

PROTECTIVE COVENANTS

1. Application. These Protective Covenants shall apply to all of the Existing Properties. Same shall also apply to additions to existing Properties unless the Developer shall specifically except from these Protective Covenants such additions or a portion thereof in the Supplemental Declaration by which the Developer subjects such additions to this Declaration.

2. Architectural Control Committee. When the Architectural Control Committee hereinafter referred to as A.C.C., is alluded to in these Protective Covenants, it shall mean either the Board of Directors of the Developer or the Architectural Control Committee appointed by the Board of Directors pursuant to ARTICLE XI of the Declaration. The Provisions of ARTICLE XI of the Declaration shall prevail in all respects as to these Protective Covenants, in the event of conflict between these Protective Covenants and ARTICLE XI of the Declaration.

3. Amendment, Rescission or Additions. The Board of Directors of the Developer, its successors and assigns, may amend, rescind or add to the Protective Covenants from time to time, but unless the Lots are specifically exempted from the Protective Covenants by the Declaration or a Supplemental Declaration at the time the Lots are subjected to the plan of the Declaration, such Amendment, Rescission or Additions shall not make the Protective Covenants as to those Lots zones as Residential less restrictive for the construction of residential buildings than as provided in the Federal Housing Administration's then current edition of "Minimum Property Standards for One and Two Living Units."

4. Zoning. The notes upon the recorded subdivision plats shall control as to use of the Lots reflected thereon. Structures upon Lots designated as commercial upon a recorded subdivision plat shall be entirely controlled as to kind, shape, height, materials, et cetera by the A.C.C. As to Lots designated as Residential Lots upon a recorded subdivision plat, the notes upon the recorded subdivision plat shall control regarding the residential structure types (Single Family Detached, Single Family Attached and Multi-family Structure) which shall be permitted. The notes upon the recorded subdivision plat shall also control as to minimum square footage of each Single Family Detached structure, Single Family Attached structure, as well as each Living Unit in a Multi-family structure. Provisions of ARTICLE XI shall control as to kind, shape, height, materials, et cetera in regard to all structures erected upon or moved upon Residential Lots.

5. Resubdivision. No lot so designated shall be resubdivided except upon written approval of the A.C.C.

6. Temporary Structures. No structure of a temporary character, bus, motor home, camper, trailer, basement, tent, shack, garage, or other outbuilding shall be used on any lot at any time as a residence, either temporarily or permanently.

7. Setbacks. No building shall be placed closer to the ways of access for vehicles than the setback line shown on a recorded subdivision plat, except where such requirement creates an undue hardship upon the Owner, such setback may be modified as necessary to prevent the hardship by the A.C.C.

8. Side Yards. Where Lots are zoned as Residential the following shall apply:

(a) A single Family Detached structure or any building incident thereto shall not be closer to a side lot line than 7-1/2 feet, except where such restriction creates an undue hardship upon the Owner the A.C.C. may modify this restriction so as to alleviate the hardship.

(b) A Single Family Attached structure shall not be required to have a side yard, and a common or party wall may be constructed upon the dividing lines between Lots so that the wall may be partially upon one Lot and partially upon the other, or said common wall may be entirely upon one of the two lots involved.

(c) There shall be no requirement as to a side yard where Multi-family structures are involved, and subject to approval by the A.C.C., Multi-family structures may be constructed up to or upon the dividing lines between Lots.

The A.C.C. shall decide all questions relative to location of Commercial structures upon Lots where such structures are permitted subject to paragraphs numbered 4 and 7 hereof.

9. Land Lakes, Water Courses, Golf Courses, Permanent Parks, Permanent Recreational Plots. No building shall be placed nor shall any material or refuse be placed or stored upon any Lot or other Parcel of Land within 20 feet of the property line of any Lake or within 20 feet of the edge of any open Water Course, or within 20 feet of the property line of any Golf Course, Permanent Park or Permanent Recreational Plot. Clean fill may be placed nearer to the property line of a Lake or the edge of an open Water Course in the event the written permission of the A.C.C. is first obtained. Likewise, by written permission of the A.C.C. a boat dock or boat house may be placed closer than 20 feet to the property line of a Lake or the edge of an open Water Course. The decision of the A.C.C. as to the permission aforesaid shall be final and conclusive.

10. Construction of Buildings. The contractor, builder, person or entity constructing a building upon The Properties shall, prior to beginning the construction of any such building, furnish the A.C.C. proof that a suitable completion bond has been made to insure completion of the building and to indemnify the Owner against material and mechanic liens. At the same time there shall be furnished to the A.C.C. satisfactory proof that builders' risk insurance, including workmen's compensation insurance, if applicable, will be in effect for the construction period. If the Owner is his own builder, he shall furnish to the A.C.C. such credit information and proof of financial ability to complete the building within the time requirements of these Protective Covenants, as shall be required by the A.C.C. In such case, the Owner shall also furnish to the A.C.C. proof of builder's risk insurance, including workmen's compensation insurance, if applicable, being in effect for the construction period.

11. Time for Completion of Buildings. Commercial structures, Single Family Attached structures, and Multi-family structures shall be completed according to plans and specifications both as to exterior and interior within such time as shall be fixed by the A.C.C. when the plans and

specifications for the particular structure are approved by the A.C.C. The following shall apply to the construction of a Single Family Detached structure as well as garage and outbuildings permitted.

(a) The exterior of any Single Family Detached structure, garage, or outbuildings permitted which shall be erected upon or moved upon any Lot of The Properties covered by these Protective Covenants shall be completely finished within six months of the date of the start of construction.

(b) The interior of any Single Family Detached structure, garage or outbuildings permitted, which shall be erected upon or moved upon a Lot of The Properties, covered by these Protective Covenants shall be completely finished within twelve months following the start of construction.

The contractor, builder, or Owner, will submit all structures to inspection by the A.C.C. as required to determine compliance with completion dates as herein provided or as may be provided by the A.C.C. In the event of non-compliance with completion dates as herein provided the Developer and/or the Association shall have the right, but not the obligation, to hire a contractor and/or contractors to perform the work and furnish the materials necessary for compliance and the particular party acting shall bill the Owner for the amount expended plus 10% for administration. In the event the Owner does not pay same, the Developer and/or the Association, as the case may be, shall have the legal right to file a statutory lien against the property involved and proceed in law or equity to sell the property to obtain said charges. All money received over and above said charges and court costs shall be paid over to the Owner.

12. Electric Wiring and Plumbing. Electric wiring and plumbing installed in any structure erected upon or moved upon The Properties shall be in accordance with standards prescribed by the A.C.C., and in no event shall such standards be less restrictive than those provided by the Federal Housing Administration.

13. Sewage Disposal. No privately owned sewage disposal system shall be permitted upon any Lot or Parcel of Land of The Properties covered by these Protective Covenants unless the Association has indicated it will not make its sewer system available, and then not unless such system is designed, located and constructed in accordance with requirements, standards and recommendations of the Arkansas State Health Department and approved by the A.C.C.

14. Water Supply. No privately owned water system shall be permitted upon any Lot or Parcel of Land of The Properties covered by these Protective Covenants unless the Association has indicated it will not make its water system available and then not unless such system is designed, located and constructed in accordance with requirements, standards and recommendations of the Arkansas State Health Department and approved by the A.C.C.

15. Outbuildings. Outbuildings or accessory buildings, such as garage, servants quarters or guest house, shall be permitted upon Lots upon which a Single Family Detached structure has been constructed or is under construction, provided the building and/or buildings are occupied by servants employed on the premises or by guests, and are not occupied otherwise as rental units by nonservant or nonguest occupants, and provided the A.C.C. shall approve the design, plans, specifications, et cetera, of such buildings.

Outbuildings or accessory buildings permitted upon Lots or Parcels of Land upon which there is constructed a commercial building, Single Family Attached structure, or Multi-family structure, shall be entirely within the discretion of the A.C.C.

16. Protective Screening. There shall be compliance with all protective screening areas as reflected upon any recorded subdivision plat of The Properties. Except as otherwise provided herein regarding street intersections under "Sight Distance at Intersections," shrub plantings, fences or walls shall be maintained throughout the entire length of such areas by the Owner or Owners at their own expense to form an effective screen in order to protect and beautify the area. No building or structure except a screening fence or wall or utility or drainage facilities shall be placed or permitted to remain in such areas. No vehicular access over the area shall be permitted except for the purpose of installation and maintenance of screening, utility and drainage facilities.

17. Sight Distance at Intersections. No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between 2 and 6 feet above the roadways shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street property lines and a line connecting them at points 25 feet from the intersection of the street lines, or in the case of a rounded property corner from the intersection of the street property lines extended. The same sight-line limitations shall apply on any Lot within ten feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

18. Signs. All signs are prohibited in areas zoned upon any recorded subdivision plat as Residential except:

(a) Signs erected by the Association for identification of streets, traffic control and directional purposes;

(b) Signs of a temporary nature advertising property for sale and construction signs, which signs shall not exceed 1 square foot in area unless approved by the Architectural Control Committee;

(c) Signs erected by Developer in connection with its sales program.

The erection of signs in areas zoned commercial upon any recorded subdivision plat shall require a permit of the A.C.C. and no such sign, except as provided in subparagraph (a) above, shall be erected without the permit of the A.C.C.

19. Model Houses. No provision of these Protective Covenants shall preclude the Developer in furtherance of its sales program from erecting and maintaining Model Houses in any area zoned upon a recorded subdivision plat as Residential.

20. Businesses Prohibited in Residential Areas. Except for the business of the Developer in furtherance of its sales program, the practice of any profession or the carrying on of any business is prohibited within any area zoned as Residential upon any recorded subdivision plat of The Properties, without the approval of the Architectural Control Committee.

21. Easements. Easements for installation and maintenance of utilities and drainage facilities are reserved in the

Declaration and will be reserved in any Supplemental Declaration and also will be reserved as indicated upon any recorded subdivision plat of The Properties. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels within the easements. The easement area of each Lot and all improvements in it shall be maintained continuously by the Owner of the lot, except for those improvements for which the Association, a public authority or utility company is responsible.

22. Nuisances. No obnoxious or offensive activity shall be carried on upon any lot or Parcel of Land of The Properties.

23. Livestock, Poultry and Pets. No animals, livestock or poultry of any kind shall be raised, bred, or kept on any Lot or Parcel of Land of The Properties, except that dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purposes.

24. Garbage and Refuse Disposal. No Lot or Parcel of Land of The Properties shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall be kept in appropriate containers and disposition of same shall be promptly.

25. Oil and Mining Operations. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot or Parcel of Land of The Properties, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot or Parcel of Land. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot or Parcel of Land.

26. Storage of Materials. The storage of building materials for a period of time in excess of three months on any private Lot shall be prohibited unless said materials shall be incidental to the construction of a new residence as permitted by the A.C.C. Said materials shall include, but not necessarily be limited to lumber, timber, metal or waste materials. Upon notice by the Association the Property Owner shall have ten (10) days to remove said material. Pursuant to said notice and failure to comply, the Association shall have the right to remove said materials all at the cost of the Owner. Such cost and expenses incurred by the Association shall be paid to the Association upon demand in accordance with Article XII, Section 2 of the Declaration.

27. Storage of Derelict Vehicles. The storage of derelict vehicles on Private Lots and/or Common Property shall be prohibited. A derelict vehicle shall, except when stored in a garage or carport, be considered any motorized vehicle that is inoperable for a period of more than 30 days.

28. Parking or Storing of Vehicles on Residential Property. No bus, truck, recreation vehicle, motor home, camper, boat or trailer or other vehicle not normally or customarily used for personal or family transportation shall be parked or stored on any residential property for a period of time in excess of 72 hours, unless parked in an area approved by the A.C.C. for location and screening.

29. Parking or Storage of Commercial Vehicles. No vehicle used for commercial purposes, including but not limited to dump trucks, flat bed trucks, cargo vans, cargo trailers, and self powered construction equipment shall be parked or stored in a residential area other than for the purpose of accommodating work on the premises. This provision is not intended to include pickup trucks and vans up to 6,000 lbs. G.V.W. and normally used for personal or family transportation.

30. Enforcement. Any infraction of the terms of the Declaration, Protective Covenants or the Published Rules and Regulations of the Association by a member or a member of a member's household, may in addition to any legal recourse, result in the suspension of enjoyment rights of the member and the household of the member causing such infraction as authorized by Article VIII, Declaration, Section 3(c).

31. Conflict. In the event of conflict between these Protective Covenants and the Declaration, the provisions of the Declaration shall prevail.

NOTE: This document is recorded in Book 653, Page 369 et seq., with amendments recorded in Book 1002, Page 746 and Vol. 1564, Page 653, et seq., of the records of Garland County, Arkansas, and in Book 155, Page 118 et seq., with amendments recorded in Book 247, Page 515 and Book 390, Page 381, et seq., of the records of Saline County, Arkansas. First Amendment to the Declaration dated April 16, 2003, is recorded in Book 2256, Page 0292 et seq. of the records of Garland County, Arkansas, and in Book 03, Page 34943 et seq. of the records of Saline County, Arkansas. Insert on last page of covenants. First Amendment to the Declaration dated April 16, 2003, is recorded in Book 2256, Page 0292 et seq. Of the records of Garland County, Arkansas, and in Book 03, Page 34943 et seq. of the records of Saline County.