

For Recording Purposes
Type of Document: Bill of Assurance
For River Mountain Estates Subdivision
Sharp County, AR

Prepared by
Declarant ,
Mountain Escape Properties Inc.
An Arkansas Corporation
Return To
15810-A Highway 59 Foley, Alabama 36535

**CORRECTION TO
DECLARATION OF COVENANTS, RESERVATION AND RESTRICTIONS
RIVER MOUNTAIN ESTATES SUB DIVISION
NOVEMBER 13, 2007**

PURPOSE OF COVENANTS. This instrument was prepared by Declarant, Mountain Escape Properties Inc., an Arkansas corporation. The fundamental object and purpose of these restrictive covenants is to create a harmonious whole in RIVER MOUNTAIN ESTATES Subdivision, to prevent the building of any structure which would be architecturally incompatible with other dwellings, to insure the use of the property for attractive residential purposes only, to prevent nuisances, to prevent the impairment of the attractiveness of the property, to maintain the desired tone of the community, to preserve the value of the property owned and developed by the owners of lots in the subdivision and to secure to each lot owner the full benefit and enjoyment of his/her home.

PROTECTIVE COVENANTS AND RESTRICTIONS

SINGLE-FAMILY RESIDENTIAL USE. All lots in this Subdivision shall be known and described as residential lots and shall be used exclusively for single-family residential dwellings and shall contain not less than .5 acre in area. No structure shall be erected, altered, placed or permitted to remain on any such lot other than one detached single family dwelling. Only one additional building will be allowed on each lot not to include the Water Pump Cover. Commercial business is not allowed on any lot. Heavy machinery may not be stored on any lot.

NUISANCES. No noxious or offensive activity shall be carried on anywhere on the property subject to these covenants, nor shall anything be done thereon which may be or become a nuisance or menace to the neighborhood.

HUNTING. No hunting or shooting of firearms shall be permitted in the subdivision.

WALL AND HEDGES. All walls, fences, or hedges erected shall be of a reasonable height which shall not unduly interfere with the view of nearby property owners. No walls or hedges are permitted within 50 feet of the river's edge.

BUILDING SPECIFICATIONS. All dwellings shall contain no less than 1,000 square feet of living space. No construction work of any kind shall commence within this subdivision without written approval and acceptance from the River Mountain Estates Architectural Committee. All local permits must be obtained prior to commencing any work.

SET-BACKS. No residence, dwelling, garage, or other structure shall be less than 35 feet from the street or front line, 25 feet from any other lot line.

WORKMANSHIP-LIKE CONSTRUCTION. All residential buildings must be completed in a workman like manner using appropriate building materials in general use and within a timely manner.

SURFACE WATER. Each lot owner and his contractor, subcontractor, laborer, agent or employee shall take full responsibility for surface water run off which may adversely affect or damage adjacent property. Any damage to access road as a result of construction, etc., will be repaired at the responsible party's expense. This shall include re-grading, and additional gravel, if necessary. Repair shall be immediate following damage. All driveway drainpipes shall be a minimum of fifteen inches (15") in diameter. Material shall be Heavy Plastic or concrete. Driveway pipes must be cleaned regularly to assure flow in ditch.

RESTRICTIONS ON FURTHER SUBDIVISION. No lots in this Subdivision shall be re-subdivided so as to recreate an additional building lot, unless agreed to in writing by Declarant. This provision is not intended to prevent subdividing of a small portion or portions of any lot for the purpose of conveying the same to an adjoining property owner or straightening a boundary line.

RECREATIONAL VEHICLES, Each Lot owner will be allowed to park one Recreational Vehicle on the lot if in compliance with the following restrictions. An RV may not be a primary dwelling with exception to temporary housing during construction for a period not to exceed six months total time. Water wells and septic systems must be permitted and installed prior to placing any RV on the lot. RV must be Road Worthy with a current tag. RV Must be less than 15 years of age and a minimum of 32 feet in length. RV Must be manufactured by a recognized factory. Any RV to remain in this subdivision for more than 6 months must be totally enclosed by a building which meets the requirements of the River Mountain Estates Architectural Committee.

TRAILERS, TOILETS, TENTS, MANUFACTURED HOUSING. No trailer, tent, shack, garage, barn or other out building erected upon any lot shall at any time be used as a residence either temporarily or permanently. No structure of a temporary nature shall be used as a residence. No house trailer, single-wide mobile home, shall be placed on any lot either temporarily or permanently. No outside toilets shall be permitted on the property with exception of professionally maintained portable toilet units used during home construction.

ROAD RULES.

All speed limits must be observed. ATV or motorcycles are permitted upon the property, but must respect the roads and the terrain of the property, and cannot ride upon undeveloped private property without written permission.

ANIMALS. No animals shall be kept, maintained or quartered on any lot except cats, dogs, and other household pets in reasonable numbers and shall be kept on the owners premises. If such pets are off the owner's premises, they must at all times be kept on leashes. No kennels or breeding businesses shall be allowed. No loud barking dogs shall be permitted to remain upon the property so as to disturb any neighbors.

CUTTING OF TREES AND LANDSCAPING. The cutting of any trees ten inches in diameter or larger is discouraged on any lot except within fifty feet of the house site, or where necessary for construction of driveways or septic tank systems. The above statement does not prevent an owner from clearing their front lawn, including stump removal.

AUTOMOBILES. No junk or unlicensed automobiles or junk boats shall be permitted on the premises. No motor vehicles or boat, whether operable or not, and no trailers shall be regularly parked on, or on the margin of any subdivision street. No inoperable or unlicensed motor vehicles shall be kept on any lot.

NOISE. No loud or offensive activities shall be allowed on any property by any owner or guest that would affect the peace and quiet or the enjoyment of their neighbors.

TRACTOR TRAILER. No tractor trailers may enter River Mountain Estates except for purposes of delivery or pickup. No Tractor trailers are permitted to stay on the property overnight.

STORAGE OF FUEL OIL. All fuel oil tanks or propane containers shall be located behind the residence, be covered and be consistent with normal safety regulations.

SIGNS. No signs shall be permitted on any residential lots except that a single sign offering property for sale or for rent may be placed on any such lot provided such sign is not more than twenty four inches square. Flashing light signs are not permitted and only flags of the United States and Arkansas shall be allowed to be flown in the subdivision.

MAINTENANCE OF LOTS, LANDSCAPING AND GARDENING. Each owner and member-user shall be responsible for maintenance of his lot and improvements thereon. All landscaping and natural vegetation are to be kept in a presentable manner. Small, non-commercial gardening is permitted.

No weeds, underbrush, or any other unsightly growth shall be permitted to grow or remain upon any lot or any common area, and no refuse pile or unsightly objects shall be allowed to be placed or suffered to remain anywhere thereon; and in the event that any owner shall fail or refuse to keep his lot free of weeds, underbrush or refuse piles, or other unsightly growths or objects, then the Property Owners Association or the developer may enter upon said lot and remove the same at the expense of the owner, and such entry shall not be deemed a trespass.

ROAD MAINTENANCE.

Initially the developer will complete roads in the subdivision and maintain same until the Association is turned over to the owners.

a. Each owner shall maintain equally and on a pro-rata basis the private subdivision roads in good condition, with proper ditching and drainage on both sides of the road, adequate gravel or pavement sufficient to keep the roads in stable condition, free of ruts and potholes, sufficient to allow comfortable passage by any type of motor vehicle over and across said roads and to and from each of the lots or parcels of real property in the subdivision.

b. A lot owner who fails to pay his or her proportionate share of the costs in having said private roads repaired or maintained, shall subject himself to liability in favor of the other parties having contributed, or contributing, their proportionate part of such costs. The contributing parties may enforce such liability by instituting suit against the non-contributing party, obtaining judgment against him, and enforcing the judgment.

c. The owners hereby agree each with the other that they are vitally concerned in keeping and maintaining the said private roads in a neat and attractive condition, and will comply with this agreement whenever such roads need any maintenance or upkeep.

DRILLING OR MINING.

No exploration or mining for minerals shall be allowed on any subdivision lot. Likewise no drilling for oil, gas, or other hydrocarbon shall be permitted on any lot.

The benefits and burdens of this agreement shall at all times be binding upon the parties hereto and upon their heirs, successors in interest and assigns.

PROPERTY OWNER'S ASSOCIATION

Each owner of a lot in RIVER MOUNTAIN ESTATES will be a member of RME Property Owner's Association.

Each lot will have one vote in the association regardless of the number of owners of that lot.

The Declarant, MOUNTAIN ESCAPE PROPERTIES, INC., retains unto itself up and to the time the association is turned over to the new owners the right to:

a. Add to or amend these covenants and restrictions.

b. Grant variances for any provision of these covenants and restrictions to any individual lot owner by providing the variance in writing in recordable form to the said owner. Variances may be granted by the President and the Vice-President of the Association after the property has been turned over to the Association as hereinafter provided. It will be the new owner's responsibility to record said variance for it to become effective.

The Covenants and Restrictions herein set forth or as amended shall exist and be in full force and affect until December 31, 2027, and shall be automatically extended for a successive period of ten years unless prior to the beginning of such a ten year term, an instrument signed by the owners of a majority of lots subject to this Declaration agree to

terminate, amend, or modify the Declaration shall have been recorded in the Office of the Register of Deeds.

1. At the discretion of the Developer, or when 95% of the lots are sold, the Association will be turned over to the owners of said lots and they will elect their own officers. (President, Vice-President, Secretary, Treasurer, and an alternate for a term of one year) and assume all management responsibilities with the following terms and conditions.
2. Each officer must be a deeded owner or the legally married spouse of a deeded owner and may only serve two (2) consecutive terms in the same office unless 75% of the owners vote to extend the number of terms allowed for a specific officer.
3. The maximum expenditures or total encumbrance to the Association that may be approved by any single officer is \$500.00. All expenditures or encumbrances of the Association in excess of \$500.00 must be approved in writing and signed by at least three (3) officers. The Treasurer along with the other financial records must keep the approval.
4. The Treasurer may sign checks up to \$500.00. All checks over \$500.00 must have the signatures of the Treasurer and one officer.
5. In the event the office of President becomes open during the year, the Vice-President will automatically become President.
6. If the offices of Vice-President, Secretary or Treasurer become open during the year the position will be filled by the alternate.
7. If the position of Alternate becomes open during the year, then the President, Vice President, Secretary and Treasurer will select from the Property Owner base, someone willing to fill the alternate position for the remainder of the year.

After the Developer turns the Association over to the new owners the elected President and Vice President of the RIVER MOUNTAIN ESTATES PROPERTY OWNER'S ASSOCIATION will have the right to grant variances pertaining to any individual lot.

The Association, through one or more of its elected officers, will have the power to enforce, in accordance with the laws of ARKANSAS, Collection of Dues and Compliance to the Covenants and Restrictions, including the recovery of damages and the restraining of violations.

The elected officers will have the power to set association dues on a yearly basis. However, if these dues need to be adjusted upward more than 5% in any given year then a meeting with the entire Association members must be called for this purpose with at least 30 days notice at which time 75% of the members in good standing attending the meeting in person or through proxy (provided a quorum is present) must vote positive to effect the raise.

At the first meeting called by the Association for a specific reason, a quorum of 51% must be present (personally or through proxy) to affect any business. If a quorum is not met, then a second meeting for the same purpose may be called with a two-week notice and 25% of the owners will represent a quorum. Subsequent meetings are called if a

quorum is not present at the 2nd meeting, and will not need a quorum. However, at least two weeks notice to all members restating the purpose of the meeting and that no quorum need be met, needs to be sent to ALL members.

Each lot will initially be assessed at \$ 200.00 per year, association dues for maintenance of roads, common area, and other minor Association expenses (i.e.: postage, meeting place, taxes, etc.); pro-rated dues will be collected at closing for the remainder of the calendar year, excluding the month of closing. This amount may be adjusted from time to time by the Association or the Declarant.

Any members not paying their dues promptly (by January 31st of each calendar year) will be assessed an additional \$10.00 per month late fee.

Any owners who are delinquent for five (5) months (150 days) will be given final notice by certified mail of the amount due with request for prompt payment within thirty (30) days. If after that notice by certified mail the dues are still not paid in full then any elected officer of the Association may at their discretion file in court for the payment of dues, late fees and the recovery of expenses including attorney fees, and pursue any other remedies deemed advisable, including the right to file a lien and, if necessary, the foreclosure thereof.

The Declarant and RIVER MOUNTAIN ESTATES Property Owner's Association will be exempt from paying any Association dues on any lots or common areas owned. Any one person(s) or entity purchasing and owning two (2) or more contiguous lots in RME (whether in a single deed, or in separate deeds, and whether such purchases are simultaneous or otherwise) will be required to pay Association dues on only one lot per year, as provided in this Declaration; provided, however, that the owner of said lots shall designate to the President of the Association which lot or lots in excess of one are the exempt lot or lots, and such exempt lot or lots will maintain exempt status unless or until a) the lot is sold, b) a living unit is built upon it, and in the event of either (a) or (b) above the exemption will be lost permanently.

Any lots exempt from paying dues unless owned by Declarant or RME Subdivision Property Owner's Association will not be eligible to:

1. Vote on any matter regarding dues.
2. Count toward a quorum on votes regarding dues (all other rights are retained).
3. Declarant and/or RIVER MOUNTAIN ESTATES Property Owner's Association will retain one (1), vote for each lot owned (common areas not included).

ARCHITECTURAL COMMITTEE

The River Mountain Estates Architectural Committee will consist of three land owners within River Mountain Estates and will be elected by the POA at such time the POA is empowered by Declarant. Until such time as this committee is formed, all building restrictions will be enforced by Declarant, (Mountain Escape Properties Inc.)

GENERAL PROVISION

The Covenants and Restrictions are to run with the land and shall be binding upon the Declarant and all persons claiming under it. The invalidation of any one of the Covenants and Restrictions by judgment or court order shall in no way affect any of the other provisions which shall remain in full force and affect.

These Covenants may be enforced by the Declarant or the Association, or the Owner of any lot within the subdivision. If an action is brought by the Declarant or the Association to enforce any of these Covenants, the violator must pay all cost and expenses of such action, including reasonable attorney fees.

Date

Gerald W. Hughes President
Mountain Escape Properties, Inc.
15810-A Highway 59
Foley, AL 36535

ACKNOWLEDGEMENT

On this the 13th day of November 2007 before me, the undersigned Officer, personally appeared Gerald W. Hughes and that he as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of corporation by himself as President of Mountain Escape Properties, Inc.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires: _____