

HOT SPRINGS VILLAGE COVENANTS AND RESTRICTIONS

DATED APRIL 20, 1970
AMENDED APRIL 20, 2006, APRIL 20, 2013, AUGUST 1, 2013

DECLARATION

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, John A. Cooper Company, an Arkansas corporation, hereinafter called the "Developer" is now the owner of the lands hereinafter described in ARTICLE II of this Declaration and all of which are reflected upon the following plats prepared by J. F. Gore, Registered Professional Engineer, bearing the following dates and which plats referred to are filed contemporaneously with the filing of this Declaration in the office of the Circuit Court Clerk and Ex-Officio Recorder in and for Garland County, Arkansas, and are of record as follows:

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and which plats are by reference made a part of this Declaration and likewise this Declaration is by reference made a part of each of said plats; and

WHEREAS, Developer in conjunction with the Hot Springs Village Property Owners Association, hereinafter further described, desires to create upon said lands and other additions as herein provided under Article II a residential and commercial community with private ways, private roads, private lanes, and private pathways (all as hereinafter defined) and public streets, public roads, public ways, and public lanes (all as hereinafter defined), and as may be indicated upon plats subject to this Declaration as specifically included hereunder and as may be brought hereunder by Supplemental Declarations as provided under ARTICLE II hereof and with said community having a water system, sewer system, lakes, golf course, playgrounds, permanent parks and other common facilities and limited common facilities for the benefit of the said community; and

WHEREAS, Developer in conjunction with the Hot Springs Village Property Owners Association, hereinafter further described, desires to provide for the construction of the facilities aforesaid and also desires to provide for the preservation of the value and amenities in said community and for the maintenance of said private ways, private roads, private lanes, and private pathways, and public streets, public roads, public ways and public lanes, as well as the water system, sewer system, lakes, golf course, playgrounds, permanent

parks and other common facilities, and limited common facilities; and, to this end, desires to subject the real property described in ARTICLE II together with such additions as may hereafter be made thereto (as provided in ARTICLE II) to the covenants, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof; and

WHEREAS, Developer has deemed it desirable and necessary, for the efficient construction of the common facilities and the preservation of the values and amenities in said community that an agency be created to which should be delegated and assigned the powers of the construction and maintaining of the water system and the sewer system as well as maintaining and administering the other community properties and facilities and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, the Developer through its management has encouraged and participated in the organization of HOT SPRINGS VILLAGE PROPERTY OWNERS ASSOCIATION, hereinafter referred to as "Association", a non-profit corporation organized and existing under and by virtue of the laws of the state of Arkansas, with its principal office located in Hot Springs Village, Arkansas, for the purpose of exercising the functions aforesaid;

NOW, THEREFORE, the Developer declares that the real property described in ARTICLE II, and such additions thereto as may hereafter be made pursuant to ARTICLE II hereof, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens (sometimes referred to as "covenants and restrictions") hereinafter set forth.

ARTICLE I

Definitions

Section I. The following words when used in this Declaration or any Supplemental Declaration, or upon the plats aforesaid, or any supplemental plat covered by this Declaration or any Supplemental Declaration (unless the context shall prohibit) shall have the following meanings:

(a) "Association" shall mean and refer to the Hot Springs Village Property Owners Association.

(b) "The Properties" shall mean and refer to all such existing properties, and additions thereto, as are subject to this Declaration or any Supplemental Declaration under the

provisions of ARTICLE II hereof.

(c) "Common Properties" shall mean and refer to those areas so designated upon any recorded subdivision plat of The Properties and intended to be devoted to the common use and enjoyment of Owners of The Properties; and shall also mean and refer to any improvement designated by the Developer as Common Properties and intended to be devoted to the common use and enjoyment of Owners of The Properties, and shall specifically include, but not the exclusion of other improvements which may hereinafter be designated as Common Properties by the Developer, the following:

Ways, roads, lanes and paths not dedicated to the public.
Lakes,
Golf Course,
Permanent Parks,
Permanent Recreational Plots,
Water System,
Sewer System.

The term shall also mean and refer to any improvements owned by the Association.

(d) "Limited Common Properties" shall mean and refer to those areas of land so designated upon any recorded subdivision plat of The Properties intended to be devoted to the common use and enjoyment of the owners of specifically designated property; and also those areas so designated from time to time by the Developer for the purposes aforesaid.

(e) "Private Ways, Private Roads and Private Lanes" shall mean and refer to every way of access for vehicles which are not dedicated to the general public but are designated as either common properties or limited common properties. The fact that a private way, a private road or a private lane shall be known by the name of street, road, avenue, place or other name shall in no wise cause the particular way, road or lane to be public in nature despite the fact that streets under general definitions are not private in nature.

(f) "Private Pathways" shall mean and refer to those ways of access not available to vehicular traffic and which are not dedicated to the general public but are designated as either common properties or limited common properties, and such shall include equestrian ways.

(g) "Public Streets, Public Roads, Public Ways and Public Lanes" shall be all ways of access for vehicles which are dedicated to the general public.

(h) "Utility Easement" shall mean and refer to those areas of land designated on any recorded subdivision plat of The Properties as "Utility Easements," or as may be provided in or by this Declaration, or any Supplemental Declaration.

(i) "Reserved Properties" shall mean and refer to those areas of land designated on any recorded subdivision plat of The Properties as "Reserved Properties."

(j) "Lot" shall be the numbered lots or numbered and lettered lots in the numbered blocks as shown on any recorded subdivision plat of The Properties.

(k) "Commercial Lot" shall mean and refer to any Lot so designated upon any recorded subdivision plat of The Properties, or as may be so designated by this Declaration, or any Supplemental Declaration.

(l) "Residential Lot" shall mean and refer to any Lot so

designated upon any recorded subdivision plat of The Properties, or as may be so designated by this Declaration, or any Supplemental Declaration.

(m) "Living Unit" shall mean and refer to any portion of a building situated upon The Properties designed and intended for use and occupancy as a residence by a single family.

(n) "Single Family Detached" shall mean and refer to any building intended for use by a single family and not attached to any other building.

(o) "Single Family Attached" shall mean and refer to any building containing two or more Living Units attached but each Living Unit located on a separate Parcel of Land.

(p) "Multi-family Structure" shall mean and refer to any building containing two or more Living Units located on a single Parcel of Land.

(q) "A Parcel of Land" may be less than a lot, a single lot, more than a lot, or several lots, or a plot of land described by a metes and bounds description.

(r) "Owner" shall mean and refer to the Developer, any other record owner and the contract purchaser from the Developer, whether one or more persons or entities, of the fee simple title to any Lot or Living Unit situated upon The Properties.

(s) "Member" shall mean and refer to all those persons or entities who are members of the Association as provided in ARTICLE III, Section 1, hereof.

(t) "Associate Member" shall mean all those persons or entities who are associate members of the Association as provided in ARTICLE III, Section 3, hereof.

(u) "Household" shall mean those who dwell under the same roof and constitute a family.

ARTICLE II

Property Subject to This Declaration: Additions Thereto

Section 1. Existing Property. The real property which is, and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located and situated in the county of Garland, state of Arkansas, to-wit:

TRACT NO. 1:

A parcel of land lying in the NW1/4 of the NW1/4 (0.05 acres, more or less), the SW1/4 of the NW1/4 (18.45 acres, more or less), and the NW1/4 of the SW1/4 (7.37 acres, more or less) of Section 2, Township 1 South, Range 19 West, of the Fifth Principal Meridian; and in the SE1/4 of the NE1/4 (21.93 acres, more or less), the SW1/4 of the NE1/4 (1.22 acres, more or less), the NW1/4 of the SE1/4 (0.04 acres, more or less), and the NE1/4 of the SE1/4 (19.19 acres, more or less) of Section 3, Township 1 South, Range 19 West, of the Fifth Principal Meridian, Garland County, Arkansas, and being more particularly described as follows:

Commencing at the Southeast corner of Section 3, Township 1 South, Range 19 West, of the Fifth Principal Meridian, Garland County, Arkansas, run thence East 39.412 feet to a point; thence North 1,898.745 feet to the point of beginning; thence along the arc of a curve to the left 386.071 feet to a point, said curve having a radius of 482.929 feet; thence North 71°23'02" West 159.944 feet to a point; thence along the arc of a curve to the

right 473.359 feet to a point, said curve having a radius of 1,908.950 feet; thence North 57°10'35" West 35.387 feet to a point; thence along the arc of a curve to the left 230.167 feet to a point, said curve having a radius of 1,050.186 feet; thence North 15°39'15" West 913.270 feet to a point; thence North 81°09'10" East 93.712 feet to a point; thence South 66°18'11" East 24.187 feet to a point; thence North 59°44'44" East 65.420 feet to a point; thence North 89°54'09" East 94.862 feet to a point; thence North 57°10'18" East 111.885 feet to a point; thence North 68°51'43" East 183.706 feet to a point; thence North 81°58'07" East 142.161 feet to a point; thence North 77°32'32" East 177.805 feet to a point; thence South 49°40'34" East 54.789 feet to a point; thence South 16°20'36" West 82.449 feet to a point; thence South 15°57'30" East 120.652 feet to a point; thence South 52°09'42" East 33.561 feet to a point; thence North 22°56'42" East 139.248 feet to a point; thence North 20°52'07" East 153.793 feet to a point; thence North 21°15'01" East 98.221 feet to a point; thence North 46°06'55" East 123.107 feet to a point; thence North 73°29'05" East 169.613 feet to a point; thence North 69°01'29" East 147.282 feet to a point; thence North 78°09'22" East 302.694 feet to a point; thence South 57°06'25" East 59.540 feet to a point; thence North 31°59'14" East 56.800 feet to a point; thence North 43°44'45" East 103.858 feet to a point; thence North 20°24'47" East 100.448 feet to a point; thence North 53°33'00" East 100.484 feet to a point; thence South 83°45'08" East 100.035 feet to a point; thence South 30°16'00" East 108.452 feet to a point; thence South 06°24'03" East 110.026 feet to a point; thence South 01°22'45" West 59.962 feet to a point; thence South 04°06'03" East 227.946 feet to a point; thence South 18°45'55" East 89.926 feet to a point; thence South 13°43'43" East 119.875 feet to a point; thence South 03°18'17" West 72.157 feet to a point; thence South 34°51'02" West 52.148 feet to a point; thence South 68°26'33" West 48.736 feet to a point; thence North 85°35'54" West 35.827 feet to a point; thence South 53°41'20" East 54.333 feet to a point; thence South 55°13'54" East 31.237 feet to a point; thence South 24°23'12" West 49.030 feet to a point; thence South 16°25'58" West 34.374 feet to a point; thence South 20°00'42" West 80.201 feet to a point; thence South 22°07'31" West 70.749 feet to a point; thence South 07°52'31" East 133.452 feet to a point; thence South 10°40'03" East 94.766 feet to a point; thence South 15°48'26" West 106.156 feet to a point; thence South 32°52'54" West 103.284 feet to a point; thence South 53°06'23" East 14.443 feet to a point; thence along the arc of a curve to the left 72.183 feet to a point, said curve having a radius of 1,522.500 feet; thence South 34°10'38" West 71.206 feet to a point; thence along the arc of a curve to the right 432.273 feet to a point, said curve having a radius of 864.954 feet; and thence South 62°48'42" West 289.240 feet to the point of beginning and containing 68.25 acres more or less.

TRACT NO. 2:

A parcel of land lying in Lot No. 3 in the NE1/4 (0.949 acres, more or less), Lot No. 2 in the NW1/4 (27.083 acres, more or less), in Lot No. 3 in the NW1/4 (9.262 acres, more or less), in Lot No. 1 in the NW1/4 (0.008 acres, more or less), in Lot No.

4 in the NW1/4 (36.247 acres, more or less), in Lot No. 5 in the NW1/4 (26.395 acres, more or less), in Lot No. 4 in the NE1/4 (4.942 acres, more or less), the NE1/4 of the SW1/4 (0.123 acres, more or less), and the NW1/4 of the SW1/4 (4.883 acres, more or less), all in Section 4, and the NE1/4 of the SE1/4 (0.109 acres, more or less), and Lot No. 5 in the NE1/4 (5.300 acres, more or less) in Section 5, all in Township 1 South, Range 19 West of the Fifth Principal Meridian, Garland County, Arkansas, and being more particularly described as follows:

Commencing at the common corner of Sections 4, 5, 8, 9, Township 1 South, Range 19 West (Arkansas State Plane Coordinates North 729608.372, East 1684558.203) of the Fifth Principal Meridian, Garland County, Arkansas; thence West 393.203 feet to a point; thence North 2948.628 feet to the point of beginning; thence North 43°54'27" East 3189.631 feet; thence South 42°49'48" East 785.430 feet to the point of a curvature of a 5°11'52" curve to the right having a chord distance and bearing of 229.694 feet, South 36°50'59" East; thence along said curve 230.112 feet to the point of tangency; thence South 30°52'10" East 16.543 feet to the point of curvature of a 8°44'09" curve to the left, having a chord distance and bearing of 149.990 feet, South 37°26'07" East; thence along said curve 150.315 feet to the point of tangency; thence South 44°00'03" East 219.564 feet to the point of curvature of a 3°36'58" curve to the right having a chord distance and bearing of 381.457 feet, South 37°05'14" East; thence along said curve 382.383 feet to the point of tangency; thence South 30°10'25" East 18.175 feet to the point of curvature of a 14°48'56" curve to the left, having a chord distance and bearing of 227.793 feet, South 47°18'07" East; thence along said curve 231.220 feet to the point of tangency, which is also the point of curvature for a 4°24'14" curve to the left having a chord distance and bearing of 75.763 feet, South 66°05'55" East; thence along said curve 75.763 feet to the point of tangency; thence South 22°13'58" West 100.000 feet to a point; thence South 42°33'06" West 220.184 feet to a point; thence South 05°00'02" West 60.643 feet to a point; thence North 84°59'58" West 85.037 feet to a point; thence South 68°23'07" West 342.053 feet to a point; thence South 81°24'15" West 347.908 feet to a point; thence South 60°26'14" West 624.270 feet to a point; thence South 53°34'09" West 417.612 feet to a point; thence South 07°44'47" West 274.505 feet to a point; thence South 41°38'01" East 24.083 feet to a point; thence South 40°14'47" West 195.224 feet to a point; thence North 76°36'51" West 6.030 feet to the point of curvature of a 11°03'04" curve to the right with a chord distance and bearing of 87.054 feet North 71°47'54" East; thence along said curve 87.157 feet to the point of tangency; thence North 66°58'57" West 162.470 feet to the point of curvature of a 15°00'33" curve to the right having a chord distance and bearing of 194.001 feet North 52°15'42" West; thence along said curve 196.152 feet to the point of tangency; thence North 37°32'27" West 155.826 feet to the point of curvature of a 27°07'13" curve to the left with a chord distant and bearing of 249.986 feet. North 73°48'51" West; thence along said curve 267.501 feet to the point of tangency; thence South 69°54'45" West 250.349 feet to the point of curvature of a 26°33'48" curve to the right having a chord distance and bearing of 212.941 feet North 80°30'29" West; thence along said curve 222.709 feet to the point of tangency; thence North 50°55'42" West 612.060 feet to the point of beginning; containing 115.301 acres, more or less.

TRACT NO. 3:

A parcel of land lying in the NE1/4 of the SW1/4 (9.472 acres, more or less) and the NW1/4 of the SW1/4 (26.235 acres, more or less), the SW1/4 of the SW1/4 (2.826 acres, more or less) of Section 4, Township 1 South, Range 19 West, and Lot No. 5 in the NE1/4 (2.561 acres, more or less) and the NE1/4 of the SE1/4 (17.609 acres, more or less), of Section 5, Township 1 South, Range 19 West, all of the Fifth Principal Meridian, Garland County, Arkansas, and being more particularly described as follows:

Commencing at the SW corner Section 4, Township 1 South, Range 19 West, Garland County, Arkansas; (Arkansas State Plane Coordinate - North, 729,606.372 - East, 1,684,558.203); run East 251.797 feet to a point; thence, run North 1782.628 feet to the point of beginning; thence, run North 74°42'49" West 800.316 feet to a point; thence, run North 84°26'05" West 387.511 feet to a point; thence, run South 33°28'46" West 100.000 feet to the point of curvature of a 17°01'41" degree of curve to the right having a bearing and long chord of North 00°31'45" West 557.851 feet; thence, run along the arc of said curve 657.637 feet to the point of tangency; thence run North 55°27'44" East 427.222 feet to the point of curvature of a 5°47'49" degree of curve to the left said curve having a bearing and long chord of North 49°41'05" East 198.983 feet; thence, run along the arc of said curve 199.322 feet to the point of tangency; thence run North 43°54'27" East 100.000 feet to a point; thence run South 50°55'42" East 612.055 feet to the point of tangency of a 26°33'48" degree of curve to the left, said curve having a bearing and long chord of South 80°30'30" East 212.946 feet; thence run along the arc of said curve 222.709 feet to the point of tangency; thence run North 69°54'45" East 250.349 feet to the point of curvature of a 27°07'13" degree of curve to the right, said curve having a bearing and long chord of South 73°47'04" East 250.162 feet; thence run along the arc of said curve of 267.500 feet to the point of tangency; thence run South 37°32'27" East 155.826 feet to the point of tangency of a 15°00'33" degree of curve to the left, said curve having a bearing and long chord of South 52°15'44" East 194.016 feet; thence run along the arc of said curve 196.157 feet to the point of tangency; thence run South 66°58'57" East 162.470 feet to the point of curvature of a 11°03'04" degree of curve to the left; said curve having a bearing and long chord of South 71°47'56" East 87.043 feet; thence run along the arc of said curve 87.157 feet to the point of tangency; thence run South 76°36'51" East 156.030 feet to the point of curvature of a 10°03'03" degree of curve to the left, said curve having a bearing and chord distance of North 89°55'43" East 265.323 feet; thence run along the arc of said curve 267.777 feet to a point; thence run South 02°46'25" East 224.857 feet to a point; thence run South 89°39'02" East 164.003 feet to a point; thence run South 00°35'37" East 193.010 feet to a point; thence run South 23°39'28" East 343.903 feet to a point; thence run South 69°55'12" West 350.592 feet to a point; thence run South 87°41'11" West 350.000 feet to a point; thence run South 02°02'53" West 175.000 feet to a point; thence run South 73°44'37" West 192.444 feet to a point; thence run South 46°23'50" West 203.000 feet to a point; thence run North 37°01'43" West 433.402 feet to a point; thence run North 21°32'57" West 168.799 feet to a point; thence run North 09°38'45" West 256.628 feet to a point; thence run North 55°36'27" West 203.590 feet to a point; thence run South 72°26'36" West 185.648 feet to the point of beginning; area containing 58.703 acres more or less.

TRACT NO. 4:

A parcel of land lying in Lot No. 5 Fractional NW1/4 (13.07 acres, more or less), Lot No. 4 Fractional NE1/4 (28.62 acres, more or less), Lot No. 5 Fractional NE1/4 (1.56 acres, more or less) the NE1/4 of the SE1/4 (0.46 acres, more or less), the NW1/4 of the SE1/4 (14.45 acres, more or less), the NE1/4 of the SW1/4 (24.40 acres, more or less), and the NW1/4 of the SW1/4 (0.15 acres, more or less), of Section 4, Township 1 South, Range 19 West, of the Fifth Principal Meridian, Garland County, Arkansas, and being more particularly described as follows:

Commencing at the SE corner Section 4, Township 1 South, Range 19 West, of the Fifth Principal Meridian, Garland County, Arkansas run West 1812.136 feet to a point; thence North 2268.475 feet to the point of beginning; thence South 74°10'51" West 311.809 feet; thence South 57°10'32" West 385.561 feet; thence South 61°58'32" West 702.353 feet; thence South 71°16'27" West 249.191 feet; thence North 23°39'28" West 343.903 feet; thence North 00°35'37" West 193.010 feet; thence North 89°39'02" West 164.003 feet; thence North 02°46'26" West 224.857 feet; thence along the arc of a curve to the right 267.777 feet, said curve having a radius of 570.055 feet; thence North 76°36'51" West 150.000 feet; thence North 40°14'46" East 195.224 feet; thence North 41°38'01" West 24.083 feet; thence North 07°44'47" East 274.505 feet; thence North 53°34'09" East 417.612 feet; thence North 60°26'14" East 624.270 feet; thence North 81°24'15" East 347.908 feet; thence North 68°23'07" East 342.053 feet; thence South 84°59'58" East 85.038 feet; thence North 05°00'02" East 60.643 feet; thence North 42°33'06" East 220.184 feet; thence North 22°13'58" East 100.000 feet; thence along the arc of a curve to the left 75.775 feet, said curve having a radius of 1300.983 feet; thence South 71°06'16" East 565.578 feet; thence along the arc of a curve to the right 217.206 feet, said curve having a radius of 1225.027 feet; thence South 60°56'43" East 85.321 feet; thence South 29°03'17" West 100.000 feet; thence South 09°15'09" East 808.520 feet; thence South 66°00'29" West 786.995 feet; to the point of beginning and containing 82.71 acres more or less.

TRACT NO. 5:

A parcel of land lying in the NW1/4 of the SW1/4 (17.697 acres, more or less), and the SW1/4 of the SW1/4 (22.444 acres, more or less), of Section 2, Township 1 South, Range 19 West, and the NE1/4 of the SE1/4 (15.507 acres, more or less), and the SE1/4 of the SE1/4 (18.702 acres, more or less), of Section 3, Township 1 South, Range 19 West, all of the Fifth Principal Meridian, Garland County, Arkansas, and being more particularly described as follows:

Commencing at the SW corner Section 2, Township 1 South, Range 19 West, Garland County, Arkansas; (Arkansas State Plane Coordinate-North 729,407.553, East 1,695,059.103) run East 721.378 feet to a point; thence run North 412.392 feet to the point of beginning; thence run North 78°18'38" West 236.669 feet to a point; thence run South 09°03'03" West 271.032 feet to a point; thence run South 12°09'23" West 208.559 feet to a point on a 2°45'49" degree of curve to the left; said curve having a bearing and chord distance of North 80°51'15" West 53.099 feet; thence run along the arc of said curve 53.100 feet to the point of tangency; thence run North 81°35'14" West 195.017 feet to the point of curvature of a 7°17'35" degree of curve to the right, said curve having a

bearing and long chord of North 63°06'33" West 497.993 feet; thence run along the arc of said curve 506.732 feet to the point of tangency; thence run North 44°37'53" West 192.980 feet to the point of curvature of a 15°34'36" degree of curve to the left; said curve having a bearing and long chord of North 64°56'21" West 255.322 feet; thence run along the arc of said curve 260.748 feet to the point of tangency; thence run North 85°14'50" West 3.453 feet to a point; thence run North 15°39'15" West 1819.608 feet to a point on a 5°27'21" degree of curve to the right; said curve having a bearing and chord of South 63°22'11" East 230.021 feet; thence run along the arc of said curve 230.474 feet to the point of tangency; thence run South 57°10'35" East 26.850 feet to the point of curvature of a 2°53'51" degree of curve to the left; said curve having a bearing and long chord of South 64°16'48" East 489.087 feet; thence run along the arc of said curve 490.342 feet to the point of tangency; thence run South 71°23'02" East 151.408 feet to the point of curvature of a 11°51'51" degree of curve to the left, said curve having a bearing and long chord of North 85°42'49" East 375.871 feet; thence run along the arc of said curve 386.070 feet to the point of tangency; thence run North 62°48'42" East 289.240 feet to the point of curvature of a 6°37'27" degree of curve to the left; said curve having a bearing and long chord of North 48°29'40" East 427.788 feet thence run along the arc of said curve 432.275 feet to the point of tangency; thence run North 34°10'38" East 71.206 feet to a point; thence run South 55°49'22" East 180.000 feet to a point; thence run South 61°53'16" East 289.457 feet to a point; thence run South 17°57'52" West 276.847 feet to a point; thence run South 07°07'30" West 282.179 feet to a point; thence run South 02°51'45" West 200.250 feet to a point; thence run South 09°42'05" East 433.195 feet to a point; thence run South 33°47'54" East 149.391 feet to a point; thence run South 42°40'20" West 518.000 feet to a point; thence run South 16°48'41" West 50.200 feet to the point of beginning. Area containing 74.350 acres more or less.

TRACT NO. 6:

A parcel of land lying in the NE1/4 of the SW1/4 (7.213 acres, more or less), the SE1/4 of the SW1/4 (17.286 acres, more or less), the SW1/4 of the SW1/4 (17.440 acres, more or less), and the NW1/4 of the SW1/4 (7.681 acres, more or less), of Section 2, Township 1 South, Range 19 West; and the NE1/4 of the NW1/4 (4.132 acres, more or less), and the NW1/4 of the NW1/4 (2.736 acres, more or less), of Section 11, Township 1 South, Range 19 West; all of the Fifth Principal Meridian, Garland County, Arkansas, and being more particularly described as follows:

Commencing at SW corner Section 2, Township 1 South, Range 19 West, Garland County, Arkansas (Arkansas State Plane Coordinate of North 729,407.553, East 1,695,059.103); run North 460.341 feet to a point; thence run East 489.617 feet to the point of beginning; thence run South 78°18'38" East 236.669 feet to a point; thence run North 16°48'41" East 50.200 feet to a point; thence run North 42°40'20" East 518.000 feet to a point; thence run North 33°47'54" West 149.391 feet to a point; thence run North 09°42'05" West 433.195 feet to a point; thence run North 02°51'45" East 200.250 feet to a point; thence run North 07°07'30" East 282.179 feet to a point; thence run North 17°57'52" East 276.847 feet to a point; thence run South 61°53'16" East 283.000 feet to a point; thence run South 67°46'13" East 621.168 feet to a point; thence run South 01°34'21" East 1275.480 feet to a point; thence run South 08°55'49" East

352.018 feet to a point; thence run South 41°50'35" East 100.000 feet to a point of curvature of a 4°08'57" degree of curve to the left, said curve having a bearing and long chord of South 36°29'46" West 558.222 feet; thence run along the arc of said curve 562.095 feet to the point of tangency; thence run South 24°50'07" West 141.952 feet to a point; thence run North 65°24'33" West 814.397 feet to the point of curvature of a 2°45'49" degree of curve to the left, said curve having a bearing and chord of North 72°45'52" West 530.858 feet; thence run along the arc of said curve 532.320 feet to a point; thence run North 12°09'23" East 208.559 feet to a point; thence run North 09°03'03" East 271.032 feet to the point of beginning. Area containing 56.488 acres more or less.

TRACT NO. 7:

A parcel of land lying in the SW1/4 of the NW1/4 (3.409 acres, more or less), the SE1/4 of the NW1/4 (19.502 acres, more or less), the NW1/4 of the SW1/4 (6.958 acres, more or less), the NE1/4 of the SW1/4 (32.507 acres, more or less), the NW1/4 of the SE1/4 (4.883 acres, more or less), the SE1/4 of the SW1/4 (17.560 acres, more or less), the SW1/4 of the SE1/4 (7.293 acres, more or less), of Section 2, Township 1 South, Range 19 West, all of the Fifth Principal Meridian, Garland County, Arkansas, and being more particularly described as follows:

Commencing at SW corner Section 2, Township 1 South, Range 19 West, Garland County, Arkansas; (Arkansas State Plane Coordinates of North-729,407.553, East 1,695,059.103); Run North 492,447 feet to a point; thence run East 1920.897 feet to the point of beginning; thence run North 01°34'21" West 1275.480 feet to a point; thence run North 67°46'13" West 621.168 feet to a point; thence run North 61°53'16" West 572.457 feet to a point; thence run North 55°49'22" West 180.000 feet to the point of curvature of a 3°45'48" degree of curve to the right; said curve having a bearing and long chord of North 42°53'38" East 461.465 feet; thence run along the arc of said curve 463.250 feet to the point of tangency; thence, run North 51°36'38" East 110.000 feet to a point; thence run North 49°59'35" East 354.290 feet to a point; thence run North 54°03'52" East 350.322 feet to a point; thence run North 51°36'38" East 90.000 feet to the point of curvature of a 3°08'22" degree of curve to the left, said curve having a bearing and chord distance of North 44°14'18" East 468.362 feet; thence run along the arc of said curve 469.656 feet to a point; thence run South 47°30'00" East 306.203 feet to the point of curvature of a 7°57'49" degree of curve to the right, said curve having a bearing and long chord of South 31°09'20" East 404.941 feet; thence run along the arc of said curve 410.486 feet to the point of tangency; thence run South 14°48'40" East 883.030 feet to the point of curvature of a 5°16'01" degree of curve to the left, said curve having a bearing and long chord of South 32°05'16" East 646.144 feet; thence run along the arc of said curve 656.040 feet to the point of tangency; thence run South 49°21'52" East 49.765 feet to the point of curvature of a 10°42'21" degree of curve to the left, said curve having a bearing and chord of South 57°00'16" East 142.294 feet; thence run along the arc of said curve 142.716 feet to a point; thence run South 19°27'00" West 495.923 feet to a point; thence run South 29°30'00" East 526.279 feet to the point of curvature of a 3°11'18" degree of curve to the right, said curve having a bearing and long chord of South 65°34'17" West 620.156 feet; thence run along the arc of said curve 623.275 feet to the point of tangency; thence run South 75°30'26" West 241.258 feet to the point of

curvature of a 5°37'30" degree of curve to the left; said curve having a bearing and long chord of South 61°49'56" West 481.617 feet; thence run along the arc of said curve 486.221 feet to a point; thence run North 41°50'35" West 100.000 feet; thence, run North 08°55'49" West 352.018 feet to the point of beginning. Area containing 92.112 acres more or less.

Section 2. Additions to Existing Property. Additional lands of the Developer situated in Garland County, Arkansas, as well as Saline County, Arkansas, may become subject to this Declaration in the following manner:

(a) Additions in Accordance with a General Plan of Development. The Developer, its successors and assigns, shall have in future stages of the development the right but not the obligation to bring within the plan of this Declaration additional properties, regardless of whether or not said properties are presently owned by the Developer, provided that such additions are compatible with the General Plan of Development which has been prepared and heretofore made public prior to the date of this Declaration and prior to the sale of any Lot, and provided such proposed additions, if made, will become subject to assessment for their just share of Association capital investments and expenses. UNDER NO CIRCUMSTANCES shall this Declaration or any Supplemental Declaration or such General Plan bind the Developer, its successors and assigns, to make the proposed additions or to adhere to the Plan in any subsequent development of land shown upon such General Plan, or in anywise preclude the Developer, its successors and assigns, from conveying the lands included in the General Plan, but not having been made subject to this Declaration or any Supplemental Declaration as herein provided, free and clear of such Plan, as well as free and clear of this Declaration or any Supplemental Declaration.

(b) The Additions authorized hereunder shall be made by filing of record a Supplemental Declaration of Covenants and Restrictions with respect to the additional property which shall extend the plan of the covenants and restrictions of this Declaration to such property, and the Owners, including the Developer, of Lots and Living Units in such additions shall immediately be entitled to all privileges herein provided.

(c) Such Supplementary Declaration may contain such complimentary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties as are not inconsistent with the plan of this Declaration. In no event, however, shall such Supplementary Declaration revoke, modify and add to the covenants established by this Declaration within the Existing Property.

Section 3. Additions Limited to Developer. No one other than the Developer, its successors and assigns, shall have the right to subject additional lands to the covenants and restrictions contained in this Declaration, unless the Developer, its successors and assigns, shall indicate in writing to the Association that such additional lands may be included hereunder.

ARTICLE III

Membership and Voting Rights in the Association

Section 1. Membership. The Developer, its successors and assigns shall be a member of the Association so long as it shall

be the record owner of a fee, or an undivided fee, interest in any Lot or Living Unit which is subject by covenants of record to being assessed by the Association, even though such assessment has not yet commenced, and the Developer shall also be a member until it is paid in full for every such Lot or Living Unit which it shall sell. Also, every person or entity who is a record owner of a fee, or undivided fee, interest in any Lot or Living Unit which is subject by covenants of record to being assessed by the Association and who shall have paid the Developer in full for the purchase price of the Lot or Living Unit, shall be a member of the Association, provided that any such person or entity (except the Developer) who holds such interest merely as security for the performance of an obligation shall not be a member.

Section 2. Voting Rights. The Association shall have two classes of voting membership:

Class A. Class A members shall be all those persons or entities as defined in Section 1 with the exception of Developer, who have paid the Developer in full for the purchase price of the Lot or Living Unit. Class A members shall be entitled to one vote for each Lot or Living Unit in which they hold the interests required for membership by Section 1. When more than one person holds such interest or interests in any Lot or Living Unit, the vote for such Lot or Living Unit 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 or Living Unit.

Class B. Class B member shall be the Developer. The Class B member shall be entitled to ten votes for each Lot or Living Unit, which is subject by covenants of record to being assessed by the Association, even though such assessment has not yet commenced, until such time as it shall cease to be a record owner, and shall have been paid in full for such Lot or Living Unit. The Developer shall continue to have the right to cast votes as aforesaid (ten votes for each Lot or Living Unit) even though it may have contracted to sell the Lot or Living Unit or may have same under a mortgage or deed of trust.

For purposes of determining the votes allowed under this Section, when Living Units are counted, the Lot or Lots upon which such Living Units are situated shall not be counted.

Section 3. Associate Members. Every person or entity who has entered into a contract of purchase with the Developer covering a Lot or Living Unit which is subject by covenants of record to being assessed by the Association and who has not paid the Developer in full for the purchase price of the Lot or Living Unit shall be an associate member of the Association. An associate member shall be entitled to all of the privileges of a member except the right to vote in the election of directors, or otherwise. Rescission of a contract of purchase by Developer for any reason shall terminate the associate membership.

Section 4. Members and associate members are limited as to the easement of enjoyment of the common properties, with the exception of private ways of access for vehicles, in Article VIII of this Declaration, and the attention of each member and associate member is specifically called to the limitation appearing in Article VIII, Section 3(f).

ARTICLE IV

Utility Easements

Section 1. Reservations of Utility Easements. Developer, for itself, and its successors and assigns, hereby reserves and is given a perpetual, alienable and releasable easement, privilege and right on, over and under the ground as hereinafter designated of The Properties to erect, maintain and use electric, antenna television transmission and distribution system, and telephone poles, wires, cables, conduits, water mains, water lines, drainage lines and drainage ditches, or drainage structures, sewers and other suitable equipment and structures for drainage and sewerage collection and disposal purposes or for the installation, maintenance, transmission and use of electricity, television systems, telephone, gas lighting, heating, water, drainage, sewerage and other conveniences or utilities on, in, over and under all of the Common Properties upon The Properties and on, in, over and under all of the Limited Common Properties upon The Properties, and on, in, over and under all of the easements including, but not limited to private ways, private roads, private lanes and public roads and public streets, shown on any subdivision plat of The Properties (whether such easements are shown on said subdivision plat to be for drainage, utilities or other purposes) and in, over and under a 7-1/2-foot strip along the interior of all lot lines of each lot of The Properties, and said 7-1/2-foot strip aforesaid to be parallel to the interior lot lines of the respective lots. The Developer shall have the unrestricted and sole right and power of alienating and releasing the privileges, easements, and rights referred to in this Section, with the understanding, however, that the Developer will make such utility easements available to the Association for the purpose of installation of water lines and other water installations and sewer lines and other sewer installations, and in addition, will also make such utility easements available to the Association for any other utilities which the Developer and Association shall agree upon, and for which the Association shall have assumed the responsibility for obtaining additional easements in order that utilities other than sewer and water may be installed. Such utility easements shall be made available to the Association without cost to it. The Association and the owners of lots, other than the Developer, subject to the privilege, rights and easements referred to in this Section 1 shall acquire no right, title or interest in or to any poles, wires, cables, conduits, pipes, mains, lines or other equipment or facilities placed on, in, over or under the property which is subject to said privileges, rights and easements except that the Association shall own all pipes, mains, lines and other equipment or facilities which pertain to the water system and the sewer system. All such easements, including those designated on any plat of The Properties, not made available to the Association are and shall remain private easements and the sole and exclusive property of the Developer and its successors and assigns.

ARTICLE V

Reserved Properties

Section 1. Real Properties Designated as "Reserved Properties" are Reserved from Declaration and Plats. Any area upon a plot covered by this Declaration or any Supplemental Declaration designated as "Reserved Properties," shall remain the privately owned and the sole and exclusive property of the Developer, its successors and grantees, if any, of said areas or any portion of same, and

neither this Declaration or any Supplemental Declarations or the plats in connection with same shall in anywise apply to such "Reserved Properties" unless at a later time same shall be included under the provisions of the Declaration or a Supplemental Declaration as provided in ARTICLE II hereof.

Section 2. Utilities Reserved from Declaration. Utilities except the water system and sewer system, are specifically reserved unto the Developer. It is contemplated utilities for the Properties with the exception of the water system and sewer system shall be furnished by companies so engaged in the vicinity of The Properties and the Developer retains and has the exclusive right to negotiate contracts and agreements with such companies, under such conditions and for such consideration, which consideration shall belong to the Developer, as it shall deem proper under the circumstances. The utilities referred to shall include, but not be limited to:

Natural, Liquefied or Manufactured Gas Systems,
Electrical System,
Telephone System,
Antenna Television, Transmission and Distribution
Facilities and System.

In the event the Developer cannot negotiate contracts and agreements with local companies to furnish the utility services aforesaid, it may, but shall not be obligated to do so, organize a company, or companies, to furnish such utility services, and shall have the right to enter into agreements with such company, or companies, to furnish the utility services reserved, or any of them, even though such company, or companies, so organized shall be wholly or partially owned by the Developer. Nothing herein contained shall be construed or interpreted as an obligation on the part of the Developer to provide the utilities reserved, although the Developer will use its best efforts consistent with economic feasibility to so provide same. The Developer, if it so desires, may delegate to the Association the right to enter into contracts with utility companies to furnish certain of or all of the utility services aforesaid.

ARTICLE VI

Plan for Construction and Maintenance of Common Properties

Section 1. Water System and Sewer System. It shall be the obligation of the Association to construct the water system and sewer system and same will be a part of the Common Properties. However, the Association shall be the judge, predicated upon sales by the Developer, as to the time when the water system and sewer system shall be constructed and shall also be the judge on the same basis as aforesaid as to when either system shall be constructed and extended from time to time. In other words, the Association will construct and extend water and sewer to lots sold by Developer at the earliest practicable time after such sales. It is contemplated that all lots might not require service by a central sewer system. In the event the Association determines that certain Lots shall be served by individual septic tanks, the Association shall not be obligated to extend the central sewage system to those Lots. The decision by the Association concerning such matters shall be final. The cost of the construction, maintenance, capital improvements, operation, taxes and other expenses incident to the water system and sewer system, and operation of each, shall be paid from assessments against each Lot and Living Unit as herein provided, and from charges (it is

contemplated that no charges will be made for normal use) made to Owners for furnishing such service at such prices as shall be fixed from time to time by the Board of Directors of the Association. It is specifically provided that neither the water service nor sewer service will be furnished to the public for compensation, and to the contrary such water service and sewer service will be limited to Owners, as herein defined, and in the event the water service or sewer service is made available to persons or entities other than Owners there will be no charge to such persons or entities, unless the Association shall have complied with the applicable Arkansas law relative to the sale of water or sewage services to the public for compensation.

Section 2. Ways of Access for Vehicles. The ways of access for vehicles shall be constructed by the Developer and those ways of access for vehicles which are not dedicated to the general public will be a part of the Common Properties. The Developer shall be obligated to construct and pave all ways of access for vehicles in any subdivision of The Properties within a period of twenty-four months after completion by the Association of the utility system which is it obligated to complete in such subdivision. The cost of maintenance, capital improvements, operation, taxes and other expenses incident to the ways of access for vehicles, regardless of whether dedicated to the public or as Common Properties, shall be paid from assessments against each Lot and Living Unit as herein provided.

Section 3. Lakes, Golf Course, Permanent Parks and Permanent Recreational Plots. The Developer shall construct the Lakes, Golf Course, Permanent Parks and Permanent Recreational Plots with the understanding, however, that the Developer shall be the sole judge as to the time when such Lakes, Golf Course, Permanent Parks and Permanent Recreational Plots shall be constructed, and if the Developer shall decide that it is not economically feasible to construct any or a portion of such due to the failure to sell sufficient Lots or Living Units, it shall not be obligated to construct same. The cost of maintenance, capital improvements, operation, taxes, and other expenses incident to these Common Properties shall be the obligation of the Association and shall be paid from assessments against each Lot and Living Unit as herein provided, and also from fees for the use of the Common Properties.

ARTICLE VII

Plan for Construction and Maintenance of Limited Common Properties

Section 1. Construction and Maintenance. The Developer shall construct the ways of access for vehicles to the extent of cutting, grading and paving the ways of access for vehicles so that vehicles may traverse same. The Developer may provide other construction, but unless the Developer so agrees, it shall in no wise be obligated to provide for additional construction. All other construction and maintenance and the payment of taxes as to the Limited Common Properties shall be the obligation of the owners of the Lots or Living Units entitled to the use and enjoyment of the particular Limited Common Properties. In order to perform such construction and maintenance, the owners of the Lots and Living Units entitled to the use and enjoyment of the particular Limited Common Properties may organize a non-profit corporation to be limited to membership to those owners of Lots and Living Units entitled to the use and enjoyment of the particular Limited

Common Properties and the non-profit corporation shall have all of the powers, including the power to levy assessments against particular Lots and Living Units in order to obtain funds, as the Association has which are referred to in this Declaration.

Section 2. Upon the failure of the owners of the property entitled to the use and enjoyment of the particular Limited Common Properties to provide for the construction and maintenance of the particular Limited Common Properties, the Association may perform same and apportion the charge against the Lots and Living Units entitled to the benefit of the particular Limited Common Properties and same shall constitute a lien against such property subject only to the lien by reason of a first mortgage or deed of trust against such property.

ARTICLE VIII

Property Rights of the Common Properties

Section 1. Members' and Associate Members' Easement of Enjoyment. Subject to the provisions of ARTICLE IV hereof and Section 3 of this ARTICLE VIII, every member and associate member, so long as the associate membership shall continue, shall have a right and easement of enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title to every Lot or Living Unit.

Section 2. Title to Common Properties. The Developer shall convey the Common Properties to the Association after the construction of same is completed, or at an earlier time.

Section 3. Extent of Members' and Associate Members' Easements. The rights and easements of enjoyment created hereby with the exception of the rights and easements created in Section 6 of this ARTICLE VIII shall be subject to the following:

- (a) the right of the Developer and/or the Association to borrow money for the purpose of constructing, improving and maintaining the Common Properties and in aid thereof to mortgage said properties or execute a deed of trust or other trust instrument covering said properties; and
- (b) the right of the Association to take such steps as are reasonably necessary to protect the above described properties against foreclosure; and
- (c) the right of the Association to suspend the enjoyment rights of any Member or Associate Member for any period during which any assessment, service or use charge, remains unpaid, and for any period not to exceed thirty (30) days for any infraction of its published rules and regulations; and
- (d) the right of the Association to charge reasonable service or use charges, admission and other fees for the use, service and enjoyment of the Common Properties; and
- (e) the right of the Association to make the golf course and the lakes available by lease, or otherwise, subject to sub-paragraph (g) hereof, to another Association, which shall be a non-profit corporation, with the right of the other Association to charge dues to members and

associate members and permit persons who are not members or associate members to become members of the other Association for a membership payment and also for payment of dues, and with the understanding the other Association shall have the right to make rules and regulations which shall be enforceable as to members and associate members; and

- (f) except as to the Developer, only one household shall be entitled to the benefit of the easement of enjoyment as to the Common Properties by reason of ownership or contract of purchase of a Lot or Living Unit; the Association may enlarge the limitation aforesaid by a vote of majority of its Board of Directors; and specifically, this limitation shall not apply to private ways of access for vehicles; and
- (g) the right of the Developer until all Lots and Living Units located within The Properties shall have been sold to make use of the Common Properties to encourage sales; and
- (h) the right of the individual members and associate members to the exclusive use of parking spaces as provided in Section 5 hereof; and
- (i) the right of the Association to dedicate or transfer all or any part of the Common Properties to any public or private agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members, provided that no such dedication or transfer, determination as to the purposes or as to the conditions thereof, shall be effective unless such action shall be approved by a vote of 51% of the votes of each class of membership, and unless written notice of the proposed agreement and action thereunder is sent to every member at least thirty (30) days in advance of any action taken.
- (j) the right of the Association by and through its authorized and delegated representatives to impose a reasonable monetary penalty for any single incident infraction as defined in its Protective Covenants and published rules and regulations, such monetary penalty not to exceed the amount of the annual assessment in effect at the time of such infraction.

The right of the Association to impose a reasonable monetary penalty on a daily basis for ongoing infractions as defined in the Association's Protective Covenants and published rules and regulations which are not corrected within thirty (30) days of written notice of the infraction to the property owner. Accumulated monetary penalties for ongoing infractions shall not exceed five times the total of the annual assessment.

Any such monetary penalties shall be the personal obligation of the member committing such infraction, the amount representing the penalty, together with interest, costs, and a reasonable attorney's fee. Any member having

been notified of the charging of any monetary penalty shall have the right to contest such by written notification to the Association and received within 30 days of the written notice to the member. The Association, by its Board of Directors or by its authorized and delegated representatives, shall hear any contest of the infraction and the monetary penalty within 60 days. The decision of the Association shall be final.

Amended effective April 20, 2013.

Section 4. Delegation. Any member or associate member may delegate his right of enjoyment to the Common Properties and facilities, however, that right shall be subject to Section 3(f) of this ARTICLE VIII and to published rules and regulations of the Association.

Section 5. Parking Rights. Subject to reasonable rules and conditions, the Association shall maintain and designate at least one parking space conveniently located with respect to each Living Unit for which the Developer may request same and such parking space shall be for the exclusive use of members or associate members residing therein, their families and guests. The use of such space by any other member, associate member, or person may be enjoined by the Association or the members or associate members entitled thereto. The right of the exclusive use of such parking space and to its maintenance and designation by the Association shall be appurtenant to and shall pass with title to each Living Unit.

Section 6. Private Ways of Access for Vehicles. Each Owner shall have a right of ingress and egress and passage over all private ways of access for vehicles for himself, members of his household, and his guests and invitees, subject to such limitations (except such limitations shall not apply to Developer) as the Association may impose from time to time as to guests and invitees. Such right in the private ways of access for vehicles which are a part of the Common Properties shall be appurtenant to and shall pass with the title and equity to every Lot and Living Unit. All private ways of access for vehicles shall also be subject to a right-of-way for the agents, employees and officers of Garland County (and Saline County when applicable) state of Arkansas, and any other governmental or quasi-governmental agency having jurisdiction in Hot Springs Village to permit the performance of their duties, including but not limited to, school buses, mail vehicles, emergency vehicles and law enforcement vehicles. Section 3 of this ARTICLE VIII shall in nowise apply to the rights conferred by this Section.

ARTICLE IX

Property Rights of the Limited Common Properties

Section 1. Owners' Easement of Enjoyment. Lands designated from time to time by the Developer, shall be devoted to the common use and enjoyment of the owners of specifically designated Lots and Living Units to the exclusion of the common use and enjoyment of other owners of Lots and Living Units upon The Properties. The owners of the specifically designated Lots or Living Units, subject to ARTICLE IV hereof, shall have a right and easement of enjoyment in and to the particular Limited Common Properties and such easement shall be appurtenant to and shall

pass with every such specifically designated Lot or Living Unit.

Section 2. Title to Limited Common Properties. The Developer may retain the legal title to the Limited Common Properties until the owners of Lots and Living Units entitled to the easement of enjoyment as to the particular Limited Common Properties shall have constructed the permanent improvements thereon and provided for maintenance of same. At such time the Developer shall convey the title to the particular Limited Common Properties to such entity as the owners shall direct, and on failure of the owners to perform or direct the conveyance of the title as to the particular Limited Common Properties, then the Developer shall convey to the Association, and it shall perform as provided in Section 2, ARTICLE VII hereof.

ARTICLE X

Covenant for Maintenance Assessments

Section 1. Creation of Lien and Personal Obligation. The Developer for each Lot and Living Unit owned by it within The Properties hereby covenants and each Owner of any Lot or Living Unit by acceptance of a deed therefore, or by entering into a contract of purchase with the Developer, whether or not it shall be so expressed in any such deed, contract of purchase, or other conveyance, shall be deemed to covenant and agree to pay to the Association: (a) annual assessments or charges; (b) special assessments for capital improvements. Such annual and special assessments to be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and cost of collection thereof, including reasonable attorney's fees, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest, costs and reasonable attorney's fees also shall be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Annual Assessments. The annual assessment, levied hereunder by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the Owners in The Properties and in particular for the construction, improvement and maintenance of properties, service and facilities devoted to this purpose and related to the use and enjoyment of the Common Properties and the improvements situated upon The Properties, including, but not limited to, construction of the water system and sewer system, the payment of taxes and insurance on the Common Properties, and repair, replacement, and additions thereto, and for the cost of labor, equipment, materials, management and supervision thereof. The limitation aforesaid shall not preclude the use of assessments levied hereunder for maintenance of ways of access for vehicles and roads and streets within The Properties, even though same may have been dedicated to the public.

Section 3. Basis and Maximum of Annual Assessments. From and after January 1, 2014, the annual assessment may be increased each year above the annual assessment for the previous year by a two-thirds (2/3) majority vote of the Board of Directors of the Association, provided, however, that such

increase may be no greater than the consumer price index for the twelve month period ending June 30 of the preceding year using the "Consumer Price Index, South Region All Items" as promulgated by the Bureau of Labor Statistics of the U.S. Department of Labor or, if such is not available, any other reliable governmental or other non-partisan publication evaluating similar information. Unless the annual assessment shall be increased as aforesaid, it shall remain at the rate prevailing for the previous year.

Amended effective April 20, 2013.

Section 4. Special Assessments for Capital Improvements with Vote of Members. In addition to the annual assessments authorized by Section 3 hereof, the Association may request and levy a special assessment limited in time and specifically for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the water system, the sewer system, and the ways of access for vehicles and roads and streets within The Properties, even though the roads and streets may have been dedicated to the public, and also other capital improvements upon or additions to the Common Properties, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of 51% of the votes of each class of 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 at least thirty (30) days in advance and shall set forth the purpose of the meeting, duration of the special assessment, and the specifics of the project. **Amended effective August 1, 2013.**

Section 5. Increase in Annual Assessment With Vote of Members. The annual assessment may be increased prospectively from the amounts set forth in any year without limitation on the amount of such increase by a majority vote of each class of members voting in person or by proxy at a meeting duly called for such purpose.

Amended effective April 20, 2013.

Section 6. Notice and Quorum for Any Action of Members Authorized Under Sections 4 and 5. Written notice of any meeting of the membership called for the purpose of taking any action authorized under Sections 4 and 5 of Article X hereof shall be sent to all members in good standing not less than 30 days in advance of the meeting. At the first such called meeting the presence of members in good standing or of proxies entitled to cast a majority of all votes of each class shall constitute a quorum. If the required quorum is not present at any meeting another meeting may be called subject to the same notice requirement and the required quorum at any such subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 90 days following the preceding meeting. **Amended effective April 20, 2013.**

Section 7. Date of Commencement of Annual Assessments: Due Date. The annual assessments provided for herein shall commence on the date fixed by the Board of Directors of the Association to be the date of commencement; however, in no event shall the assessment commence as to any particular Lot or Living Unit until a contract of sale covering such Lot or Living Unit has been entered into by the Developer.

The first annual assessments shall be for the balance of the calendar year and shall be apportioned over the remaining months of such calendar year, and payments shall be payable on the first day, or such other day as may be fixed by the

Board of Directors of the Association, of each month for the remainder of the calendar year. The assessments for any year, after the first year, shall become due and payable on the first day, or such other day as fixed by the Board of Directors of the Association, of January of said year, and shall be apportioned over twelve months and the first payment shall be payable on such day of January as fixed aforesaid and the remaining payments payable on the same day of each month thereafter for the remainder of the year. In the event of default as to a monthly payment, and if the default is not remedied within 30 days, the Association shall have the option of declaring the assessment for the entire year due and payable.

The amount of the annual assessment which may be levied for the balance remaining in the first year of assessment shall be an amount which bears the same relationship to the annual assessment provided for in Section 3 hereof as the remaining number of months in that year bears to twelve. The same reduction in the amount of the assessment shall apply to the first assessment levied against any property which is hereafter added to The Properties now subject to assessment at a time other than the beginning of any assessment period.

The due date of any special assessment under Section 4 hereof shall be fixed in the resolution authorizing such assessment, and it shall also be payable monthly with the same option on the part of the Association in the event of default.

Section 8. Duties of the Board of Directors. The Board of Directors of the Association shall fix the date of commencement and the amount of the assessment against each Lot or Living Unit for each assessment period at least 30 days in advance of such date or period and shall, at that time, prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner.

Written notice of the assessment may thereupon be sent to every Owner subject thereto.

The Association shall upon demand at any time furnish to any Owner liable for said assessment a certificate in writing signed by an officer of the Association, setting forth whether said assessments have been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 9. Delegation of Collection of Assessment. The Association may delegate the collection of the assessments provided to the Developer, its successors and assigns. Due to the common interest of the Developer and the Association, the Association in the delegation of the collection of the assessments may agree that the failure on the part of an Owner to pay an assessment as herein provided shall be a reason or ground for which the Developer may rescind a contract of sale as to a Lot or Living Unit.

Section 10. Effect of Non-Payment of Assessment; The Lien; The Personal Obligation; Remedies of Association. If the assessments are not paid on the date when due (being the date specified in Section 7 hereof), then such assessment shall become delinquent as provided in Section 7 hereof and shall, upon the election of the Association to declare the entire assessment due and payable, together with such interest thereon and cost of collection thereof as hereinafter provided, thereupon becoming a continuing lien on the property which shall bind such property in the hands of the then owner, his heirs, devisees, personal representatives and assigns. The

personal obligation of the Owner to pay such assessment shall remain his personal obligation and shall not pass to his successors in title unless expressly assumed by them.

If the assessment is not paid as provided in Section 7 and the Association shall declare the entire assessment due and payable, the assessment shall bear interest from date of delinquency at the rate of 6% per annum, and the Association may foreclose the lien against said property, or may bring an action at law against the individual(s) or entity personally obligated to pay the same. Both actions shall be cumulative and neither shall preclude the other. There shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the court together with the costs of the action.

Section 11. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust now or hereafter placed upon the properties subject to assessment. The ordinary sale or transfer of The Properties subject to assessment shall not affect the assessment lien. However, the sale or transfer of any of The Properties which is subject to any first mortgage or deed of trust pursuant to a decree of foreclosure under such mortgage or deed of trust or any proceeding in lieu of foreclosure thereof shall extinguish the lien of such assessments as to payments thereof which became due prior to such sale or transfer. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

Section 12. Exempt Property. The following property subject to this Declaration shall be exempted from the assessments, charge and lien created herein:

- Common Properties,
- Limited Common Properties,
- Utility Easements and all other Easements,
- Reserved Properties,
- Utilities,
- Golf Course and Lake or Lakes,
- if constructed by Developer.

ARTICLE XI

Architectural Control Committee

Section 1. Review by Committee. No building, fence, wall or other structure shall be commenced, erected or maintained upon The Properties, nor shall any exterior addition to or change or alternations therein be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of Developer, or by an Architectural Control Committee composed of three or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within 45 days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE XII

Exterior Maintenance

Section 1. In the event the Owner of any Lot or Living Unit shall fail to properly provide for exterior maintenance as to buildings or grounds, the Developer or the Association may, but shall not be obligated to do so, provide exterior maintenance as follows: paint, repair, replace and care for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks and other exterior improvements.

Section 2. Assessment of Cost. The cost of such exterior maintenance shall be assessed against the Lot or Living Unit upon which such maintenance is done and shall be added to and become a part of the annual assessment or charge to which such Lot or Living Unit is subject under ARTICLE X hereof and, as part of such annual assessment or charge, it shall be a lien subject, however, to lien by reason of a first mortgage or first deed of trust, and shall become due and payable in all respects as provided in ARTICLE X hereof. Upon collection by the Association, the cost shall be paid to Developer, if the Developer has performed the work.

Section 3. Access at Reasonable Hours. For the purpose solely of performing the exterior maintenance authorized by this ARTICLE XII, the Developer or the Association through its respective duly authorized agents or employees shall have the right, after reasonable notice to the Owner, to enter upon any Lot or exterior of any Living Unit at reasonable hours on any day except Sunday.

ARTICLE XIII

Protective Covenants

Attached hereto as "Exhibit 1" and made a part hereof as fully as though contained herein word for word are the protective covenants relative to The Properties as well as any other lands which may be added as provided in ARTICLE II hereof. Every provision of this Declaration shall apply as fully as to the protective covenants as if same were set forth herein word for word.

ARTICLE XIV

General Provisions

Section 1. Duration. The Covenants and Restrictions of the original Declaration and this amended Declaration shall run with and bind the land, and 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 seven (7) years from the effective date of this amended Declaration after which time said covenants shall be automatically extended for successive periods of seven (7) years unless an amendment is approved by the affirmative vote of two-thirds of those voting at an election called for such purpose. A majority of all lots or living units whose Owners are in good standing shall constitute a quorum. An Owner in good standing shall mean a property owner current (no more than 60 days delinquent) in payment of all assessments, service and use charges and not under any suspension of enjoyment rights. Provided, however, that no such amendment shall be effective unless made and recorded one year in advance of the effective date of such change and unless written notice of the proposed amendment is sent to every

owner at least forty five days in advance of any action taken. Amended effective April 20, 2006.

Section 2. Notices. Any notice given or 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, Associate Member or Owner on the records of the Association at the time of such mailing.

Section 3. Enforcement. Enforcement of these covenants and restrictions 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 failure by the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 4. Assignment, Transfer or Conveyance by Developer. The Developer reserves and shall have the right to assign, transfer or convey any reservations, rights or obligations of the Developer hereunder, and upon such assignment, transfer or conveyance the Developer shall immediately be released and discharged as to any and all liability incident to such reservations, right or obligation.

Section 5. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

IN WITNESS WHEREOF, JOHN A. COOPER COMPANY, joined by HOT SPRINGS VILLAGE PROPERTY OWNERS ASSOCIATION for the purposes of indicating their agreement to perform the obligations placed upon them by this instrument, have caused this Declaration to be executed by their respective corporate officers, who are duly authorized to so execute same, in multiple counterparts, any one of which shall be deemed an original, this 20th day of April, 1970.

JOHN A. COOPER COMPANY

By JOHN A. COOPER, JR.
President

ATTEST:

M.W. SPENCER
Assistant Secretary

HOT SPRINGS VILLAGE PROPERTY OWNERS ASSOCIATION

By WAYNE E. SHENEMAN
President

ATTEST:

HAROLD S. BEMIS
Secretary

ACKNOWLEDGEMENT

STATE OF ARKANSAS
COUNTY OF CRITTENDEN

On this day before me, the undersigned Notary Public, duly commissioned, qualified and acting within and for the said County and State, appeared in person the within named

John A. Cooper, Jr. and M.W. Spencer, to me personally well known, who stated that they were the President and Assistant Secretary of JOHN A. COOPER COMPANY, an Arkansas corporation, and were duly authorized in their respective capacities to execute the foregoing instrument for and in the name and behalf of said corporation, and further stated and acknowledged that they had so signed, executed and delivered said 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 20th, day of April, 1970.

JOHN M. SMITH
Notary Public

My Commission Expires:
March 16, 1972

ACKNOWLEDGEMENT

STATE OF ARKANSAS
COUNTY OF CRITTENDEN

On this day before me, the undersigned Notary Public, duly commissioned, qualified and acting within and for the said County and State, appeared in person the within named Wayne E. Sheneman and Harold S. Bemis, to me personally well known, who stated that they were the President and Secretary of HOT SPRINGS VILLAGE PROPERTY OWNERS ASSOCIATION, an Arkansas corporation, and were duly authorized in their respective capacities to execute the foregoing instrument for and in the name and behalf of said corporation, and further stated and acknowledged that they had so signed, executed and delivered said 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 20th day of April 1970.

JOHN M. SMITH
Notary Public

My Commission Expires:
March 16, 1972.