



# IRON BLUFFS

## IRON BLUFFS FOR ROUND MOUNTAIN ESTATES DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION is made this 3<sup>rd</sup> day of July, 2021, by BILIAH, LLC dba IRON BLUFFS, an Arkansas limited liability company (“Declarant”).

### RECITALS

Declarant makes this Declaration based upon the following facts and intentions:

A. Declarant is the owner of the real property located in Boone County, Arkansas, described in Exhibit A, which is attached and incorporated herein by this reference (the “Property”).

B. Declarant desires to impose beneficial protective covenants for the benefit of such Property, every part thereof and interest therein.

NOW, THEREFORE, Declarant hereby declares that the Property shall be held, sold, conveyed, encumbered, used, occupied, and improved subject to the following easements, restrictions, covenants, liens and conditions, all of which are in furtherance of a plan to preserve and protect the natural environment, aesthetics and beauty of the Property and to enhance the value, desirability, and attractiveness of the Property and every part thereof. The easements, restrictions, covenants, liens and conditions hereof shall run with the Property subject to this Declaration and shall be binding on and enforceable by all parties having or acquiring any possessory right, title or interest in the described Property or any part thereof, and shall be for the benefit of each owner of any portion thereof and inure to the benefit of and be binding upon each heir, successor, or assignee in interest of such owners.

### SECTION I: DEFINITIONS

1. *Articles of Incorporation.* The Articles of Incorporation of the Association.
2. *Association.* The Round Mountain Estates Association, Inc., an Arkansas non-profit corporation, its successors and assigns.
3. *Board of Directors.* The board of directors of the Association, elected pursuant to the Bylaws.
4. *Building Envelope.* The one-quarter acre up to two (2) acres or more designated portion of the Round Mountain Estates (“RME”) Homesteads on which Structures may be



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installed pursuant to approved plans and specifications and the terms, conditions and limitations recited herein.

5. *Bylaws.* The bylaws of the Association, which set forth the governance and rights of the Association, which may be amended from time to time.

6. *Common Area.* All portions of RME, including the RME Homesteads and approximately 320 acres of Iron Bluffs property, as described in the map of Iron Bluffs found in “Exhibit A”.

7. *Round Mountain Estates Property.* All real property within the Property that is owned by the Association and subject to the terms and conditions of the Bylaws.

8. *Round Mountain Estates.* The Common Area, RME Property, RME Improvements and Homesteads located on the Property.

9. *Round Mountain Estates Development Plan.* The general conservation plan for RME, including the RME Property.

10. *Declaration.* This Declaration of Covenants, Conditions and Restrictions for RME, including any Supplemental Declaration(s) thereto.

11. *Design Rules and Guidelines.* The Design Rules and Guidelines that govern all structures on the Property, in addition to this Declaration.

12. *Future Equestrian Center.* The equestrian facility located on the Property, which includes the barn, stalls, tack room, and related and supporting facilities and improvements operated in connection with such facility.

13. *First Mortgage.* Any mortgage, deed of trust, trust indenture, contract for deed, or other document which is recorded in Boone County, Arkansas and which encumbers a Homestead as security for the payment of a debt or obligation that is not subject to any lien or encumbrance, except liens for taxes or other liens that are given priority by statute or this Declaration.

14. *First Mortgagee.* The holder of record of a First Mortgage.

15. *Forebearer Accommodations.* Accommodations to be located near the RME Headquarters for the exclusive use of the RME Forebearers and the Declarant.

16. *Guest.* Any individual other than an Owner’s Immediate Family.

17. *Future Shooting Club.* The skeet and trap facility located on the Property.



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18. *Immediate Family.* Husband, wife, children, mother or father of an Owner.
19. *Member.* Any person or entity holding membership in the Association pursuant to this Declaration and the Association's Articles of Incorporation and Bylaws. There shall be no more than one (1) Member for each Homestead. If a Homestead is owned by a family trust or family partnership or other ownership approved by the Association and Declarant, the entity shall designate in writing the person that shall act as the Member for such Homestead, and the Association shall be entitled to rely on such designation.
20. *Owner.* The record owner, being an individual, husband and wife jointly, or an approved family trust or family partnership or other ownership approved by Declarant, of the fee simple title to any Homestead, except that the term Owner shall not mean or refer to a mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.
21. *Round Mountain Estates Covenants.* Collectively, (i) this Declaration, including any Supplemental Declaration(s) thereto, (ii) the Design Rules and Guidelines, and (iii) the Property Rules and Regulations.
22. *Round Mountain Estates Forebearers.* The two majority shareholders.
23. *Round Mountain Estates Headquarters.* The headquarters will be located on the Property and will potentially include an informal gathering area, fitness facility, restrooms and pool facility, in one or more buildings.
24. *Homestead.* One or more of the separately designated and legally described fee simple homesites, as numbered and designated on the Round Mountain Estates Plot Plan, each with its own legal description.
25. *Round Mountain Estates Improvements.* The Future Equestrian Center, RME Headquarters, Shooting Club, maintenance facility, entrances, electric lines, Forebearers Model Home, trails and drives to be constructed on the Property. The Improvements will be constructed by Declarant or an affiliate of Declarant in phases as follows:

Phase I:

- RME Headquarters
- Forebearers Model Home
- Drives to access Homesteads for Owners in Phase I and electric lines adjacent to such Homesteads
- Riding and hiking trails



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## Phase II:

- Entrance gates
- Equestrian Center
- Equipment Barn
- Shooting Club
- Drives to access Homesteads for Owners in Phase II and electric lines adjacent to such Homesteads

The Phase II Improvements may be located on land adjacent to the RME Property, currently owned by an affiliate of the Declarant but part of Iron Bluffs.

26. *Round Mountain Estates Rules and Regulations.* The rules and regulations for the operation of the Property, as described in Section IV of this Declaration.

27. *Structure.* Any construction erected or placed upon or under any Homestead, including, but not limited to, homes, pools, buildings or structures of any kind or nature, parts of and additions to buildings, walls, fences and other enclosures, television and other antennas, lighting, walks and driveways.

## **SECTION II: MEMBERSHIP & VOTING**

1. *Function of Association.* The Association shall be the entity responsible for the management, maintenance, operation, and control of the Round Mountain Estates Plot Plan, including without limitation, subject to the terms and conditions of the Round Mountain Estates Development, within the Iron Bluffs Property. The Association shall be the primary entity responsible for complying with the terms of the Round Mountain Estates, and enforcing the terms of the other RME Covenants. The Association shall perform its functions in accordance with this Declaration, the Bylaws and Articles of the Association and Arkansas law.

2. *Membership.* Every Owner shall be a Member of the Association including the Declarant, if the Declarant is ever an Owner of any Homestead. Membership in the Association shall be appurtenant to, and may not be separated from, the ownership of any Homestead.

3. *Voting Rights.* Each Member shall be entitled to one (1) vote for each Homestead in which they hold the interest required for membership. When more than one (1) person or entity is an Owner of a Homestead due to a husband and wife's joint ownership or an allowed family trust, or family partnership or other ownership there shall be only one (1) Member and the vote for such Homestead shall be exercised as such persons among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Homestead. If the joint Members do not unanimously agree on how to cast their vote, the Association, at its option, may refuse to recognize such a vote. Notwithstanding the foregoing, the Declarant, irrespective of whether the Declarant owns a Homestead, shall retain fifty-one percent (51%) of the voting rights and control of the Association and shall make all decisions for the Association until the



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earlier of (i) twenty-four (24) months after the date the property improvements have been completed; or (ii) ten (10) days after the date the Declarant provides written notice to the Association to relinquish control.

4. *Proxies.* At any meeting of the Members, a Member entitled to vote may vote by proxy executed in writing by the Member. No proxy shall be valid after eleven (11) months from the date of its execution. A proxy may be cancelled by notice executed by the Member and delivered to the Association, and the cancellation shall be effective upon receipt by the Association. Proxies shall not be binding on purchasers of a Homestead from the grantor of the proxy.

## SECTION III: ASSESSMENTS

1. *Creation of the Lien and Personal Obligation of Assessments.* Each Owner of any Homestead by acceptance of a deed therefor, is hereby deemed to covenant and agree to pay to the Association:

- a. annual assessments or charges; and
- b. special assessments for capital improvements, or other extraordinary needs of the Association that cannot be met from the annual assessment. Such assessments, subject to Section III(4), are to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorneys' fees, shall be a charge on each Homestead and shall be a continuing lien upon the Homestead against which such assessment is made until paid. Each such assessment, together with interest, costs, and reasonable attorneys' fees, shall be the personal obligation of the person or persons who were the Owner of such Homestead at the time when the assessment fell due.

2. *Purpose of Assessments.* The assessments levied by the Association shall be used exclusively to promote the purposes of the Association including, but not limited to, maintenance and preservation of the Round Mountain Estates, repair, improvement, and maintenance of the Common Area, the RME Improvements (except the Forebearer Accommodations, which are described in Section VII) and other improvements to the Property, purchase, repair and replacement of personal property used by the Association, security, employee and personnel expenses involved in the operation of the Common Area and the RME Improvements (except the Forebearer Accommodations, which are described in Section VII) and expenses of enforcing the terms of the Round Mountain Estates Covenants against violators, and such other expenses as shall be determined by the Association. All invoices shall be generally itemized, and funds shall be collected for particular assessments, dues, and/or service charges shall be disbursed only in payment of such expenses.



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3. *Assessments.* The amount of the annual assessments shall be fixed by the Association after due consideration of current maintenance costs and future anticipated needs of the Association, including reserves.

4. *Special Assessments.* In addition to the annual assessments authorized above, the Board of Directors may levy, in any assessment year, a special assessment applicable to that year only for the purposes of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of capital improvements for the Property, including fixtures and personal property related thereto, or for any other items that cannot be paid out of the annual assessments. Notwithstanding anything to the contrary recited herein, any special assessment in excess of (i) Two Thousand Five Hundred Dollars (\$2,500) in one calendar year shall require a vote of at least one-half (1/2) of all Owners eligible to vote, or (ii) Five Thousand Dollars (\$5,000) in one calendar year shall require a vote of at least three-fourths (3/4) of all Owners eligible to vote.

5. *Specific Assessments.* The Board of Directors shall have the power to levy specific assessments against a particular Homestead or Homesteads as follows:

a. to cover the costs, including overhead and administrative costs, of providing benefits, items or services to the Homestead or occupants thereof upon request from the Owner pursuant to a menu of special services which the Board of Directors may from time to time authorize to be offered to Owners (which might include, without limitation, landscape maintenance, handyman service, pool cleaning, pest control, etc.), which assessments may be levied in advance of the provisions of the requested benefit, item or service as a deposit against charges to be incurred by the Owner; and

b. to cover costs, including reasonable attorneys' fees and court costs, incurred in bringing the Homestead into compliance with the terms of this Declaration, any applicable Supplemental Declaration, the Design Rules and Guidelines, the Bylaws or Round Mountain Estates Rules and Regulations, or costs incurred as a consequence of the conduct of the Owner or occupants of the Homestead, their licensees, invitees, or Guests.

6. *Uniform Rate of Assessment.* Both annual and special assessments for Owners must be fixed at a uniform rate for all Homesteads and may be collected on a quarterly, semi-annual or annual basis at the discretion of the Board of Directors.

7. *Date of Commencement of Annual Assessments: Due Dates.* The Board of Directors shall fix the amount of the annual assessment against each Homestead at least thirty (30) days in advance of each annual assessment. Written notice of the annual assessment shall be sent to every Owner. The due dates for an annual assessment shall be established by the Association. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Homestead have been paid.



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8. *Effect of Nonpayment of Assessments: Remedies of the Association.* Any assessments not paid within thirty (30) days after the due date shall bear interest from the due date at a rate of ten percent (10%) per annum and said assessment together with interest thereon, shall become a continuing lien on the Homestead which shall run with the land. The Association may bring an action at law against the Owner personally obligated to pay the same, foreclose the lien against the Homestead, or pursue any other remedy available at law or in equity. As a part of any such proceeding, the Association shall be entitled to reimbursement of all costs of collection, including delivery/ mailing fees, court costs and attorney fees. No Owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of the Owner's Homestead, or conveyance or transfer of title to the Homestead. In addition to all other remedies for nonpayment of assessments, the Association may suspend and, if not paid within ninety (90) days of written notice, terminate, as to the Homestead and/or Owner and the Immediate Family and Guests in question, all rights to use any of the Common Area and the RME Improvements.

9. *Subordination of the Lien to First Lien Mortgages.* The lien of the assessments provided for herein shall be subordinate to the lien of any bona fide First Mortgage made in good faith and for value. However, the sale or transfer of any Homestead pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer, but not the obligation of Owner which shall continue as to the amounts due prior to the sale or transfer. No sale, transfer or foreclosure shall relieve such Homestead from liability for any assessments thereafter becoming due or from the lien thereof.

10. *Waiver of Homestead Exemption; Subordination of the Lien.* The lien of the assessments will be superior to and prior to any homestead exemption provided now or in the future by the laws of the State of Arkansas, and to all other liens and encumbrances except the following:

a. Liens for real estate taxes and other governmental assessments or charges duly imposed against the Homestead by an Arkansas governmental or political subdivision or special taxing district, or any other liens made superior by statute; and

b. The lien for all sums unpaid on a First Mortgage recorded before the date on which the assessment sought to be enforced became delinquent, including any and all advances made by the First Mortgagee, even though some or all of such advances may have been made subsequent to the date of attachment of the Association's lien.

All other persons who hold a lien or encumbrance of any type *not* described in this Section III(10) will be deemed to consent that the lien or encumbrance will be subordinate to the Association's future liens for assessments, interest, late charges, costs, expenses and attorneys'



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fees, as provided in this Article, whether or not such consent is specifically set forth in the instrument creating any such lien or encumbrance.

11. *Exempt Property.* All property, except the Homesteads, shall be exempt from payment of assessments.

## **SECTION IV: RIGHTS AND OBLIGATIONS OF THE ASSOCIATION**

1. *Round Mountain Estates Property.* The Association shall manage and control the Round Mountain Estates and all improvements therein subject to the terms, conditions and restrictions of the Round Mountain Estates Development. The Association shall manage and control the Common Area and shall keep (i) the Round Mountain Estates Improvements in good, clean, attractive, and sanitary condition, order, and repair, and (ii) the remaining real property comprising the Common Area maintained in accordance with good conservation practices consistent with this Declaration and the Round Mountain Estates Development.

2. *Personal Property and Real Property for Common Use.* The Association may acquire, hold and dispose of tangible and intangible personal property and real property for use by the Owners.

3. *Round Mountain Estates Rules and Regulations.* In addition to the covenants, restrictions, conditions, liens and easements in this Declaration, the Association, through the Declarant or the Association's Board of Directors, may make and enforce reasonable rules and guidelines governing the use of the Property and any other property owned or leased by the Association (the "RME Rules and Regulations"). The Association may, in establishing the RME Rules and Regulations further define or limit those covenants and restrictions set forth in this Declaration, any Supplemental Declaration(s) and the RME Rules and Regulations. The RME Rules and Regulations shall be binding upon all Owners, Immediate Family, occupants, Guests, invitees, and licensees until and unless repealed or modified (i) by Declarant, if within twenty-four (24) months after the completion of the RME Improvements, or (ii) after twenty-four (24) months from the completion of the RME Improvements, in a regular or special meeting by the vote of at least two-thirds (2/3) of all Owners entitled to vote. Notwithstanding the foregoing, no rules or guidelines may be imposed that contradict the terms, conditions and restrictions of the Iron Bluffs property. The RME Rules and Regulations include the general and specific operating rules for the (i) RME Headquarters, (ii) Shooting Club, (iii) Equestrian Center, (iv) Common Area, and (v) Fishing and Wildlife Guidelines. Declarant has prepared the initial RME Rules and Regulations, which are binding upon all Owners, Immediate Family, Guests, occupants, invitees and licensees.

4. *Enforcement.* The Association may impose sanctions or penalties for violations of this Declaration and any Supplemental Declaration(s) thereto, the Bylaws, the Design Rules and Guidelines or the RME Rules and Regulations in accordance with procedures set forth in the Bylaws, including reasonable monetary fines and suspension and/or termination of the right to



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vote and to use the RME Improvements or the Common Area. In addition, in accordance with the Bylaws, the Association may exercise self-help to cure violations, and may suspend any services it provides to the Homestead of any Owner who is more than thirty (30) days delinquent in paying any assessment or other charge due to the Association or is otherwise violating the RME Covenants. The Association may seek relief in any court for violations or to abate nuisances, including injunctive relief. Due to the potential for irreparable damage to the Property and the environment, each Owner hereby consents to the entry of an injunctive order, without notice to the Owner, to cease and desist immediately any construction, cutting of trees, excavation or grading on any Homestead upon the written affidavit of the president of the Association setting forth the alleged violation of the terms recited herein or in the other RME Covenants.

5. *Other Rights.* The Association may exercise any other right or privilege given to it expressly by this Declaration, any Supplemental Declaration, or the Bylaws, or reasonably implied from, or reasonably necessary to, effectuate any such right or privilege or any rights or privilege given to the Association by law. Except as otherwise specifically provided in this Declaration, any Supplemental Declaration, the Bylaws, Articles, or by law, all rights and powers of the Association may be exercised by the Board of Directors without a vote of the membership.

6. *Indemnification.* The Association shall indemnify every officer, director, and committee member against all expenses, including counsel fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, or committee member, unless such action, suit or proceeding is a result of the willful misconduct or fraud of such officer, director or committee member.

The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent, or otherwise, except for their own individual willful misconduct or fraud. The officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association (except to the extent that such officers or directors are Members of the Association). The Association shall indemnify and forever hold each such officer, director, and committee member harmless from any and all liability to others on account of any such contract, commitment, or action. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any present or former officer, director or committee member may be entitled. The Association may, as a common expense, maintain general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available at a reasonable cost.

7. *Easements and Dedication of Property.* The Association, pursuant to the terms recited herein, reserves the right to dedicate any required utility, drainage roadway or other easements required to service the Homesteads and RME Improvements or otherwise needed in connection with the operation of Iron Bluffs. It is the intent of the Declarant and the Association



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that all drives on the Property remain at all times private drives and that no dedication or granting of the drives to Boone County, Arkansas or any other governmental body for public access shall ever be made. This provision may not be amended without the unanimous written consent of all Owners.

8. *Security.* The Association may, but shall not be obligated to, maintain or support certain activities within the Property designed to enhance the security of the Property. Neither the Association nor the Declarant shall in any way be considered insurers or guarantors of security within the Property, nor shall such parties be held liable for any loss or damage for failure to provide adequate security or ineffectiveness of security measures undertaken.

9. *Use of Recreational Facilities.* Each Owner acknowledges that recreational facilities including without limitation, the Equestrian Center, Shooting Club, pool, hiking, biking and horseback riding trails, hunting areas and lakes will be located in the Common Area for the use and enjoyment of the Owners, Immediate Family, Guests, occupants and invitees. Each Owner hereby acknowledges that there are risks associated with the use of any such recreational facilities and the Common Area and that all users of such recreational facilities or the Common Area are solely responsible for such risk. Each Owner acknowledges that he or she has not relied upon the representations of Declarant or the Association with respect to the safety of any recreational facilities, Common Area, or any other facility or feature within the Property.

10. *Construction Activities.* All Owners are hereby placed on notice that Declarant and/or its agents, contractors, subcontractors, licensees and other designees, successors or assignees, may be, from time to time, conducting excavation, construction and other activities within or in proximity to the Homesteads. Each Owner acknowledges, stipulates and agrees (a) that none of the aforesaid activities shall be deemed nuisances or noxious or offensive activities, under any applicable covenants or at law generally, (b) not to enter upon, or allow their children or other persons under their control or direction to enter upon (regardless of whether such entry is trespass or otherwise) any property within or in proximity to any portion of the Property where such activities are being conducted (even if not being actively conducted at the time of entry, such as at night or otherwise during non-working hours), (c) that Declarant and all of its agents, contractors, subcontractors, licensees and other designees, successors and assignees, shall not be liable but, rather, shall be held harmless, for any and all losses and damages (compensatory, consequential, punitive or otherwise), injuries or deaths arising from or relating to the aforesaid activities.

## **SECTION V: MAINTENANCE**

1. *Association's Responsibility.* The Association shall maintain and keep in good repair the Common Area, including the RME Property, which shall include, but need not be limited to:



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a. all landscaping, signage, RME Improvements, including all entrances, drives, and pathways/trails, situated upon the Common Area, the remaining real property comprising the Common Area maintained in accordance with good conservation practices consistent with this Declaration and the RME property;

b. the maintenance and/or repair, at the Association's election, of any improvements on a Homestead that are in violation of the terms recited herein or in the Design Rules and Guidelines, the cost of which shall be a specific assessment in accordance with Article III levied against the particular Homestead.

c. except as otherwise specifically provided herein (including with respect to the Forebearer Accommodations), all costs associated with maintenance, repair, and replacement of the Common Area shall be allocated among all Homesteads in the manner of, and as part of, the annual assessment, or special assessment without prejudice to the right of the Association to seek reimbursement from the Owner(s) of, or other persons responsible for, certain portions of the Common Area pursuant to this Declaration, other recorded covenants, or agreements with the Owner(s) thereof.

2. *Owner's Responsibility.* Each Owner shall maintain his or her Homestead and all Structures, parking areas, and other improvements on the Homestead in a clean, safe, attractive and slightly condition and in good repair, that includes maintaining an empty lot; grass/growth can not be more than twelve inches tall and all clippings shall be blown off of roads and common areas, also trim around any fixed structures that within his or her Homestead. In addition to any other enforcement rights, if an Owner fails properly to perform his or her maintenance responsibility, the Association may perform such maintenance responsibilities and assess all costs incurred by the Association against the Homestead and the Owner in accordance with Section III. The Association shall afford the Owner at least three (3) days prior written notice and an opportunity to cure the problem prior to entry, except when entry is required due to an emergency situation.

## **SECTION VI: INSURANCE AND CASUALTY LOSSES**

1. *Association Responsibility.* The Association, acting through its Board of Directors or its duly authorized agent, shall obtain blanket all-risk property insurance if reasonably available, for all insurable improvements on the Common Area. If blanket all-risk coverage is not generally available at reasonable cost, then the Association shall obtain fire and extended coverage, including coverage for vandalism and malicious mischief. The face amount of the policy shall be sufficient to cover the reasonable replacement cost of the insured property. The cost of such insurance shall be allocated among all Homesteads subject to assessment as part of the annual assessment. The Association also shall obtain a public liability insurance policy on the Common Area, insuring the Association. If generally available at reasonable cost, the public liability policy shall have at least a two million dollar (\$2,000,000) combined single limit as respects bodily injury and property damage and at least a five million dollar (\$5,000,000) limit in



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the aggregate, or such other amounts as determined by the Board of Directors. All cost of insurance set forth in this Section VI shall be part of the operating budget for the Association, which shall be paid through the assessments described in Section III.

2. *Owner Responsibility.* Each Owner shall obtain blanket all-risk property insurance if reasonably available, for all insurable improvements on the Homestead. If blanket all-risk coverage is not generally available at reasonable cost, then such Owner shall obtain fire and extended coverage, including coverage for vandalism and malicious mischief. The face amount of the policy shall be sufficient to cover the reasonable replacement cost of the insured property.

## **SECTION VII: ROUND MOUNTAIN ESTATES COVENANTS**

1. *Applicability; Effect.* The Property is subject to (i) the covenants and restrictions set forth in this Declaration, including any Supplemental Declaration(s), (ii) the Design Rules and Guidelines, and (iii) the RME Rules and Regulations (collectively the “RME Covenants”). All Owners and their Immediate Family, Guests, invitees, licensees and occupants are subject to the RME Covenants. The Owner of each Homestead shall be solely responsible for the conduct, actions and liabilities of the Owner’s Immediate Family, and Owner’s Guests, invitees, licensees and occupants. The RME Covenants establish affirmative and negative covenants, conditions and restrictions for the Property.

The RME Covenants are set forth in order to protect the natural environment of the Property and all Owners’ quality of life and the collective interests, aesthetics and environment within the Property, and the vitality of and sense of community within RME and Iron Bluffs.

2. *Board Power.* Subject to the terms of this Section VII and to its duty of care and loyalty to the Association and its Owners, the Board of Directors shall implement, manage and enforce the RME Covenants. Prior to any such action, the Board of Directors shall conspicuously publish notice of the proposal at least five (5) business days prior to the Board of Directors meeting at which such action is to be considered. Voting Owners shall have a reasonable opportunity to be heard at a Board of Directors meeting prior to action being taken.

The Board of Directors shall have all powers necessary and proper, subject to its exercise of sound business judgment and reasonableness, to effect the powers contained in this Section VII(2).

The Board of Directors shall provide a copy of the RME Covenants then in effect to each Owner, which shall be a covenant running with the land and be binding on any Owner, their Immediate Family, Guests, invitees, assigns, successors or mortgagees. Any additional copies of the RME Covenants beyond the initial set delivered to each Owner shall be provided for a reasonable administrative fee.



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3. *Member's Power.* The voting Members, at a meeting duly called for such purpose as provided in the Bylaws, may at any time after twenty-four (24) months from the date of completion of the RME Improvements, adopt, repeal, modify, limit and expand the Design Rules and Guidelines or the RME Rules and Regulations by a vote of at least two-thirds (2/3) of the total number of Members eligible to vote.

4. *Owner's Acknowledgment.* All Owners are subject to the RME Covenants and are given notice that (a) their ability to use their Homestead is limited thereby, and (b) the Board of Directors and/or the voting Owners may add, delete, modify, create exceptions to, or amend the RME Covenants in accordance with their terms.

Each Owner by acceptance of a deed acknowledges and agrees that the use and enjoyment and marketability of his or her Homestead and the Property can be affected by this provision.

5. *Forebearer Accommodations.* The Forebearer Accommodations will be subject to certain rules determined by Declarant for their use to fairly allocate the use of the Forebearer Accommodations and to cover the costs and expenses of the Forebearer Accommodations. RME Forebearers are responsible for all costs and expenses related to the Forebearer Accommodations. In addition, Declarant anticipates that there will be a cleaning/make ready charge for each use of the Forebearer Accommodations. The rights and obligations related to the Forebearer Accommodations must be transferred to a subsequent purchaser of a RME Forebearers Homestead, unless otherwise agreed in writing by Declarant.

6. *Additional Ownership Rules.* The Forebearers of RME (collectively, "Original Forebearers") shall have the following rights: (i) Original Forebearers may share ownership of one (1) or more Homesteads, (ii) Original Forebearers and their Immediate Family shall have the right to use the Property and the RME Improvements, whether or not they individually or collectively own a Homestead, and (iii) so long as Original Forebearers collectively own a Homestead, Original Forebearers shall collectively pay annual assessments and special assessments passed in accordance with this Declaration in an amount equal to two (2) multiplied by the amount of annual assessments and special assessments for a single Homestead. In addition, each Original Forebearer shall be a member of the RME Association unless an Original Forebearer elects to resign such membership.

7. *Use Restrictions.* The following is a list of actions or activities that are prohibited unless expressly authorized by, and then subject to such conditions as may be imposed by the Board of Directors.

a. *Purpose.* The Property shall be used only for environmental, residential, recreational, and related purposes (which may include, without limitation, offices for any RME Manager retained by the Association or business offices for the Declarant or the Association consistent with this Declaration and any Supplemental Declaration). Any Supplemental Declaration or additional covenants imposed on the Property may impose stricter standards than



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those contained in this Section and the Association shall have standing and the power to enforce such standards.

b. *Business and Industries.* No Homestead or building or improvement erected thereon shall at any time be used for the purpose of conducting any industry, trade, profession, manufacturing or business of any description, or for hospitals, duplexes, apartment houses, or any other multiple dwelling houses, except that nothing herein shall preclude an Owner from maintaining and operating an in-home occupation out of the residence for example, but not limited to, computer business, sales, or professional business as long as visitor or client access or parking is not required. This restriction shall not apply to any activity conducted by the Association in connection with the (i) resale of any Homesteads, (ii) stable operations or the Equestrian Center, or (iii) other services provided to Members by the Association or third party contractors. Garage sales, moving sales, rummage sales, or similar activities shall not be permitted on the Property.

c. *Rental.* The Homesteads may be utilized for single family residences, or multiple families or owners. The Homesteads may be rented to third parties or used in any rental pool or any multiple ownership agreement.

d. *Guests.* Approved Guests of an Owner shall be permitted to enter or use the Property. The Association may establish rules that limit access to the facilities, amenities and activities of RME for Immediate Family other than a husband and wife (for example, adult children may have limited hunting rights or rights to use other amenities or facilities, unless accompanied by the Owner). The Property Manager must be notified of any Guests prior to their entering the Property through procedures set forth in the RME Rules and Regulations. All Guests are subject to the RME Covenants, and each Owner shall be responsible for the conduct, activities, liabilities and obligations of such Owner's Guest(s).

e. *Vehicle Parking.* Improvements on each Homestead shall provide for parking wholly within the Building Envelope of such Homestead and no motor vehicles, trailers, boats, etc. shall be placed or parked so as to impede or obstruct the pedestrians, vehicular traffic, view sheds, or the environmental quality along any road within the Property. Parking on driveways shall be limited to no more than ten (10) consecutive days without a pause of forty-eight (48) hours. Recreational or similar vehicles shall be stored in garages or in such a way that they cannot be seen from adjacent Homesteads or drives. No heavy equipment shall be kept on the Property, except during periods of construction activity thereon, unless the same are kept in an enclosed building. No work on automobiles or other vehicle repair may be performed in any visible or exposed portion of the Property except in emergencies.

f. *Sign Control.* No signs, real estate signage, billboards, posters or other advertising devices of any kind or character may be erected or displayed upon any of the Homesteads or the RME Property except for property addresses and name identification in the form set forth in the Design Rules and Guidelines.



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g. *Fencing.* The use of fencing around homes within the Homesteads is discouraged. If fences are constructed, they must be within the Building Envelope, and must be well constructed, neat in appearance, and meet all requirements set forth herein and in the Design Rules and Guidelines. All fencing around any home shall be constructed in accordance with the design of the home and this Declaration and shall be pre-approved by the Design Review Committee and be no more than four (4) feet in height. It is the intent of this provision to assure aesthetically pleasing fences in harmony with the surrounding environment and that do not obstruct view sheds. No front of house perimeter line fences for the Homesteads shall be allowed.

Fences must be composed of either stone columns, with wood cross braces or metal piping cross braces, wood posts with wood cross braces, or metal piping. If wood is used, the wood shall be kept in its natural color or painted black. If metal piping is used, such fences must either be in natural rust color or black. No solid wood fences are allowed.

h. *Other Improvements.* No above ground pools shall be constructed or placed on the Homesteads. The location of swing sets, jungle gyms or similar structures must be out of sight lines and approved by the Design Review Committee.

i. *Temporary Structures.* No structure of a temporary character, including but not limited to trailers, campers, motor homes, mobile homes (single wide or double wide), set together or expanding trailer houses, modular homes, tents, shacks, barns, or other temporary building, shall be constructed, placed or occupied on any Homestead at any time as a residence. Residential structures shall not be occupied until the exterior is completed and the water supply and septic systems are completed and operational. Construction trailers will be considered on a case-by-case basis by the Design Review Committee and/or the Board of Directors.

j. *Trash and Debris.* No uncovered trash, debris, or organic and inorganic wastes shall be permitted to accumulate so as to offend the senses on any Homestead, but shall be promptly and efficiently disposed of. No dump ground or burial pit shall be used on any part of the Property, unless used specifically for Association purposes with the approval of the Association. No trash, debris or other materials may ever be disposed of within the RME Property. Trash and debris must be placed in designated locations within the Property.

No lumber, metals, bulk materials, refuse, or trash shall be kept, stored, or allowed to accumulate on any Homestead, except building materials during the course of construction, which must be kept in a reasonable and orderly manner. No machinery or equipment shall be placed or operated upon any Homestead except such machinery as is used in the maintenance of a private residence or in agricultural or personal farming operations and provided that such machinery is enclosed by an enclosure which precludes visibility of such machinery or equipment from the drives or neighboring Homesteads, and provided such enclosure has been approved by the Design Review Committee. At no time shall abandoned



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equipment or machinery, vehicles or other trash or debris of any description be allowed to accumulate, including compost and/or manure piles.

k. *Mineral Exploration and Development.* Mining, quarrying, oil and gas drilling, seismic exploration or mineral exploration, development or excavation of any kind or nature shall not be permitted on any Homestead or the Property except in such locations on the Common Area as may be specifically identified by Declarant in an instrument or instruments recorded in the real property records of Boone County, Arkansas, or as otherwise agreed to by Declarant.

l. *Septic Systems.* All septic tanks, or other sewage disposal systems or devices must be installed and maintained and only in accordance with all applicable laws and the Design Rules and Guidelines. Such septic or similar systems must be approved in writing by the Design Review Committee prior to their construction.

m. *Weeds.* Offensive or unsightly weeds shall not be allowed to accumulate on any Homestead. Owners may only use herbicides that are approved for the Property and comply with the RME property, a list of such herbicides will be maintained by the RME Manager.

n. *Offensive Activities.* No offensive activity shall be carried on upon any Homestead, nor shall anything be done or placed on any Homestead which is or may become a nuisance or cause embarrassment, disturbance, or annoyance to others. Only normal family living shall be allowed, and communal living in any form or to any extent is expressly forbidden.

o. *Hazardous Activities.* No activities shall be conducted on the Common Area or on any Homestead and no improvements constructed thereon which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon the Property, except in (i) cases of self defense or defense of personal property, animals or family, (ii) at the Shooting Club in accordance with the RME Rules and Regulations, and (iii) during hunting season in designated areas in accordance with the RME Rules and Regulations.

p. *Fire; Open Flame; Smoking.* Fire poses a real threat to the natural environment of RME. As such, no activities involving welding, blow torches or other open flame shall be permitted except welding activities in connection with the construction or reconstruction of an approved fence or building improvement. Except for barbecues (which must be in areas approved by the Design Review Committee), outside fires are not allowed unless in a fire pit surrounded by stone or concrete surfaces approved by the Design Review Committee. Burning of trash, trees, brush or other materials shall not be permitted on the Property, unless specifically authorized by the Association. Smoking will not be permitted indoors at the RME Improvements. Cigarettes or cigars shall not be put out or thrown onto the



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Property, but must be fully extinguished and placed in a fire resistant trash receptacle. Fireworks are prohibited.

q. *Safety or Security Lighting.* No light shall be emitted from any Homestead which is unreasonably bright, or which faces outward toward the Common Area or any other Homestead. No dusk-to-dawn security/mercury lights will be allowed. All outside lighting shall be in compliance with the Design Rules and Guidelines.

r. *Unreasonable Sounds and Odors.* No sound shall be emitted from any Homestead which is unreasonably loud or annoying, including but not limited to outdoor stereos. No odor shall be emitted from any Homestead which is noxious or offensive to others. The intent of the Association is to maintain a quiet, peaceful environment for the Owners.

s. *Motorcycles and Off-Road Vehicles.* No motorcycles, all terrain vehicles, or other off-road vehicles may be used on the Property, except Polaris “rangers” or similar vehicles from other manufacturers. Use of electric vehicles similar to Polaris “rangers” is encouraged. In addition, the Association may require muffler equipment to reduce noise.

t. *Boats.* No boat greater than eight (8) feet in length may be permitted on any lake or body of water on the RME Property or common area, and no gasoline powered motors may be used on any watercraft. Only electric trolling motors, or human propulsion may be used for any boat on a lake or body of water on the RME Property or common area.

u. *Subdividing of Homesteads.* No Homestead or other property area created under any Supplemental Declaration, may be divided or subdivided or a fractional portion thereof sold or conveyed so as to be held in divided ownership unless approved by the Design Review Committee.

v. *Adjacent Homestead Ownership.* Two (2) or more adjacent Homesteads which are under the same ownership may be combined and developed as one parcel. A new building envelope for the combined Homesteads may be designated with the written consent of the Design Review Committee, if the Design Review Committee finds and determines that any improvements to be constructed within the new building envelope will not cause unreasonable diminution of the view from other property. If building envelopes are changed for combined Homesteads, the combined Homesteads shall be deemed one Homestead and may not thereafter be split and developed as two Homesteads. However, the combined Homesteads shall still be considered to be separate Homesteads for purposes of voting and assessments.

w. *Farm Animals.* No farm animals may be permanently kept at any Homestead. The Association, or a lessee of the Association, may maintain cattle, horses and at the election of the Association, sheep and goats on the Property; Owners may keep horses on the Property, subject to the rules below; no other farm animals are allowed on the Property. All



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horses owned by the Association or Members shall be stabled at the Equestrian Center, except for overnight periods at the Homestead while occupied by the Owner.

x. *Camping.* Camping will only be permitted in areas designated for camping by the Association. No campfires shall be allowed on the Property unless they are in fire pits designated for that use.

y. *Household Pets.* Except as set forth below, household pets such as dogs and cats are restricted to their Owner's Homestead and will be subject to permanent expulsion from the Property upon complaints by two (2) or more Owners, or upon a finding by the Board of Directors (or an individual or committee designated for such purpose by the Board of Directors) that said animal creates a nuisance, *i.e.* roaming, barking, etc. or dangerous condition. Owners may take their dogs throughout the Property (except in the area of the Shooting Club and subject to the RME Rules and Guidelines) provided such dog(s) is well trained and is not a nuisance to any other Owner or Guest. Owners assume full responsibility for any action, damage or liability caused by any dog, cat or other pet or animal owned by such Owner. No hazardous or dangerous animals, including but not limited to snakes, pit bulls or other animals that can cause injury to others may be kept on the Homesteads or other portions of the Property by any Owner or their Immediate Family, Guests, invitees, licensees and occupants.

z. *Utility Lines.* All utilities upon any Homestead for the transmission of utilities, telephone service, the reception of audio or visual signals or electricity, and all pipes for water, gas (if applicable), sewer, drainage, or other purposes, shall be installed and maintained below the surface of the ground, except for certain initial improvements constructed by Declarant or its designee.

aa. *Antennae.* No exterior antennas, aerials, satellite dishes or other apparatus for the transmission of television, radio, satellite or other signals of any kind shall be placed, allowed or maintained upon any portion of the Property, except that antennas or satellite dishes designed to receive direct broadcast satellite service, television broadcast signals or internet access, which are one meter or less in diameter, provided that any such antennae or satellite dish and its location must be approved by the Design Review Committee.

bb. *Landscaping.* Landscaping shall be confined to a one-quarter (1/4) acre area within the Building Envelopes of all Homesteads. The remainder of the Homesteads shall remain in their natural state. Landscaping should generally be limited to Arkansas native species. All landscaping, if any, should be in accordance with the Design Rules and Guidelines and maintained in a neat and clean appearance.

cc. *Trees.* Trees on any Homestead may be removed or trimmed or modified with the prior written consent of the Design Review Committee. Outside of the Building Envelope, trees or shrubs of any nature shall be cut, trimmed or removed with the prior written consent of the Design Review Committee. The intent of this provision is to ensure proper



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preservation of a precious resource and maintenance of a given view shed. Removal or trimming of trees may be further restricted based on established conservation guidelines to preserve natural habitats.

dd. *Irrigation of Homesteads.* Irrigation on landscaping maintained within the building envelope may be further restricted (such as number of days usage and time of day) by the Association for water conservation purposes.

ee. *Christmas Lights and Similar Lighting Decoration.* Lighting decoration is permitted on any Homestead for a period limited to November 20 through January 5. Lighting decoration is prohibited outside of these dates.

ff. *Water Wells.* Homesteads will be provided water via RME wells, individual wells may not be installed by Owner. Irrigation is limited to the one-quarter ( $\frac{1}{4}$ ) acre landscaping area and may be further limited as described above.

gg. *Off Road Driving.* Owners should generally drive vehicles on established drives on the Property and avoid crossing through pastures, woods or other native areas.

hh. *General Practices Prohibited.* The following practices are prohibited at the Property:

(i) Allowing construction suppliers and contractors to clean their equipment other than at a location designated for that purpose by the Design Review Committee;

(ii) Removing any rock, plant material, top soil or similar items from any property of others or from the Common Area;

(iii) Use of surface water or water from the lakes or ponds for construction or other purposes;

(iv) No smoking on the Property, except in the interior, porch or patio of a Homestead which has adequate ventilation; and

(v) No campfires or outside fires of any nature are allowed on the Property, except in fireplaces and outdoor fire pits surrounded by stone or concrete surfaces approved by the Design Review Committee.

8. *Structures and Improvements.* No improvements or Structures (including clearing, grading and planting) shall be commenced and no structure or improvement of any nature shall be constructed, placed, installed or erected on any Homestead, unless it meets the following minimum standards and complies with the Design Rules and Guidelines:



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a. None of the Homesteads may be used or improved for other than private residential purposes, and no more than one (1) single family dwelling and garage housing a maximum of four (4) motor vehicles shall be erected, placed or maintained on any Homestead. The total of all indoor, heated and cooled living space on any individual Homestead may not be less than two thousand five hundred (2,500) square feet (whether one or more structures). In special areas due to the location of the Homestead, a variance may be requested, however the Design Review Committee and the Board of Directors must approve such variance in their sole discretion.

b. No structures over the maximum height established in the Design Rules and Guidelines shall be allowed without prior written approval of the Board of Directors and the Design Review Committee. Any such approval shall take into consideration the site location of the proposed structure, aesthetics, and compliance with covenants. The above does not include reasonably-sized chimneys, weather vanes, etc. Restrictions for individual Homesteads, if any, will be included in the Design Rules and Guidelines.

c. Other than the garage, without the prior written consent of the Design Review Committee, there shall be no more than one outbuilding for storage and or living, which outbuilding shall not be less than five hundred (500) square feet, unless otherwise approved. All dwelling houses, garages, outbuildings, and other structures are subject to approval of the Design Review Committee. No building shall be constructed outside of the designated Building Envelope, unless otherwise approved by the Board of Directors and the Design Review Committee. All structures shall be completed within eighteen (18) months from start of construction.

d. Owner must begin homestead construction within thirty-six (36) months of lot purchase. Board of Directors and the Design Review Committee may extend construction commencement due to unforeseen and or special circumstances.

e. Only building materials permitted in the Design Rules and Guidelines may be used for any improvement constructed on a Homestead.

## **SECTION VIII: DESIGN REVIEW COMMITTEE**

1. *Design Review Committee.* The Design Review Committee (the “DRC”) shall be appointed as described below. The Declarant shall appoint the DRC for a period of three (3) years from the date of this Declaration, after which the DRC will be selected by the Board of Directors. The DRC shall be composed of either three (3) or five (5) Members as determined by the Board of Directors.

2. *Review.* The DRC shall review all structures for aesthetics, location on a Homestead, and compliance with covenants and shall be responsible for the administration of the



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Design Rules and Guidelines. The DRC may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review.

3. *Purpose and Intent of Committee.* The purpose of the DRC is to uphold the aesthetic and environmental integrity of RME. The DRC's intent is to aid the land Owners in the following areas:

a. Secure the most desirable structure location on each Homestead to preserve natural habitats, and to take advantage of the surrounding views while securing views and privacy from adjacent neighbors and from other areas of the Property.

b. Provide continuity between residence and any connected outbuilding, if any.

c. Provide architectural harmony between and among all residences while allowing for individuality.

d. Assist in avoiding substandard construction which could be aesthetically displeasing, generate costly corrective measures, as well as influence future resale options.

4. *Guidelines and Procedures.* The Declarant has prepared the Design Rules and Guidelines, which shall apply to all Structures and improvements within the Homesteads. The Design Rules and Guidelines may contain general provisions applicable to all of the Homesteads, as well as specific provisions which vary among Homesteads depending upon their location and unique characteristics.

Amendments to the Design Rules and Guidelines may be made: (i) by Declarant, if within twenty-four (24) months from the completion of the RME Improvements, or (ii) after twenty-four (24) months from the completion of the RME Improvements, in a regular or special meeting by the vote of voting Owners representing two-thirds (2/3) of the total votes in the Association. The DRC shall make the Design Rules and Guidelines available to Owners and builders who seek to engage in development or construction within any Homestead and all such persons shall conduct their activities in accordance with such Development Guidelines.

5. *Submission of Plans and Specifications.* No grading, vegetation removal, tree removal, construction or improvements of any kind shall be commenced, erected, placed, or maintained on any Homestead, nor shall any exterior addition, change, or alteration be made thereto, until the plans and specifications ("Plans") showing site layout, structural design, exterior elevations, exterior materials and colors, signs, landscaping, designated tree removal, drainage, lighting, irrigation, utility facilities layout, and screening therefor shall have been submitted to and approved in writing by the DRC. The Design Rules and Guidelines shall set forth the procedure for submission of the Plans.



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In reviewing each submission, the DRC may consider visual and environmental impact, ecological compatibility, natural platforms and finish grade elevation, harmony of external design with surrounding structures and environment, and location in relation to surrounding structures and plant life. The committee may require relocation of native plants within the construction site as a condition of approval of any submission.

If construction does not commence on a project for which Plans have been approved within six (6) months of such approval, such approval shall be deemed withdrawn, and it shall be necessary for the Owner to resubmit the Plans to the DRC for reconsideration.

8. *No Waiver of Future Approvals.* Each Owner acknowledges that the members of the DRC will change from time to time and that interpretation, application, and enforcement of this Declaration and the Design Rules and Guidelines may vary accordingly. Approval of proposals, plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings, or other matters subsequently or additionally submitted for approval.

9. *Variance.* The DRC may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions or aesthetic or environmental considerations require, but only in accordance with this Declaration and duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) stop the DRC from denying a variance in other circumstances. For purposes of this Section, the cost of compliance, or the terms of any financing shall not be considered warranting a variance.

10. *Limitation of Liability.* Review and approval of any application pursuant to this Section is made on the basis of aesthetic consideration only and the DRC shall not bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements. Neither the Declarant, the Association, the Board of Directors, the DRC, any committee or member of any of the foregoing shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction on any Homestead.

11. *Enforcement.* Any Structure or improvement placed or made in violation of this Section shall be deemed to be nonconforming. Upon written request from the Board of Directors or the Declarant, Owners shall, at their own cost and expense, remove such Structure or improvement and restore the land to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore as required, the Declarant or the Board of Directors or their designees shall have the right to (i) immediate injunctive relief and/or (ii) enter the property, remove the violating Structure or improvement and restore the property to substantially the same condition as previously existed. All costs, together with the



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interest at the maximum rate then allowed by law, may be assessed against the benefited Homestead and collected as a specific assessment.

Any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and provisions of this Section and the Design Rules and Guidelines may be excluded by the Declarant or the Board of Directors from the Property. In such an event, neither the Declarant, the Association, the DRC or any officers, directors or members of the foregoing shall be held liable to any person for exercising the rights granted by this paragraph.

In addition to the foregoing, the Association shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Section and the decisions of the DRC, including but not limited to, injunctive relief and specific performance.

## **SECTION IX: PARTITION AND ANNEXATION OF PROPERTY; ADDITIONAL HOMESTEADS**

1. *No Partition.* Except as permitted in this Declaration, there shall be no judicial partition of the Property. This Section IX shall not prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring and disposing of real property which may or may not be subject to this Declaration.

2. *Annexation.* The Association may subject real property to the provisions of this Declaration with the consent of the owner of such property, and the affirmative vote of a majority of the Owners of the Association represented at a meeting duly called for such purpose. In addition, Declarant may amend this Declaration by adding additional real property to the Declaration (in conjunction with the affiliate of Declarant that owns such property).

Such annexation shall be accomplished by filing a Supplemental Declaration in the land records of Boone County, Arkansas, describing the property to be annexed and specifically subjecting it to the terms of this Declaration (the "Supplemental Declaration"). Any such Supplemental Declaration shall be signed by the President and the Secretary of the Association, and by the owner of the annexed property (or by Declarant, if initiated by Declarant). Any such annexation shall be effective upon the filing of such Supplemental Declaration unless otherwise provided therein.

## **SECTION X: EASEMENTS**

1. *Easements for Maintenance.* There shall be reciprocal easements for maintenance between each Homestead and any adjacent Common Area in connection with general maintenance of the Property.

2. *Easements for Utilities, Etc.* There are hereby reserved unto the Association, access and maintenance easements upon, across, over, and under all of the Property to the extent



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reasonably necessary for the purpose of installing, replacing, relocating, repairing and maintaining drives, walkways, bicycle pathways, trails, ponds, wetlands, drainage systems, signage, and all utilities, including, but not limited to, water, meter boxes, telephone, gas, and electricity. This easement shall not entitle the holders to construct or install any of the foregoing systems, facilities, or utilities over, under, or through any dwelling on a Homestead, and any damage to a structure or improvement resulting from the exercise of this easement shall promptly be repaired by, and at the expense of, the person exercising the easement. The exercise of this easement shall not unreasonably interfere with the use of any Homestead and, except in an emergency, entry onto any Homestead shall be made only after reasonable notice to the Owner or occupant.

Declarant specifically grants to the local water supplier and electric company, easements across the Common Area in such areas to be agreed by Declarant in writing for ingress, egress, installation, reading, replacing, repairing and maintaining utility meters and boxes. However, the exercise of this easement shall not extend to permitting entry into the dwelling on any Homestead, nor shall any utilities be installed or relocated on the Property except as approved by the Board of Directors or Declarant.

3. *Easements for Cross-Drainage.* Every Homestead and the Common Area shall be burdened with easements for natural drainage of stormwater runoff from other portions of the Property; provided no person shall alter the natural drainage on any Homestead so as to materially increase the drainage of stormwater onto adjacent portions of the Property without the consent of the Owner of the affected property.

4. *Right of Entry.* The Association shall have the right, but not the obligation, to enter upon any Homestead for emergency, security, and safety reasons, to perform maintenance or other work pursuant to the RME Covenants, and to inspect for the purpose of ensuring compliance with the RME Covenants, which right may be exercised by any member of the Board of Directors, the Association, officers, agents, employees, and managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right of the Association to enter upon any Homestead to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition within a reasonable time after requested by the Board of Directors, but shall not authorize entry into any single-family, detached dwelling without permission of the Owner, except by emergency personnel acting in their official capacities.

5. *Owner Easements of Access.* Every Owner has a perpetual, non-exclusive easement for access to and from his Homestead along the drives on the Property, which easement is appurtenant to and will pass with the title to every Homestead.



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6. *Emergency Access Easement.* A general easement is hereby granted to all police, sheriff, fire protection, ambulance, and all other similar emergency agencies or persons to enter upon all drives and upon the Property in the proper performance of their duties.

## **SECTION XI: MORTGAGEE PROVISIONS**

1. *Cure of Delinquent Assessments.* A First Mortgagee will be entitled to cure any delinquency of the Owner of the Homestead encumbered by the First Mortgagee in the payment of assessments. In that event, the First Mortgagee will be entitled to obtain a release from the lien imposed or perfected by reason of such delinquency.

a. *Title Taken by First Mortgagee.* Any First Mortgagee who obtains title to a Homestead pursuant to the remedies provided in the First Mortgage, including foreclosure of the First Mortgage, will be liable for all assessments due and payable as of the date title to the Homestead vests in the First Mortgagee under the statutes of Arkansas governing foreclosures. Except as may otherwise be provided by statute, such First Mortgagee will not be liable for any unpaid assessments attributable to the Homestead which were due and payable prior to the date such title vests in the First Mortgagee.

b. *Declarant Right to Cure.* If an Owner is in default under any loan secured in whole or in part by a Homestead, Declarant shall have the right to cure the default on behalf of Owner and upon Declarant's cure of the default, Owner shall convey the Homestead to Declarant, subject to the mortgage, with no other consideration other than Declarant's cure of the default.

## **SECTION XII: DECLARANT'S RIGHTS**

Any or all of the rights and obligations of the Declarant set forth in this Declaration or the Bylaws may be transferred to other persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained in this Declaration or the Bylaws. No such transfer shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the land records of Boone County, Arkansas.

No person shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Property without Declarant's review and written consent. Any attempted recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by recorded consent signed by the Declarant.

This Section may not be amended without the written consent of the Declarant.



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## SECTION XIII: DISPUTE RESOLUTION AND LIMITATION ON LITIGATION

1. *Agreement to Avoid Costs of Litigation and to Limit Right to Litigate Disputes.* The Association, Declarant, Owners and all persons subject to this Declaration, and any person not otherwise subject to this Declaration who agrees to submit to this Section (collectively “Bound Parties”) agree to encourage the amicable resolution of disputes involving the Property, and to avoid the emotional and financial costs of litigation if at all possible. Accordingly, each Bound Party covenants and agrees that all claims, grievances or disputes between such Bound Party and any other Bound Party involving the Property, including, without limitation, claims, grievances or disputes arising out of or relating to the interpretation, application, or enforcement of the RME Covenants or the Bylaws or the Articles of Incorporation (collectively, “Claim”), except for those Exempt Claims set forth in Section XIII(2) shall be subject to the procedures set forth in this Section XIII.

2. *Exempt Claims.* The following Claims (“Exempt Claims”) shall be exempt from provisions of this Section XIII:

a. Any suit by the Declarant or the Association against any Bound Party to enforce the provisions of Section III;

b. Any suit by the Association or the Declarant to obtain a temporary restraining order (or equivalent emergency equitable relief) and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association’s or the Declarant’s ability to enforce the provisions of Sections VII and VIII;

c. Any suit between Owners (other than the Declarant) seeking redress on the basis of a Claim which would constitute a cause of action under the laws of the State of Arkansas in the absence of a claim based on the RME Covenants, Bylaws, Articles of Incorporation or the RME Rules and Regulations, if the amount in controversy exceeds two thousand five hundred dollars (\$2,500). Any Bound Party having an Exempt Claim may submit it to the alternative dispute resolution procedures set forth in Section XIII(3), but there shall be no obligation to do so.

3. *Mandatory Procedures for All Other Claims.* Any Bound Party having a Claim (“Claimant”) against any other Bound Party (“Respondent”), other than an Exempt Claim shall not file suit in any court or initiate any proceeding before any administrative tribunal seeking redress or resolution of such Claim until it has complied with the following procedures:

a. *Notice.* The Claimant shall notify each Respondent in writing of the Claim (the “Notice”), stating plainly and concisely:



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i. The nature of the Claim, including date, time, location, persons involving, Respondent's role in the Claim, and the provisions of the RME Covenants, the Bylaws, the Articles of Incorporation or other authority out of which the Claim arises;

ii. What Claimant wants Respondent to do or not do to resolve the Claim; and

iii. That Claimant wishes to resolve the Claim by mutual agreement with Respondent, and is willing to meet in person with Respondent at a mutually agreeable time and place to discuss in good faith ways to resolve the Claim.

b. *Negotiation*

i. Each Claimant and Respondent (the "Parties") shall make a reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation.

ii. Upon receipt of a written request from any Party, accompanied by a copy of the Notice, the Board of Directors may appoint a representative to assist the Parties in resolving the dispute by negotiation, if in its discretion it believes its efforts will be beneficial to the parties and to the welfare of the community.

c. *Mediation*

i. If the Parties do not resolve the Claim through negotiation within thirty (30) days of the date of the Notice (or without such other period as may be agreed upon by the Parties) ("Termination of Negotiations"), Claimant shall have thirty (30) additional days within which to submit the Claim to mediation to an independent agency providing mediation services upon which the Parties may mutually agree. If the Parties cannot agree on a mediator, each Party shall select a mediator and the two (2) mediators shall select a third mediator that will mediate the dispute.

ii. If Claimant does not submit the Claim to mediation (or at least select the Claimant's choice for mediator if the Parties cannot decide who will mediate the dispute) within 30 days after Termination of Negotiations, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to persons not a Party to the foregoing proceedings.

d. *Final and Binding Arbitration*

i. If the Parties do not resolve the Claim through mediation, the Claimant shall have thirty (30) days following termination (as determined by the mediator) of



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mediation proceedings (“Termination of Mediation”) to submit the Claim to arbitration in accordance with the Commercial Rules of Arbitration of the American Arbitration Association or the Claim shall be deemed abandoned, and Respondent shall be released and discharged from any and all liability to Claimant arising out of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to persons not a Party to the foregoing proceedings.

ii. This subsection (d) is an agreement of the Bound Parties to arbitrate all Claims except Exempt Claims and is specifically enforceable under the applicable arbitration law of the State of Arkansas. The arbitration award (the “Award”) shall be final and binding, and judgment may be entered upon it in any court of competent jurisdiction to the fullest extent permitted under the laws of the State of Arkansas.

#### 4. *Allocation of Costs Resolving Claims.*

a. Each Party shall bear all of its own costs incurred prior to and during the proceedings described in Section XIII(3)(a), (b) and (c), including the fees of its attorney or other representative. Each Party shall share equally all charges rendered by the mediator(s) pursuant to Section XIII(3).

b. Each Party shall bear all of its own costs (including the fees of its attorney or other representative) incurred after the Termination of Mediation under Section XIII(3) and shall share equally in the costs of conducting the arbitration proceeding (collectively, “Post Mediation Costs”), except as otherwise provided in this subsection; provided, however, if the Claim is rejected in whole or in part, the Claimant shall pay all Post Mediation costs, including the costs incurred by Respondent.

5. *Enforcement of Resolution.* If the Parties agree to resolve any Claim through negotiation or mediation in accordance with Section XIII(3) and any Party thereafter fails to abide by the terms of such Agreement, or if the Parties agree to accept the Award following arbitration and any Party thereafter fails to comply with such Award, then any other Party may file suit or initiate administrative proceedings to enforce such Agreement or Award without the need to again comply with the procedures set forth in Section XIII(3). In such event, the Party taking action to enforce the Agreement or Award shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from any or all such Parties) all costs incurred in enforcing such agreement or Award, including, without limitation, attorneys’ fees and court costs.

## **SECTION XIV: GENERAL PROVISIONS**

1. *Term.* This Declaration shall run with and bind the Property, and shall insure to the benefit of and shall be enforceable by the Association or any Owner, their respective legal representatives, heirs, successors, and assigns, for a term of fifty (50) years from the date this Declaration is recorded. After such time, this Declaration shall be automatically extended for



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successive periods of ten (10) years, unless an instrument in writing, signed by at least three-fourths (3/4) of the then Owners, has been recorded within the year preceding each extension, agreeing to amend, in whole or in part, or terminate this Declaration, in which case this Declaration shall be amended or terminated as specified therein.

## 2. *Amendment.*

a. *By Declarant.* The Declarant may unilaterally amend this Declaration if such amendment is (i) necessary to bring any provision into compliance with any applicable governmental statutes, rule, regulations or judicial determination; (ii) necessary to enable any reputable title insurance company to issue title insurance coverage on the Homesteads; (iii) required by mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable it to make, purchase, insure, or guarantee mortgage loans on the Homesteads; (iv) otherwise necessary to satisfy the requirements of any governmental agency; or (v) made prior to the time Declarant relinquishes control of the Association, as provided in Section II, provided the amendment has no material adverse effect upon any right of any Owner. In addition, the Declarant may amend this Declaration to add additional property for Phase II, as provided in Section IX.

b. *By Owners.* After completion of construction of the RME Improvements, and otherwise, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of voting Owners representing three-fourths (3/4) of the total votes in the Association.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause; in addition, some provisions require Declarant approval for amendment.

c. *Validity and Effective Date of Amendments.* Amendments to this Declaration shall become effective upon recordation in the real property records of Boone County, Arkansas, unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within three (3) months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

If an Owner consents to any amendment to this Declaration or the Bylaws, it will be conclusively presumed that such Owner has the authority to so consent, and no contrary provisions in any mortgage or contract between the Owner and a third party will affect the validity of such amendment.

No amendment may remove, revoke or modify any right or privilege of the Declarant without the written consent of the Declarant or the assignee of such right or privilege.



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3. *Severability.* Invalidation of any provision of this Declaration, in whole or in part, or any application of a provision of this Declaration by judgment or court order shall in no way affect other provisions or application.

4. *Perpetuities.* If any of the covenants, conditions, restrictions or other provisions of this Declaration shall be unlawful, void or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now-living descendants of Wilburn Thompson III and Tyson King.

5. *Litigation.* No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of a majority of the voting Owners. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens); (b) the imposition and collection of assessments as provided in Section III; (c) proceedings involving challenges to ad valorem taxation; or (d) counterclaims brought by the Association in proceedings instituted against it.

6. *Right of First Refusal/Restrictions.* Any Owner desiring to sell or otherwise transfer title to his or her Homestead shall give prior written notice to the President of the Association and to each of the members of the Board of Directors of the Association and to Biliah, LLC dba Iron Bluffs of the Owner's desire to sell and the price upon which the Owner desires to sell (the "Sale Notice"). For a period of forty-five (45) days after each of the foregoing have received the Sale Notice, Iron Bluffs and the Association shall have the right to purchase such Owner's Homestead on the terms set forth in the Sale Notice. If both Iron Bluffs and the Association desire to purchase on the terms set forth in the Sale Notice, Iron Bluff's right to purchase shall prevail. Iron Bluffs or Association, as applicable, shall exercise the right to purchase by delivering written notice to such Owner prior to the expiration of such forty-five (45) day period. If neither Iron Bluffs nor the Association replies to Owner in writing to purchase the Homestead within such forty-five (45) day period, Iron Bluffs and the Association shall be deemed to have elected not to purchase the Owner's Homestead, and the Owner may sell the Homestead to a third party under the same terms offered to Iron Bluffs and the Association. If the sale is not consummated within nine (9) months after being submitted to the Association, or if the price is reduced by more than ten percent (10%), the right of first refusal shall be reinstated. The terms of this paragraph shall be binding upon any subsequent purchaser of the Homestead. Any sale of a Homestead must also include the Owner's interest in the Association. In addition, an Owner may not sell its interest in the Association without also selling its Homestead to the same purchaser. In no event may an Owner advertise the sale of a Homestead in any newspaper, trade journal or on an internet site. In addition, in the event of the sale of a Homestead and interest in the Association, the Owner shall pay the Association a transfer fee equal to (a) five percent (5%) of the sales price of (i) the Owner's interest in the Association and (ii) the Homestead and any improvements thereon if the transfer is to any Non-Family Member (as defined below), or (b) one percent (1%) of the sales price of (i) the Owner's interest in the



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Association and (ii) Homestead and any improvements thereon if the transfer is to a son, daughter, father, mother, sibling or grandchild of a Owner (a “Family Member,” and any individual or entity that is not a Family Member is a “Non-Family Member”).

IN WITNESS WHEREOF, the undersigned being the Declarant herein, has executed this Declaration this 3<sup>rd</sup> day of July, 2021.

BILIAH, LLC dba IRON BLUFFS  
an Arkansas company

\_\_\_\_\_  
By: Willie Thompson, Co-Forebearer

\_\_\_\_\_  
By: Tyson King, Co-Forebearer



# IRON BLUFFS

STATE OF ARKANSAS §

§

COUNTY OF BOONE §

BEFORE ME, the undersigned authority, on this day personally appeared Willie Thompson and Tyson King, Co-Forebearers of Biliah, LLC dba Iron Bluffs and Round Mountain Estates Development, known to me to be the person and officers whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, as the act and deed of said corporation, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 3<sup>rd</sup> day of July, 2021.

\_\_\_\_\_  
Notary Public, State of Arkansas

\_\_\_\_\_  
(Typed or Printed Name of Notary)

My Commission Expires: \_\_\_\_\_



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## Exhibit A

