter of Section 12, Township 13 North, Range 3 East, Jonesboro, Craighead County, Arkansas, and being more particularly described as follows:

From the Southwest Corner of said Section 12, run S89°18'39"E a distance of 1100.58 ft. to a point; thence run N00°45'58"W a distance of 381.22 ft. to a point; thence run N89°29'56"E a distance of 218.30 ft. to a point; thence run N00°45'40"W a distance of 952.78 ft. to a point; thence run S89°36'46"E a distance of 99.00 ft. to a point; thence run N08°14'55"E a distance of 56.00 ft. to a point; thence run N18°30'25"E a distance of 1705.78 ft. to a point, said point being the POINT OF BEGINNING; thence run N44°25'31"W a distance of 191.10 ft. to a point; thence run S56°11'45"W a distance of 127.18 ft. to a point; thence run N44°25'31"W a distance of 324.64 ft. to a point; thence run N45°34'29"E a distance of 35.52 ft. to a point; thence run N44°25'31"W a distance of 180.00 ft. to a point; thence run S45°34'29"W a distance of 135.25 ft. to a point; thence run N88°31'23"W a distance of 306.63 ft. to a point; thence run N52°42'39"W a distance of 168.06 ft. to a point; thence run N41°46'46"E a distance of 524.99 ft. to a point; thence run N33°46'08"W a distance of 25.11 ft. to a point; thence run N50°54'42"E a distance of 377.58 ft. to a point; thence run N32°09'24"E a distance of 229.21 ft. to a point; thence run N50°18'57"E a distance of 214.76 ft. to a point; thence run N45°51'43"E a distance of 220.29 ft. to a point; thence run N08°03'42"E a distance of 65.65 ft. to a point; thence run N09°48'58"W a distance of 72.69 ft. to a point along the South right of way line of Lawson Road; thence along said right of way as follows: S59°18'05"E a distance of 109.04 ft. to a point; S60°35'14"E a distance of 484.18 ft. to a point; thence leaving said right of way run S18°22'32"W a distance of 401.07 ft. to a point; thence run S18°30'25"W a distance of 1121.62 ft. to the point of beginning, containing 29.56 acres, and being subject to any easements of record.

2018R-015781

FILED

JONESBORO DISTRICT

CRAIGHEAD COUNTY, ARKANSAS

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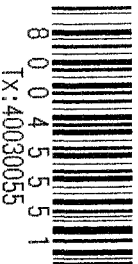
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BELINDA GARRISON

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And it is deemed desirable that the above-described property be now subdivided into building lots and streets as shown on the attached plat, and that said property be held, owned and conveyed subject to the protective covenants herein contained in order to enhance the value of said property;

NOW, THEREFORE, the said Dan Hesse, Barry Hesse, and Daniel Hundley, hereinafter called "Grantors", for and in consideration of the benefits to accrue to them which are hereby acknowledged to be of value, have caused to be made a plat, hereto attached, showing survey dated June 22nd, 2018 made by George Hamman, Registered Engineer, and signed by him and by the Grantors showing the bounds and dimensions of the property now being subdivided into lots, and its description by lots and streets; and said Grantors hereby donate and dedicate to the public forever an easement of way on and over said streets as shown by said plat to be used as public streets. In addition to the streets, there are shown on said plat certain easements which shall be forever held for the purpose of affording access by public utilities to the lots in this subdivision in order to service them, together with a drainage easement as shown on said plat, and said easements shall not be occupied by buildings.

The filing for record of the Bill of Assurance and Plat in the office of the Circuit Clerk and Ex-Officio Recorder of Craighead County, Arkansas, at Jonesboro, Arkansas, shall be a valid and complete delivery and dedication of the streets and easements, subject to the limitations herein set out.

The lands embraced in said Plat shall forever be known as "DEER VALLEY ESTATES ADDITION TO THE CITY OF JONESBORO, ARKANSAS – PHASE ONE",

and any and every deed of conveyance for any lot in said Subdivision describing the same by the number shown on the Plat shall always be deemed a sufficient description thereof.

1. LAND USE AND BUILDING TYPE: All lots and parcels in this Subdivision shall be known and described as residential lots, and no structure or structures shall be erected or permitted on any residential lot or part thereof other than one detached single family dwelling not to exceed two and one-half stories in height, not including a basement, together with one attached or detached garage or carport for not more than four cars, and other outbuildings incidental and related to residential uses on the premises.

2. ARCHITECTURAL CONTROL: The Grantors shall appoint an Architectural Control Committee composed initially of three persons. The first committee shall consist of Dan Hesse, Barry Hesse, and Daniel Hundley. The first committee shall consist of one six-year term; one four-year term; and one two-year term. The number of members of the Architectural Control Committee shall be composed of no less than five persons upon the two-year anniversary date of the filing of the Bill of Assurance. Upon this change, from a three-year to a five-year member committee, three members must be present to be a majority. At the expiration of a member's term, said vacancy shall be replaced by one property owner for a two-year term. In the event any member of said Architectural Control Committee shall fail to qualify or for any reason to be or become unable to serve thereon, a successor member shall be appointed by the remaining members to complete said term.

No building or fence shall be erected, placed or altered on any property in this subdivision until the building plans, specifications, exterior color scheme, exterior building materials and plot showing the location of such building with respect to existing topography and finished ground elevation, which have been approved by the said Architectural Control Committee by majority vote. In the event the Architectural Control Committee herein established fails to approve disapprove any plans, specifications, exterior color scheme, exterior building materials, or plot plans submitted to it as herein required, within 60 days after such submission, this covenant shall be deemed to have been met fully.

Nothing herein contained, nor required consent of the Grantors or any Architectural Control Committee shall in any way be deemed to prevent any of the owners of property in this subdivision from maintaining any legal action relating to improvements within this subdivision which they would be entitled to maintain.

There shall be no compensation to Grantors, or any Architectural Control Committee hereinafter established, for the service to be performed pursuant to this covenant.

Such Architectural Control Committee shall have the power to grant reasonable waivers or restrictions provided by this Bill of Assurance.

3. PROPERTY OWNERS ASSOCIATION MEMBERSHIP: All lots in Deer Valley Estates and the owners thereof, are members of the legal entity of the Deer Valley Estates Property Association. As such, each property owner is subject to the bylaws, rules and regulations of that association. Such bylaws, rules and regulations are incorporated herein word for word by reference hereafter established or amended.

Except as amended herein, all other provisions of the Bill of Assurance remain in full force and effect.

4. MULTI-FAMILY DWELLINGS: No multi-family residences or apartment, including but not restricted to duplexes, shall be permitted on any residential lot or part thereof. No residence originally constructed in accordance with the foregoing restrictions shall be converted into more than a single-family residence. A guest house and/or maid quarters may be permitted but must match the architecture of the principal dwelling and must be built to the rear of the principal dwelling. "To the rear" is defined as behind an extended line drawn parallel with the rear of the principal dwelling. All accessory buildings and/or exterior modifications to accessory buildings must be approved by the Architectural Control Committee.

5. MINIMUM PRINCIPAL DWELLING SIZE: The minimum square feet of any dwelling constructed on said lots shall not be less than 3000 square feet. In all cases the minimum square feet of total area referred to shall be exclusive of attic, eave overhang, attached porches, patios, carports or garages (whether or not attached), porte-cocheres, underground basements, storerooms or outbuildings. The intent of this paragraph is for the homes in Deer Valley Estates to be as nice as the homes in Plantation Estates, RidgePointe and Upper Duckwater Subdivisions all located in Jonesboro, AR .

6. BUILDING LOCATION: No building shall be erected on said property nearer than 25 feet to the front right of way line and 7.5 feet from the side line (within the building set-back lines as shown on plat). On corner lots, no building shall be erected on said property nearer than 25 feet to the front right of way line of both streets.

7. SUBDIVISION OF LOTS: The re-platting or subdividing of any lot shown on the recorded plat, and herein designated for use as one detached single family dwelling only, into more than one lot shall be prohibited.

8. ACCESSORY BUILDING: An accessory building may occupy six percent of the gross lot area, but must be built not less than 10 feet from any lot line and except for attached garages, must be built to the rear of the principal building.

9. PRINCIPAL BUILDING: Only one principal building shall be built on any residential lot.

10. RESTRICTED USE: No garage or other accessory building otherwise permitted under these restrictions or other structures erected on said property other than the principal dwelling house shall be used as a residence.

11. GARAGE LOCATION: No garage or carport shall face a street provided that a house, which is on a corner lot, may have a garage entrance from the street which does not front the house.

12. RENTAL PROHIBITED: An accessory building may not be used for rental purposes.

13. FENCES, WALLS, AND OTHER STRUCTURES: No fence, wall or other structure shall be erected along property lines without prior approval of design, construction and materials by the Grantors or by the Architectural Control Committee. No chain link fence shall be placed upon this property. No fences, except low, decorative fences approved by the Grantors or by the Architectural Control Committee, shall come closer to the street than the front corners of the home.

14. EASEMENTS: Easements for installation and maintenance of utilities and drainage are reserved as shown on the recorded plat of the above-described property.

15. PROHIBITED ACTIVITIES: No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. No commercial activities shall be allowed on any lot and no professional services shall be provided where customers or clients are required to visit said lot. No house trailer, recreational vehicle, self-propelled motor home, camper, pleasure or fishing boat or other watercraft shall be stored or parked on any residential lot for a period greater than one week unless same are stored or parked completely inside the garage of an individual unit or placed in the rear of the lot or house where it cannot be seen from the street.

There shall be no overnight parking of motor vehicles on the streets. Residence shall be limited to garage sales or similar activity to twice per year.

16. SIGNS: No sign of any kind shall be displayed to public view on said property, with the exception that a single sign shall be permitted of no more than twelve square feet in area advertising the property during the construction or sales period.

17. LIVESTOCK AND POULTRY: No animals, livestock, fowl, birds, or poultry of any kind shall be raised or kept upon the property, except that dogs, cats or other household pets may be kept, provided that they are not kept or maintained for any commercial purpose. Allowable pets must be kept in approved fencing and not allowed to run loose in subdivision or cause a nuisance or disturbance.

18. ANTENNAS: All satellite antennas, and other large antennas, must be placed to the rear of the home. In addition, they must be hidden by fencing or

landscaping to the satisfaction of Grantors or the Architectural Control Committee so as not to detract from a street view or side lot view.

19. UNACCEPTABLE USE OR CONDITIONS: No skateboard ramps will be permitted in this subdivision. No other structures, ramps, antennas, etc. that are deemed unsightly or a nuisance by the Grantors or the Architectural Control Committee will be permitted. Grantors and/or the Architectural Control Committee reserve the right to notify property owners of any unsightly condition, property, annoyance or nuisance in writing. Upon receipt of such written notice, said property owner shall have ten days to correct the problem.

20. AMENDMENTS: Any and all of the covenants, provisions or restrictions set forth in this Bill of Assurance may be amended, modified, extended, changed or cancelled, in whole or in part, by a written agreement signed and acknowledged by the owner or owners of two-thirds of the individual lots in this Subdivision, and the provisions of this instrument so executed shall be binding from and after the date it is duly filed for record in the Circuit Clerk's Office in Jonesboro, Craighead County, Arkansas. These covenants, restrictions and provisions are contained in this Bill of Assurance shall be deemed covenants running with the land, and shall remain in full force and effect unless and until amended or cancelled as hereinafter authorized.

21. ZONING ORDINANCE CONFLICT: In the event that any of the provisions of this Bill of Assurance shall be different from the requirements of any zoning ordinance now in effect or hereafter enacted, then this Bill of Assurance shall be considered to be amended to conform to the requirements of such zoning ordinance where said requirements shall impose a greater limitation than is herein contained. However, if the

provisions of the Bill of Assurance shall impose greater limitations than those contained in zoning ordinance, then the provisions herein contained shall control.

22. SEVERABILITY: Invalidation of any restriction set forth herein, or any part thereof, by order, judgment or decree of any court, or otherwise, shall not invalidate or affect any of the other restrictions, in whole or in part, as set forth herein, said remaining restrictions to stay in full force and effect.

23. ENFORCEMENT: In the event of any attempt to violate any of the covenants, restrictions or limitations herein, before the expiration date hereof, it shall be lawful for any person or persons owning a lot or lots in said subdivision to prosecute any proceeding at law against the person or persons violating or attempting to violate any such covenant or restriction, and either to prevent him or them from doing so or to recover damages or other dues for such violation.

PROPERTY OWNERS ASSOCIATION

ARTICLE I – MEMBERSHIP

Every owner of a lot which is subject to assessment by the Association shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an ownership interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the Association.

ARTICLE II – VOTING RIGHTS

Members shall be entitled to one vote for each lot in which they hold the interest required for membership by Article I. 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.

The Association membership shall hold an organizational meeting at the call of the developer. The organizational meeting of the Association membership shall be held for the purposes of electing a Board of Directors and establishing procedures for the proper functioning of the Property Owners Association.

ARTICLE III – PROPERTY RIGHTS

Section 1. Owner’s Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the common area, and each easement shall be appurtenant to and shall pass with the title to every assessed lot.

Section 2. Reciprocal Easements. Each lot owner grants to each other lot owner easements for the following uses and purchases:

(a.) **Maintenance, repair and replacement.** An easement over and across and through each lot for the maintenance, repair and replacement of improvements. Use of this easement, however, for access to individual lots shall be limited to reasonable hours, except that access may be had any time in case of emergency.

(b.) **Utilities.** An easement for water, electricity and sewage for improvements to all lots.

Section 3. Perimeter/Fence Easement. Each lot shall be subject to an easement in order to allow the Association to retain, repair or replace a perimeter

wall/fence which may be constructed on the outside perimeter of the development. An easement to maintain said fence is hereby created.

Section 4. Easements for Landscaping. Lots 1, 2, and 29 shall be subject to an easement in order to allow the Association to retain and replace landscaping. The Association shall replace the landscaping as needed. An easement to maintain said landscaping is hereby created.

ARTICLE IV – COVENANTS FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments.

For each lot owned within the property, the Declarant hereby covenants and agrees to pay to the Association, and each owner of a lot, by acceptance of a deed therefor, 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 (1.) regular assessments or charges, to be collected annually and (2.) special assessments for capital improvements or other purposes, such assessments to be fixed, established, and collected from time to time as hereinafter provided. The regular and special assessments, together with interest, cost and reasonable attorney's fees, if delinquent, shall be a charge and a continuing lien upon the property against which the assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, if delinquent, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment became due.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the benefit, health, safety, and welfare of the residents of the property and for the improvement and maintenance of the common

area, landscaping, and for maintenance of any guard shack, security system, entry gates irrigation system that may be installed, and for the maintenance of the fence and/or walls on the perimeter boundaries of the property. Neither the owner nor declarant shall have the right to receive back any assessment or contribution notwithstanding sale or other disposition of a lot(s).

Section 3. Regular Assessments. Until January 1, 2029, the maximum annual assessment shall not exceed One Thousand Dollars (\$1,000.00) per lot. Thereafter, the regular assessment for each calendar year, and the basis for payment thereof, shall be determined or shall have been determined prior thereto by the Association at the annual meeting of the Association as called for in the by-laws.

Section 4. Special Assessments. In addition to the assessments authorized above, the Association may levy a special assessment for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected or replacement, including fixtures and personal property, provided that any such assessment shall have the affirmative vote of two thirds (2/3) of the members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than ten (10) days, nor more than thirty (30) days in advance of the meeting setting forth the purpose of the meeting.

Section 5. Uniform Rate of Assessment. Both regular and special assessments must be fixed at a uniform rate for all lots and may be collected on a yearly, quarterly or monthly basis. Each lot shall be assessed a pro-rata share of the total assessments due.

Section 6. Quorum for Any Action Authorized under Sections 3 and 4. At any annual or special meeting called for the purposes set out in Sections 3 and 4 hereof, the presence at the meeting of members or of proxies entitled to cast sixty (60%) per cent of all the votes of the membership shall constitute a quorum. If the required quorum is not present at any meeting, an adjourned meeting may be called, subject to any notice requirements set forth in Sections 3 and 4 hereof, and the required quorum of any such adjourned meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such adjourned meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The regular assessments provided herein shall commence and shall be due as to each lot on the first day of the month following the convey a lot by the declarant, its successors or assignees, to an owner. For subsequent years, the annual assessment and basis for payment shall be fixed at the annual meeting of the Association. The annual assessment period shall be from January 1 to December 31 of the following year. The Association shall upon request furnish a certificate in writing signed by a representative of the Association setting forth whether the assessments on a lot have been paid. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association.

Any assessments which are not paid when due shall be delinquent and shall be a continuing lien upon the lot(s) until paid. If the assessment is not paid within fifteen (15)

days after the due date, the assessment shall bear interest from the due date at the rate set by the Association, plus a penalty equal to five per cent (5%) of the amount of the assessment. For the purpose of enforcing the lien of any unpaid and delinquent assessment, each lot owner grants the Board of Directors of the Association irrevocably the power to sell his or her home at the public outcry to the highest and best bidder for cash. The Board of Directors is authorized to make such a public sale if and only if such sale is made subordinate to any prior recorded Institutional Mortgage (as hereinafter defined). The Association is hereby authorized to take any and all courses of action available to them for collection of the assessment which the laws of the State of Arkansas allow. Any such sale shall be made after first advertising the sale of said property for twenty-one (21) days by three (3) weekly publications in some newspaper in the County of Craighead, City of Jonesboro, State of Arkansas, giving notice of the time and place of each sale and by written notice of and place of such sale of the lot. Any sale of the lot to enforce the lien for delinquent unpaid assessments shall be free from equity and right of redemption, both common law and statutory, homestead and dower and all other exemptions, all of which are hereby expressly waived by lot owners; in any such sale the lien enforced thereby shall take precedence over and have priority over any and all other liens of every nature against the lot, except real estate and ad valorem taxes assessed against the lot and prior recorded institutional mortgage. The proceeds of any such sale, whether under the power of sale or by foreclosure suit, shall be applied first to the payment of the expenses of protecting the property and the expenses of litigation, attorney's fees, and sale commissions; and second, to the payment of all amounts due the Association under the declaration and bylaws, and the

balance, if any, to the lot owner, whose lot is sold or his assignees or other party lawfully entitled thereto. All rights, remedies and privileges granted to the board of directors or a lot owner, pursuant to any terms, provisions and covenants or of the declaration and bylaws shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies nor shall it preclude the party thus exercising the same from exercising such other and additional rights remedies, or privileges as may be granted to such party by the declaration and bylaws or at law or in equity.

The Association shall notify in writing the holder of any institutional mortgage on any lot for which any assessment levied pursuant to this declaration becomes delinquent for a period in excess of sixty (60) days and any other case where the owner of such lot is in default with respect to the performance of any other obligation hereunder for a period in excess of sixty (60) days if the mortgagee has previously notified the Association, in writing, of its mortgage and requests such notice.

Section 9. Subordination of the lien to Mortgage. The lien for assessment created hereunder upon any lot shall be subject and subordinate to the prior recorded lien of any institutional mortgage. (An institutional mortgage is a deed of trust, mortgage or other similar lien instrument executed in favor of any bank, savings and loan association, insurance company, finance company, business trust, credit union, or other commercial lending institution or entity which in the ordinary course of business engages in making loans to others). The holder of an institutional mortgage who comes into possession of any lot pursuant to the remedies provided in said institutional mortgage (whether by way of foreclosure of the trust deed or deed [or assignment] in

lieu of foreclosure) shall take the property free of any claims for unpaid assessments or charges against the mortgaged property which accrued prior to the time such holder came into possession of the property; provided that after the foreclosure of any such mortgage, or after the granting of any deed or assignment in lieu of foreclosure, there may be a lien created on the interest of such purchaser, grantee, or assignee, or grantee as an owner; and such subsequent assessment lien shall have the same effect and be enforced in the same manner as provided herein. Sale or transfer of any units shall not affect the assessment lien; however, the sale or transfer of any unit pursuant to foreclosure of a first mortgage held by an institutional lender or any preceding in lieu thereof shall extinguish the lien of such assessment as to payments which become due prior to such foreclosure sale or deed or assignment in lieu thereof; provided, however, the lien shall continue and attach to any proceeds from any foreclosure sale which might be due unto the mortgage of the property being foreclosed. No sale or other transfer of a unit (other than ones in lieu of foreclosure of a recorded first mortgage) shall relieve such property from liability for any assessment or for the lien thereof and no foreclosure (or transfer in lieu thereof) of any other deed of trust or mortgage shall relieve any property owner from personal liability for assessments recorded prior to such foreclosure or transfer in lieu thereof.

Section 10. Priority of Lien. The lien established by this article shall have preference over any other assessments, liens, judgments or charges of whatever nature, except the following:

- (a.) General and special assessments for real estate taxes on a lot; and

(b.) The liens in favor of any institutional lender of any first deeds of trust, first mortgage instruments encumbrances duly recorded on the lot prior to the assessment of the lien thereon or duly recorded on said lot after receipt of a written statement from the board of directors reflecting that said liens were current as of the date of recordation of said deed of trust, mortgage instrument or other encumbrance.

Section 11. Exempt Property. The following property shall be exempt from the assessments created herein: (a) all properties dedicated to and accepted by a local public authority; and (b) the common area.

ARTICLE V – MAINTENANCE

1. The Association shall provide all maintenance and pay all expenses for the drainage easements, common area, and the landscaping on the easement portions of Lots 1, 2, and 29 including any fences or masonry walls thereon. The real property taxes on the common area, if any, shall also be paid for by the Association. The Association shall also pay for maintenance and repair for the perimeter wall/fence, guard shack, gates, security/monitoring system, irrigation system that may be installed, landscaping, and common drive easement.

2. Each owner shall be responsible for all interior and exterior maintenance, roofing, painting, repair and upkeep on his lot and improvements, including fences and walls, except for the perimeter wall/fence, subject to the party wall provision.

ARTICLE VI – USE RESTRICTIONS

1. The property shall be used for family residential purposes only. Provided, however, declarant may maintain on a lot appropriate facilities necessary in order to complete the construction and sale of lots.

2. It is prohibited to store or park a house trailer, recreational vehicle, self-propelled motor home, camper, pleasure or fishing boat or other watercraft, for a period greater than one week on any said residential lot, unless same are stored or parked completely inside the garage of an individual unit or placed in the rear of the lot or house where it cannot be seen from the street.

3. No lot shall be used for the purposes of keeping, breeding or raising any animals for commercial purposes as a place for keeping horses, cattle, or other animals or poultry; provided, however, the occupants of each residence may keep the usual domestic or household pets. All pets shall be kept on leashes and shall not be allowed to use the common area for relief purposes.

4. All lots shall be kept clean and free of trash, rubbish, garbage, debris, or other unsightly objects or materials at all times. Trash, garbage or other wastes shall be disposed of in a sanitary manner and all containers or other equipment for the storage or disposal of garbage and trash shall be kept in a clean, sanitary condition inside garages, behind fencing, or otherwise hidden from view.

5. No billboards, signboards or advertising displays of any kind shall be installed, maintained or permitted to remain on any lot, except that one sign containing not more than twelve (12) square feet of surface area may be displayed relative to the sale of each lot by the developer or any lot owner.

6. Outside clothes lines, aerials, antennae, patio covers, freestanding basketball boards and other similar structures shall not be allowed unless approved by the Architectural Control Committee.

7. No obnoxious trade or activity shall be carried on upon any lot nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. The Association, by a vote of seventy-five percent (75%) of those entitled to vote, may determine that a nuisance exists.

8. Owners shall not lease the lots and improvements for terms of less than one (1) year. This provision is intended to protect the value and stability of the development.

ARTICLE VII – ARCHITECTURAL CONTROL

The Grantors shall appoint an Architectural Control Committee composed initially of three persons. The first committee shall consist of Hesse, Hesse and Hundley. The first committee shall consist of Dan Hesse, Barry Hesse, and Daniel Hundley. The first committee shall consist of one six-year term; one four-year term; and one two-year term. The number of members of the Architectural Control Committee shall be composed of no less than five persons upon the two-year anniversary date of the filing of the Bill of Assurance. Upon this change, from a three-year to a five-year member committee, three members must be present to be a majority. At the expiration of a member's term, said vacancy shall be replaced by one property owner for a two-year term. In the event any member of said Architectural Control Committee shall fail to qualify or for any reason to be or become unable to serve thereon, a successor member shall be appointed by the remaining members to complete said term.

Section 2. Obtaining Committee Approval. The approval of the committee shall be sought by furnishing to it the details, plans and specifications relating to any contemplated structure or alteration. Such furnished materials shall show the nature, kind, shape, materials and location of the contemplated structure or alteration. The purpose of this provision is to insure compliance with all of the conditions and restrictions contained in the declaration and to enhance the esthetics of the property. The committee may disapprove contemplated structures or alterations if such would violate any of the terms of the declaration, or if in the committee's sole opinion, such would not be harmonious with the surrounding structures and with Deer Valley Estates. In the event the committee fails to approve or disapprove any plans, specifications, exterior color scheme, exterior building materials, or plot plans submitted to it as required herein, each approval of the committee will be deemed to have been waived and the provisions of this article will have been fulfilled.

In the event approval is sought by a lot owner who is he committee, then the board of directors of the Association shall appoint another lot owner to serve on the committee for the decision with respect to the lot in question.

A majority vote of the members of the committee shall be determinative of any request submitted.

ARTICLE VIII – INSURANCE

Insurance on the common areas shall be carried and paid for by the Association.

The right is given to the Association to require the owner of a damaged or destroyed lot or improvements to make repairs or replacement in order to restore the lot

or improvements to its condition prior to the damage or destruction, including the right to require that insurance paid to the owner because of said damage or destruction is applied to the repair or replacement thereof.

ARTICLE IX – MORTGAGEE’S RIGHTS

The following provisions shall be applicable only to institutional mortgages (as hereinabove defined):

1. A first mortgagee of any lot at its request is entitled to written notification from the Association of any default of the mortgagor of such lot in the performance of such mortgagor’s obligations under the declarations, covenants, conditions and restrictions, or by bylaws, which is not cured within thirty (30) days.

2. Any first mortgagee of a lot who comes into possession of the lot pursuant to the remedies provided in the mortgage, deed of trust, foreclosure of the mortgage or deed of trust, or deed in lieu of foreclosure, shall take the property free of any claims for unpaid assessments or charges against the mortgaged lot, which accrue prior to the time such holder comes into possession of the lot (except for claims for a pro rata share of such assessments or charges resulting from a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all lots, including the mortgaged lot).

3. Unless all of the first mortgages of lots have given their prior written approval, the Association shall not be entitled to:

(a) Change the pro rata interest or obligations of any lot for (i) purposes of levying assessments or charges or, (ii) allocating distribution of hazard insurance proceeds or condemnation awards.

(b) Use hazard insurance proceeds for losses to any improvements for other than the repair, replacement or reconstruction of such improvements.

(c) Abandon or terminate the project except where abandonment or termination is provided by law in the case of substantial destruction by fire or other casualty or in the case of taking by condemnation or eminent domain.

4. First mortgagees shall have the right to examine the books and records of Association and/or the project.

5. An adequate reserve fund for the replacement of common areas and improvements will be established and funded by regular monthly payments rather than special assessments.

6. No lot owner, or any other party, shall have priority over any rights of the first mortgagees of lots pursuant to their mortgages in the case of a distribution to lot owners of insurance proceeds of condemnation awards for losses to or taking of lots and/or common areas.

7. The interest of a first mortgagee in a mortgaged lot (other than in the common area constituting part of the lot) shall be superior to the interests of any other person, group, partnership, corporation or entity of any kind, including any interest the board of directors, the declarant or any lot owner may have in any portion of the premises, regardless of the nature of the interest of the manner in which it is acquired.

8. Notwithstanding the above, any first mortgagee shall have all of the rights granted to a first mortgagee herein, and in addition shall have all of the rights granted to an institutional first mortgagee under its deed of trust, and under the laws of the State of Arkansas.

9. No lot in the project may be re-platted or subdivided.

10. In the event of substantial damage to or destruction of any improvements or any part of the common areas, the institutional holder of the first mortgage on a lot will be entitled to timely written notice thereof.

ARTICLE X – GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any owner, shall have the right to enforce, by any proceeding at law, or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by this Declaration. Failure by the Association or by any owner to enforce any covenant or restriction herein contained shall be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any of the other provisions which remain in force and effect.

Section 3. Amendments. Any or all of the covenants, provisions or restrictions set forth in this declaration may be amended, modified, extended, changed or cancelled, in whole or part, by a written agreement signed by two-thirds majority of property owners in this subdivision. The provision of such instrument so executed shall be binding from and after the date it is duly filed for record in the office of the recorder of deeds in and for Craighead County, Arkansas, in Jonesboro, Arkansas.

ARTICLE XI – DEFINITIONS

Section 1. “Association” shall mean and refer to Deer Valley Estates Property Owner’s Association, LLC, a non-profit corporation incorporated under the laws of the State of Arkansas, its successors and assigns.

Section 2. “Common Area” shall mean the perimeter wall/fence, guard shack, entry gates, irrigation system, landscaping, entry island, all other fixtures of the entry commons area, and all real property owned by the Association for the common use and enjoyment of the members of the Association.

Section 3. “Lot” shall mean and refer to a lot shown on plat filed as document #2018R-013692, and also Plat Book C @ Page 303, in the office of the Circuit Clerk and Ex-Officio Recorder for Craighead County, Arkansas, and all amendments and recordings thereof, and improvements on said lot. Conveyance of lots shall be by lot number. Ownership of a lot hereunder shall include an undivided pro rata interest in the common area owned by the Association.

Section 4. “Member” shall mean and refer to every person or entity who holds membership in the Association.

Section 5. “Owner” shall mean and refer to the record owner, whether one or more persons, or entities, of a fee simple title to any lot, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. “Declarant” shall mean and refer to Deer Valley Estates, LLC, an Arkansas corporation, its successors and assigns.

Section 7. “Improvements” shall mean the structures, walls, pavements, plantings and other additions build or placed on the lots. It is intended that the improvements reasonably meant for the owner of a particular lot will lie entirely within said lot, except for party walls, as referred to hereafter. In the event, that by reason of construction, settlement, reconstruction or shifting of the improvements, any minor part

of the improvements reasonably intended for a particular lot lie outside the lot, an easement of use shall apply thereto in favor of the lot to be benefitted.

EFFECTIVE DATE: These covenants shall be in full force and effect until JANUARY 20 44, subject to amendments, modifications, or cancellation as hereinabove provided.

WITNESS our hands and seals this 6 day of AUGUST, 2018.

Dan Hesse
DAN HESSE, GRANTOR

Barry Hesse
BARRY HESSE, GRANTOR

Daniel Hundley
DANIEL HUNDLEY, GRANTOR

STATE OF ARKANSAS)
)
COUNTY OF CRAIGHEAD)

ACKNOWLEDGMENT

BE IT REMEMBERED, that on this day came before me, the undersigned, a Notary Public, within and for the State and County aforesaid, duly commissioned and acting, Dan Hesse, Barry Hesse, and Daniel Hundley, to me well known as the Grantors in the foregoing Bill of Assurance and stated that they had executed the same for the consideration and purpose therein mentioned and set forth.

WITNESS my hand and seal as such notary public this 6th day of August, 2018.

Mila S. Dupwe
Notary Public

