

**BILL OF ASSURANCE
HURRICANE LAKE ESTATES
PHASE V**

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, HURRICANE LAKE ESTATES DEVELOPMENT CO., an Arkansas corporation (referred to herein as "Developer"), is the owner of the following property:

SEE EXHIBIT "A"

Saline County, Arkansas ("Hurricane Lake Estates Phase V"); and

WHEREAS, Developer has caused to be incorporated Hurricane Lake Estates Property Owners Association, Inc. for the purpose of administering and enforcing the covenants and restrictions set forth in this Bill of Assurance and maintaining and preserving the common areas, roadways and amenities in Hurricane Lake Estates Phase V and such additional properties as may be dedicated by the Developer pursuant to the provisions of this Bill of Assurance; and

WHEREAS, all owners of lots within Hurricane Lake Estates Phase V will be members of Hurricane Lake Estates Property Owners Association, Inc. as provided for herein; and

WHEREAS, it is deemed advisable that all of the property shown on the Plat hereinafter mentioned be subdivided into building lots, tracts and streets as shown on the Plat, and that said property be held, owned and conveyed subject to this Bill of Assurance in order to enhance the value of Hurricane Lake Estates Phase V and such additional phases.

NOW THEREFORE, Developer, for and in consideration of the benefits to accrue to it, its successors and assigns, which benefits it acknowledges to be of value, has caused to be made a plat, showing a survey made by Crafton, Tull & Associates, Inc., Registered Land Surveyors dated and showing the boundaries and dimensions of the property now being subdivided into lots, tracts and streets (the "Plat").

There is shown on said Plat certain easements for drainage, and utilities which Developer hereby donates and dedicates to and for the use of public utilities, the same being, without limiting the generality of the foregoing, electric power, gas, telephone, water, sewer and cable television with the right hereby granted to the persons, firms or corporations engaged in the supplying of such

utilities to use such easements, and to have free ingress and egress for the installation, maintenance, repair and replacement of such utility services. Additionally, Developer hereby grants to the public utilities the right to use these dedicated areas for utility easements provided such public improvements are maintained by said public utilities.

The filing of this Bill of Assurance and Plat for record in the office of the Circuit Clerk and Ex-Officio Recorder of Saline County shall be a valid and complete delivery and dedication of the easements subject to the limitations herein set out.

The lands designated as residential on the Plat shall be forever known as:

Lots 1 through 41, Phase V

Hurricane Lake Estates, Saline County, Arkansas, and any and every deed of conveyance of any lot in the Hurricane Lake Estates Phase V describing the same by the lot number and block shown on said Plat shall always be deemed a sufficient description thereof.

The following words when used in this Bill of Assurance (unless the context shall indicate a contrary intention) shall have the following meanings:

(a) "Association" or "POA" shall mean and refer to Hurricane Lake Estates Property Owners Association, Inc., its successors and assigns.

(b) "The Property" shall mean and refer to that property described on Exhibit "A" which is subject to this Bill of Assurance.

(c) "Common Areas" shall mean the parks, pedestrian paths, playgrounds, open spaces, and possibly bridal paths and equestrian facilities and all other real property and improvements within Hurricane Lake Estates reserved by Developer for the common use of the owners of real property in Hurricane Lake Estates, and the fixtures thereon and appurtenances thereof.

(d) "Hurricane Lake" shall mean a certain body of water owned by the Developer existing below the 400 foot contour as reflected on the Plat.

(e) "Hurricane Lake Estates" shall mean Phase V, combined with the previously platted Phase 1 & 2 3, 4 and 6 (VI), together with such additional properties as may be added by the Developer pursuant to the provisions of this Bill of Assurance.

(f) "Site" or "Lot" shall mean and refer to any platted lot within the Property which may be purchased by any person or owned by the Developer or any 1/5 acre of unplatted property owned by the Developer within the Property.

(g) "Owner" shall mean and refer to the record owner, except Developer, whether one or more persons or entities, of a fee simple title to any Site or the holder of an equitable interest in any

Site which is a part of the Property, but excluding those having such interest merely as security for the performance of an obligation.

(h) "Member" shall mean and refer to any Owner who by virtue of holding fee simple or equitable title to any Site is a Member of the Association. If any Owner holds title to more than one Site then the Owner shall hold memberships equal to the number of Sites owned.

(i) "Architectural Control Committee" shall mean the committee appointed pursuant to Section 11 of this Bill of Assurance.

(j) "Board" shall mean the Board of Directors of the Association.

(k) "Developer" shall mean Hurricane Lake Estates Development Co., its successors and assigns.

The lands herein platted and any interest therein shall be held, owned and conveyed subject to and in conformity with the following covenants and restrictions:

1. Additions to Hurricane Lake Estates. Additional lands of Developer may become subject to this Bill of Assurance and added to Hurricane Lake Estates in the following manner: Developer shall have the right but not the obligation to bring within Hurricane Lake Estates additional properties, regardless of whether or not said properties are presently owned by Developer, as future phases of the Hurricane Lake Estates, provided that such additions become subject to assessments of the Hurricane Lake Estates Property Owners Association, Inc. UNDER NO CIRCUMSTANCES shall this Bill of Assurance bind Developer to make the proposed additions or to adhere to the provisions of this Bill of Assurance. Developer shall not be precluded from conveying lands not subject to this Bill of Assurance free and clear of this Bill of Assurance. Any additional phases added to Hurricane Lake Estates shall be made by filing of record an additional Bill of Assurance with respect to the additional property. The additional Bill of Assurance may contain such complimentary additions and modifications of the provisions of this Bill of Assurance necessary to reflect the different character, if any, of the added properties. In no event shall such additional Bill of Assurance revoke, modify or add to the covenants established by this Bill of Assurance as to the property herein described. No entity, other than Developer or its successors and assigns, shall have the right to subject additional lands to Hurricane Lake Estates unless Developer shall indicate in writing that such additional lands may be included.

2. Use of Land. The residential lots herein platted shall be held, owned and used only as residential building sites. No structures shall be erected, altered, placed or permitted to remain on any residential site other than a single detached single-family residence.

3. Architectural Control. No improvement shall be constructed or maintained upon any lot and no alteration or repainting to the exterior of a structure shall be made and no landscaping performed unless approved by the Architectural Control Committee.

4. Development Control. Until ninety percent (90%) of all Sites in all Phases (Phase V and such additional properties as may be dedicated by the Developer) or until the year 2040, whichever last occurs, the control of the Hurricane Lake Estates Property Owners Association, Inc. shall be by the Developer as an administrator. The Developer may, at its option, relinquish its right and duty to act as an administrator at any time upon the filing of a written instrument recorded in the Office of the Recorder for Saline County, Arkansas. Upon the happening of any event described in this paragraph, the Developer shall delegate, convey and transfer to the POA all authority, rights, privileges and duties herein reserved by the Developer.

5. POA Membership. Every person, persons or entity who owns any Site, including a builder or contractor, shall be a member of the Association (hereinafter referred to as "Member"), and shall abide by its Articles of Incorporation, By-Laws and Rules and Regulations. Membership shall be appurtenant to and may not be separated from ownership of any Site. The POA shall be governed by its Articles of Incorporation and By-Laws. There shall be only one (1) membership per lot which shall entitle the owner and the immediate members of his household to the rights and privileges granted by this Bill of Assurance. Provided, however; any purchaser, who possesses a valid Residential Building Contractor's License issued by the State of Arkansas and such licensee is in good standing with the State Contractor's Licensing Board at the time of the purchase and who purchases lots in Phase V directly from the Developer for the purpose of building homes upon such lots and reselling such lots to the general public, shall be exempt from paying any POA dues for a period of two years from the date of the filing of the final plat with the Saline County Real Property Records or until such lot is sold to a purchaser, whichever occurs first. However, if any subsequent purchaser possessing a valid Residential Building Contractor's License issued by the State of Arkansas and such licensee is in good standing with the State Contractor's Licensing Board at the time of the purchase, purchases a lot from a Licensee for the purpose of building a home upon such lot and reselling such lot to the general public and who is exempt from POA dues under the provisions described immediately above, shall also be exempt from paying any POA dues for the remainder of the original two-year period of time from the date of the filing of the final plat with the Saline County Real Property Records or until such subsequent Licensee purchaser sells the lot to a subsequent purchaser, whichever occurs first.

In addition, if any purchaser, who purchases lots in bulk, defined as more than two (2) lots within Phase V at a simultaneous closing for such lots, from the Developer for the purpose of building homes upon such lots and reselling such lots to the general public, shall only pay dues on two (2) lots for a period of two years from the date of the filing of the final plat for Phase V with the Saline County Real Property Records. In addition, If any purchaser purchases lots in bulk from the bulk purchaser, who is exempt from POA dues due to their bulk purchase from the Developer, shall also be exempt from paying any POA dues for the remainder of the original two-year period of time from the date of the filing of the final plat for Phase V in the Saline County Real Property Records. At the point of purchase, the bulk purchaser must identify the lots that the bulk purchaser will pay dues upon. Upon such designation, dues must be paid upon such lots, even if sold to subsequent bulk purchaser. Thus, the lots so identified shall remain dues paying lots and in no event shall such lots ever become exempt from the POA dues.

Any purchaser who is exempt from POA dues under this Paragraph shall be members of the Hurricane Lake Estates POA and shall be subject to any and all rules and regulations promulgated by the Hurricane Lake Estates POA; provided, however, due to the fact that such purchasers are exempt from paying dues to the POA, the exempt purchasers shall not possess voting rights, or any other rights or privileges held by members of the POA, on any lots that such purchaser is exempt from paying POA dues. A bulk purchaser shall have all rights that accrue to members of the POA on any lots for which such purchaser is paying POA dues.

6. Rights to Common Properties. Every Member shall have a non-exclusive right and easement of enjoyment in and to the Common Areas. This easement of enjoyment shall be appurtenant to and shall pass with the title to every Site.

7. Rights to Hurricane Lake. The Developer grants to the Members of the POA a non-exclusive easement to use and enjoy the Lake under and subject to the provisions of this Bill of Assurance, the Architectural Control Guidelines and such rules and regulations as may be adopted by the Board of the POA.

8. Maintenance Assessments and Liens. By acceptance of a deed or by execution of a real estate contract, each Owner of a Site, other than the Developer, shall be deemed to covenant and agree to pay to the POA all monthly, all annual assessments or charges and all special assessments, together with interest and costs of collection, if any, which amounts shall be a charge on the land and shall be a continuing lien upon the Site. Developer shall not be obligated for assessment or charge to the POA by virtue of its ownership of Sites. Each assessment, together with interest, cost of collection and reasonable attorneys' fees, if any, shall also be the personal obligation of the Owners, other than Developer, of the Site at the time when the assessment or special assessment becomes due. The POA's entitlement to lien for delinquent assessments shall survive any transfer of title.

The lien for assessments and special assessments shall be subject to and subordinate to the lien of any recorded first mortgage or Deed of Trust.

9. Exempt Property. The Common Areas as designated on the Plat, all Common Areas subsequently added to the Property and any areas which are designated for the common use of the owners of Sites in a particular phase, and all portions of the Property owned or otherwise dedicated to any municipality or political subdivision shall be exempt from the assessments and liens of the POA.

10. Architectural Control Committee. (a) The POA shall have an Architectural Control Committee, consisting of at least three (3) and not more than five (5) members who shall be natural persons and who shall serve at the pleasure of the Developer. The members of the Architectural Control Committee, and all vacancies, shall be appointed by Developer as long as the Developer shall own any of the areas designated as residential on the Plat or on any additional plat of future phases. Developer shall have the right to relinquish control of the Architectural Control Committee to the POA to be overseen by its Board of Directors, at which time the Board of Directors will

establish the criteria for and the method of selection to the Committee.

(b) Function of Architectural Control Committee. No improvement shall be constructed or maintained upon any Site and no alteration or repainting to the exterior of a structure shall be made and no landscaping performed unless complete plans, specifications, and Site plans showing the exterior design, height, building material and color scheme, the location of the structure plotted horizontally and vertically, the location and size of driveways, the general plan of landscaping, fencing walls and the grading plan shall have been submitted to and approved in writing by the Architectural Control Committee. A copy of the plans, specifications, and lot plans as finally approved shall be deposited with the Architectural Control Committee. No trees shall be removed unless such removal is in compliance with this bill of assurance and the Design Guidelines and rules established by the Architectural Control Committee. The Architectural Control Committee shall have the power to employ parties to assist it in discharging its duties to be paid by the Association. The decisions of the Architectural Control Committee shall be final, conclusive, and binding upon the applicant.

(c) Content of Plans and Specifications. The plans and specifications to be submitted and approved shall include the following:

1. Site Plan (scale 1"=30' or larger) showing:
Existing and finish contour grades, finish floor grade, location of all improvements, structures, walks, driveways, parking areas, fences, walls, utility connections and, if applicable, the grinder tank location.
2. Foundation Plan (scale 1/4"=1').
3. Floor Plan (scale 1/4"=1').
4. Exterior Elevation of all sides, showing materials, grades, wall height, and roof pitch.
5. Wall Sections, showing materials, and ceiling heights.
6. Landscaping Plan (scale 1"=30' or larger) showing:
Plant names, sizes, quantity, watering system, ground cover, driveways, walks, parking areas, fences, mailboxes and exterior illumination system.

(d) Definition of "Improvement". Improvement shall mean and include all residences, buildings, roofed structures, parking areas, fences, walls, hedges, mass planting, landscaping, poles, towers, antennae, driveways, lakes, swimming pools, tennis courts, signs, gazebos, changes in any exterior color or shape, glazing or reglazing of exterior windows with mirrored or reflective glass, and any other exterior construction or exterior improvement which materially alters the appearance of the property. The definition does not include garden shrub or tree replacements or any other replacement or repair of any magnitude which does not materially change exterior colors or exterior appearances.

(e) The Basis of Approval. Approval of plans and specifications shall be based on, among other things, adequacy of Site dimensions, structural design, conformity and harmony of external design and of location with neighboring structures and Sites, and conformity to both the specific and general intent of the protective covenants. From time to time the Architectural Control Committee shall establish certain architectural guidelines which shall be approved by the Board (the "Architectural Guidelines"). All plans and specifications must comply with the Architectural Guidelines then in force and effect. However, the Architectural Control Committee may approve

exceptions to the Architectural Guidelines by a unanimous vote. The current Architectural Guidelines shall be available at the office of the POA or the office of the Developer.

(f) Majority Vote. A majority vote of the Architectural Control Committee is required for approval or disapproval of proposed improvements. If plans and specifications are not sufficiently complete or are otherwise inadequate, the Architectural Control Committee may reject them entirely, partially or conditionally approve.

(g) Limitation of Liability. Neither the Developer, the POA, the Architectural Control Committee nor any of its members shall be liable, in damages or otherwise, to anyone submitting plans and specifications for approval or to any Owner of land affected by this Bill of Assurance by reason of mistake of judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any plans and specifications.

(h) Reasonable Fee. The Architectural Control Committee may charge any Owner a reasonable fee for its services in reviewing that Owner's proposed plans and specifications.

11. Maintenance. (a) Duty of Maintenance. Owners and occupants (including lessees) of any lot shall jointly and severally have the duty and responsibility, at their sole cost and expense, to keep that lot so owned or occupied, including buildings, improvements and grounds in a well-maintained, safe, clean and attractive condition at all times. Maintenance includes, but is not limited to, the following:

Prompt removal of all litter, trash, refuse and waste.

Lawn mowing.

Tree and shrub pruning.

Watering.

Keeping exterior lighting and mechanical facilities in working order.

Keeping lawn and garden areas alive, free of weeds, and attractive.

Keeping parking areas and driveways in good repair.

Complying with all governmental health and police requirement.

Repainting of improvements.

Repair of exterior damages to improvements.

Repair of all damage to fences.

(b) Enforcement. If in the opinion of the Board of Directors of the POA, any Owner or occupant has failed in any of the foregoing duties or responsibilities, then the Board may provide written notice of that failure, giving the Owner or occupant thirty (30) days from receipt to perform the care and maintenance required. Should any person fail to fulfill this duty and responsibility within the thirty (30) day period, then the POA, through its authorized agent or agents, shall have the right and power to enter onto the premises and perform needed care and maintenance without any liability for damages for wrongful entry, trespass or otherwise to any person. The Owners and occupants (including lessees) of any lot on which work is performed shall jointly and severally be liable for the cost of the work and shall promptly reimburse the POA for all costs. If the POA has not been reimbursed within thirty (30) days after invoicing, the indebtedness shall be a debt of the Owners and occupants of the lot, jointly and severally, and shall constitute a lien against the lot on which the work was performed. This lien shall have the same attributes as the lien for assessments

and special assessments set forth in section 9 hereof, and the POA shall have identical powers and rights in all respects, including but not limited to the right of foreclosure.

(c) Special Assessment Fee. In addition to the maintenance provisions contained herein, Owners in Phase V must pay a special assessment fee currently scheduled as one-half the total of current POA assessments for the maintenance of Phase V common areas, including, but not limited to, Phase V landscaping, irrigation, billing for street lights, maintenance of the roadways, and any other common improvement that may be added in the future. Such fees are subject to modification and may increase or decrease upon the POA's sole discretion.

12. Common Scheme Restrictions. The following restrictions are imposed as a common scheme upon all Sites, lots and Common Areas for the benefit of all Owners and may be enforced by the Developer, any Owner or the POA by any remedy available at law or equity:

(a) No garbage, refuse, rubbish, tree limbs, leaves or cuttings shall be deposited on any street, road, or Common Areas, nor on any Site unless placed in a container suitable for garbage pickup.

(b) No building material of any kind or character shall be placed upon any Site except in connection with construction approved and permitted by the Architectural Control Committee. Construction shall be promptly commenced and diligently pursued.

(c) No clotheslines, drying yards, service yards, wood piles or storage areas shall be so located as to be visible from a street, road, or Common Areas. Tarps and coverings must be earth tone in color.

(d) Exterior lighting installed on any Site shall either be indirect or of such controlled focus and intensity so as not to disturb the residents of the adjacent property.

(e) No insects, reptiles, animals or poultry shall be kept on any Site or Common Area, except a reasonable number of ordinary domesticated household pets belonging to the household. No commercial breeding of any animal is allowed. All pets shall at all times be appropriately restrained and supervised to prevent such pet from becoming a nuisance to another owner.

(f) No signs, plaques or communication of any description shall be placed on the exterior of any Site or Common Area by an Owner unless such signs are approved by and in compliance with the Design Guidelines established by the Architectural Control Committee. Signs are restricted as to content, size and color by the Architectural Control Committee.

(g) No nuisances or noxious or offensive behavior shall be allowed, nor shall any use or practice be allowed which is a source of annoyance or nuisance to any Owner or which interferes with any Owner's right of quiet enjoyment.

(h) No immoral, improper, offensive or unlawful use shall be made of the Property or any part thereof. All laws, zoning, by-laws and regulations of all governmental bodies having jurisdiction shall be observed.

(i) No portion of a Site (other than the entire Site) may be rented, and no transient may be accommodated therein.

(j) All areas designated as pedestrian or possible equestrian trails shall be used solely for pedestrian and equestrian traffic and no motorized devices of any type shall be allowed on the pedestrian and equestrian trails, except for maintenance and construction purposes being performed by the POA.

(k) No open garage, carport, driveway or parking area which may be in front of, adjacent to

or part of any Site developed for single family residence purposes may be used as a habitual parking place for commercial vehicles. The term "commercial vehicles" shall include all trucks and all automobiles, station wagons, and vehicular equipment which shall bear signs or have printed on the side of same reference to any commercial undertaking or enterprise.

(l) No temporary buildings, quonset huts, mobile homes, manufactured homes, modular homes, trailers, RVs, motor homes, tents, shacks, or privies shall be constructed, erected or parked upon any Site. The word "trailer" shall refer to a house or camping trailer which could be temporarily occupied for living purposes. This restriction shall refer also to truck-mounted campers and travel buses, unless such trailer, erected camper, truck-mounted camper or travel bus is enclosed in a standard sized garage. No oversized garage for motorized or non-motorized travel trailer, bus or camper shall be allowed. Temporary buildings, improvements or structures used during the construction of an improvement shall be on the same Site as the improvement, and shall be removed upon completion of construction of the improvement.

(m) No junk vehicle, commercial vehicle, trailer, truck, camper, camp truck, house trailer, boat, ATV or other machinery or equipment (except as may be reasonable and customarily used in connection with the use and maintenance of any improvements located upon the Property and except for such equipment and machinery as the POA may require in connection with the maintenance and operation of the Common Areas) shall be kept upon the Property. Except for bona fide emergencies, there shall be no repair or extraordinary maintenance of automobiles or other vehicles. This restriction shall not apply to vehicles, trailers, boats, ATV's, machinery, equipment or the like stored and kept within an enclosed storage room or garage. The POA may, in the discretion of its Board of Directors, provide and maintain a suitable area designated for the parking of such vehicles.

(n) The improvements built on any Site shall comply with the setback restrictions imposed upon the Site by either the recorded Plat in the Circuit Clerk's office of Saline County, Arkansas, or by this Bill of Assurance. Setback restrictions are covenants running with the land.

(o) Access easements for installation and maintenance of utilities and drainage facilities paths are reserved in driveways, roads, and paths or on the side or rear of each Site as shown on the recorded plat.

(p) Each Owner hereby grants a right of access to his Site to the POA, and managing agent of the POA, and/or any other person authorized by the Board or the managing agent for the purpose of making inspections or for the purpose of correcting any condition originating in or on his Site and threatening another Site or any Common Area, or for the purpose of performing installations, alterations, or repairs to the parts of the Site over which said persons have control and/or responsibility for maintenance. In case of an emergency, this right of entry shall be immediate whether the Owner is present or not.

(q) Chain link, or similar fences are in all events strictly prohibited and shall not be used under any circumstances. All fences must be approved by the Architectural Control Committee.

(r) No burning of refuse or leaves will be permitted.

(s) No firearms shall be discharged on the Property.

(t) No hunting shall be allowed on the Property.

(u) No fishing or swimming in Hurricane Lake shall be allowed other than pursuant to rules established by the POA. No use of any possible equestrian or pedestrian path will be allowed except in compliance with the rules established by the POA.

(v) No boats, canoes, or any other means of transportation or recreation on water, motorized or non-motorized, shall be allowed on Hurricane Lake except in compliance with rules established by the POA.

13. Common Properties. (a) Subject to the provisions of sub-section (c) hereof, every Member of the POA shall have the right and easement of enjoyment in and to the Common Areas.

(b) The rights and easements of enjoyment created shall be subject to the following:

The right of the POA to prescribe rules and regulations for the use, enjoyment, and maintenance of the Common Areas;

The right of the POA to enforce or perform maintenance as set forth in section 12 of this Bill of Assurance;

The right of the POA to borrow money for capital improvements or maintenance of all or any part of the Common Areas, and to mortgage all or any part of the Common Areas;

The right of the POA to take reasonably necessary steps to protect all or any part of the Common Areas; and

The right of the POA to suspend the easements of enjoyment of any Member of the POA during the time any assessment remains unpaid, and for any period not to exceed thirty (30) days for any infraction of its published rules and regulations.

The right of the Developer and Reynolds Metals Company in that certain Water Rights and Easement Agreement recorded as Instrument 1998 53616 in the records of Saline County, Arkansas.

14. Roadways. Phase V, Hurricane Lake Estates shall be a private gated community, with gates at all entrances and exits of the Phase. Except public roads as shown on the recorded Plat, all roadways are private access easements for vehicular traffic only and for the use of the Owners, their guests and invitees. An easement is also hereby granted for access to the Sites in the case of an emergency created by fire, public safety, or other occurrence necessitating access to a Site by any public utility, fire department, police department or other public agency. Additionally, Developer hereby grants to the public utilities the right to use these areas for utility easements provided such public improvements are maintained by said public utilities. Subject to the provisions contained in Paragraph 11(c) herein, the POA shall administer the maintenance of such private access easements including all private improvements thereon, including but not limited to Phase V landscaping, irrigation, billing for street lights, maintenance of the roadways, entrance and exit gates, security apparatus connected to such entrance and exit gates and any other common improvement that may be added in the future. The Developer reserves the right in future phases to develop either private roadways or roadways dedicated to the public.

15. Creation of Obligation for Assessments. By acceptance of a deed or other conveyance of property subject to this Bill of Assurance, each Owner, other than Developer, of a lot shall be deemed to covenant and agree to pay any assessment, charge and/or special assessment which may hereinafter be levied by the POA. Such amounts together with interest, costs of collection and a reasonable attorney's fee shall be a continuing lien on the lot.

16. Height and Type of Residence. The residences in Phase V shall be of similar size and architectural style so as to create a neighborhood of architectural continuity. All construction shall be approved by the Architectural Control Committee, in its sole and absolute discretion, unless Developer issues a waiver, as described herein. No residence shall be erected, altered, placed or permitted to remain on any lot other than one detached single-family residence not to exceed three stories in height, except for Lot 4 which may contain a detached guest home.

17. Setback Requirements. Except as shown on the Plat, no structure in Phase V, including the residence, shall be located on any lot nearer than 35 feet to the front lot line, nearer than 8 feet to the side of lot line, and nearer than 25 feet to the rear lot line, provided; however, each lot may have a permanent “outbuilding,” which is approved by the Architectural Control Committee no nearer than 8 feet from the rear lot line except for lake lots which shall have no “outbuilding” nearer than 20 feet to the rear lot line; provided, such setback requirements may be modified if such modification is approved by the Architectural Control Committee and such other regulatory agency as may be required. In addition, in order to ensure an environmentally friendly neighborhood, seawalls are strictly prohibited from being placed upon any lake lot in Phase V, unless such seawalls are “rip rap” seawalls and approved by the Architectural Control Committee. A “rip rap seawall” is made of large rocks and typically extends three feet out of the lakefront. For the purposes of this covenant, eaves shall not be considered as a part of the building. Where two or more lots are acquired as a single building site, the site building lines shall refer only to those bordering the adjoining property owner.

18. Minimum Square Feet Area. The minimum square feet area for each lot in Phase V is designated by letter on the Plat. Each lot is lettered I, H, G, F, or E which establishes its minimum square feet area requirement. No residence shall be constructed or permitted to remain on any building site in Phase V unless the finished heated living area, exclusive of porches, patios, garages, breezeways, exterior stairways, porte cocheres, storage areas and outbuildings, shall equal or exceed that shown in the following schedule:

<u>Lot (Letter)</u>	<u>Minimum Sq. Ft.</u>
(I)	3000
(H)	3500
(G)	4000
(F)	4500
(E)	5000

Finished heated living area shall be measured in a horizontal plane to the face of the outside wall on each level. Basement areas and garages shall not be included in calculating square footage minimums.

19. Frontage of Residence on Streets. Any residence erected on any lot in Phase V shall front or present a good frontage on the streets designated in the Plat. As applied to inside lots, the residence shall front on the street designated. On any corner lot, the residence shall front or present a good frontage on both of the streets designated in the Plat.

20. Commercial Structures. No building or structure in Phase V may ever be placed, erected or used for business, professional, trade or commercial purposes. This prohibition shall not apply to any business or structure that may be placed on any lot or portion of a lot that is used exclusively by a public utility company in connection with the furnishing of public utility services.

21. Outbuildings. No outbuildings or other detached structure appurtenant to the residence may be erected on any of the lots without the consent in writing of the Architectural Control Committee. For lake front property, consideration will be given to the adjoining landowner's view.

22. Noxious Activity. No noxious or offensive activity shall be conducted on any lot. No garbage, trash, rubbish, tree limbs, leaves or cuttings, ashes or other refuse shall be thrown, placed or dumped upon any vacant lot, street, road or Common Areas, nor on any site unless placed in a container suitable for garbage pickup; nor shall anything ever be done which may be or become an annoyance or nuisance to the neighborhood.

23. Oil and Mineral Operations. No oil drilling, oil development operating, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any building site, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any building site. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any building site.

24. Cesspool. No leaching cesspool shall be constructed or used on any lot.

25. Existing Structure. No existing, pre-built, manufactured or erected building or structure of any sort may be moved onto or placed on any of the lots.

26. Temporary Structure. No trailer, RV, motor home, tent, shack, garage, barn or other outbuilding other than a guest house and servants quarters erected on a building site, shall at any time be used for human habitation, temporarily or permanently, nor shall any structure of a temporary character be used for human habitation.

27. Easements for Public Utilities, Drainage and Placement of Subdivision Fence. Easements for the installation, maintenance, repair and replacement of utility services, sewer and drainage have been donated and dedicated, said easements being of various widths. The exact width and location of said easements are specifically described on the Plat. No structures, buildings, or other similar improvements shall be built or maintained within the area of such utility or drainage easement. In the event any trees, shrubbery, fences or similar improvements shall be grown, built or maintained within the area of such easement, no person, firm or corporation performing necessary work and services shall be liable for the destruction of same in the installation, maintenance, repair or replacement of any utility service located within the area of such easement. In addition, Developer possesses the right in Developer's sole discretion to alter or widen the road contained within the existing road right of way within Phase V. Provided; however,

on any portion of the road right of way that adjoins only lots owned by Developer, Developer possess the right, in Developer's sole discretion, to widen the road and road right of way.

28. Fences. Only fences constructed of wrought iron are allowed on the front portion of lots and such fencing shall extend no closer to the road than the front line of the house located upon such lot. Wood style privacy fences no greater than six (6) feet in height are allowed along the side and rear lot lines. No enclosure or part of any building of any type or nature whatsoever shall ever be constructed, erected, placed or maintained closer to the front lot line than the front of the residence. Chain link or similar fences are in all events strictly prohibited and shall not be used under any circumstances. It is not the intention of this paragraph to exclude the use of evergreens or other shrubbery to landscape the front yard. Fencing of any type must be approved by the Architectural Control Committee.

29. Sight Line Restrictions. No fence, wall, hedge, shrub or other planting which obstructs sight lines at elevations between two and six feet above the roadways shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points fifty (50) feet from the intersection of the street lines, or in the case of a rounded property corner, within the triangle formed by tangents to the curve at its beginning and end, and a line connecting them at points fifty (50) feet from their intersection. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at a height of at least eight feet to prevent obstruction of such sight lines. The same sight line limitations shall apply on any lot within fifteen feet of the intersection of the street property line with the edge of a driveway.

30. Driveway Obstructions. No obstruction shall be placed in the street gutter. Curbs shall be saw cut at driveways with a diamond blade, and driveway grades lowered to meet the gutterline not more than two inches above the gutter grade.

31. Subdivision of Lot. No lot shall be subdivided; provided however, the Developer may subdivide a lot for the sole purpose of enhancing the size of adjoining lots.

32. Prohibition of Additional Access. No owner, agent or contractor shall lay out, construct or provide for any access to any street or common area other than the access provided by the Developer as reflected on the Plat.

33. Wooded Subdivision. It is Developer's intent that Phase V be a wooded subdivision. To maintain the natural beauty of Hurricane Lake Estates, existing vegetation must be preserved as much as possible. No trees greater than 3 inches in diameter shall be removed or destroyed on any lot without approval by the Architectural Control Committee. During construction, trees which are preserved shall be protected to the greatest extent practical from damage. Barricades and fencing are strongly recommended to prevent root compaction. Placement of dirt stockpiles or construction materials under the tree canopy is discouraged. Trees which do become damaged during building construction should be treated as soon as possible. After construction is completed, each lot must contain not less than Seven (7) hardwood trees with a

diameter of not less than Three inches (3''), not less than three (3) of which the truck line of such tree must be in the front half of any lot, except with regards to Lots 13-17, which shall contain not less than Five (5) hardwood trees with a diameter of not less than Three inches (3''), not less than Three (3) of which the truck line of such tree must be in the front half of any lot. The term "hardwood" does not include trees commonly referred to as ornamental trees, such ornamentals, including, but not limited to, Bradford Pear, Redbud, Dogwood, Japanese Maple and the like.

34. Right to Enforce. The restrictions herein set forth shall run with the land and shall bind the Owner, his successors and assigns. All parties claiming by, through or under an Owner covenants with the other Owners of the lots hereby restricted, and their successors and assigns, to conform to and observe these restrictions. Developer, its successors and assigns, for so long as it owns lots within Hurricane Lake Estates, and Owners of any of the lots hereby restricted shall have the right to sue for and obtain an injunction, prohibitive or mandatory, to prevent the breach of or to enforce the observance of the covenants and restrictions of this Bill of Assurance, in addition to such other legal action for damages and failure by any Owner of any lot or lots to observe any of the covenants and restrictions. Any delay in bringing such action shall, in no event, be deemed to be a waiver of the right to do so thereafter.

35. Amendments. This Bill of Assurance may be amended as follows: (a) Until ninety percent (90%) of all Sites in all Phases have been conveyed by the Developer, the Developer shall have the right without joinder of the Owners to amend the provisions hereof for the purpose of facilitating the marketing of Hurricane lake Estates, or to comply with the requirements pertaining to Hurricane Lake Estates made by financial institutions, title companies and governmental authorities, and for any other reasonable purpose;

(b) The Developer may without joinder of the Owners amend the provisions hereof in any manner which in the opinion of the Developer is necessary or convenient to clarify the intent of the Developer, or to eliminate ambiguities herein or to correct any errors, or to remove any inconsistencies between this Bill of Assurance and any other document filed in connection of the development of Hurricane Lake Estates;

(c) After relinquishment of control of the development as provided in section 4 hereof, the Owners may amend the provisions hereof by an instrument signed by a least sixty-seven percent (67%) of all Owners of all Sites.

Any amendment shall become effective only upon being properly recorded in the Office of the Circuit Clerk of Saline County, Arkansas.

36. General Provisions. (a) Duration. The covenants and restrictions of this Bill of Assurance shall run with and bind the land, shall inure to the benefit of and be enforceable by the Developer, the POA, or the Owner of any land subject to this Bill of Assurance, their respective legal representatives, heirs, successors, and assigns, for a term of fifty (50) years from the date this Bill of Assurance is recorded, after which time this Bill of Assurance shall be automatically extended for successive periods of ten (10) years unless an instrument terminating this Bill of Assurance signed by the then Owners of seventy-five percent (75%) of the Sites has been recorded prior to the commencement of any ten (10) year period.

(b) Notices. Any notice required to be sent to any Member or Owner under the provisions

