

SECTION I
ARTICLES OF INCORPORATION

SECTION II
COVENANTS & RESTRICTIONS

SECTION III
ARTICLES, BY-LAWS, DECLARATION

ARTICLES OF INCORPORATION
OF
BELLA VISTA TOWNHOUSE
ASSOCIATION

We, the undersigned, do hereby associate to form a corporation under the provisions of the Arkansas Nonprofit Corporation act (Act 176 of 1963) and do certify as follows:

ARTICLE I

NAME

The name of the Corporation is BELLA VISTA TOWNHOUSE ASSOCIATION, hereafter called the "Association".

ARTICLE II

ADDRESS

The address and main office or the principle place of business of the corporation is 2 Cora Circle, Bella Vista, Arkansas, and the name of the registered agent is David Whittlesey.

ARTICLE III

PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for the maintenance, and preservation of the residence Lots and Living Units and Limited Common Properties and facilities within that certain tract of property in Bella Vista Village, County of Benton, State of Arkansas, which is more particularly described as:

A part of the NW $\frac{1}{4}$ of the SE $\frac{1}{4}$, all in Section 22, Township 21 North, Range 31 West, in Benton County, Arkansas, more particularly described as follows:

From the Southeast corner of said Section 22; run West 2510.11 feet; thence North 2245.28 feet for the point of beginning; thence North 1 53' 59" East 57.37 feet; thence North 30 57' 32" East 64.08 feet; thence North 4222' 26" East 59.69 feet; thence South 59 00' 55" East 71.77 feet; thence South 25 16' 15" East 87.65 feet; thence South 09 06' 04" East 155.85 feet; thence South 12 13' 43" West 91.87 feet to the northerly right-of-way of Cooper Road; thence along said right-of-way on a curve to the right having a radius of 480.52 feet 29.88 feet; thence North 62 40' 00" West 231.32 feet along said right-of-way; thence along a curve to the left having a radius of 266.52 feet 167.21 feet along said right-of-way to the point of beginning, containing 2.07 acres, more or less, Per plat recorded in Plat Record K at Page 4.

And to promote the health, safety and welfare of the residents within the above described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association by annexation, as provided by Article VII herein, and for this purpose to:

- (a) exercise all of the powers and privileges and to perform all of the duties and Obligations of the Association as set forth in that certain Declaration of Covenants and Restrictions dated May 18, 1965, of record in Book 373, page 08, et seq. Records of Benton County, Arkansas, hereafter called "Original Declaration" and that certain Supplemental Declaration of Covenants and Restrictions, hereinafter called the "Supplemental Declaration" applicable to the property and recorded or to be recorded in the Office of the Recorder of Benton County, Arkansas, and as the same may be amended from time to time as therein provided, said Original Declaration and Supplemental Declaration being incorporated herein as if set forth at length;

- (b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Supplemental Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the property of the Association;
- (c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;
- (d) borrow money, to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred; and
- (e) in so far as permitted by law to do any other thing that, in the opinion of the Board of Directors, will promote the common benefit and enjoyment of the residents of the Townhouse Properties.

ARTICLE IV

MEMBERSHIP

Membership. The John A. Cooper Company, hereinafter called 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 assessment by the Association, 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 assessment 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.

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 covenant of record to assessment 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.

ARTICLE V

VOTING RIGHTS

The association shall have two classes of voting membership.

Class A. Class A members shall be all those Owners as defined in Article IV with the exception of the Developer and the associate members. Class A members shall be entitled to one vote for each Lot or Living Unit in which they hold the interest required for membership by Article IV. When more than one person holds a membership interest in any Lot or Living Unit, the vote for such Lot or Living Unit shall be exercised as the members between themselves; but in no event shall more than one vote be cast with respect to any Lot or Living Unit.

Class B. The Class B member shall be the Developer. The Class B member shall be entitled to ten (10) votes for each Lot or Living Unit in which it holds the interest required for membership by Article IV, provided that the Class B membership shall cease and be converted to Class A membership on January 1, 1990.

Associate Members. Associate members shall not have the right to vote.

ARTICLE VI

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of seven (7) Directors. A change in the number of directors shall be made only by amendment to these Articles of Incorporation. The names and addresses of the persons constituting the initial Board of Directors and the annual meeting to which their respective terms shall extend are as follows:

<u>NAME</u>	<u>ADDRESS</u>	<u>TERM ENDS</u>
James F. Gore	Bella Vista, Arkansas	January 30, 1972
Jim Littrell	Rogers, Arkansas	January 30, 1974
John Riordan	Bella Vista, Arkansas	January 30, 1974
Clayton N. Little	Bentonville, Arkansas	January 30, 1976
John A. Cooper, Jr.	Cherokee Village, Ark.	January 30, 1976

Thereafter, directors shall be elected for a term of (3) years or until their respective successors are elected and qualified. Any vacancy occurring in the initial or any subsequent Board of Directors may be filled at any meeting of the Board of Directors by the affirmative vote of a majority of the remaining Directors, and, if not previously so filled, shall be filled at the next succeeding meeting of members of the corporation. Any Director elected to fill a vacancy shall serve as such until the expiration of the term of the director whose position he was elected to fill. It shall be required that any person nominated or elected to the board of directors be an owner of townhouse property in Bella Vista Village.

ARTICLE VII

ANNEXATION OF ADDITIONAL PROPERTIES

Additions to the properties described in Article III may be made only in accordance with the provisions of the Original Declaration and the Supplemental Declaration applicable to said properties. Such additions when properly made under the

applicable covenants shall extend the jurisdiction, functions, duties, membership and associate membership of this corporation to such properties.

ARTICLE VIII

MERGERS AND CONSOLIDATIONS

To the extent permitted by law, the Association may participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of the entire Class A membership and two-thirds (2/3) of the entire Class B membership, if any.

ARTICLE IX

AUTHORITY TO MORTGAGE

Any mortgage by the Association of the Limited Common Properties or facilities defined in the Declaration shall have the assent of two-thirds (2/3) of each class of voting membership.

ARTICLE X

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of its voting membership. Written notice of a proposal to dissolve setting forth the reasons therefore and the disposition to be made of the assets shall be mailed to every member according to Article XII. Upon dissolution of the Association, the assets of the Association, both real and personal, shall be granted, conveyed and assigned to the Bella Vista Country Club, Bella Vista Village, Arkansas. In the event that such disposition cannot be made, the assets of the Association both real and personal, shall be dedicated to any appropriate public agency to be devoted to purposes, as nearly as practicable, the same as those to which they were required to be devoted by the Association. In the event that such a dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation,

Association, trust or other organization to be devoted to purposes and uses that would most nearly reflect the purposes and uses to which they were required to be devoted by the Association. No such disposition of corporation properties shall be effective to divest or diminish any right or title of any member vested in him under the recorded covenants and deeds applicable to the Townhouse Properties unless made in accordance with the provisions of such covenants and deeds.

ARTICLE XI

DURATION

The corporation shall exist perpetually.

ARTICLE XII

MEETINGS FOR ACTIONS GOVERNED BY ARTICLES VIII THROUGH X

In order to take action under Articles VIII through X, there must be a duly held meeting. written notice, setting forth the purpose of the meeting shall be given to all members not less than 30 days nor more than 60 days in advance of the meeting. The presence of members or proxies entitled to cast fifty-one percent (51%) of the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called subject to the notice requirements set forth above, and the required quorum at such subsequent meeting shall be one-half of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting. In the event that two-thirds (2/3) of the Class A membership or two-thirds (2/3) of the Class B membership, if nay, are not present in person or by proxy, members not present may give their written assent to the action taken thereat.

ARTICLE XIV

AMENDMENTS

These Articles may be amended by the majority vote of the Board of Directors provided the amendments are approved by the Circuit Court of Benton County, Arkansas.

ARTICLE XV

INCORPORATOR'S NAMES & PLACES OF RESIDENCE

<u>NAME</u>	<u>PLACE OF RESIDENCE</u>
John Riordan	Bella Vista, Arkansas
Clayton N. Little	Bentonville, Arkansas
James F. Gore	Bella Vista, Arkansas

IN WITNESS WHEREOF, of the purpose of forming this corporation under the laws of the State of Arkansas, we, the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation this 30th day of March, 1970.

John Riordan

Clayton N. Little

James F. Gore

This

Page

Intentionally

Left

Blank

SUPPLEMENTAL DECLARATION OF
COVENANTS AND RESTRICTIONS
TOWNHOUSE TRACT 1

WHEREAS, John A. Cooper Company, formerly Cherokee Village Development Company, an Arkansas Corporation, hereinafter referred to as "Developer", executed on the 18th day of May, 1965, a Declaration with Protective Covenants attached thereto as Exhibit 1 and forming a part of said Declaration, which Declaration was filed for record as 10:00 a.m. on the 18th day of May, 1965, in the office of the Circuit Clerk and Ex-Officio Recorder in and for Benton County, Arkansas, and is there recorded in Book 373, Page 08, et seq, hereinafter referred to as "Original Declaration"; and

WHEREAS, Bella Vista Country Club, a nonprofit corporation organized under the laws of the State of Arkansas, hereinafter referred to as "Club", joined in said Original Declaration for the purpose of indicating its agreement to perform the obligations placed upon it by the Original Declaration; and

WHEREAS, the Developer desires to make an addition to the existing property by adding thereto Townhouse Tract No. 1 the hereinafter described lands; and

WHEREAS, it is the desire of the Developer that the properties hereinafter described as Townhouse Tract No. 1 shall be covered as fully by the Original Declaration of aforesaid as though said tract had been included with the other property described in said Original Declaration; and

WHEREAS, Developer will convey the lands described as Townhouse Tract No. 1 subject to the aforesaid Original Declaration and to the covenants, protective and otherwise, conditions, restrictions, liens and charges as hereinafter set forth; and

WHEREAS, the Club is agreeable that said lands hereinafter described as Townhouse Tract No. 1 shall be covered and included under the terms, provisions, assessments and liens as provided in the Original Declaration above referred to; and

WHEREAS, it is contemplated by the Developer that the properties and facilities within the confines of Townhouse Tract No. 1 and common to owners of Lots or Living Units in that

tract shall be "Limited Common Properties" in accordance with the provisions of Article VII of the Original Declarations, but contrary to the intent of the Developer as set out in Article VII aforesaid, it is contemplated that the Developer will, at its expense, construct the original improvements to be located upon the limited common properties; and in order to preserve the values and amenities within said Townhouse Tract No. 1, as well as additions thereto, it is deemed desirable that an agency be created to which should be charged with the maintenance and administration of the limited common properties and facilities, construction of capital improvements upon the limited common properties in addition to those improvements constructed by the Developer, and which should also be charged with administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, for such reason aforesaid, the Developer through its management has encouraged and participated in the organization of the Bella Vista Townhouse Association, hereinafter referred to as "Association", a nonprofit corporation organized and existing under and by virtue of the laws of the State of Arkansas, with its principal office located in Bella Vista Village, Arkansas, for the purpose of exercising the functions aforesaid;

NOW, THEREFORE, it is provided by the Developer in compliance with ARTICLE II, Section 2, of the Original Declaration that the following lands under the Original Declaration to the extent that same shall constitute additional lands under the Original Declaration and shall be a part of the existing properties, and said lands referred to shall be Townhouse Tract No. 1 under and in said Original Declaration and covered by said Original Declaration as fully as though the same had been included in the Original Declaration at the time same was executed, and the lands referred to lying and being situate in the County of Benton, State of Arkansas, to-wit:

A part of the NW ¼ of the SE, will in Section 22, Township 21 North, Range 31 West, in Benton County, Arkansas, more particularly described as follows:

ARTICLE I

DEFINITIONS

Section 1. All definitions as provided in the Original Declaration are adopted in this Supplemental Declaration.

Section 2. "Association" shall mean and refer to Bella Vista Townhouse Association, its Successors and assigns.

Section 3. "Townhouse Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Townhouse Member" shall mean and refer to every person or entity who holds townhouse membership in the Association.

Section 5. "Associate Townhouse Member" shall mean and refer to every person or entity who is entitled to associate townhouse membership in the Association.

Section 6. "Developer" shall mean and refer to John A. Cooper Company, its successors and assigns.

ARTICLE II

ADDITIONAL PROPERTIES

Section 1. Additional lands of the Developer may from time to time be added to the above Townhouse Properties and become subject to the provisions of this Supplemental Declaration of Covenants and Restrictions, provided that such additional lands of the Developer are subject to being added to the Existing Property under the Original Declaration and provided that said additional lands of the Developer are:

- a. In the general Bella Vista Village, Arkansas area; and
- b. Limited as to living unit types to townhouses, garden type apartments or other types of apartments.

Section 2. The additions authorized hereunder shall be made by filing a Supplemental Declaration of Covenants of Restrictions with the further designation of "Townhouse Tract No.

1” with the understanding that the tract numbering shall be accomplished by use of consecutive numbers, that is, the first addition to the Townhouse Properties shall be designated “Townhouse Tract No. 2, the next addition designated “Townhouse Tract No. 3” and so on.

Section 3. The owners of Lots and Living Units, including Developer, shall immediately be entitled to all of the privileges and subject to all of the covenants and restrictions herein provided and so provided by the Original Declaration.

Section 4. Such Supplemental Declaration of Covenants and Restrictions may contain such additions and modifications of the covenants and restrictions contained in this Supplemental Declaration of Covenants and Restrictions as may be necessary to reflect the different character, if any, of the added properties which are not inconsistent with the general plan of the Original Declaration and with this Supplemental Declaration of Covenants and Restrictions.

Section 5. No one other than the Developer, its successors or assigns, shall have the right to subject additional lands to the covenants and restrictions contained in this Supplemental Declaration of Covenants and Restrictions, unless the Developer, its successors or assigns, shall indicate in writing to the Association that such additional lands may be included hereunder.

ARTICLE III

MEMBERSHIP

Section 1. Townhouse Members. The Developer, its successors and assigns, shall be a townhouse 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 assessment by the Association, and the Developer shall also be a townhouse 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 assessment by the Association and have paid the Developer in full for the purchase price of the Lot or Living Unit, shall be a townhouse 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 townhouse member.

Section 2. Associate Townhouse 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 to covenants of record to assessment 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 townhouse member of the Association. An associate townhouse member shall be entitled to all of the privileges of a townhouse 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 townhouse membership.

ARTICLE IV

VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A townhouse members shall be all those owners as defined in Article III, Section 1 with the exception of the Developer. Class A townhouse members shall be entitled to one vote for each Lot or Living Unit in which they hold the interest required for townhouse membership by Article III. When more than one person notes a townhouse membership arising out of ownership of the same Lot or Living Unit, the vote for such Lot or Living Unit shall be exercised as they between themselves determine, but in no event shall more than one vote be cast with respect to any Lot or Living Unit.

Class B. The Class B townhouse member shall be the Developer. The Class B townhouse member shall be entitled to ten (10) votes for each Lot or Living Unit in which it holds the interest required for townhouse membership by Article III, provided that Class B townhouse membership shall cease and be converted to Class A townhouse membership on January 1, 1990.

Associate Members. Associate members shall not be entitled to the right to vote in the election of directors or otherwise.

ARTICLE V

PROPERTY RIGHTS

Section 1. Townhouse Members' and Associate Townhouse Member' Easements of Enjoyment. Every townhouse member and associate townhouse member shall have a right and easement of enjoyment in and to the Limited Common Properties and such easement shall be appurtenant to and shall pass with the title to every assessed Lot or Living Unit subject to the following provisions:

- (a) the right of the Association to limit the number of guest of townhouse members and associate townhouse member;
- (b) the right of the Association to charge reasonable admission and other fees for the use recreational facility situated upon the Limited Common Properties;
- (c) the right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Limited Common Properties and facilities and in aid thereof to mortgage said property, and the rights of such mortgage;
- (d) the right of the Association to suspend the voting rights of a townhouse member and the right to use of the recreational facilities by a townhouse member for any period during which any assessment or charge against the member's Lot or Living Unit remains unpaid; and/or for any infraction of the Association's published rules and regulations as long as such infraction continues;
- (e) the right of the Association to dedicate or transfer all or any part of the Limited Common Properties to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the townhouse members. No such dedication or transfer shall be effective unless an instrument signed by members entitled to cast two-thirds (2/3) of the votes of Class B townhouse membership, if any, has been recorded, agreeing to such dedication or transfer, and unless written notice of the proposed action is sent to every member not less than 30 days nor more than 60 days in advance; and

- (f) the right of the individual owners to the exclusive use of parking spaces as provided in this Article.
- (g) The right of the Association to limit to each Lot or Living Unit the number of townhouse members, associate townhouse members or any other person(s) who may be entitled to the benefit of the easement of enjoyment as to the Limited Common Properties and facilities which arise from this Supplemental Declaration; and also to prevent crowding.
- (h) The right, but not the obligation, of the Association to provide exterior maintenance in the event the owner of any Lot or Living Unit shall fail to do so, and the costs of such exterior maintenance shall be assessed against such Lot or Living Unit and added to the annual assessment to which such Lot or Living Unit is subject under Article VI, and shall become due and payable in all respects as provided in Article VI hereof.

Section 2. Delegation of Use. Any townhouse member or associate townhouse member may delegate, subject to Section 1 (g) of this ARTICLE V, his right of enjoyment to the Limited Common Properties and facilities.

Section 3. Title to the Limited Common Properties. The Developer hereby covenants for itself, its successors and assigns, that it will convey fee simple title to the Limited Common Properties to the Association, free and clear of all encumbrances and liens, as soon as the improvements shall be constructed thereon.

Section 4. Parking Rights. Ownership of each Lot shall entitle the owner or owners thereof to the use of not less than 2 automobile parking spaces, and if same are not located upon the Lot, the parking space or spaces necessary to comply with this parking space requirement shall be as near and convenient to the Lot which it or they serve as reasonably possible, together with the right of ingress and egress in and upon said parking areas. The Association shall have

the responsibility for assignment of the parking space or parking spaces as provided by this Section of Article V.

ARTICLE VI

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Developer, for each Lot and Living Unit owned within the Townhouse 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 or other instrument, is deemed to covenant and agree to pay to the Association as to the Lot and Living Unit where a single Living Unit is located upon a Lot and as to the Living Unit and the portion of the particular Lot or tract of land occupied by the Living Unit where there is more than one Living Unit upon a Lot or tract of land: (1) annual assessments or charges, and (2) 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 interest thereon and costs of collection thereof, including reasonable attorney's fees, shall be a charge on the land or Living Unit and shall be a continuing lien upon the property against which each assessment is made. Each such assessment, together with such interest, costs, and reasonable attorney's fees shall also 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 be pass to his successors in title unless expressly assumed by them; however, the charge against the land or Living Unit for delinquent assessments shall continue as a charge against the land, subject to other provisions contained in this Supplemental Declaration, notwithstanding transfer of title to the land or Living Unit.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents in the Townhouse Properties and in particular for the improvement and maintenance of

the Townhouse Properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Townhouse Properties.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the date of this instrument, the maximum annual assessment shall be as follows: One Hundred Twenty Dollars (\$120.00) per Lot upon which no Living Unit has been constructed; when any Living Unit(s) has been constructed upon a Lot(s) the assessment shall be Two Hundred Forty Dollars (\$240.00) per Living Unit and in such event shall apply to the Living Unit and the portion of the particular Lot or tract of land occupied by the Living Unit.

(a) From and after January 1 of the year immediately following the date of this instrument, the maximum annual assessments aforesaid may be increased by vote of the Board of Directors of the Association each year not more than 20% above the maximum assessment for the previous year without a vote of the townhouse membership. Unless the annual assessments aforesaid shall be increased as aforesaid, they shall remain at the figures prevailing for the previous year.

(b) From and after January 1 of the year immediately following the date of this instrument, the maximum annual assessment may be increased above 20% by a vote of 51% of each class of townhouse members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) The Board of Directors of the Association may fix the annual assessment at an amount less than the amounts aforesaid.

Section 4. Special Assessment for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Limited Common Properties, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of 51% of the votes of each class of townhouse members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4.

Written notice of any meeting of the townhouse membership called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of townhouse members or of proxies entitled to cast 51% of all the votes of each class of townhouse membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments for each category of assessments mentioned in Section 3 must be fixed at a uniform rate and may be collected on a monthly basis. The Board of Directors, after consideration of lack of improvements as to Lots and/or Living Units in a particular area may fix the category of assessments aforesaid as to such Lots and /or Living Units at lesser amounts. Collection of assessments may be delegated to the Developer, Country Club or any other responsible agency.

Section 7. Date of Commencement of Annual Assessments. Due Dates. The annual assessments provided for herein shall commence and become due and payable as to all Lots or Living Units on the first day of the month following the date of this instrument. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by any officer of the Association setting forth whether the assessments on a specified Lot or Living Unit have been paid.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten (10%) percent per annum, which rate may be raised or lowered by the Board of Directors, but shall not exceed the maximum rate allowable under the laws of the State of Arkansas. The Association may bring an action by law against the Owner personally

obligated to pay the same, or foreclose the lien against the property; and both actions shall be cumulative and neither shall preclude the other. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Limited Common Properties or abandonment of his Lot or Living Unit.

Section 9. 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 deed of trust now or hereafter placed upon the properties subject to assessment. Sale or transfer of any Lot or Living Unit shall not affect the assessment lien. However, the sale or transfer on any Lot or Living Unit which is subject to any first mortgage or deed of trust pursuant to a decree of foreclosure under such mortgage 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. No sale or transfer shall relieve such Lot or Living Unit from liability for any assessments thereafter becoming due or form the lien thereof.

Section 10. Exempt Property. The following property subject to the Declaration shall be exempt from the assessments created herein: (a) all properties dedicated to and accepted by a local public authority; (b) the Limited Common Properties; (c) utilities; (d) utility easements and all other easements; and (e) reserved properties.

ARTICLE VII

PARTY WALLS, ROOF OVERHANG EASEMENTS, & CHIMNEY ENCROACHMENT EASEMENTS

Section 1. Party Walls. All of the provisions of Article XI of the Original Declaration shall fully apply except as changes by this ARTICLE VII.

Section 2. Roof Overhand Easements. In any case where as a part of the original construction of a home upon the lots subject to this Supplemental Declaration or any additions or addition thereto, the roof overhang of a particular house shall extend entirely upon, or upon and over, a particular party wall, or over the adjoining lot or over any portion of the limited Common Property or over any reserved properties (notwithstanding provisions to the contrary,
John A.

Cooper Company, owner of reserved properties, specifically agrees to this particular easement), then, and in such event, the Owner of the lot whereon such house is constructed, his heirs or assigns or its successors and assigns, as the case may be, shall have a continuing easement as to the entire particular party wall, the particular adjoining lot, or the particular portion of the limited common properties or the particular portion of the reserved properties for the support (as to the part wall), permissive use, maintenance and replacement of such roof and roof overhang, provided that under no circumstances shall such roof overhand extend over the adjoining lot, adjoining Limited Common Properties or Adjoining reserved properties more than five feet beyond the particular Owner's lot or more than five feet beyond the party wall in the event the particular roof and roof overhang shall rest on or be supported by a party wall. This provision shall take precedence over the provisions of Article XI of the Original Declaration as well as the law, statutory or otherwise, of the State of Arkansas, with reference to party walls.

Section 3. Chimney Encroachment Easement. In any case where as a part of the original construction of a home upon the lots subject to this Supplemental Declaration the chimney of a particular house shall encroach upon a particular party wall, upon an adjoining lot, adjoining Limited Common Properties or adjoining reserved properties, the , and in such event, the Owner of the lot whereon such house is constructed, his heirs or assigns or its successors and assigns, as the case may be, shall have a continuing easement as the to particular party wall, the particular adjoining lot, the particular portion of the adjoining Limited Common Properties or particular portion of the adjoining Limited Common Properties or particular portion of the adjoining reserved properties for the support, permissive use, maintenance and replacement of such chimney provided that under not circumstances shall such chimney extend beyond the party wall into the adjoining lot, adjoining Limited Common Properties or adjoining reserved properties over 5 feet beyond the party wall.

ARTICLE VIII

PROTECTIVE COVENANTS & RESTRICTION

Section 1. Permissive Use. The Bella Vista Country Club, hereinafter referred to as the "Club" shall have the right to use the Limited Common Properties for the purpose of fulfilling its obligations under the aforesaid Original Declaration, for accomplishing its purposes as set forth in its Articles of Incorporation and its By-Laws, and for the exercising any contractual duty which exists by reason of a contract between the Club and the owners of lots on the land herein described, their successors or assigns, and representative designated by them, or the Association.

For the purposes solely of performing the aforesaid obligations and purposes, the Club, through its 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 except Sunday.

Section 2. Fences. No fence or wall shall be erected upon the premises without prior approval in writing from the Architectural Control Committee.

Section 3. The general appearance shall be maintained as follows:

(a) No clothes line or rack for garbage pails or free standing garbage pails shall be erected, placed or maintained on any Lot or Living Unit without prior approval in writing from the Architectural Control Committee, nor in any case unless screened from the view of the general public and of the adjoining lots and such screen is approved as to the design and appearance by the Architectural Control Committee. No trash or junk shall be placed or maintained on any Lot or Living Unit.

(b) The use of a garage, carport, driveway or parking area, which may be in front of, adjacent to or part of any Lot covered by this Declaration of Covenants and Restrictions as a habitual parking place for a commercial vehicle is prohibited. The use of any driveway, parking area, carport or garage without doors which may be in front of, adjacent to or part of any Lot as a habitual parking space for boats and trailers is prohibited. All garage doors shall be closed except as required to be opened for the purposes of ingress and egress.

ARTICLE IX

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall the event be deemed a waiver of the right to do so thereafter.

Section 2. 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.

Section 3. Amendment. The covenants and restrictions of the 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 Lot or Living Unit subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of twenty-six (26) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by the then owners of two-thirds of the Lots or Living Units has been recorded agreeing to change said Declaration in whole or in part. For purposed of meeting the two-thirds requirement, when Living Units are counted, the Lot or Lots upon which such Living Units are situated shall not be counted. Provided, however, that not such agreement to change shall be effective unless made and recorded three (3) years in advance of the effective date of such change, and unless written notice of the proposed agreement is sent to every owner at least ninety (90) days in advance of any action taken.

Section 4. Architectural Control Committee. The provision in ARTICLE XII of the Original Declaration shall apply as fully hereto as if the same had been made a part of this Supplemental Declaration.

Section 5. Utility Easements. The provisions contained in Article IV of the Original Declaration shall apply as fully to the Limited Common Property covered by this Supplemental

Declaration and any additions thereto, as if the Limited Common Property had been specifically included in Article IV of the Original Declaration.

The Club joins in this Declaration, as it joined in the Original Declaration, for the purpose of indicating its agreement to perform the obligation placed upon it by the Original Declaration as well as this Declaration.

The Association joins in this Declaration for the purpose of indicating its agreement to perform the obligations placed upon it by this Declaration.

IN WITNESS WHEREOF, this instrument is executed by the Developer, the Club and the Association through their respective officer who are duly authorized to so execute same in multiple counterparts any one of which shall be deemed an original this 30 day of March, 1970.

John A. Cooper Company

By Wayne E. Sheneman

Vice President

Attest:

Ellen Orr

Assistant Secretary

BELLA VISTA COUNTRY CLUB

By: John A. Cooper

President

Attest:

Clayton Little

Secretary

BELLA VISTA TOWNHOUSE

By: _____

President

To Whom It May Concern:

Attest:

Clayton Little

Secretary

ACKNOWLEDGEMENT

STATE OF ARKANSAS)

COUNTY OF BENTON)

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 Ellen Orr.

This
Page
Intentionally
Left
Blank