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**DECLARATION OF COVENANTS AND RESTRICTIONS
OF OAK MEADOWS POA, INC.**

This Declaration of Covenants and Restrictions of Oak Meadows POA, Inc., an Arkansas non-profit corporation (this “**Declaration**”), is made this ___ day of _____, 2018, by **Crestwood Homes, LLC**, an Arkansas limited liability company (the “**Developer**”).

RECITALS:

A. Developer owns the real property described on **Exhibit A** attached to this Declaration (the “**Property**”), and desire to create a community known as “**Oak Meadows**” in Bentonville, Benton County, Arkansas (hereinafter, “**Oak Meadows**”).

B. Developer desires to provide for the preservation of the values in Oak Meadows and for the maintenance of common facilities and, to this end, desires to subject the Property to these covenants, restrictions, easements, charges and liens, each of which is for the benefit of the Property and each Owner.

C. Developer deems it desirable, for the efficient preservation of the values in Oak Meadows, to create an association which shall be assigned the powers of maintaining, administering and enforcing these covenants and restrictions and doing all other things necessary to preserve the values and amenities of this community.

D. Developer has caused to be incorporated Oak Meadows POA, Inc., an Arkansas non-profit corporation, for the purpose of exercising these functions.

NOW, THEREFORE, Developer declares that the Property is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens hereinafter set forth:

ARTICLE I

DEFINITIONS

The following words, when used in this Declaration or any supplemental Declaration (unless the context shall indicate a contrary intention), shall have the following meanings:

“Assessments” shall mean and refer to an Owner’s share of the Association Expenses that from time to time are assessed against an Owner by the Association in the manner herein provided, and other costs and expenses that from time to time are assessed against an Owner in accordance with the terms of this Declaration.

“Association” shall mean and refer to Oak Meadows POA, Inc., an Arkansas non-profit corporation, its successors and assigns.

“Association Expenses” shall have the meaning set forth in Section 5.04 hereof.

“Board” shall mean the Board of Directors of the Association.

“Business Day” shall mean any day of the week other than Saturday, Sunday or a day in which commercial banks are closed for business in Bentonville, Arkansas.

“Common Property” shall mean all real and personal property owned, if any, operated or controlled by the Association for the common use or benefit of all Owners.

“Design Guidelines” shall have the meaning set forth in Section 6.03 hereof.

“Design Review Committee” shall mean the committee appointed pursuant to Section 6.01 hereof.

“Developer” shall mean Crestwood Homes, LLC, an Arkansas limited liability company, its successors and assigns.

“Developer Control Period” shall have the meaning set forth in Section 3.03 below.

“Development Permit” shall have the meaning set forth in Section 6.02 hereof.

“Improvement” shall have the meaning set forth in Section 6.04.

“Lot” shall mean and refer to any platted lot within the Property that may be purchased by any person, or owned by the Developer or the Association.

“Member” shall mean and refer to any Lot Owner who by virtue of holding title to any Lot is a Member of the Association. If any Lot Owner holds title to more than one Lot, then the Lot Owner shall hold memberships equal to the number of Lots owned.

“Mortgage” shall mean any mortgage, deed of trust or other security instrument used for the purpose of subjecting real property to a lien or encumbrance as security for indebtedness.

“**Owner**” and “**Lot Owner**” shall mean and refer to any individual, Person, firm, corporation, partnership, association, limited liability company, trust or other legal entity, or any combination thereof, whether one or more, including the Developer, who or that holds record fee simple title to any Lot which is a part of the Property, but excluding those having such interest merely as security for the performance of an obligation.

“**Person**” shall mean an individual, firm, corporation, partnership, limited liability company, property owners association, trust, or any other legal entity, or any combination thereof.

“**Property**” shall mean and refer to that property described on Exhibit “A” that is subject to this Declaration and any property subjected to this Declaration in the future pursuant to the provisions of Article II.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

Section 2.01. Existing Property. The real property that is, and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in Bentonville, Benton County, Arkansas and is more particularly described on Exhibit A, all of which property shall be referred to as the “Property.”

Section 2.02. Additions Limited to Developer. No one other than the Developer shall have the right to subject additional lands to this Declaration, unless the Developer shall indicate in writing to the Association that such additional lands may be included.

ARTICLE III

RESERVED RIGHTS OF DEVELOPER

Section 3.01. Reservation of Rights. Developer, as owner of the Property, expressly reserves the rights set forth in this Article with respect to the Property.

Section 3.02. Development Rights. Developer reserves the right, in its sole discretion, to expand the Property as provided in Article II hereof to include other lands owned by the Developer, make such property subject to the provisions of this Declaration, and create additional Lots upon such additional lands.

Section 3.03. Developer Control Period.

(a) Commencement and Termination of Period. The Developer Control Period for Oak Meadows (the “**Developer Control Period**”) begins when the Developer executes its first contract with a third-party purchaser to purchase a Lot, and shall terminate no later than sixty (60) days after Developer deeds at least **ninety-five percent (95%)** of all Lots created or as may be created in Developer’s sole discretion from the Property, but in no event later than ten (10) years from the date the Developer transfers and deeds its first Lot within Oak Meadows to a third-party purchaser. The Developer shall have the right, but not the obligation, to

terminate the Developer Control Period at any time in its sole discretion by filing an instrument in the real estate records of Benton County, Arkansas providing for such termination.

(b) Restrictions During Period. During the Developer Control Period, the Association shall not enter into any lease and/or contract for goods and services for the Property that extends beyond the Developer Control Period. Any contract and/or lease in contravention of the foregoing sentence shall be voidable at the option of the Association.

(c) Association Books and Records. During the Developer Control Period, all books and records kept by or on behalf of the Association shall be available for examination and copying by a Member in good standing or his authorized agent. This right of examination shall exist without reference to the duration of membership and may be exercised only upon ten (10) day's prior written notice and during reasonable business hours, or otherwise at a mutually convenient time and location. Notwithstanding the terms of this Declaration to the contrary, books and records kept by or on behalf of the Association may be withheld from inspection to the extent that they concern:

- (i) Personnel records;
- (ii) An individual's medical records;
- (iii) Records relating to business transactions that are currently in negotiation;
- (iv) Privileged communications with legal counsel; or
- (v) Complaints against a Member of the Association.

The Association may impose and collect a charge, reflecting the costs of materials and labor (including attorney and professional fees) prior to providing copies of any books and records to a Member under this section.

Section 3.04. Reservation of Easements. Developer expressly reserves a perpetual easement over all driveways, parking areas, sidewalks and utility easements to connect them with other driveways, parking areas, sidewalks and utility easements within Oak Meadows, the location of which shall be selected by the Developer.

Section 3.05. Right To Appoint and Remove Members of Board. During the Developer Control Period, the Board shall consist solely of members appointed and determined by Developer, and Developer reserves the right to appoint and remove members of the Board pursuant to the provisions of Section 4.04 of this Declaration.

Section 3.06. Right to Amend to Comply with Law. Developer reserves the right to amend or supplement this Declaration in any manner necessary to establish the validity and enforceability of this Declaration or to bring this Declaration into compliance with federal law, the laws of the State of Arkansas or any common law principle or judicial decision that may affect the validity and enforceability of this Declaration.

Section 3.07. Right to Amend to Comply with Title Insurance Company Requirements. Developer reserves the right to amend or supplement this Declaration in any manner necessary to satisfy the requirements of any title insurance company that may be called upon by the

Developer to issue title insurance policies to Owners, provided such amendment is reasonably required to support the validity and enforceability of the Declaration.

Section 3.08. Right to Amend to Make Corrections. Except as otherwise may be provided in this Declaration, so long as Developer owns any Lot, Developer reserves the right at any time and from time to time to amend this Declaration as it deems appropriate, in its sole discretion, to carry out the purposes of Oak Meadows established in this Declaration, or to correct an error or omission, or to address and/or correct any matter required by any lending institution, public body or title insurance company, or to change the configuration or size of any lands or Lots subject to this Declaration, or to facilitate the operation and management of Oak Meadows and the Association, or to facilitate the sale of Lots. Such an amendment by the Developer may be made unilaterally, without the approval of any other party, and shall become effective upon the recording of an instrument executed by the Developer in the real estate records of Benton County, Arkansas, setting forth the amendment; provided, however, that no such amendment to this Declaration shall change the proportion or percentage by which an Owner shares the Association Expenses, unless such amendment is also approved by at least a majority vote of the Owners.

ARTICLE IV

THE ASSOCIATION

Section 4.01. Formation. Every Owner shall be a Member of and constitute the Association, which shall be governed by the Board.

Section 4.02. Administration. The Association was formed to effectively and efficiently provide for the administration and enforcement of the provisions of this Declaration and the performance of other duties imposed upon and accepted by the Association concerning the Property and undertake and perform all acts and duties incident thereto in accordance with the terms, provisions, and conditions of this Declaration. The Association shall have Articles of Incorporation and Bylaws. Each Owner shall automatically become a Member of the Association upon acquisition of title to a Lot, and the membership of such Owner shall terminate automatically upon the Owner being divested of such ownership regardless of the means by which such ownership may be divested. No person, firm or corporation holding any lien, mortgage or other encumbrance on any interest in a Lot shall be entitled by virtue of such, to membership in the Association or to any other rights or privileges of such membership. The Association shall have and is hereby granted the authority and power to enforce the provisions of this Declaration, specifically including, but not limited to, the right to levy and collect assessments in the manner hereinafter provided, and to enforce building covenants and restrictions set forth herein and in the Bill of Assurance recorded upon the platting of the Property. The Association shall further have and is hereby granted the authority to adopt, promulgate and enforce such rules and regulations, including without limitation rules governing such use of the Common Properties (**including the clubhouse, swimming pool and playground areas**), as the Association may deem to be in the best interest of Oak Meadows, and to enforce such rules and regulations by imposing reasonable fines for violations thereof. Any such fines shall be personal obligations of the Owner against whom they are assessed and the Association may file and prosecute lawsuits to recover any amounts due or require compliance with the rules

and regulations in question. Unpaid fines shall accrue interest at a rate determined by the Board not to exceed the maximum interest rate allowed by applicable law. Unpaid fines and any accrued interest shall become a lien on the Lot in the same manner as an Assessment as set forth in Section 5.09 hereof and may be enforced as set forth in that Section.

Section 4.03. Voting. An Owner shall have, for purposes of voting, one vote for each Lot owned by it on all matters relating to the Association upon which a vote of the Members is conducted. All action taken by a vote of the Members shall be by majority vote unless a different vote is specified in this Declaration or in the Bylaws. If a Lot is owned by more than one Person, the owners thereof shall designate one of themselves as the “Voting Member” for that interest. Only the Voting Member shall be entitled to the vote attributed to a Lot on Association issues submitted to a vote of the Members.

Section 4.04. Appointment and Election of Board of Directors.

(a) **Developer May Appoint.** During the Developer Control Period, the Developer, in its sole discretion, may appoint, remove and replace any director of the Board and the Board shall consist solely of directors appointed and determined by the Developer. Directors are not required to be Owners. The Board shall consist of directors appointed by the Developer until the election/appointment of successor directors as provided below.

(b) **Initial Board.** The initial Board of the Association shall consist of three (3) members designated by the Developer as set forth in Section 4.04(a) above, who shall serve for a period commencing upon the date of their appointment and terminating (unless sooner terminated by the Developer, in its sole discretion) at the end of the Developer Control Period upon the election of the successor directors.

(c) **Election of Board of Directors.** At least ten (10) days prior to expiration of the Developer Control Period, at a regular or special meeting of the Association called for such purpose, all Members eligible to vote, including the Developer for the Lots owned by it, shall elect three (3) successor directors to the Board. Membership in the Association is not a condition to election and service as a director. The three candidates receiving the highest number of votes of the Members shall be elected as directors. One successor director shall serve a term commencing upon his/her election and qualification and terminating on the date of the third annual Association meeting thereafter, and the election and qualification of that director’s successor. One successor director shall serve a term commencing upon his/her election and qualification and terminating on the date of the second annual Association meeting thereafter and the election and qualification of that director’s successor. The third successor director shall serve a term commencing upon his/her election and qualification and terminating on the date of the first annual Association meeting thereafter and the election and qualification of that director’s successor. The length of the terms to be served by the initial successor directors shall be determined by lot. Thereafter, directors shall be elected for three (3) year terms and shall serve until the successor of each is elected and qualified. The length of the terms may be modified by the Bylaws. Additional directors, not to exceed a total of seven (7), may be added to the Board by amendment of the Bylaws.

(d) Removal of Directors. Notwithstanding any provisions of this section to the contrary, after the expiration of the Developer Control Period, the Members by a two-thirds (2/3) majority vote of all Owners present and entitled to vote at any meeting at which a quorum is present, may remove any duly elected member of the Board for any reason or no reason.

ARTICLE V

ASSESSMENTS

Section 5.01. Agreement to Pay Assessments. Each Owner, by acceptance of a deed to a Lot (whether or not expressed in the deed) covenants and agrees to pay to the Association all Assessments.

Section 5.02. Exempt Property. Common Properties as defined in Article I, all Common Properties subsequently added to the Property and any areas that are designated for the common use or benefit, and all portions of the Property owned by the Association or otherwise dedicated to any political subdivision shall be exempt from the Assessments and liens of the Association.

Section 5.03. Assessments. Each Owner shall contribute pro rata toward the Association Expenses and toward any other agreed upon expenses based on the ratio of the number of Lots (or fraction thereof if a Lot is properly subdivided) owned by the Owner to the total number of Lots deemed subject to this Declaration.

Section 5.04. Association Expenses. The Association shall be responsible for and shall consider the following as common expenses: (i) the costs of Association administration, which shall include all costs and expenses incurred by the Association in performing its duties under this Declaration and any bill of assurance affecting land subject to this instrument and taking other actions as may be authorized by this Declaration, including attorney fees, accounting fees and fees of other professionals; (ii) the maintenance, repair, replacement, acquisition, construction and reconstruction of Common Properties, and easements, (iii) any deficit remaining from a previous period; (iv) creation of reasonable contingency reserves; and (v) any other expenses and liabilities that may be incurred by the Association for the benefit of its Members under or by reason of this Declaration (collectively referred to herein as the "Association Expenses"). The Association shall treat as a contribution to reserves the excess Association revenues over Association Expenses.

Section 5.05. Commencement of Assessments. Assessments shall commence on a Lot on the date of the initial sale from Developer to an unaffiliated third party. An Owner shall be responsible for Assessments accruing during the period of its ownership of such property. The obligation to pay Assessments may be delegated to a tenant or other third party; provided, however, the Owner shall remain liable to the Association for all such payments.

Section 5.06. Annual Budget. Each year, the Board shall prepare and adopt an operating budget for the following calendar year. The budget shall itemize the estimated Association Expenses for such calendar year, taking into consideration anticipated receipts (if any), and any deficit or surplus from the prior operating period. The budget shall serve as the supporting document for the Assessment for the upcoming calendar year and as the primary guideline under

which the Association shall be operated during such annual period. Developer shall estimate the budget for the first calendar year of the Association or portion thereof. The Association shall furnish a copy of the budget to each Owner.

Section 5.07. Notice of Payment; Late Charge.

(a) On or around January 1 of each year, the Association will notify each Owner of the amount of the Assessment with respect to the Owner's Lot or Lots. The Assessment shall be payable in annual installments, or in such other installments and at such times as may be determined by the Board.

(b) All unpaid Assessments shall incur a late charge in the amount equal to fifty percent (50%) of the delinquent amount, and shall accrue interest at a rate equal to the maximum interest rate allowed by applicable law from the date each unpaid amount was due until paid. The failure of the Association to give timely notice of any Assessment as provided herein shall not be deemed a waiver or modification in any respect of the provisions of this Declaration or a release of any Owner from the obligation to pay such assessment or any other assessment, but the date when the payment shall become due in such case shall be deferred to a date fifteen (15) days after notice of such assessment shall have been given to the Owner in the manner provided in this Declaration.

Section 5.08. Special Assessments. In addition to the Association's regular assessments authorized by this Article, the Association may levy, at any time and from time to time, upon affirmative vote of a majority of the Owners, a Special Assessment, for the purpose of defraying, in whole or in part, the costs of any construction or reconstruction, unexpected repair or replacement of any Common Property or any part thereof, or for any other expenses incurred or to be incurred as provided in this Declaration (including without limitation Association Expenses), and such assessment will be payable over such period as the Owners may determine. Such Special Assessments, if any, shall be included within any and all references to Assessments. This section shall not be construed as an independent source of authority for the Association to incur expenses but shall be construed to prescribe the manner of assessing for expenses authorized by other sections of this Declaration, the By-Laws or the Articles. Any amounts assessed pursuant hereto shall be assessed to Owners prorata based on the number of Lots subject to this Declaration. Notice in writing of the amount of such Special Assessments and the time for payment thereof shall be given promptly to Owners, and no payment shall be due less than fifteen (15) days after such notice shall have been given. All unpaid portions of any Special Assessment shall incur a late charge in an amount equal to fifty percent (50%) of the delinquent payment and accrue interest at a rate determined by the Board not to exceed the maximum interest rate allowed by the applicable law from the date such portions become due until paid. All funds received from assessments under this Section shall be part of Association funds.

Section 5.09. Lien for Assessments.

(a) All sums assessed to the Owners pursuant to the provisions herein and in the Bylaws, together with interest thereon as provided herein, shall be secured by a lien on the respective Lots in favor of the Association, which lien shall be prior to all other liens upon the

Lots except: (a) tax liens in favor of any assessing unit; and (b) any mortgage or deed of trust duly recorded prior to the Assessment Lien encumbering the Lot. To evidence a lien for sums assessed pursuant hereto, the Association may prepare and record in the real estate records a written notice of lien setting forth the amount of the Assessment, the date due, the amount remaining unpaid, the name of the Owner and a description of the Lot. No notice of lien shall be recorded until there is a delinquency in payment of the Assessment. In addition to the unpaid amount of the Assessment, any recorded lien shall secure payment of all accrued interest on the assessment, late charges, title search fees, and for all costs of collecting such amounts, including attorneys' fee, whether suit be brought or not, and the Owner shall be personally liable for all such amounts.

(b) Liens created pursuant to subsection (a) above may be enforced by judicial foreclosure by the Association in the same manner in which mortgages on real property may be foreclosed in the State of Arkansas. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding (including attorneys' fees) and such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any assessments against the Lot that shall become due during the period of foreclosure and all such assessments shall be secured by the lien being foreclosed. The Association shall have the right and power to bid in at any foreclosure sale, to apply as a cash credit against its bid all sums due the Association and to hold, lease, mortgage or convey the subject Lot. Furthermore, the rights of the Association herein set forth above shall be in addition to any other rights provided by law with respect to liens for and collection of unpaid assessments.

(c) The Board shall have the right to settle and compromise any lien securing unpaid Assessments and the amount of the unpaid Assessment, including all late charges and accrued interest thereon, if such action is deemed to be in the Association's best interest.

Section 5.10. Personal Obligation of Owner.

(a) The amount of any Assessment against any Lot shall be the personal obligation of the Owner of such Lot to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosing or waiving any lien securing the same. In the event of any suit to recover a money judgment for unpaid assessments hereunder, or in the event that the Association must bring an action to enforce these covenants, the involved Owner shall pay the costs and expenses incurred by the Association in connection therewith, including attorneys' fees. The Association shall have the right to assign its claim and lien rights for the recovery of any unpaid Assessments, together with any outstanding costs, charges, and attorney fees, to the Developer, any Owner or group of Owners, or any other Persons.

(b) If a Lot is owned by more than one Person, each Person with an ownership in the subject Lot shall be jointly and severally liable for all Assessments. No Owner may avoid or diminish its personal obligation for payment of Assessments by waiver of the use and enjoyment of any of the Common Property or by abandonment of its Lot or by waiving any services or amenities provided for in this Declaration.

Section 5.11. Unpaid Assessments Shall Be Paid from Sales Price. In the case of a voluntary sale or conveyance of a Lot, all unpaid Assessments, or other assessments or charges against an Owner for its pro rata share of Association Expenses or other amounts due the Association shall be paid out of the sales price or by the acquirer in preference over any other assessments or charges of whatsoever nature, except the following:

- (i) assessments, liens and charges for taxes past due and unpaid; and
- (ii) payments due under mortgages and other security instruments duly recorded prior to the date the Assessment or other debt due the Association.

Section 5.12. Statement of Account. Upon the request of any Owner, mortgagee, prospective mortgagee or prospective purchaser of a Lot, duly authorized representatives of the Association, for a reasonable fee, shall issue a written statement setting forth the following:

- (i) The amount of the unpaid Assessments or other amounts due the Association, if any, with respect to such Lot;
- (ii) The amount of the current Assessments and the date or dates upon which installments thereof become due;
- (iii) Credit for advanced payments or prepaid items; and
- (iv) That such statement shall be conclusive against the Association in favor of persons who rely thereon in good faith.

Section 5.13. Personal Liability of Purchaser. Subject to the provisions herein, a purchaser of a Lot, other than purchasers from Developer, shall be jointly and severally liable with the seller thereof for all Assessments unpaid at the time of the purchase; provided, however, that the provisions of this section shall not prejudice the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments.

Section 5.14. Subordination of the Lien to Mortgage; Foreclosure; Remaining Liability.

(a) The lien of unpaid Assessments provided for in this Article shall be subordinate to the lien of any prior recorded Mortgage on the Lot. The lien securing the Assessments shall be extinguished by the sale or transfer of any Lot pursuant to a decree of foreclosure of a prior Mortgage. No such sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due.

(b) When the purchaser of a Lot obtains title thereto as a result of foreclosure of a Mortgage or other security instrument, such purchaser, its successors and assigns, which may include but not be limited to the mortgagee or other secured party, shall not be liable for any of the Assessments chargeable to such Lot accruing after the date of recording such mortgage or security interest but prior to the acquisition of title to such Lot by such purchaser. Such unpaid share of Association expenses shall be deemed to be Association expenses collectible from all Members, including such purchaser, its successors and assigns. The provisions of this section, however, shall not release any Member from personal liability for unpaid assessments.

Section 5.15. Records; Rights to Inspect.

(a) The Board shall keep, or cause to be kept, a book with a detailed account of the receipts and disbursements affecting the Association and its administration and specifying the expense of maintenance and repair of the Common Properties.

(b) Any Member, or that Member's duly appointed representative, shall have access to the Association's books of account, operating statements and other financial information and minutes from any meeting of the Owners, the Board, or any committee of the Board in order to inspect and copy such records for any purpose reasonably related to his or her interest as a Member. Access shall be at any reasonable time at the office of the Association, if one is maintained, or such other place within Benton County, Arkansas as the Board prescribes. The Board shall establish rules regarding the notice the Member must give to the custodian of the records to obtain access, the hours and days of the week when the records may be inspected and copied, and the charge(s) imposed by the Association for copying records requested by the Member. As a condition to permitting a Member to inspect the books of account, and minute records, the Association may require the Member to agree in writing not to use or allow the use of such information for commercial or other purposes not related directly to membership in the Association. Notwithstanding the terms of this Declaration to the contrary, books and records kept by or on behalf of the Association may be withheld from inspection to the extent that they concern those items listed in Section 3.03(c).

ARTICLE VI

DESIGN REVIEW COMMITTEE

Section 6.01. Designation of Committee. The Association shall have a Design Review Committee, consisting of at least two (2) and not more than five (5) members who shall be natural persons. The Members of the Design Review Committee, and all vacancies, shall be appointed by the Developer until the expiration of the Developer Control Period. When the Developer Control Period expires, the members of the Design Review Committee, and all vacancies, shall be appointed by the Board. During the Developer Control Period, status as a Member shall not be a prerequisite to being appointed a member of the Design Review Committee. Upon the expiration of the Developer Control Period, however, at least two (2) members of the Design Review Committee shall be Members. The Board shall designate a member of the Design Review Committee as the chairman of the committee and a member as the secretary thereof. The Board may, at its sole discretion, elect to pay a stipend to the members of the Design Review Committee in any amount determined by it to be appropriate. The Board may employ and compensate professional consultants to assist the Design Review Committee in discharging its duties, which authority may be delegated to the Design Review Committee.

Section 6.02. Function of Design Review Committee. No Improvement or structure of any kind shall be constructed, erected, placed, altered, added to, reconstructed, or permitted to remain upon any Lot and no construction activity or grading shall be made unless a permit (a "**Development Permit**") is issued by the Design Review Committee. Compliance with this Declaration, the Bill of Assurance, and any applicable Design Guidelines, or a variance from the Design Guidelines, is required for the issuance of a Development Permit.

Section 6.03. Design Guidelines. The Developer may create Design Guidelines (the “**Design Guidelines**”) in connection with the recording of a Bill of Assurance to supplement this Declaration with respect to items concerning the design of Improvements and placement of Improvements on the Lots, approved construction materials, approved construction methods, the use of a Lot before, during and after construction commences and is completed, establishing procedures for applying for and the issuance of Development Permits, establishing procedures for obtaining a variance from the Design Guidelines, and other related matters concerning Improvements on the Property. The Design Guidelines may be modified by the Developer during the Developer Control Period or, thereafter, by the Board. The Design Guidelines may impose obligations concerning the Property more restrictive than those set forth in these Declarations, but may not make the obligations of an Owner materially greater than those set forth in the applicable Bill of Assurance.

Section 6.04. Definition of “Improvement”. “Improvement” shall mean and include all residences, buildings and roofed structures, parking areas, fences, walls, hedges, mass plantings, poles, driveways, lakes, swimming pools, tennis courts, signs, changes in any exterior color or shape, glazing or reglazing of exterior windows with mirrored or reflective glass, and any other new exterior construction or exterior improvement, including without limitation, landscaping, that may be reasonably considered to materially alter the appearance of the property and which may not be included in any of the foregoing. The definition does not include garden plant, shrub or tree replacements or any other replacement or repair of any magnitude that would not be reasonably considered to materially change exterior colors or exterior appearances.

Section 6.05. Majority Vote. A majority vote of all members of the Design Review Committee is required for approval of a request or application for a Development Permit, or for granting a waiver or variance in connection with a Development Permit.

Section 6.06. Basis of Approval. The Design Review Committee shall approve only those requests or applications for Development Permits that conform to the provisions and intent of this Declaration, any applicable Bill of Assurance and the applicable Design Guidelines. The Design Review Committee may approve an application subject to satisfaction of conditions or requirements that it finds to be necessary to insure compatibility with the provisions of this Declaration, the Bill of Assurance and the applicable Design Guidelines. The Design Review Committee may return for modification any application or request for a Development Permit that does not include information sufficient to allow the committee to make the above determinations. Such a return, for the purpose of any time periods required by this Declaration, the Bill of Assurance and the applicable Design Guidelines, shall be deemed a disapproval.

Section 6.07. Appeal. The decisions of the Design Review Committee may be appealed by the Owner submitting a request to the Board. Rules and procedures for perfecting, commencing and prosecuting an appeal of a Design Review Committee decision, including rules for the conduct of appeal hearings, may be established in the Bill of Assurance platting the Property, or, absent inclusion in the Bill of Assurance, promulgated by the Board. No such rules or procedures for appeals shall require any act by an Owner to perfect or commence an appeal to be performed fewer than nine (9) Business Days after the date the Design Review Committee issues its written denial or conditioned approval of an application for a Development Permit. The

Design Review Committee's decision shall be final, conclusive and binding upon the applicant unless an appeal is properly commenced in accordance with the applicable procedures.

Section 6.08. Failure of Committee To Act. Plans, specifications and other items properly submitted for review and approval in accordance with applicable rules, regulations or submission requirements shall be deemed approved if the Design Review Committee fails to act by written notice on or before forty-five (45) days after all such required information and materials are submitted (a "**Default Approval**"); provided, however, no Default Approval shall be deemed to permit the violation of this Declaration, any Bill of Assurance or any zoning requirements, and no Improvement that violates such instruments shall be erected or allowed to remain.

Section 6.09. Limitation of Liability. The primary responsibility of the Design Review Committee is to review Development Permit applications and requests submitted to it to determine if the proposed improvements comply with this Declaration, the Bill of Assurance and any applicable Design Guidelines. Neither the Developer, the Association, the Board, the Design Review Committee nor any officers, members, employees and agents thereof shall be liable, in damages or otherwise, to anyone submitting an application or request for a Development Permit or to any owner of land affected by this Declaration by reason of mistake of judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any plans and specifications. The Committee does not review and assumes no responsibility for the following:

- (A) The structural adequacy, capacity or safety features of the proposed improvement or structure.
- (B) Whether or not the location of the proposed improvement or structure on the building site is free from any possible hazard whether caused by conditions occurring either upon or off of the property.
- (C) Soil erosion or soil conditions.
- (D) Mechanical, electrical or any other technical design requirements for a proposed project.
- (E) Compliance with any building codes, safety requirements, or governmental laws, regulations, codes or ordinances.
- (F) Performance or quality of work of any contractor.

By acceptance of a deed to any Lot, the Owner acknowledges the foregoing and waives and releases the Developer, the Association, the Board, the Design Review Committee and all officers, members, employees and agents thereof from any and all liability arising from items for which any of such Persons have not expressly assumed responsibility.

Section 6.10. Meetings.

(a) **Scheduled Meetings; Agenda.** The Design Review Committee shall meet subject to the level of design review required. Owners or their representatives may schedule items on the meeting agenda of the Design Review Committee by notifying the chairman or secretary of the committee by telephone or in writing. The applicants will be advised of the

scheduled meeting time. The agenda for a meeting shall be closed at 5:00 p.m. two (2) Business Days prior to the scheduled meeting.

(b) Special Meetings. The chairman of the Design Review Committee, acting alone, or any two (2) members of the committee acting jointly, may call a special meeting of the Design Review Committee by giving telephonic notice of such meeting to its members on or before twenty four hours of such meeting time. The Design Review Committee may hear any item that may have otherwise been heard by the committee at a regularly scheduled meeting. The voting requirements of Section 6.05 above shall apply.

Section 6.11. Reasonable Fee. The Board may establish reasonable fees that the Design Review Committee may charge an Owner for its services in reviewing that Owner's application or request for a Development Permit. The Design Review Committee may require any such fees to be paid in advance of its review of any submission.

ARTICLE VII

MAINTENANCE

Section 7.01. Duty of Maintenance. Owners and occupants (including lessees) of any Lot shall jointly and severally have the duty and responsibility, at their sole cost and expense, to keep that Lot, including buildings, improvements and grounds, in a well-maintained, safe, clean and attractive condition at all times. Maintenance includes, but is not limited to, the following:

- (a) Prompt removal of all litter, trash, refuse and waste.
- (b) Lawn maintenance (other than portions that will be maintained by the Association).
- (c) Tree and shrub pruning.
- (d) Watering (other than as performed by the Association).
- (e) Keeping exterior lighting and mechanical facilities in working order.
- (f) Keeping lawn and garden areas alive, free of weeds and attractive (other than those portions that will be maintained by the Association).
- (g) Keeping parking areas, driveways and roads in good repair.
- (h) Complying with all governmental health and police requirements.
- (i) Repainting of improvements.
- (j) Repair of exterior damages to improvements.

Section 7.02. Enforcement. If, in the opinion of the Board, any Owner or occupant of a Lot has failed in any of the foregoing duties or responsibilities, then the Board may provide written notice of that failure, giving the Owner or occupant ten (10) days from receipt to perform the care and maintenance required. Should any person fail to fulfill this duty and responsibility within the ten (10) day period, then the Association through its authorized agent or agents shall have the right and power to enter onto the premises and perform needed care and maintenance without any liability for damages for wrongful entry, trespass or otherwise to any person. The

Owners and occupants (including lessees) of any Lot on which work is performed shall jointly and severally be liable for the cost of the work and shall promptly reimburse the Association for all costs. If the Association has not been reimbursed within thirty (30) days after invoicing, the indebtedness shall be a debt of all of the Owners and occupants jointly and severally and shall constitute a lien against the Lot. This lien shall have the same attributes as the lien for assessments and special assessments set forth in Article V, and the Association shall have identical powers and rights in all respects, including, but not limited to, the right of foreclosure.

ARTICLE VIII

COMMON SCHEME RESTRICTIONS

The following restrictions are imposed as a common scheme upon all Lots and Common Properties for the benefit of each other Lot and Common Property and may be enforced by any Owner or the Association through any remedy available at law or in equity:

- (a) All Lots shall be known, used, and described as residential Lots. No business or trade shall be carried on or upon any lot.
- (b) No garbage, refuse, rubbish, tree limbs, leaves or cuttings shall be deposited on any street, road or Common Properties or on any Lot unless placed in a container suitable for garbage pickup.
- (c) No building material of any kind or character shall be placed upon any Lot except in connection with construction approved by the Design Review Committee or construction not requiring Design Review Committee approval. Construction shall be promptly commenced and diligently prosecuted.
- (d) No service yards, woodpiles or storage areas shall be so located as to be visible from a street, road, or Common Property.
- (e) Any exterior lighting installed on any Lot shall either be indirect or of such controlled focus and intensity as not to disturb the residents of the adjacent property.
- (f) No livestock, animals or poultry shall be kept on any Lot or Common Property except a reasonable number of ordinary household pets belonging to the household.
- (g) No signs, plaques or communication of any description shall be placed on the exterior of the Lot, except that "For Sale," "For Lease," and political campaign signs shall be deemed authorized. .
- (h) No nuisances shall be allowed in Oak Meadows nor shall any use or practice be allowed which is a source of annoyance to its residents or which interferes with their right of quiet enjoyment.

(i) No immoral, improper, offensive or unlawful use shall be made of Oak Meadows or any part thereof, and all valid laws, zoning, bylaws and regulations of all governmental bodies having jurisdiction shall be observed.

(j) No portion of a Lot (other than the entire Lot) may be rented, and no transient may be accommodated therein unless by consent of the Owner.

(k) No used or previously erected or temporary house, structure, house trailer or nonpermanent outbuilding shall ever be placed, erected or allowed to remain on any Lot or Common Property.

(l) No junk vehicle, commercial vehicle, trailer, truck, camper, camp truck, house trailer, boat or other machinery or equipment (except as may be reasonable and customary in connection with the use and maintenance of any improvements located upon the Property and except for such equipment and/or machinery as the Association may require in connection with the maintenance and operation of the Common Properties) shall be kept upon the Property, nor (except for bona fide emergencies) shall the repair or extraordinary maintenance of automobiles or other vehicles be performed. This restriction shall not apply to vehicles, trailers, boats, machinery, equipment or the like stored and kept within an enclosed storage room or garage, or otherwise properly screened from view.

(m) All buildings built on any Lot shall comply with the setback restrictions imposed upon the Lot on either a recorded plat in the Circuit Clerk's office of Benton County, Arkansas or in the deed to each purchaser of a Lot. Bills of assurance platting any Property may provide that variances from such setback restrictions may be granted.

(n) Easements for access to, installation and maintenance of utilities and drainage of facilities and for pedestrian traffic may be reserved in rights of way of drives and roads and in such other locations as shown on a recorded plat of the Property.

(o) Each Owner hereby grants a right of access to its Lot to the Association and/or any other person authorized by the Board for the purpose of making inspections or for the purpose of correcting any conditions originating in its Lot and threatening another Lot or any Common Property, or for the purpose of performing installations, alterations or repairs to the parts of the Lot over which said persons have control and/or responsibility for maintenance. Requests for such access shall be made in advance and entry must be at a time reasonably convenient to the Owner. In case of an emergency, this right of entry shall be immediate whether the Owner is present or not.

ARTICLE IX

BUILDING RESTRICTIONS

Section 9.01. Setback Requirements. No residence shall be located on any Lot (i) nearer than forty-five feet (45') to the front Lot line abutting the street right of way, (ii) nearer to any interior side Lot line than twenty feet (20'), (iii) nearer to any exterior side Lot line than forty-five feet (45'), and (iv) nearer than twenty feet (20') to the rear Lot line, provided a variance

from such setback requirements may be granted if approved by majority vote of the Owners. For the purposes of this covenant, roof overhangs, eaves, steps, and porches and walks not under roof shall not be considered as a part of the building.

Section 9.02. Minimum Square Feet Area. No residence shall be constructed or permitted to remain on any Lot in the Subdivision unless the finished heated living area, exclusive of porches, patios, garages, breezeways, exterior stairways, porte cocheres, storage areas and outbuildings, shall equal or **exceed 2,000 square feet.**

Section 9.03. Building Requirements. Each residence constructed on a Lot shall have a roof pitch no less than 8' x 12' and all roofing materials shall be a 25 year architectural shingle and the exterior of each residence shall have 75% of the exterior walls constructed with brick, stone, or hardy plank product

Section 9.04. Driveways / Garages. Access driveways and other paved areas for vehicular use on a Lot shall have a base of compacted gravel, crushed stone or other approved base material and shall be surfaced with concrete. Each residence constructed on a Lot shall contain a minimum of a two car, attached garage

Section 9.05. Fences. Chain link or similar fences are in all events strictly prohibited and shall not be used under any circumstances. A fence is not required to be constructed on a Lot; however, all fences shall (i) be constructed only with cedar plank or wrought iron, (ii) be no taller than six (6) feet in height, and (iii) with respect to a fence constructed with cedar, include caps and rails in all appropriate places along such fence

Section 9.06. Height of Other Structures. No structure of any kind, including, but not limited to, any radio or television antenna or tower, shall be built or permitted to remain upon a Lot if the height of such structure is higher than the ridge line of the residence upon such Lot or visible from the street which such residence fronts

Section 9.07. Utilities / Maintenance. Water, sewer, electrical, gas, telephone and cable television utility lines are or shall be located underground in utility easements and in the rights of way of streets and roads. Connections from the Lots to the underground utility lines shall be underground. All such connections shall comply with all applicable standards of the provider of the service, the State of Arkansas, and any other regulatory agency with jurisdiction. Developer shall select locations for mailboxes, in accordance with US Postal Service and Benton County, Arkansas regulations, and hereby reserves a perpetual easement on, over and across applicable Lots for such purpose

Section 9.08. Lot Subdivision Prohibited; Exception. No Lot shall be subdivided; provided, however, if an Owner owns two or more Lots contiguous along the lots' side lot lines, one of the Lots may, upon the approval of the Design Review Committee and, if necessary, the County, be subdivided into not more than two parcels. In no instance shall a primary residence be constructed on a parcel created from a Lot subdivided in accordance with this section unless the owner of the subdivided parcel also owns the adjacent whole Lot. Once subdivided, no parcel of a subdivided Lot shall be conveyed or transferred except (i) in conjunction with the conveyance of the contiguous whole Lot, (ii) to the owner of the whole Lot adjacent to the

subdivided Lot parcel, or (iii) to the Owner of the other subdivided Lot parcel, provided, however, no violation of any setback requirements shall be created by such a conveyance

ARTICLE X

COMMON PROPERTIES AND STREETS

Section 10.01. Title to Common Properties. Developer will convey title to Common Properties to the Association at its convenience, but no later than one year after the expiration of the Developer Control Period. Any conveyance of Common Properties shall be free and clear of all liens securing any indebtedness or obligation of the Developer (other than the current year's ad valorem real estate taxes that are due but not payable), but may be subject to any rights of access or easements retained by the Developer for utilities, maintenance or similar purposes, the rights of Developer under Section 9.02(b) below, and any other encumbrance that does not materially hinder the intended use of such properties.

Section 10.02. Operation and Maintenance.

(a) After conveyance thereof by Developer, the Association shall maintain the Common Properties at its sole cost and expense.

(b) For a period of ten (10) years after Developer has conveyed the Common Properties to the Association, the Developer shall have the right, but not the obligation, to enter upon such properties and perform such repairs, maintenance, reconstruction or replacement of the improvements located thereon so as to keep the improvements, in Developer's reasonable discretion, in good condition and repair. Developer shall give the Association not less than ten (10) days written notice of its intent to enter upon the Common Properties to perform such work. The Association shall pay Developer within ten (10) days after written demand therefor all cost and expense incurred by the Developer in performing such work. All amounts due from the Association shall accrue interest from the date of demand until payment at the highest rate allowed by law. The Association shall be responsible for all attorneys' fees and expenses, including litigation expenses, incurred by Developer in collecting amounts due from the Association and the enforcement of Developer's rights under this section.

Section 10.03. Streets and Roads. The streets and roads are public, and are subject to rules and regulations determined from time to time by the City of Bentonville.

ARTICLE XI

AMENDMENT OF DECLARATION

Section 11.01. Amendment Before Close of First Sale. Prior to the delivery of the first deed to an unrelated Person, this Declaration, any recorded plat(s) of the Property, and any amendment(s) or supplement(s) to either may be amended in any respect or revoked by the execution and recordation in the real estate records of Benton County, Arkansas by the Developer, and any mortgagee of record, of an instrument amending, supplementing or revoking the Declaration, any recorded plat(s) or any amendment(s) or supplement(s) to either.

Section 11.02. Amendment After Close of First Sale.

(a) After Developer's delivery of the first deed to a Lot to an unrelated Person, this Declaration, any recorded plat of the Property, and any amendment or supplement to either, or any portion of either, may be amended, supplemented, or revoked in any respect by the Developer without the vote or written consent of the Owners or the Association if such amendment, supplement, or revocation results from the exercise by Developer of any of its reserved rights set out in Article III of this Declaration.

(b) Any amendment, supplement, or revocation of this Declaration, any recorded plat of the Property, or any amendment or supplement to either for any purpose not related to matters governed by the rights reserved exclusively to the Developer in Article III of this Declaration, and except as otherwise provided in this Declaration or the laws of the State of Arkansas, shall require an instrument signed by owners of more than seventy-five percent (75%) of the Lots in Oak Meadows, including votes of the Developer for Lots owned by it, provided that any such amendment or supplement shall in no way modify or eliminate the reserved rights of the Developer set out in Article II and Article III.

(c) Any amendment, supplement, or revocation of this Declaration, any recorded plat of the Property, or any amendment or supplement to either, whether made by Developer pursuant to its reserved rights set out in Article II and Article III, or by the Owners as provided in the preceding paragraph, shall not be effective until such amendment, supplement, or revocation is duly recorded.

Section 11.03. Reserved Rights of Developer Not Subject to Amendment. The terms of this section and the reserved rights of the Developer, including but not limited to the right to amend this Declaration, set out in Article III hereof shall not be altered, impaired, prejudiced, or eliminated by the Owners pursuant to Section 10.02(b) above by an amendment or supplement to this Declaration, any recorded plat of the Property, or any amendment or supplement to either, unless such amendment or supplement is executed by Developer.

ARTICLE XII

GENERAL PROVISIONS

Section 12.01. Duration. The covenants and restrictions of this Declaration shall run with and bind the land, shall inure to the benefit of and be enforceable by the Association, or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of forty (40) years from the date this Declaration is recorded, after which time the covenants and restrictions shall be automatically extended for successive periods of ten (10) years unless an instrument terminating these covenants and restrictions signed by the then Owners of seventy-five percent (75%) of the Lots has been recorded prior to the commencement of any ten (10) year period.

Section 12.02. Notices. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last-known address of the person who appears as Member or Owner of a Lot on

the records of the Association at the time of mailing. Each purchaser of a Lot shall forward a copy of its recorded warranty deed to the Association or its officers.

Section 12.03. Enforcement. Enforcement of this Declaration shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants and restrictions. Failure by the Association or any Owner to enforce any covenant or restriction shall in no event be deemed a waiver of the right to do so thereafter. The right to obtain an injunction or other equitable remedy shall be available notwithstanding the availability of an adequate remedy at law. The Owner or Owners of any Lot against whom an enforcement action is commenced waives the right to assert the availability of an adequate remedy at law as a defense to an injunction or other equitable remedy.

Section 12.04. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 12.05. Attorney Fee. In any legal or equitable proceeding for the enforcement or to restrain the violation of this instrument or any provision thereof, by reference or otherwise, the Association shall be entitled to attorney fees in such amount as the court finds reasonable. All remedies provided for herein, or at law or equity, shall be cumulative and not exclusive.

Section 12.06. Dissolution. The Association may be dissolved with consent given in writing and signed by not less than three-fourths of the Members. Upon dissolution of the Association other than incident to a merger or consolidation, the assets of the Association shall be conveyed and granted and assigned to any nonprofit corporation, association trust or other organization to be devoted to same or similar purposes.

Section 12.07. Construction of Instrument. This Declaration shall not be construed more strictly against a party merely by virtue of the fact that it may have been prepared by counsel for a party. The headings of various Sections in this Declaration and all exhibits and attachments hereto are for convenience only, and are not to be utilized in construing the content or meaning of the substantive provisions hereof. Section and Exhibit references are to Sections of and Exhibits to this Declaration unless otherwise specified. All references to instruments, documents, contracts and agreements are references to such instruments, documents, contracts and agreements as the same may be amended, supplemented and otherwise modified from time to time, unless otherwise specified. The words “hereof”, “herein” and “hereunder” and words of similar import when used in this Declaration and its exhibits shall, unless otherwise specifically stated, refer to this instrument as a whole and not to any particular provision of this Declaration.

IN WITNESS WHEREOF, this instrument is executed as of the day and year first above stated.

CRESTWOOD HOMES, LLC, an Arkansas limited liability company

By: _____
Ron Pender, Member

STATE OF ARKANSAS)
) ss. **ACKNOWLEDGMENT**
COUNTY OF BENTON)

On this ____ day of _____, 2018, before me, a Notary Public (or before any officer within this State or without the State now qualified under existing law to take acknowledgments), duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named **RON PENDER**, being the person authorized by **CRESTWOOD HOMES, LLC**, an Arkansas limited liability company (the "**Company**") to execute such instrument, stating his capacity in that behalf, to me personally well known (or satisfactorily proven to be such person), who stated that he was the _____ of the Company, and was duly authorized in his capacity to execute the foregoing instrument for and in the name and behalf of the Company, and further stated and acknowledged that he had so signed, executed, and delivered said foregoing instrument for the consideration, uses, and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this _____ day of _____, 2018.

My Commission Expires:

Notary Public

JOINDER BY MORTGAGEE

The undersigned, as holder of that certain Mortgage (“**Mortgage**”) which encumbers certain portions of the lands described in this instrument, does hereby consent to the filing of the Declaration of Covenants and Restrictions of Oak Meadows, and subordinates the lien of the Mortgage solely to the covenants, restrictions and terms hereof.

IN WITNESS WHEREOF, this instrument is executed as of the day and year first above stated.

FIRST WESTERN BANK

By: _____

Title: _____

STATE OF ARKANSAS)
) ss.
COUNTY OF _____)

ACKNOWLEDGMENT

On this ____ day of _____, 2018, before me, a Notary Public (or before any officer within this State or without the State now qualified under existing law to take acknowledgments), duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named _____, _____, being the person authorized by **FIRST WESTERN BANK** (the “**Bank**”) to execute such instrument, stating his capacity in that behalf, to me personally well known (or satisfactorily proven to be such person), who stated that he was the _____ of the Bank, and was duly authorized in his capacity to execute the foregoing instrument for and in the name and behalf of the Bank, and further stated and acknowledged that he had so signed, executed, and delivered said foregoing instrument for the consideration, uses, and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this ____ day of _____, 2018.

My Commission Expires:

Notary Public

EXHIBIT A

Legal Description