

MASTER DEED
**(AND DECLARATION FOR ESTABLISHMENT
OF COVENANTS AND CONDITIONS)**

FOR

WILDWOOD CONDOMINIUMS

(A PLANNED UNIT DEVELOPMENT)

Developed by:
GORDON WATKINS AND SUSAN E. WATKINS
HCR 72, BOX 34
PARTHENON, AR 72666

(Legal Description Begins on Numbered Page 2)

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MASTER DEED
FOR
WILDWOOD CONDOMINIUMS
(A PLANNED UNIT DEVELOPMENT)

THIS DECLARATION, made this ____ day of _____, 1994, by GORDON WATKINS AND SUSAN E. WATKINS, Husband and Wife, hereinafter referred to as the DEVELOPER is made with reference to the following facts:

RECITALS

A. DEVELOPER is the fee owner of the following described real property which shall be the initial property under this Declaration, and the real property which may from time to time be annexed and become a part of the property (the "Project"). This Declaration is being imposed by DEVELOPER upon the Project for purposes of forming a common interest planned unit development.

B. DEVELOPER has deemed it desirable to establish covenants, conditions, easements and restrictions upon the Project and each and every portion thereof, which will constitute a general scheme for the management of the Project and each and every portion thereof, and for the use, occupancy and enjoyment thereof, all for the purpose of enhancing and protecting the value, desirability and attractiveness of the Project and enhancing the quality of life therein.

C. It is desirable for the efficient management of the Project and the preservation of the value, desirability and attractiveness of the Units, to create a corporation to which should be delegated and assigned the powers of managing, maintaining and administering the Common Area and administering and enforcing these covenants, conditions and restrictions and collecting and disbursing funds pursuant to the assessments and charges hereinafter created and referred to, and, to perform such other acts as shall generally benefit the Project. WILDWOOD CONDOMINIUMS OWNERS ASSOCIATION, (the "Association") a non-profit mutual benefit corporation, has been incorporated under the laws of the State of Arkansas for the purpose of exercising the powers and functions aforesaid.

D. DEVELOPER has established a general plan, set forth in this Declaration, for the subdivision,

improvement, and development of the Project and each and every Unit in the Project, and DEVELOPER will hereafter hold and convey title to all of the Project subject to certain protective covenants, conditions and restrictions hereafter set forth.

NOW, THEREFORE, DEVELOPER hereby declares that the Project, and each and every Unit and parcel in it, is, and shall be, held, conveyed, hypothecated, encumbered, leased, used and occupied subject to the following limitations, reservations, covenants, conditions, servitudes, liens and charges, and all of which are declared and agreed to be in furtherance of and pursuant to a general plan for the development of the Project, and all of which are declared and agreed to be for the purpose of enhancing, maintaining and protecting the value and attractiveness of the Project. These provisions are imposed upon DEVELOPER, the Owners and the Association and are for the benefit of all Units and the Common Area, and shall bind the Owners and the Association. These provisions shall be a burden upon and a benefit to not only the original Owner of each Unit and the Association, but also to their successors and assigns. All covenants are intended as, and are declared to be, covenants running with the land as well as equitable servitudes upon the following described land in Boone County, Arkansas, to-wit:

A part of the Southeast Quarter of the Northeast Quarter of Section 7, Township 18 North, Range 20 West, Boone County, Arkansas, more particularly described as follows: Beginning at the Southeast corner thereof, thence North 768.00 feet to the center line of a ditch, the point of real beginning, thence up the ditch South 77 degrees 07 minutes 00 seconds West 62.50 feet, thence North 82 degrees 08 minutes 00 seconds West 91.50 feet, thence South 55 degrees 24 minutes 00 seconds West 41.30 feet, thence south 73 degrees 20 minutes 00 seconds West 69.00 feet, thence South 83 degrees 44 minutes 00 seconds West 113.73 feet to a point on the right-of-way of Old Farm Road, thence along the right-of-way North 02 degrees 55 minutes 38 seconds West 99.55 feet, thence along a curve right with a radius of 264.88 feet a distance of 444.42 feet, thence North 89 degrees 39 minutes 53 seconds East 110.80 feet to the East line of Section 7, thence South 00 degrees 00 minutes 00 seconds West 340.04 feet to the point of real beginning, containing 2.77 acres, more or less.

SUBJECT TO the reservation of a twenty (20) foot wide easement along the East side of said tract for utility purposes. Also SUBJECT TO utility easements along the other boundaries within the set back lines as set forth in the covenants referred to below. Also SUBJECT TO an easement approximately paralleling the ditch from the East boundary to the East r-o-w line of Old Farm Road. Said easement is for purposes of construction, repair and maintenance of a sewer line and manholes. The easement shall be fifteen (15) feet in width, the center line of which shall be the location of the sewer line after construction, with seven and one-half (7½) feet of the easement being on either side of said line.

ARTICLE I

A. DEVELOPER'S STATEMENT OF PROJECT CONSTRUCTION. The project contains 2.77 acres adjacent to Old Farm Road in Harrison, Boone County, Arkansas. DEVELOPER expects that buildings will be constructed in 5 separate phases. Attached hereto and included in this document are surveys and site plans for Phases I and V which are to be constructed first. Phases II, III and IV will be filed later as supplements to this Master Deed, subject to all terms and declarations established in this original Master Deed.

B. Common Area Amenities. All the remainder of the 2.77 acres which is not occupied by buildings, whether depicted in this filing or future supplement filings, shall be common areas to be used for streets, sidewalks, walkways, landscaping, driveways, designated parking areas, recreation areas, etc. Such common areas are for the use and enjoyment of owners and guests.

C. Developer's Use. While construction of any project phase is in progress, whether unit construction or common area improvement, DEVELOPER reserves the right to use any unoccupied Unit or Common Area for equipment parking or materials storage. During all construction DEVELOPER shall be responsible for all damages and liability and shall carry contractor's insurance to indemnify any claims.

D. Future Construction. Nothing in this Declaration shall limit the right of DEVELOPER to complete construction of improvements to the Common Area and to Units owned by DEVELOPER or to alter them or to construct additional improvements as DEVELOPER deems advisable for completion and sale of the entire Project. The rights of DEVELOPER in this Declaration may be assigned by DEVELOPER to any successor to all or any part of DEVELOPER'S interest in the development, by an express assignment incorporated in a recorded deed that transfers any such interest to a successor or to a Mortgagee acquiring DEVELOPER's interest in the Project by foreclosure or by deed in lieu of foreclosure.

E. Value of Units and Apportionment of Expense. The completed Units and dwelling units shall not have a stated value. The pro-rata percentage of ownership of common elements and apportioning of expenses shall be based on the total of square footage of each residential dwelling, including garages, decks and porches; each residential unit shall have one vote in the management of the Owners Association as is further set out in the Association By-Laws.

F. DEVELOPER'S Adjacent Lands. DEVELOPER, or its successors and assigns, reserves the right to add and annex to this project additional units on 4.5 acres located on adjacent land to the West across Old Farm Road for which DEVELOPER holds an option to purchase. Should DEVELOPER exercise his

option to add this land to the WILDWOOD ASSOCIATION, such addition must be optioned in writing on or before January 1, 1998 or the right to add to the WILDWOOD ASSOCIATION shall terminate. Any such additions shall be bound to standards of size and quality at least equal to the original project and shall be assessed pro-rata fees and be governed by the Owners Association By-Laws.

G. Maintenance During Construction. DEVELOPER shall be responsible for care and maintenance of grounds until construction of the building is ready for occupancy with lawn seeded and landscaping in place. As each phase is completed the cost of such maintenance shall be shifted to the Owners Association.

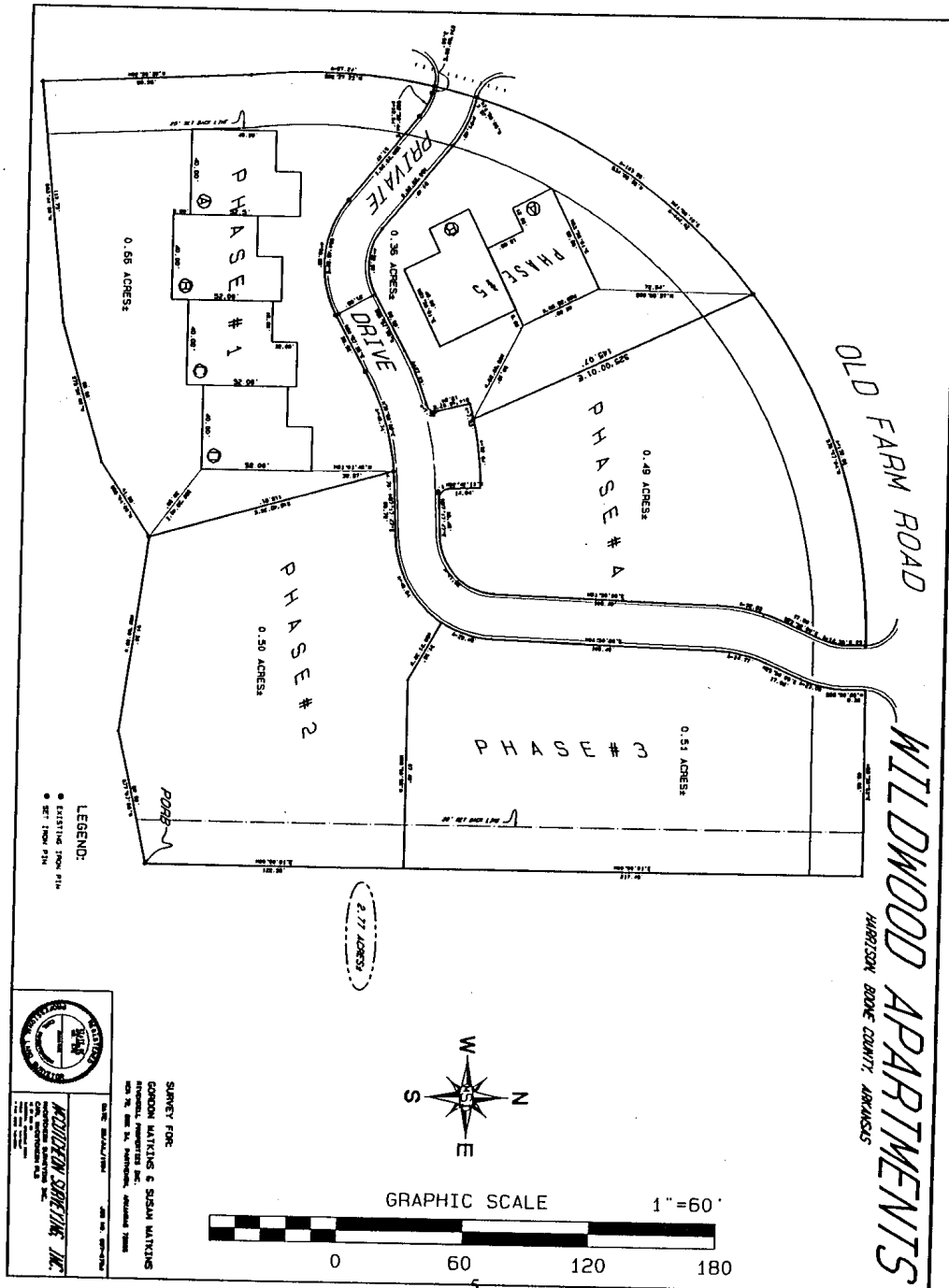
ARTICLE II

PLAT MAP OF PROJECT

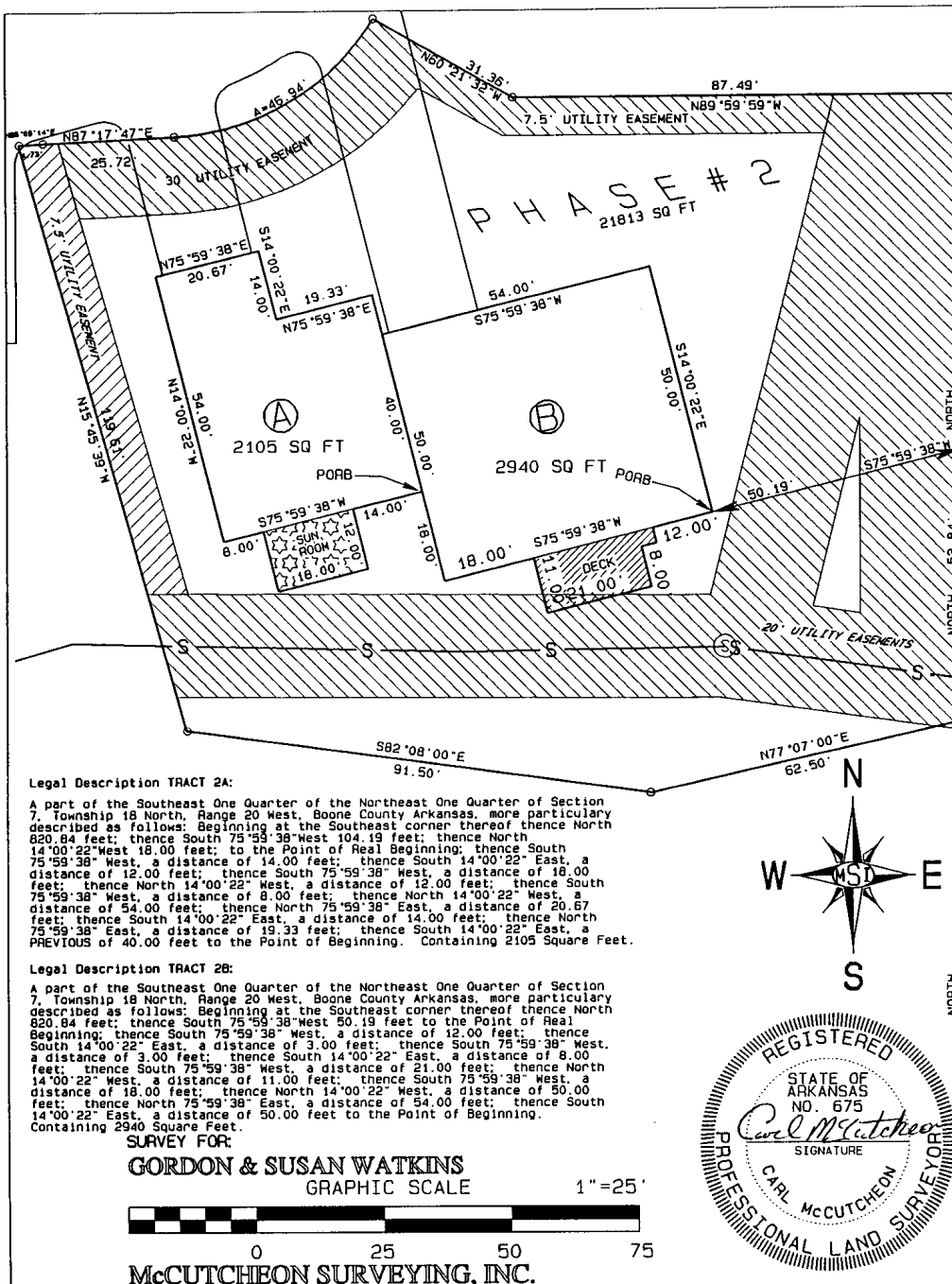
The following page (5) contains the plat drawing for the perimeter and general development scheme for the entire project and Pages 5A and 5B includes the specifics for Phase 1 and 5, respectively. These plats depict the location of the Units and of certain improvements for the following units:

<u>Phase 1</u>	<u>Phase 5</u>
Unit A	Unit A
Unit B	Unit B
Unit C	
Unit D	

Units and improvements in proposed Phases 2, 3 and 4 will be added by supplement filing and recorded as work progresses.

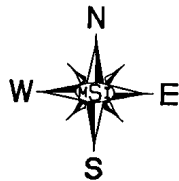
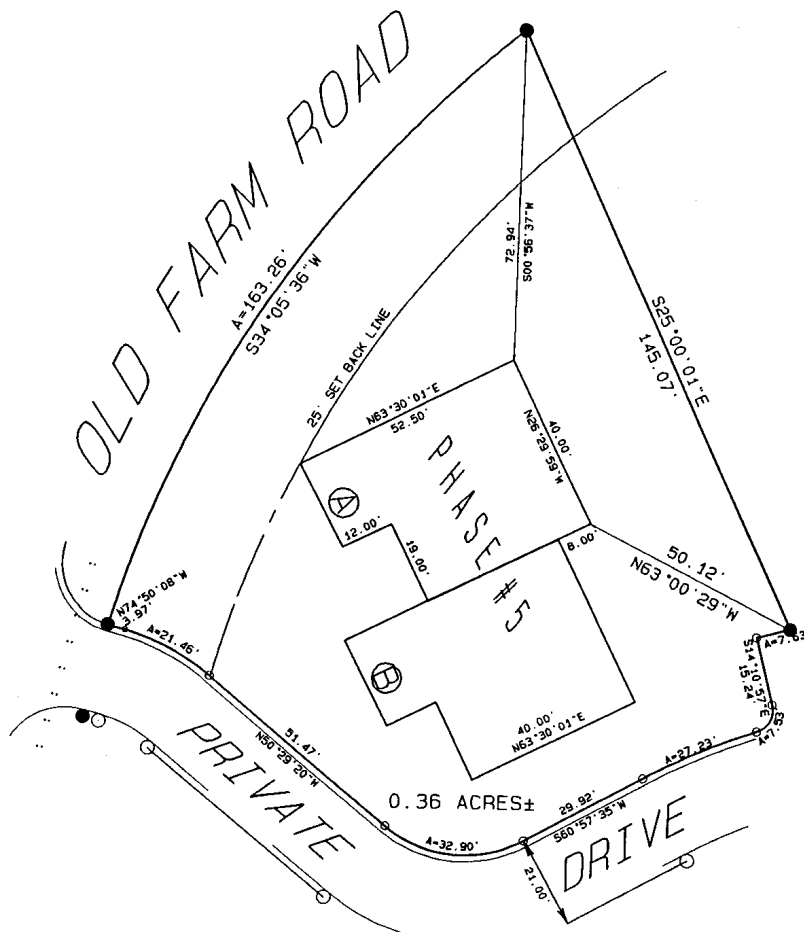






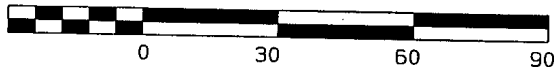
WILDWOOD APARTMENTS

HARRISON, BOONE COUNTY, ARKANSAS



SURVEY FOR:
GORDON WATKINS & SUSAN WATKINS

GRAPHIC SCALE 1"=30'



MCCUTCHEON SURVEYING, INC.

ARTICLE III
DEFINITION OF TERMS

1. Assessment. Monetary charges, levied by the Council of Co-Owners of the Wildwood Condominiums Owners Association, against individual units in the Project. Assessments may be normal and recurring ("Annual Assessments") or they may be imposed additionally for a particular purpose ("Special Assessments"). Annual Assessments may be payable in twelve installments (referred to as "Monthly Assessments").
2. Association. An Arkansas non-profit, mutual benefit Association/Corporation consisting of all of the owners of units in the project, and all owners of units in any adjacent tracts made a part of this Master Deed by supplements, all together which Association/Corporation is to be known as WILDWOOD CONDOMINIUMS OWNERS ASSOCIATION, INC.
3. Council of Co-Owners. The duly elected management officials of the Association/Corporation may be referred to in Association documents as the "Board" or "governing body."
4. By-Laws. The duly adopted By-Laws of the Association/Corporation, as the same are written, adopted and amended from time to time.
5. Common Area. The entire parcel of real estate included in this Master Deed, excepting the individual owned units and any areas reserved by DEVELOPER, all as depicted and set out in the plat map attached hereto. Upon DEVELOPER'S completion of improvements the DEVELOPER shall convey fee simple title to the common area to the Association which shall become responsible for the management and maintenance of the common area.
6. Common Expenses. The actual and estimated expenses of operating the Association, maintenance of all Common Areas and any property which might be annexed to the Association, any reasonable reserve for such purposes as found and determined to be appropriate by the Council of Co-Owners, and all sums designated Common Expenses as determined by the Association.
7. Common Interest. The membership interest in the Association which holds title to the Common Areas.
8. DEVELOPER. GORDON AND SUSAN E. WATKINS, their heirs and assigns.

9. Master Deed. The conveyance by the DEVELOPER (this document), properly executed and recorded as the same may be amended, changed or supplemented from time to time.

10. Eligible Insurer or Guarantor. An insurer or governmental guarantor who has requested notice from the Association of those matters to which such insurer or guarantor is entitled to notice by reason of this Declaration of the By-Laws of the Association.

11. Governing Instruments. This declaration of covenants, conditions, easements and restrictions (Master Deed) and the articles and By-Laws of the Association.

12. Improvements. The buildings, roads, roadways, parking areas, walkways, lighting fixtures, fences, walls, hedges, plantings, planted trees and shrubs, and all other structures or landscaping of every type and kind located within the Common Area. In addition, improvements shall include all utilities within the Common Area and in areas designated as utility easements.

13. Lender. Any bank, savings and loan association, insurance company, or other financial institution, or any person or entity holding a recorded mortgage lien on any Unit.

14. Unit. "Unit", or "Residential Dwelling Unit" shall mean and refer to each of the units of the Project, each separately shown, numbered and designated on the Plat Map to be recorded in Boone County records in Harrison, Arkansas, incorporated herein by reference as though specifically made a part hereof, and to each unit which is shown on any plat maps for later phases annexed to the Project. Each Unit will be held by individual owners and will be designated exclusively for residential dwellings. In interpreting deeds, declarations and plans, the "as built" boundaries of the Unit or of a unit constructed in substantial accordance with the original plat thereof shall be conclusively presumed to be its boundaries rather than the metes and bounds (or other description) expressed in the deed or plat, regardless of settling or lateral movement of the improvements and regardless of minor variances between the boundaries shown on the plat or in the deed and those of the improvements on each unit. The attachments and amenities to each individually owned unit, such as decks, porches, planters, etc. shall be private area as opposed to common area.

15. Manager. The managing agent, if any, whether individual or corporate, whether retained by DEVELOPER or by the Association, on contract, and charged with the maintenance and upkeep of the Project.

16. Project. All of the real property shown in exhibits attached and recorded with the Master Deed and all properties which may be later annexed to the Project, all to be known as WILDWOOD CONDOMINIUMS.

17. **Member.** A person or entity owning any Residential Unit entitled to membership in the Association as provided herein.

18. **Mortgagee.** The beneficiary of a recorded mortgage encumbering any part of the Project.

19. **Multiple Owners.** Two or more owners of a Unit. A husband and wife's joint ownership shall be deemed a Single Owner and not as Multiple Owners. In the event a partnership, corporation or trust is an Owner, each partner, shareholder or beneficiary, respectively, shall be deemed an Owner but their combined interests shall be equal only to one (1) unit.

20. **Organization Meeting.** The first meeting of the Owners Association referred to on Page one (1) hereof.

21. **Owner.** The record owner, or owners, if more than one, of a Unit, including DEVELOPER so long as any Units remain unsold. "Owner" shall not include any persons or entities who hold an interest in a Unit merely as security for performance of an obligation.

22. **Condominium Property Regime.** Shall mean a planned development as defined in Sections 18-13-101 through 18-13-120 of the Arkansas Code, and shall be a fee simple estate in real property consisting of (a) a separate estate in the real property encompassed by the boundaries of each Unit; and (b) an undivided membership interest in the Association which holds title to the Common Area, subject to all covenants, conditions, easements and restrictions of record. Each Owner of a Unit will be a member of the Association, with all of its attendant rights, privileges, obligations and responsibilities.

23. **Rules.** Any and all rules and regulations adopted by the Association or its Council of Co-Owners, or any duly authorized committee thereto.

ARTICLE IV COMMON AREAS

The DEVELOPER shall, upon the completion of construction of the planned improvements in the Common Area of the completed project, deed the Common Area in fee title to the Association. Such conveyance by DEVELOPER shall be free from debts, liens and encumbrances excepting any construction mortgage which, if any, shall be the obligation of DEVELOPER, and DEVELOPER shall hold the Owners and Association harmless for any such debts, liens, or claims against the constructed amenities. The Owner of each Unit shall have a right and non-exclusive easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with each transfer, whether voluntary or involuntary, of title of each Unit. Provided, however, that such right and easement of enjoyment shall be subject to the provisions of this

Declaration, including the rights of the Association and DEVELOPER to exercise all powers and perform all duties set forth in this Declaration, the Articles of Incorporation, the By-Laws and any other Governing Instruments. No Owner may separate such right and easement of enjoyment from the fee title of each Unit, although the right of enjoyment may be delegated to the Owner's family, guests and invitees, together with tenants and contract purchasers who reside in the Unit. Each Owner may use the Common Area in accordance with the purpose for which it is intended, without hindering or encroaching on the lawful rights of the other Owners. Each Owner shall use the Common Area in accordance with such rules and regulations as may be enacted from time to time by the Associations Council of Co-Owners.

Control and ownership of the Common Area shall be vested in the Association. The Association shall have the right to regulate the time and manner of use, to charge reasonable admission fees, and to perform any other obligations required under this Declaration.

ARTICLE V

COVENANTS AND RESTRICTIONS AS TO USE AND OCCUPANCY

The following covenants and restrictions are made a part of this Master Deed and shall run with the land and improvements hereof, both as to the dwelling units and the common elements, and shall be equally binding upon all parties hereto, their grantees, heirs, representatives and assigns, to-wit:

- A. No part of the property shall be used for other than housing and the common recreational purposes for which the property was designed. Each dwelling unit shall be used as a residence for a single family and for no other purpose. Single buildings may contain apartments or multiple dwelling units where designed by DEVELOPER in the recorded phase plat. An owner may use a portion of his apartment for an office or studio provided that the activities therein shall not interfere with the quiet enjoyment or comfort of any other owner or occupant; and provided further that in no event shall any part of the property be used as a school or music studio. Any buildings and structures erected on the above-described real property shall be of new construction and no buildings or structures shall be moved from other locations to the property and no subsequent structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used anywhere at any time as a residence, either temporarily or permanently.

- B. No animals, rabbits, livestock, fowl or poultry of any kind shall be raised, bred, or kept in any apartment or in the common elements, except that dogs, cats, or other household pets may be kept in the dwelling units, subject to rules and regulations adopted by the governing Council of Co-Owners of "WILDWOOD CONDOMINIUMS" provided that they are not kept, bred, or maintained for any commercial purpose; and provided further that any such pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from the property subject to these restrictions according to the procedure to be set forth in the Rules and Regulations of said governing body.
- C. There shall be no obstruction of the common elements nor shall anything be stored in the common elements without the prior consent of the Council of Co-Owners except as may be expressly provided in the By-Laws of "WILDWOOD CONDOMINIUMS" or expressly provided for in the Rules and Regulations promulgated by said governing body.
- D. Nothing shall be done or kept in any apartment or in the common elements which will increase the rate of insurance of the building, or contents thereof, applicable for residential use, without the prior written consent of the governing body. No apartment owner shall permit anything to be done or kept in his unit or in the common elements which will result in the cancellation of insurance on the building, or contents thereof, or which would be in violation of any law. No waste will be permitted in the common elements.
- E. No advertising signs, billboards, objects of unsightly appearance, or nuisances shall be erected, placed or permitted to remain, nor shall anything in any way or for any purpose which may endanger the health or unreasonably disturb the residents of the apartments be permitted to remain. No commercial activities of any kind whatever shall be conducted in any building or on any portion of the property except activities intended primarily to serve residents in the property or as set forth in sub-paragraph A hereinabove. The foregoing restrictions shall not apply to the commercial activities, signs and billboards, if any of the DEVELOPER during the construction and sales period or by the governing body in furtherance of its power and purposes set forth in the By-Laws of WILDWOOD CONDOMINIUMS. Also, the Owner of a unit may advertise a unit for "Sale" or "Rent" and by use of one sign of not more than 8 sq. ft. in total area.
- F. No fence, wall, awnings, hedge, garden, shrub planting or other exterior amenity not placed

- by the DEVELOPER or Council of Co-Owners shall be placed or permitted to remain unless prior approval is obtained from said governing body pursuant to rules or regulations promulgated by it. The foregoing shall not apply to any temporary sales buildings, fences, or walls of the DEVELOPER during the sales and construction period, or to permanent entrance fences or walls installed by the DEVELOPER or by the governing body.
- G. All clothesline, equipment, garbage cans and firewood storage piles shall be kept screened in space provided so as to conceal them from view of neighboring apartments and streets. All rubbish, trash and garbage shall be regularly removed from the properties and shall not be allowed to accumulate thereon.
- H. No poles, wires, rods or other devices or contrivance for the reception or transmission of television, radio, or any other electronic signal shall be placed, erected, or maintained on or about any apartment or building on said property, or any part thereof. This restriction shall not relate or be deemed to relate to the interior of the apartments on said premises or to any master antenna system erected by the DEVELOPER or the governing body which benefits all the units. Personal satellite receivers no larger than 18 inches may be installed on the rear of the dwelling where they are not seen from the street.
- I. No boat, boat trailer, house trailer, motorized recreational vehicle or any similar item shall be stored in the open on said property.
- J. No noxious or offensive activity shall be carried on in any apartment or in the common elements, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the owners or occupants.
- K. The restrictive provisions of this Article shall not prevent the use of tables, grills, benches, umbrellas and other customary furnishings and devices typically used at residences. However, the use and location of such devices must be to the rear or backyard area where it is not readily seen by other Unit owners or visitors. Any permanently constructed devices or structures must first be approved in writing by the Council of Co-Owners or other designated authority.
- L. Parking on streets Prohibited. Unit owners and their families and guests, are prohibited from parking on the streets within the project. ALL types of vehicles must be parked in Unit garages, driveways or other designated parking areas.
- M. Liability For Guest and Tenants. Unit owners shall be held accountable and responsible for

damage to common area or other owned units caused by their guests, visitors, family members and tenants (in the case of renting or sub-let). Each owner, by acceptance of his deed, agrees personally and for family members, tenants, guests and invitees, to indemnify each and every other owner, and to hold such other owner(s) harmless from and defend against, any claim of any person for personal injury or property damage occurring within the project.

- N. No power equipment, hobby shops, or car maintenance (other than emergency work or that confined within closed garages) shall be permitted except with prior written approval of the Council of Co-Owners.
- O. Payment of Taxes Required. Each Owner shall execute such instruments and take such action as may be necessary to obtain separate real property tax assessments of each Unit owned. Each Owner shall be obligated to pay any taxes and assessments assessed against the Unit owned and those assessed upon the Owner's interest in the Common Area and those assessed upon any personal property of the Owner situated on the project. Each Owner shall be obligated to pay, in proportion to his ownership interests therein, all assessments by the Council of Co-Owners for taxes and assessments assessed against the Common Area or any part thereof.
- P. Payment of Assessments Required. Each Owner shall also pay when due all assessments of any kind against the Owner made by the Council of Co-Owners in conformity with the provisions hereof. If any taxes or assessments may, in the reasonable opinion of the council of Co-Owners, pursuant to advice of legal counsel, be a lien on the Project or any part thereof or on any part of the common Area, such taxes or assessments may be paid by the Council and the amount thereof shall be assessed by the Council to the Owners in proportion to their ownership in the property taxed or assessed.
- Q. Other Recorded Covenants & Restrictions. Each unit Owner shall be bound and obligated to any and all regulations now existing or to be enacted by private, city, county, state or federal codes, ordinances or regulations. specifically, the development and use of the project property is subject to certain protective covenants recorded in Deed Book 273, at page(s) 21 thru 29 of Boone County Records. Any such regulations or covenants are hereby adopted by reference and are made a part hereof as if set out herein word for word. Any conflict in

the interpretation or application of any provisions shall be construed to favor and apply the most confining and protective benefit to the project or public as a whole rather than to the individual unit owner.

ARTICLE VI

SUITS FOR PARTITION OF COMMON ELEMENT

The general common elements as set forth hereinabove shall remain undivided and no owner of an apartment or apartments shall bring or suffer to be brought any action for partition or division. The right to judicial partition is further restricted by Arkansas Code Section 18-13-114. Nothing herein contained shall prevent the partition or division of interest between joint or common owners of one Unit. No Owner shall be entitled to sever his Unit from his undivided interest in the Common Area for any purpose. Nor shall any component interest be severally sold, conveyed, encumbered, or hypothecated. Any such purposed separate conveyance or encumbrance of a Unit or the fractional interest of any Owner in the Common Area shall be a nullity and of no force and effect.

ARTICLE VII

COMPLIANCE AND ENFORCEMENT

Each and every Owner or lessee from an Owner of a residence unit described herein shall comply with the covenants herein and provisions herein, the By-Laws of WILDWOOD CONDOMINIUMS, the decisions and resolutions of the governing body pursuant to said By-Laws as such may be amended from time to time. The failure to comply with any such provisions, decisions or resolutions shall be grounds for action to recover sums due for damages or for injunctive relief, and the governing body or any Owner shall have the right to pursue said cause of action.

ARTICLE VIII

MANAGEMENT ASSOCIATION

1. Organization and Membership. All Owners shall become members of an Arkansas nonprofit

mutual benefit corporation, known and incorporated as WILDWOOD CONDOMINIUMS OWNERS ASSOCIATION, and an organizational meeting of Owners shall be held at the Project at a time to be determined by DEVELOPER. Notice of the time and place of such Organizational Meeting shall be specified in writing and given each Unit Owner by DEVELOPER at least ten (10) days and not more than ninety (90) days prior to the date of said meeting. Thereafter, annual meetings of Owners shall be held at a time to be determined by them at the organizational meeting. The By-Laws to be adopted at such meeting, as hereinafter provided, shall also provide for special meetings of the Owners. At all meetings of the Owners, only one (1) vote shall be cast for each of the Units. Any Owner, including DEVELOPER, who owns more than one (1) Unit may cast one (1) vote for each Unit owned. Voting rights attributable to each Unit shall not vest until assessments, as provided under Article III herein, against each Unit have been levied by the Association.

2. Election of Council of Co-Owners. At the Organizational Meeting, and at each annual meeting, the Owners shall, by secret written ballot, elect a Council of Co-Owners, consisting of three (3) individuals, which need not be Association Members. The candidate's name or names shall be placed in nomination prior to the voting. Cumulative voting shall be applicable and an Owner may cumulate their votes and give one (1) candidate a number of votes equal to the number of the Council to be elected, multiplied by the number of Units owned, or an Owner may distribute votes on the same principal among as many candidates as desired. The candidates receiving the highest number of votes up to the number of directors to be elected shall be deemed elected. However, until all phases of the project are completed, DEVELOPER shall select and name two (2) of the three (3) Council members, and the third member shall be elected by majority vote of Owners excluding DEVELOPER.

3. By-Laws May Not Alter This Declaration. The general powers and duties of the Council of Co-Owners shall be as hereinafter set forth, but may be more particularly defined by such By-Laws as shall be adopted by the Owners at the Organizational Meeting or at any subsequent meeting of Owners; provided, however, that this Declaration may not be amended, directly or indirectly, in any particular by the enactment of any By-Law, but only in the manner herein provided.

4. Powers and Duties of Council of Co-Owners.

A) In general, and subject to the provisions of this Article, the Council of Co-Owners shall have authority to conduct all business affairs of common interest to all Owners. The powers and duties of the Council may be exercised either directly or delegated to such committees, officers or employees as are allowed under the Governing Instruments, and shall include the following:

- 1) Collect the monthly installment of maintenance charges and make or authorize expenditures therefrom.
- 2) Collect special assessments, as authorized, from the Owners. Such special assessments require a vote of a majority of the voting power of the Association.
- 3) Contract for, and pay for the following out of Association funds:
 - a) Property Management Services, as required;
 - b) Utilities serving the Common Area;
 - c) Repair and upkeep of Common Area and all Improvements thereon;
 - d) Staff and supplies;
 - e) Security;
 - f) Gardening and janitor service;
 - g) Trash removal;
 - h) Repair and upkeep of common facilities;
 - i) Nonstructural repair and upkeep of roofs and exterior surfaces of all Common Area buildings;
 - j) Structural repair and reconstruction of the Common Area;
 - k) Engineering and architectural services, as required;
 - l) Legal and accounting expenses incurred for common benefit;
 - m) Public liability, fire and other insurance and bonds required or authorized by the terms of this Declaration;
 - n) Goods and supplies for common use.
- 4) Pay before delinquency, all Common Area taxes and assessments levied against the Project, or any portion thereof, or against any commonly owned personal property, and which are not separately assessed to the Owners.
- 5) Formulate rules of operation of the Common Area and facilities owned or controlled by the Association.
- 6) Establish from maintenance funds a reasonable cash reserve for contingencies and for long term repairs and replacements.
- 7) Enter upon any privately-owned unit as necessary in conjunction with

construction, maintenance, or emergency repair for the benefit of the Common Area of the Owners in common.

- 8) Take reasonable actions to maintain the Common Areas, including any areas that may be later annexed to the Project, so as to prevent the creation of any nuisance.
- 9) Take such action and incur such obligations, whether or not hereinbefore expressly specified, as shall reasonably be necessary for the enforcement of the provisions of this Declaration or for the protection of the common interests of the Owners in the Project, including execution of easements in, over, under and upon the Common Area. Accordingly, the Council shall have the right to institute and maintain actions for damages or to restrain any actual or threatened breach of any of the provisions of this Declaration, the articles, By-Laws, or rules of the Association, in its own name and on its own behalf, or on the behalf of any consenting Unit Owner. It may enforce payment of assessments in accordance with other provisions of this Declaration.

B) In addition to the general power of enforcement above, the Council may suspend Association Members for violation of any of the provisions of the Governing Instruments or Association Rules by suspending the violator's voting rights, privileges for use of the Common Area, or by imposing monetary penalties for such violations, subject to the following limitations:

(1) Prior to any suspension of a Member's Association privileges, the Member must be notified in writing of the proposed suspension, and the reasons therefor, at least fifteen (15) days prior to the effective date of the suspension, and if requested by said Member in writing within five (5) days after receipt of notice thereof, a hearing on said suspension will be held before the Council of Co-Owners. Said hearing shall be held by the Council of Co-Owners at least five (5) days before the effective date of the suspension, and at said hearing the Member may appear and defend against the matters resulting in the notice of suspension.

(2) Any suspension of a Member's Association privileges shall not exceed thirty (30) days for each violation, if all requirements of the suspension have been satisfied.

(3) Any monetary penalty shall not exceed twenty-five dollars (\$25.00) for a first offense. For repeated offenses occurring within a period of three months, the fine shall not exceed one hundred dollars (\$100.00) for each offense.

(4) Except under other specific provisions of this Declaration, relating to foreclosure for failure to pay assessments, or as a result of the judgement of a court or a decision arising out of arbitration, the Council of Co-Owners shall in no way abridge the right of any Owner to the full use and enjoyment of his or her Unit.

5. Use of Professionals for Maintenance and Financial Services. The Council shall have the authority to contract with qualified persons or corporations for the professional handling of all or any part of the services required for the maintenance of said Project and/or the handling of the financial affairs thereof.

6. Quorum Required. At all meetings of the Owners, except as otherwise provided in this Declaration, to constitute a quorum, a majority of Owners shall be present, either in person or by proxy, and a vote of a majority of the voting power of the Association, either in person or by proxy, shall be required for the passage of any motion or the adoption of any resolution.

If any meeting of the Owners cannot be held because a quorum is not present, the Owners present, either in person or by proxy, may, as otherwise provided by law, adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days from the time the original meeting was called, at which meeting the quorum requirement shall be the attendance of at least twenty-five percent of the Owners appearing in person or by proxy. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to Members in the manner prescribed for regular meetings.

7. Election of Officers. The Council shall conduct its first meeting as promptly as practicable after adjournment of the Organization Meeting of the Owners, and shall at such time elect such officers as shall be designated in the By-Laws. The powers and duties of such officers shall be as set forth in the By-Laws. The annual meeting of the Council of Co-Owners shall be held promptly following adjournment of the annual meeting of the Owners each year.

8. Notice of Meetings. As to annual and special meetings of the Owners, the Council shall give written notice thereof to each Owner, which notice shall not be less than ten (10) days nor more than ninety (90) days prior to the date of such meeting, and which notice shall be delivered personally or mailed to the last

known address of each Owner. All notices shall set forth a statement of the time and location at the Project of such meeting, and if of a special meeting, the business to be conducted thereat.

9. **Financial Reports.** The following financial and related information shall be regularly prepared and distributed by the Council to all Members of the Association.

A) A budget for each fiscal year consisting of at least the following information shall be distributed not less than forty-five (45) days prior to the beginning of the fiscal year:

- (1) Estimated revenue and expenses on an accrual basis;
- (2) The amount of each total cash reserves of the Association currently available for replacement or major repair of common facilities and for contingencies.
- (3) An itemized estimate of the remaining life of, and the methods of funding to defray the costs of repair, replacement or additions to, major components of the Common Area and facilities for which the Association is responsible;
- (4) A general statement setting forth the procedures used by the Council in the calculation and establishment of reserves to defray the costs or repair, replacement or additions to major components of the Common Area and facilities for which the Association is responsible.

B) A balance sheet -- as of an accounting date which is the last day of the month closest in time to twelve (12) months from the date of the beginning of monthly assessments by the Association and an operating statement for the period from the date of the first assessment to the said accounting date, shall be distributed within sixty (60) days after the accounting date. This operating statement shall include a schedule of assessments received and receivable identified by the number of the subdivision interest and the name of the entity assessed.

C) A report consisting of the following shall be distributed within 120- days after the close of the fiscal year:

- (1) A balance sheet as of the end of the fiscal year;
- (2) An operating (income) statement for the fiscal year;
- (3) A statement of changes in financial position for the fiscal year;
- (4) For any fiscal year in which the gross income to the Association exceeds \$75,000, a copy of the review of the annual report prepared in accordance with generally accepted accounting principals by a licensee of the Arkansas State Council of Co-Owners of Accountancy.

D) If the report referred to in paragraph 9(c) above is not prepared by an independent accountant, it shall be accompanied by the certificate of an authorized officer of the Association that the statement was prepared from the books and records of the Association without independent audit or review.

E) In addition to financial statements, the Council shall annually distribute within sixty (60) days prior to the beginning of the fiscal year, a statement of the Association's policies and practices in enforcing its remedies against members for defaults in the payment of regular and special assessments including the recording and foreclosing of liens against Members' subdivision interests.

10. In addition to the powers and duties conferred upon the Council in paragraphs above, each Owner of an interest in said Project, by accepting title, shall be deemed to covenant and agree with each other Owner that during the term of this Declaration he does and will delegate to the Council of Co-Owners the exclusive power and authority and duty to contract for and pay for out of maintenance funds any and all labor and materials reasonably required for the maintenance, repair, painting, upkeep, and replacement of Improvements of the Common Area facilities. The Council shall exercise such authority and perform such duties on behalf of the Owners with a view toward preserving the attractiveness of the Project as a whole, and maintaining, insofar as may be practicable, the architectural style and the color scheme established by the developer. No improvements or painting (other than a repainting in the same color) of all or any portion of the Common Area shall be undertaken by the Council without first submitting the plans or proposal therefor to the Architectural and Aesthetics Control Committee as provided elsewhere in this declaration.

ARTICLE IX

MAINTENANCE AND ASSESSMENTS

Purpose and Amount. The purpose of the maintenance assessment is to provide the necessary funds for maintenance and the associated administrative costs to preserve and maintain the common areas. The amount of the assessment shall be a shared pro-rate among Unit Owners, including the DEVELOPER until units are sold, of the actual, reasonable and necessary expenses to accomplish the appropriate degree and quality of maintenance of WILDWOOD CONDOMINIUMS.

Creation of the Lien and Personal Obligation of Assessments. The DEVELOPER, for each Unit owned within the Project, hereby covenants, and each Owner of any Unit by acceptance of a deed therefor,

whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association; (a) Annual or Monthly Assessments or charges, and (b) Special Assessments for purposes permitted herein, such Assessments to be established and collected as set by the DEVELOPER or the Council of Co-Owners, once the Owners Association is active. The Annual and Special Assessments, together with interest, costs, penalties, fines and reasonable attorneys' fees, shall be a charge on the Unit and shall be a continuing lien upon the Unit against which each such assessment is made, the lien to become effective upon recordation of a Notice of Delinquent Assessment. Each such Assessment, together with interest, costs, penalties, fines and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Unit at the time when the Assessment fell due. No Owner of a Unit may exempt himself from liability for his contribution towards the Common Expenses by waiver of the use or enjoyment of any of the Common Areas or by the abandonment of his Unit.

Purpose of Assessments. The Assessments levied by the Association shall be used exclusively to promote the economic interest, recreation, health safety, and welfare of all the residents in the entire Project and for the improvement and maintenance of the Common Area for the common good of the Project.

Transfer of Unit by Sale or Foreclosure. Any Owner who sells his Unit in good faith and for value with the consent of the Mortgagee shall be relieved of the obligation to pay maintenance charges as of the date of recordation of the transfer of title to his purchaser; provided, however, that such Owner shall be and remain personally liable for any maintenance charges due and unpaid as of the date of recordation of said transfer of title. Sale or transfer of any Unit shall not affect the Assessment lien. However, the sale of any Unit pursuant to Mortgage foreclosure of a First Mortgage shall extinguish the lien of such Assessments (including fees, late charges, fines or interest levied in connection therewith) as to payments which became due prior to such sale or transfer (except for Assessment liens recorded prior to the Mortgage). No sale or transfer shall relieve such Unit from liability for any Assessments thereafter becoming due or from the lien thereof. The lien of the assessments, including interest, penalties, costs and attorneys' fees, shall be subordinate to any prior filed mortgage lien.

ARTICLE X

INSURANCE

Liability Insurance. The Association shall obtain and maintain comprehensive public liability

insurance insuring the Association, any Manager, the DEVELOPER and the Owners and occupants of Units and their respective family Members, guests, invitees, and the agents and employees of each, against any liability incident to the Ownership or use of the Common Area or any other Association owned or maintained real or personal property and including, if obtainable, a cross liability or severability of interest endorsement insuring each insured against liability to each other insured. The limits of such insurance shall not be less than one million dollars (\$1,000,000.00) covering all claims for death, personal injury, and property damage arising out of a single occurrence. Such insurance shall include coverage against water damage liability, liability for non-owned and hired automobiles, liability for property of others, and any other liability or risk customarily covered with respect to projects similar in construction, location, and use.

Fire and Extended Coverage Insurance. The Association shall obtain and maintain a master or blanket policy of fire insurance coverage for the full insurable value of all of the improvements within the Common Area. The form, content, and term of the policy and its endorsements and the issuing company must be satisfactory to all First Mortgagees. The policy shall provide coverages and amounts of coverage as shall be determined by the Council of Co-Owners. The policy shall name as insured the Association, the Owners and DEVELOPER, as long as DEVELOPER is the Owner of any Unit, and all mortgagees as their respective interests may appear.

Provision to Adjust Losses. The Association is authorized to negotiate and agree on the value and extent of any loss under any liability or fire and extended coverage policy carried. The Association is granted full right and authority to compromise and settle any claim or enforce any claim by legal action or otherwise and to execute releases in favor of any insurer.

Director and Officer Liability Insurance. To the extent insurance is available, the Association may purchase and maintain insurance in an amount up to one million dollars (\$1,000,000.00) on behalf of any director, officer, or Member of a committee of the Association (collectively referred to as the "Agents") against any liability asserted against the Agents' status as such, regardless of whether the Association would have the power to indemnify the Agents against such liability under applicable law.

Owner's Liability Insurance. An Owner may carry whatever personal liability and property damage insurance with respect to his or her Unit that the Owner desires.

ARTICLE XI

PROTECTION OF MORTGAGEES

The following special provisions hereinafter set forth are and are intended to be controlling over any

of the other conditions contained in these covenants, conditions and restrictions that may be in conflict with the following special provisions:

Mortgage Permitted. Any Owner may encumber his Unit with a mortgage.

Subordination. Any lien created or claimed under the provisions of this Declaration is expressly made subject and subordinate to the rights of any first mortgage, purchase money mortgage, or first deed of trust (hereinafter "First Mortgage") that encumbers all or a portion of the development, or any Unit therein, made in good faith and for value, and no such lien shall in any way defeat, invalidate, or impair the obligation or priority of such mortgage unless the First Mortgagee expressly subordinates his interest, in writing to such lien.

Amendment. No amendment to this Declaration, the articles or the By-Laws shall affect the rights of any First Mortgagee under any First Mortgage made in good faith and for value and recorded before the recordation of any such amendment unless the First Mortgagee either joins in the execution of the amendment or approves it in writing as a part of such amendment. The prior written consent of seventy-five percent (75%) of the First Mortgagees holding Mortgages on individual Units shall be required to any material amendment to this Declaration, to the articles, or to the by-laws, including, without limitation any amendment which would change the undivided interests of the Owners in the development.

Restrictions on Certain Changes. Unless seventy-five percent (75%) of all First Mortgagees of Units have given their prior written approval, neither the Association nor the Owners shall be entitled:

- (a) by act or omission to seek to abandon or terminate the planned development, except for abandonment provided by statute in case of substantial loss to the Units and Common Area;
- (b) to change the pro rata interest or obligations of any Unit for purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards or for determining the pro rata share of ownership of each Unit in the Common Area;
- (c) to partition or subdivide any Unit;
- (d) by act or omission to seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area, except partition of the Common Area. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Area by the Association or the Owners shall not be deemed a transfer within the meaning of this clause;
- (e) to use hazard insurance or condemnation proceeds for losses to Units or Common Area in the development for other than the repair, replacement or reconstruction of Improvements, except as provided by statute in case of substantial loss to the Units or Common Area of the Project.

Right to Examine Books and Records. First Mortgagees can, upon written request to the Association, examine the books and records of the Association or the Planned Development Project and can require the submission of financial data concerning the Association or the Project, including annual audit reports and operating statements as furnished to the Owners.

Distribution of Insurance and Condemnation Proceeds. No Unit Owner, or any other party, shall have priority over any right of First Mortgagees of Units pursuant to their mortgages in case of a distribution to Unit Owners of insurance proceeds or condemnation awards for losses to or a taking of Units or Common Area. Any provision to the contrary in this Declaration or in the By-Laws or other Governing Instruments relating to the Planned Development is to such extent void. All applicable fire and all physical loss or extended coverage insurance policies shall contain loss payable clauses acceptable to the affected Mortgagees, naming the Mortgagees as their interests may appear.

Amenities. All amenities (such as parking, recreation and service area) when constructed and conveyed by the DEVELOPERS shall be available for use by Owners and all such amenities with respect to which regular or special assessments for maintenance or other uses may be levied shall constitute Common Area. All such amenities may be covered by any mortgage on a Unit and owned in fee by the Owners in undivided interests free of encumbrances except for any public utility easements or for other public purposes consistent with the intended use of such property by the Association.

Notices of Mortgages of Record. On any loss to any Unit covered by a First Mortgage, if such loss exceeds One Thousand Dollars (\$1,000.00), or on any loss to the Common Area, if such loss exceeds Ten Thousand Dollars (\$10,000.00), or on any taking of the Common Area, notice in writing of such loss or taking shall be given to each First Mortgagee of record whose interest is affected by such loss or taking. If any Owner of a Unit is in default under any provision of these covenants, conditions and restrictions, or under any provision of the By-Laws or the rules and regulations adopted by the Association, which default is not cured within thirty (30) days after written notice to such Owner, the Association shall give to the First Mortgagee of record of such Owner written notice of such default and of the fact that said thirty-day period has expired.

Voting Rights on Default. In case of default by the Owner of any Unit in any payment due under the terms of any First Mortgage (meaning a mortgage with priority over other mortgages) encumbering such Unit, or a secured promissory note, the First Mortgagee, or his representative, on giving written notice to such defaulting Owner or Owners and placing of record a notice of default, can request that the voting rights of such defaulting Owners attributable to such Unit be suspended at any regular or special meeting of the

Members held during such time as such default may continue. The Association shall grant the request of any First Mortgagee upon being provided with a copy of the recorded notice of default.

Effect of Breach. No breach of any provision of these covenants, conditions and restrictions shall invalidate the lien of any First Mortgage in good faith and for value, but all covenants, conditions and restrictions shall be binding on any Owner whose title is derived through foreclosure sale or trustee's sale.

Foreclosure. If any Unit is encumbered by a Recorded Mortgage made in good faith and for value, the foreclosure of any lien created by any provision set forth in this Declaration for assessments, or installments of assessments, shall not operate to affect or impair the lien of the First Mortgage. On foreclosure of any prior Recorded Mortgage, the lien for assessments, or installments that have accrued up to the time of foreclosure, shall be subordinate to the lien of the First Mortgage, with the foreclosure-purchaser taking title to the Unit free of the lien for assessments, or installments that have accrued up to the time of the foreclosure sale. On taking title to the Unit, the foreclosure-purchaser shall only be obligated to pay assessments or other charges levied or assessed by the Association after the foreclosure-purchaser acquired title to the Unit. The subsequently levied assessments or other charges may include previously unpaid assessments, provided all Owners, including the foreclosure-purchaser and his successors and assigns, are required to pay their proportionate share as provided in this Section.

Non-Curable Breach. Any Mortgagee who acquires title to a Unit by foreclosure shall not be obligated to cure any breach of this Declaration that is non-curable or of a type that is not practical or feasible to cure.

Loan to Facilitate. Any mortgage given to secure a loan to facilitate the resale of a Unit after acquisition by foreclosure shall be deemed to be a loan made in good faith and for value and entitled to all of the rights and protection of Article XII.

Appearance at Meetings. Because of its financial interest in the Project, any Mortgagee may appear (but cannot vote except under the circumstances set forth in subparagraph 9 above) at meetings of the Members and the Council of Co-Owners to draw attention to violations of this Declaration that have not been corrected or made the subject of remedial proceedings or assessments.

Right to Furnish Information. Any Mortgagee can furnish information to the Council of Co-Owners concerning the status of any mortgage.

ARTICLE XII
AMENDING OF DECLARATIONS

1. Prior to the close of the first sale of a Unit in the Project, the DEVELOPER shall have the right to amend this Declaration by executing and recording the desired amendment thereto.

2. Except for matters expressly requiring the written approval of the DEVELOPER, a majority of the voting power of the Owners may at any time after the close of the first sale on a Unit amend any of the provisions of this Declaration except that any such change must be approved by an affirmative vote or written assent of Members representing at least a bare majority of the votes of Owners including the DEVELOPER.

3. DEVELOPER, or his successor, shall at all times have the right, without Owners approval, to amend this Deed and Declaration with Supplemental Phase Plats or adjacent land additions.

IN WITNESS HEREOF, the undersigned Owner and Developer has executed this Master Deed, with Declaration, this 20th of Oct, 1994.

GORDON WATKINS AND SUSAN E. WATKINS

By: Gordon Watkins
Gordon Watkins

(CORPORATE SEAL)

Attest: Susan E. Watkins
Susan E. Watkins

ACKNOWLEDGMENT

STATE OF ARKANSAS)
)SS
COUNTY OF BOONE)

BE IT REMEMBERED, That on this day appeared before me, a Notary Public within and for the County and State aforesaid, duly commissioned and acting, Gordon Watkins and Susan E. Watkins, to me well known as the persons who executed the foregoing Master Deed and Declaration for Establishment of Covenants, Conditions, Easements and Restrictions, and stated that they had executed the same for the consideration and purposes therein mentioned and set forth.

Witness my Hand and Seal as such Notary Public on this 20th day of October, 1994.



Judith A. Darr
Notary Public

Filed for Record 23 day of Nov
10 94 at 1:15 o'clock P M
Helen Spager, Clerk
By Nellen Speers