

SUPPLEMENTAL BILL OF ASSURANCE
OF EAGLE MOUNTAIN ESTATES SUBDIVISION

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, Stirling Realty Corporation and First Real Estate Development Corporation are each Arkansas corporations acting by and through their respective undersigned duly authorized officers, are jointly doing business as Eagle Mountain Development, An Arkansas Joint Venture ("Grantor"), and as such own that certain real property lying in Independence County, Arkansas (the "County"), more particularly described in Exhibit "A" attached hereto and incorporated herein by reference (the "Subdivision Property"); and

WHEREAS, the Subdivision Property is part of a larger tract of real property owned by Grantor and for which Grantor has a general plan of development that requires that it be subdivided and held, owned, conveyed, leased, used, improved and developed subject to the protective covenants, conditions and restrictions hereinafter provided and as provided in that certain Master Bill Of Assurance executed by Grantor and duly filed with the Circuit Clerk and Ex-Officio Recorder of the County on Aug 8, 1986, at _____ (the "Master Bill Of Assurance") (unless otherwise specifically defined herein, all defined terms used or referred to herein shall have the meaning assigned thereto in the Master Bill Of Assurance); and

WHEREAS, the Master Bill Of Assurance provides that the Covenants thereof shall not be imposed upon or binding on any portion of the Property or any Owners or Residents thereof unless and until such portion is thereafter subjected thereto by a Supplemental Bill Of Assurance and Plat thereof or other appropriate instrument in the manner therein provided; and

WHEREAS, Grantor has caused the Planner to survey and subdivide the Subdivision Property into those Lots, Streets, Easements and Community Facilities, if any, as are more particularly shown on that certain Plat thereof prepared by Planner, dated _____, 19____, executed by Grantor and Planner, bearing a certificate of approval by the Batesville Planning Commission and recorded simultaneously herewith at Plat Book 44, Page 46, of the records of the Recorder of the County, said Plat being fully incorporated herein by reference (as now or hereafter amended, the "Plat"); and

WHEREAS, Grantor desires and intends that the Subdivision Property shall be subdivided in accordance with the Plat and hereafter held, owned, conveyed, leased, used, improved and developed subject to the Covenants herein and in the Master Bill Of Assurance in order to enhance and protect the value of the Subdivision Property;

NOW, THEREFORE, in consideration of the premises, the enhanced value of the Subdivision Property and other benefits to accrue to Grantor, its successors and assigns, which consideration Grantor acknowledges to be of good and sufficient value, Grantor does hereby make, execute and deliver this Supplemental Bill Of Assurance as follows:

1. SUBDIVISION PROPERTY AND RESIDENTS SUBJECT TO MASTER BILL OF ASSURANCE. The Master Bill Of Assurance and the Covenants thereof are to the extent not otherwise inconsistent herewith hereby incorporated herein by reference and are hereby imposed upon the Subdivision Property and all Owners and Residents thereof, and the Subdivision Property shall hereafter be held, owned, conveyed, leased, used, improved and developed

subject thereto and subject to any other additional Covenants hereinafter provided. In the event of any inconsistency between the Master Bill Of Assurance and this Supplemental Bill Of Assurance, the Covenants herein shall control.

2. DEDICATION AND GRANT; LOT DESCRIPTIONS. Grantor does hereby lay off, plat and subdivide the Subdivision Property into a Subdivision for the use and benefit of the public and all present and future Owners and Residents thereof, and it shall be hereafter forever known as "Eagle Mountain Estates Addition to the City of Batesville, Independence County, Arkansas." By the recordation of the Plat and this Supplemental Bill Of Assurance with the Recorder, and subject to the Covenants and to all applicable governmental laws, rules and regulations, Grantor does further hereby and forever grant, donate, dedicate and deliver (i) the Easements for drainage purposes and for access, ingress and egress on, over and across the Streets to and for the use and benefit of the public and all present and future Owners and Residents, (ii) the Easements for drainage purposes and for the installation, operation, maintenance, repair and replacement of Utilities on, over, across, under and above those portions of the Subdivision so designated on the Plat to and for the use and benefit of every Utility Company, and (iii) the Easements for permanent private access to Lots 2, 3, 4 and 5, to Lots 6, 7, 8 and 9, to Lots 10, 11, 12 and 13, and to Lots 14, 15, 16 and 17 so designated on the Plat, and for the alteration, modification, change, addition, replacement, repair and maintenance of any roadway surface thereon, to and for the use and benefit of all present and future Owners and Residents of the respective such Lots that are contiguous thereto. The Easements for Utilities shall also include the right of reasonable access, ingress and egress thereto and therefrom on, over and across the Subdivision for the installation, maintenance, repair and replacement of the Utilities. Any portion of the Subdivision Property designated by the Plat as Community Facilities shall be conveyed by Grantor to the Association by special warranty deed, subject to the Covenants. Hereafter, every Lot of the Subdivision shall have the bounds and dimensions thereof designated on the Plat and any conveyance, encumbrance or description of any such Lot by the tract, parcel or lot number thereof also designated on the Plat followed by the words "of Eagle Mountain Estates Addition to the City of Batesville, Independence County, Arkansas," shall always be a proper and sufficient legal description thereof.

3. MINIMUM RESIDENCE SIZE AND VALUE; EXISTING RESIDENCES. No Residence on any Lot in the Subdivision shall have a Main Floor of less than 3500 square feet unless the Residence shall have two or more stories, in which case the Main Floor thereof shall not have less than 2200 square feet; provided that no Residence on any Lot in the Subdivision shall under any circumstances contain less than 3500 square feet of finished heated and air conditioned floor space used for living, cooking, dining, sleeping and storage areas. Any Residences on any Lots in the Subdivision existing at the time of execution of this Supplemental Bill Of Assurance shall not be occupied, improved or permitted to remain thereon unless such Residences are improved or incorporated into another Residence or other Improvements in such manner that they comply within the minimum Residence size herein provided and with all other Covenants.

4. SURFACING OF PERMANENT PRIVATE ACCESS EASEMENTS. A solid, all-weather roadway surface no less than ten (10) feet in width that is reasonably suitable for private residential access purposes shall be Placed by Grantor within the permanent private access Easements designated on the Plat. At no time subsequent to such roadway surfaces being initially so Placed thereon by Grantor shall Grantor have any obligation or liability to any Owners, Residents, the public or any other

person or legal entity to make or provide for any alterations, modifications, changes, additions, replacements, repairs or maintenance thereof, all of which shall be the joint and several obligation of the then Owners of the respective Lots of the Subdivision that are contiguous to the particular said roadway surface involved; provided, that at all times such Owners shall keep and maintain the same as solid, all-weather roadway surfaces no less than ten (10) feet in width that are reasonably suitable for private residential access purposes.

5. COVENANTS PERTAINING TO THIS SUPPLEMENTAL BILL OF ASSURANCE IN GENERAL. This Supplemental Bill Of Assurance and all Covenants herein shall at all times be subject to and in compliance with the following Covenants:

(a) Headings. The headings of the sections, paragraphs and subdivisions of this Supplemental Bill Of Assurance are for the convenience of reference only, and shall not limit or otherwise affect any of the terms hereof.

(b) Governing Law. The laws of the State of Arkansas and of the United States, if applicable, shall govern the validity, enforceability and construction of this Supplemental Bill Of Assurance.

(c) Effect Of Partial Invalidity. If performance of any Covenant hereof or any transaction related hereto is prohibited or limited by law, then the obligation to be performed shall be omitted or reduced accordingly and if any Covenant herein contained operates, or would prospectively operate, to invalidate this Supplemental Bill Of Assurance, then the invalid part of said Covenant only shall be held for naught as though not contained herein, and the remainder of this Supplemental Bill Of Assurance shall remain operative and in full force and effect.

(d) No Waivers. No delay or omission on the part of Grantor or any Owner or Resident in exercising any rights, duties, power, authority or remedies herein provided, in the event of any breach of any of the Covenants shall be construed as a waiver or estoppel thereof or acquiescence therein, and no right of action shall accrue nor shall any action be brought or maintained by anyone whatsoever against Grantor or any Owner or Resident because of the failure to bring any action on account of any such breach.

(e) No Action For Void Covenants. No action shall accrue or be brought or maintained by anyone against Grantor or any Owner or Resident because or arising out of the fact that any of the Covenants may be void or unenforceable for any reason.

(f) Notices. Unless otherwise provided herein, all notices required to be sent to any party shall be in writing and sent by Registered or Certified Mail addressed to the addressee at their last known address and requiring a return receipt signed by the addressee or their agent.

(g) Amendments. Any and all of the Covenants herein may be amended, modified, changed or cancelled in whole or in part by a written instrument duly executed, acknowledged and recorded by the then Owners of at least two-thirds (66 2/3%) of the Lots and Residential Units. Any such written instrument shall if required by law be approved by the Batesville Planning Commission, and it shall be binding from and after the date it is duly filed with the Recorder.

(h) Attorney's Fees, Costs, Etc. Should Grantor or any Resident or Owner employ counsel or incur costs and expenses to enforce any of the Covenants by reason of a breach thereof, the person in breach or default thereof shall be obligated to pay

to Grantor or the Resident or the Owner enforcing the same all such costs and expenses thereby incurred, including reasonable attorney's fees.

(i) Mortgagees Bound. The Covenants or the breach of any of the Covenants shall not defeat, impair or render invalid or unenforceable the lien of any mortgage, deed of trust or other encumbrance made in good faith for value as to any Lot or portion thereof, but rather the Covenants shall be binding upon and effective against the mortgagee, trustee, purchaser or owner thereof whose title thereto, or whose grantor's title is or was, acquired by foreclosure, trustee's sale, power of sale or otherwise.

(j) Rule Against Perpetuities. In the event any of the Covenants are declared void or unenforceable by any court of competent jurisdiction by reason of the period of time herein provided for which the same shall be effective, then such period of time shall be reduced to a period which shall not violate the rule against perpetuities under the laws of the State of Arkansas, and except for the reduction of time period the Covenants shall be and remain unaffected, unimpaired and in full force and effect.

(k) Applicable Law Controlling. The Subdivision, all Residents, all Owners, all Lots and Residential Units or portions thereof, the Plat and this Supplemental Bill Of Assurance shall be and remain at all times subject to all applicable governmental laws, rules and regulations; provided that the more restrictive among such laws, rules and regulations and the Covenants shall be controlling.

(l) No Reversions. No Covenants are intended to be, or shall be construed as, a condition subsequent or a possibility of reverter.

(m) Bind And Inure. This Supplemental Bill Of Assurance and all Covenants herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, this Supplemental Bill Of Assurance has been duly executed by and on behalf of Grantor on this 8 day of August, 1986.

EAGLE MOUNTAIN DEVELOPMENT,
An Arkansas Joint Venture

BY: STIRLING REALTY CORPORATION

ATTEST:

By: [Signature]
Office: Spring R.P.

By: [Signature]
Office: Secretary

BY: FIRST REAL ESTATE DEVELOPMENT
CORPORATION

By: [Signature]
Office: [Signature]

ATTEST:

By: [Signature]
Office: [Signature]

STATE OF ARKANSAS)
COUNTY OF INDEPENDENCE)

**CERTIFICATE OF APPROVAL OF
BATESVILLE PLANNING COMMISSION**

The Batesville Planning Commission hereby certifies to Stirling Realty Corporation and First Real Estate Development Corporation, doing business as Eagle Mountain Development, An Arkansas Joint Venture, and to the public and all owners, residents and future owners and residents of the herein described property that all provisions, covenants and restrictions contained in the foregoing Supplemental Bill of Assurance required by law to be approved by said Commission have been and hereby are so approved as of this 31st day of July, 1986. Any other provisions, covenants or restrictions contained in said Supplemental Bill Of Assurance not requiring such approval have been reviewed without action by said Commission and are not requirements for final approval of the Plat or said Supplemental Bill Of Assurance.

BATESVILLE PLANNING COMMISSION

By: [Signature]
Office: Chairman

SUBSCRIBED AND SWORN to before me, the undersigned Notary Public, this 31st day of July, 1986.

Ann Cray
NOTARY PUBLIC

My Commission Expires:

June 3, 1994
(SEAL)

ACKNOWLEDGMENT

STATE OF Arkansas)
COUNTY OF Independence)

On this day before me, the undersigned officer, personally appeared Johnny B. Mitchum and Gayle Silberhorn, to me personally well known, who acknowledged themselves to be the Executive Vice President and Secretary respectively, of

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Stirling Realty Corporation, a corporation, and that they, as such officers, being authorized by proper resolution of its Board of Directors, had executed the foregoing instrument for the consideration and purposes therein contained by signing the name of the corporation by themselves as such officers.

WITNESS my hand and official seal this 21st day of July, 1986.

[Signature]
NOTARY PUBLIC

My Commission Expires:

8-22-92

(SEAL)

ACKNOWLEDGMENT

STATE OF ARKANSAS)
COUNTY OF INDEPENDENCE)

On this day before me, the undersigned officer, personally appeared Jack Plumlee and Robert W. Newell Jr., to me personally well known, who acknowledged themselves to be the President and Vice-President and corporation, and that they, as such officers, being authorized by proper resolution of its Board of Directors, had executed the foregoing instrument for the consideration and purposes therein contained by signing the name of the corporation by themselves as such officers.

WITNESS my hand and official seal this 21st day of July, 1986.

[Signature]
NOTARY PUBLIC

My Commission Expires:

4-10-92

(SEAL)

EXHIBIT "A"

LEGAL DESCRIPTION
EAGLE MOUNTAIN ESTATES

A tract of land located in the North ½ of Section 23 and the South ½ of Section 14, T-13-N, R-6-W, Independence County, Batesville, Arkansas, more particularly described as follows:

Commencing at the NW corner of Section 23, T-13-N, R-6-W; thence S91°33'26" E, 3,091.57', to a point on the Southeasterly right-of-way of Cedar Ridge Circle and the point of beginning; thence N33°22'15"W, 50.0' to a point on the Northwesterly right-of-way of Cedar Ridge Circle; thence N34°11'36"W, 500.00'; thence N19°23'53"E, 70.00'; thence N5°18'32"W, 130.00'; thence N8°29'04"W, 150.00'; thence N16°01'14"W, 200.00'; thence N29°02'40"W, 210.00'; thence N36°25'03"W, 200.00'; thence N47°12'34"W, 155.00'; thence N67°37'54"W, 176.70'; thence N7°01'38"E, 430.00', to a point on the Southerly right-of-way line of Cedar Ridge Circle; thence along said right-of-way, on a curve to the left (said curve having a radius of 526.075') a chord bearing and distance of S83°16'55"W, 250.00'; thence N20°27'49"W, 485.00'; thence N71°42'23"E, 230.00'; thence N18°26'00"W, 500.00'; thence N88°33'40"E, 620.00'; thence South, 300.00'; thence S68°54'17"E, 1,054.88'; thence S41°18'14"W, 821.24', to a point on the Northwesterly right-of-way line of Cedar Ridge Circle; thence along said right-of-way on a curve to the right (said curve having a radius of 188.68') a chord bearing and distance of S47°46'09"E, 112.78'; thence continuing along said right-of-way, S30°22'46"E, 407.89'; thence N41°18'14"E, 951.25'; thence S75°09'16"E, 235.00'; thence S7°52'33"E, 955.00'; thence S45°11'30"W, 195.00'; thence S1°58'53"W, 690.00'; thence S87°49'14"W, 664.27'; thence N56°42'18"W, 200.00', to a point on the Southeasterly right-of-way line of Cedar Ridge Circle; thence along said right-of-way on a curve to the right (said curve having a radius of 486.686') a chord bearing and distance of S36°44'14"W, 58.45'; thence continuing along said right-of-way on a curve to the right (said curve having a radius of 617.369') a chord bearing and distance of S48°24'16"W, 176.64', to the point of beginning, containing 553,908.37 square feet, or 80.67 acres, more or less.

CERTIFICATE OF RECORD

STATE OF ARKANSAS

County of Independence

I, Ron Webb, Clerk of the Circuit Court and Ex-Officio Recorder within and for the County aforesaid do hereby certify that the annexed and foregoing instrument of writing was filed or record in my office this 20th day of August AD 1986 at 2:30 P.M. and the same is now duly recorded, with the acknowledgment and certificates thereon in Record Book Q-13 Page 483-490 of deeds.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of said Court at my office in the City of Batesville, Arkansas, this 20th day of August 19 86

By Martha Taylor
D. C.

