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| CERTIFICATE OF RECORD | |
|----------------------------------------------|--------------------------------|
| Filed for record in my office on the | 3rd |
| day of | Dec. 19 98 |
| of | 11:28 A.M. and now recorded in |
| Record Book | 150 |
| at page | 26-32 |
| Witnessed by my hand and the Court Seal this | 3 |
| day of | Nov. 19 98 |
| JACKIE BUNCH | |
| BY | <i>[Signature]</i> |
| | Deputy Clerk & Seal |

**DECLARATION OF RESERVATIONS
UNIT 302
CARROLL COUNTY, ARKANSAS**

THIS DECLARATION made this 24th day of November, 1998, by HOLIDAY ISLAND DEVELOPMENT CORPORATION, an Arkansas Corporation, hereinafter referred to as the "Declarant",

WHEREAS, the Declarant is the owner of that certain real property known as Unit No. 302, Holiday Island, Carroll County, Arkansas, as per plat thereof recorded in Plat Cabinet "E", slide 46, in the records of said County at Eureka Springs in the Western District of Carroll County, Arkansas; and,

WHEREAS, the Declarant intends to sell, dispose of, or convey from time to time all or a portion of the lots in said Unit above described, and desires to subject the same to certain protective reservations, covenants, conditions, and restrictions (hereinafter referred to as "Conditions") between it and the acquirers and/or users of the lots in said Unit.

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That Declarant hereby certifies and declares that it has established and does hereby establish a general plan for the protection, maintenance, development and improvement of said Unit, that

THIS DECLARATION OF RESERVATIONS (hereinafter referred to as the "Declaration") is designed for the mutual benefit of the lots in said Unit and Declarant has fixed and does hereby fix the protective conditions upon, and subject to which, all lots, parcels and portions of said Unit shall be held, leased, sold, and/or conveyed by it as such owner, each and all of which is and are for the mutual benefit of the lots in said Unit and of each owner thereof, and shall run with the land and shall inure to and pass with each such lot and parcel of land in said Unit, and shall apply to and bind the respective successors in interest thereof, and further are, and each thereof is, imposed upon said Unit as a mutual equitable servitude in favor of each and every parcel of land therein as the dominant tenements, and in favor of Declarant.

COMMITTEE OF ARCHITECTURE

Declarant shall appoint a Committee of Architecture hereinafter referred to as the "Committee", consisting of five (5) persons. Declarant shall have the further power to create and

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fill vacancies on the Committee.

It shall be the general purpose of this Committee to provide for maintenance of a high standard of architecture and construction in such manner as to enhance the aesthetic properties and structural soundness of the developed subdivision.

The Committee shall be guided by and, except when in their sole discretion good planning would dictate to the contrary, controlled by the Declaration. The Committee shall make available a copy of this Declaration to any and all lot owners upon request.

The Committee shall determine whether the Conditions contained in this Declaration are being complied with.

It shall be the responsibility of the Committee to review and approve or disapprove construction plans submitted by property owners within the unit. The committee may adopt reasonable rules and regulations in order to carry out its duties.

SAID CONDITIONS ARE AS FOLLOWS:

That all of the lots within this Unit shall be designated as R-3, Multi-Family Residential Lots and shall be improved, used and occupied in accordance with the provisions set forth under R-3, Multi-Family Residential Lots of this Declaration. All parcels and undesignated portions of the Unit shall be reserved for future development by Declarant and shall remain undesignated as to zoning.

Declarant reserves the right to convey and/or dedicate rights of way and easements over five (5) feet to all side lot lines of every lot and seven and one-half (7-1/2) feet over the rear of each and every lot, for public utilities, television and/or communication cables, a drainage purposes, together with the privilege to assign this right at any time, in Declarant's sole discretion; provided, however, that this reservation shall not affect any easements as shown on the recorded plat map of this Unit. This right shall run with the land for the time herein provided and as may be extended.

A. IMPROVEMENT STANDARDS:

1. No building, fence, patio, or other structure shall be erected, altered, added to, placed, or permitted to remain on said lots or any of them, or any part of such lot until the plans showing floor areas, external design, structural details and the ground locations of the intended structure along with a plot plan have been first delivered to and approved in writing by the Committee. The Committee may require a reasonable fee prior to checking or appraising said requirements of the Uniform Building Code as published by the International Conference of Building Officials, current edition, and the requirements of the national Electrical Code, current edition, or such other applicable standards as the Committee may designate from time to time, as a guide to sound construction and electrical installation practices.
2. Notwithstanding any other provision of this Declaration, it shall remain the prerogative and the jurisdiction of the Committee to review applications and grant approvals for exceptions to this Declaration. Variations from these requirements and, in general, other forms of deviations from these restrictions imposed by this Declaration may be made when and only when such exceptions, variances and deviations do not detract from the appearance of the premises, and are not detrimental to the public welfare or to the property of other persons located in the vicinity thereof, all in the sole opinion of the Committee.
3. Said Committee shall adopt reasonable rules and regulations for the conduct of its proceedings and may fix the time and place for its regular meetings and for such extraordinary meetings as may be necessary, and shall keep written minutes of its meetings, which shall be open for inspection to any lot owner upon the consent of

any one of the members of said Committee. Said Committee shall, by a majority vote, elect one of its members as chairman and one of its members as secretary and the duties of such chairman and secretary shall be such as usually appertain to such offices. Any all rules and regulations adopted by said Committee regulating its procedure may be changed by said Committee from time to time by majority vote and none of said rules or regulations shall be deemed to be any part or portion of said Covenants.

4. Notwithstanding anything herein to the contrary, nothing contained in this Declaration shall be construed or interpreted in such a manner as to require the approval by the Committee of any development activities by the Declarant, including lot splits and replats of lots, parcels or of undesignated portions of the properties contained in the Unit.

B. LAND USE - GENERAL

The following provisions shall be applicable to all property:

1. **Advertising:** No sign, advertisement, billboard or advertising structure of any kind shall be erected or allowed to remain on any improved or unimproved lots except as approved by the Declarant.

2. **Building Exterior.** The exterior portion of all buildings to be painted shall be painted or stained immediately upon completion or shall have color mixed in the final structural application, so that all such materials shall have a finished appearance. No structure shall be painted or completed using obnoxious or offensive color schemes and all colors for such structures shall be subject to the approval of the Committee of Architecture.

3. **Easements.** Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat or as stated in this Declaration. 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 in the easements, or which may obstruct or retard the flow of water through drainage channels in 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 a public authority or utility company is responsible.

4. **Electrical Power.** No source of electrical energy shall be brought to the property or used upon the property unless the Committee has previously approved the plans and specifications for the erection of such improvements upon any lot.

5. **Nuisances.** No obnoxious or offensive activity shall be carried on upon any lot including, but not limited to, the following:

- (a) **Storage of Building Materials.** No building material of any kind or character shall be placed or stored upon any lot until the Owner is ready to commence construction of the improvements requiring such materials. Building materials shall not be placed or stored in the street or between the curb and property lines. Upon completion of the improvements requiring such materials, all remaining building materials shall be removed.

- (b) **Inoperative Vehicles.** No automobile, truck, bus, tractor, or other vehicle shall be left inoperative on any lot for a period of more than three (3) days except in accordance with the provisions hereof for off-street parking.

- (c) **General Maintenance.** The owner of any lot or living unit shall properly provide for the exterior maintenance thereof, including, but not limited to, the following: cut, trim, care for and maintain trees, shrubs and grass, repair, replace and care for walks, roofs, gutters, down spout, exterior building surfaces, windows, fascia, doors, decks and make other exterior improvements,

including repainting or staining as needed.

(d) Oil, Gas and Mining Operations. No oil, natural gas or mineral drilling, development operations, refining, quarrying, tunneling, or mining operations of any kind shall be permitted upon or in any lot. No derrick or other structure designed for use in boring for oil or natural gas, nor any oil wells, gas wells, tanks, tunnels, mineral expeditions, or shafts shall be erected, maintained or permitted.

6. Occupancy of Structures. No structure shall be occupied or used for the purpose for which it is designed or built until the same shall have been substantially completed and a certificate to that effect shall have been issued by the Committee.

7. Plumbing. All structures shall have complete and approved plumbing installations before occupancy. Such plumbing shall conform to the requirements of the Arkansas State Plumbing Code as a guide to sound plumbing practices.

8. Water Supply and Sewage Disposal. No privately owned well or other water system or septic tank or other sewage disposal system shall be permitted upon any lot or parcel of land covered by this declaration.

9. Storage of Tools and Trash. The storage of tools, landscaping instruments, household effects, machinery or machinery parts, boats, trailers, empty or filled containers, boxes or bags, trash materials, or other items that shall in appearance detract from the aesthetic values of the property shall be so placed and stored to be concealed from view from all public rights of way. Trash for collection may be placed at the street right of way line on regular collection days for a period not to exceed eighteen (18) hours prior to pick up. Storage of junk, old, inoperative or unlicensed cars and other unsightly objects on any lot or parcel is expressly prohibited.

10. Temporary Structures. No temporary buildings, including tents, shacks, shanties, playground equipment, or other structures shall be erected or placed upon any lot unless screened from view from all streets and adjacent lots, and no temporary buildings, including basements, cellars, tents, shacks, shanties, garages, barns, other temporary outbuildings or other similar structures shall at any time be used for human habitation.

11. Off-Street Parking. Recreational, camping vehicles and boats may not be parked or stored on the lots.

12. Unnatural Drainage. Under no circumstances shall any owner of any lot or parcel of land be permitted to deliberately alter the topographic conditions of his lot or parcel of land in any way that would permit additional quantities of water from any source, other than what nature originally intended, to flow from his property onto any adjoining property or public right of way.

13. Use of Premises. A person shall not use any premises in any land use area which is designed, arranged, or intended to be occupied or used for any purpose other than expressly permitted in this Declaration.

14. Radio and Television Antennae and Television Satellite Dishes. No television antennae, radio antennae, television satellite dishes, or other similar devices shall be placed upon any lot except and unless the same is aesthetically concealed from view pursuant to plans submitted to and approved by the Committee and then only when in the determination of the Committee, the same is not aesthetically objectionable.

15. Fences. Screening walls and fences shall be constructed of brick, stone, decorative wood, decorative wrought iron, or decorative steel. Chain link fences will not be permitted.

16. Home Occupations. No home occupation, trade or business shall be carried on upon any lot in said subdivision nor shall anything be done or performed thereon which may become an annoyance or nuisance to the development or detrimental to the residential value of any lot in said

development.

17. **Street Lights.** The Declarant may install or may require the property owner to install a street light at the time of construction of any residential structure upon an individual lot. The design and location of all street lights will be as designated by the Declarant. Individual property owners will be responsible for the maintenance, upkeep and monthly cost of any street light installed upon their premises. Only street lights designated by the Declarant as to size, brightness, design and location will be permitted within the unit. All utilities to such lights shall be placed underground.

19. **Yards and Landscaping.** The yards of each lot shall be planted and maintained by the property owner to contain a minimum of fifty (50) percent greenery consisting of grass or lawn, trees, shrubs or ornamental bushes.

R-3 MULTI-FAMILY RESIDENTIAL DISTRICT

The following uses and regulations shall apply to all lots unless otherwise provided in these reservations.

1. **Uses Permitted.** Any building or premises constructed upon any lot in this unit shall be used only for Multiple-family dwellings.

2. **Maximum Building Height.** No structure shall exceed a height of thirty (30) feet above the highest part of the lot or parcel upon which the same is to be located and constructed.

3. **Minimum Setback Requirements.** Except where otherwise specifically set forth on the plat of said Unit, which specification shall control, the following shall apply:

(a) **Front and rear yard setbacks** shall conform to a minimum depth of twenty-five (25) feet from the front or rear of property line to the nearest structural projections, including porches, but excluding eaves, overhangs, planters, or fireplaces.

(b) A principal structure shall provide total side yards of not less than twenty (20) feet with not less than ten (10) feet on one (1) side. Corner lots shall maintain a minimum setback of ten (10) feet from the side street line.

4. **Maximum Area of Dwelling.** Notwithstanding uses permitted herein, no more than fifty (50%) percent of the total lot area shall be used for the dwelling and other structures, unless otherwise determined by the Committee.

5. **Subdivision of Lots.** No lot, parcel of land, or structure, once conveyed by the Declarant, shall be divided into smaller lots, or parcels whether for lease, sale or rental purposes, provided that variations may be granted by the Committee in accordance with the Declaration and provided that nothing in this paragraph shall prohibit or restrict the lease or rental of individual living units within a common structure.

MISCELLANEOUS PROVISIONS

Duration. The covenants and restrictions of this Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Owners subject to this Declaration, their respective legal representative, heirs, successors and assigns, for a term of twenty-five (25) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten years unless an instrument signed by the owners of not less than 75% of the total Lots has been recorded, agreeing to remove said covenants and restrictions, provided, however, that no such agreement to remove said covenants and restrictions shall be effective unless made and recorded one (1) year in advance of the effective date thereof and unless written notice of the proposed agreement is sent to every Owner at least 90 days in advance of any action taken.

Amendments. The covenants and restrictions of this Declaration may be amended at any time after execution hereof provided an instrument signed by the then Owners of not less than 75% of the total Lots has been recorded agreeing to such amendment and further provided that no such amendment shall be effective unless made and recorded ninety (90) days in advance of the effective date thereof and unless written notice of the proposed amendment is sent to every Owner at least thirty (30) days in advance of any action taken.

Voting Rights. Notwithstanding anything in this Declaration or any Supplemental Declaration to the contrary, it is the intent of this instrument to provide that any vote required of the Owners of Lots subjected to this Declaration, shall be taken on the basis of one (1) vote for each lot. When more than one person and/or entity holds such an interest entitled to vote, their single vote shall be cast as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to a lot. Provided further that the Declarant shall retain the right to one (1) vote, regardless of whether or not Declarant shall be a lot owner, as long as Declarant own property suitable for development within the boundaries of the Holiday Island Suburban Improvement District. This right of Declarant shall inure to the benefit of Declarant and its successors and assigns.

Conflict of Provisions and Severability. In the event that any of the provisions of this Declaration conflict with any other of the provisions herein, the more restrictive of the two shall govern. If any paragraph, section, sentence, clause or phrase of the conditions and covenants herein contained shall be or become illegal, null or void, for any reason or shall be held by any court of competent jurisdiction to be illegal, null or void, the remaining paragraphs, sections, sentences, clauses or phrases herein contained shall not be affected thereby.

Notice. Any notice required to be sent to any 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 Owner on the public records at the time of such mailing.

Genders and Plurals. Whenever the context so requires, use of any gender shall be deemed to include all genders, use of the singular shall include the plural, and use of the plural shall include the singular. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of the project.

Captions. The captions used in this Declaration are inserted solely as a matter of convenience and shall not be relied upon or used in construing the effect or meaning of any of the text.

Enforcement. Enforcement of this Declaration shall be by any proceeding at law or in equity against any person or entity violating or attempting to violate any covenant, condition or restriction herein, either to restrain violation or to recover damages against the party in violation, and/or against the land to enforce any requirement created by these covenants. Failure by any Owner to enforce any covenant condition or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. This right of enforcement shall be granted unto each lot owner of property subject hereto and is specifically also reserved unto the Declarant and the Committee of Architecture and their successors and assigns whether or not the Declarant is a lot owner. Notwithstanding any other language herein, a breach of any of the foregoing Conditions shall not in any way affect any valid mortgage or lien made in good faith and for value and not made for the purpose of defeating the purposes of such Conditions.

Assignment, Transfer or Conveyance by Developer. Declarant reserves and shall have the right to assign, transfer or convey any reservations, rights or obligations of Declarant hereunder and upon such assignment, transfer or conveyance, Declarant shall immediately be released and discharged as to any and all liability incident to such reservations, right or obligation. Declarant further reserves the right to create a Property Owners' Association for the purposes as set forth in any document creating such and to grant unto such association, the right to levy assessments and file liens and other litigation for the enforcement of collection of such assessments.

Applicability. All provisions set forth herein shall extend to and be binding on the

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respective legal representatives, heirs, successors and assigns of all Owners and other parties mentioned herein where consistent with the context thereof.

IN WITNESS WHEREOF, HOLIDAY ISLAND DEVELOPMENT CORPORATION, has caused its corporate name to be hereunto affixed by the officers thereunto duly authorized this 24th day of November, 1998.

ATTEST:

HOLIDAY ISLAND DEVELOPMENT CORP.

Kathy Dees
KATHY DEES, Secretary

Thomas H. Dees
THOMAS H. DEES, President

ACKNOWLEDGMENT

STATE OF ARKANSAS
COUNTY OF CARROLL

BE IT REMEMBERED, that on this day came before the undersigned, a Notary Public, within and for the County and State aforesaid, duly commissioned and acting, THOMAS H. DEES and KATHY DEES, to me personally well known, who stated that they were the President and Secretary of HOLIDAY ISLAND DEVELOPMENT CORPORATION and were duly authorized in their respective capacities to execute the foregoing instrument for and in the name and on behalf of said Corporation, for the purposes therein mentioned and contained.

WITNESS my hand and seal as such Notary Public this 24th day of November, 1998.

My commission expires:

11-20-2005

Judith A. Kell
NOTARY PUBLIC

