AMENDED AND RESTATED EAGLE MOUNTAIN BILL OF ASSURANCE

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GREG WALLIS
CIRCUIT CLERK
BY: MELISSA SELLERS
DEPUTY CLERK
BK: DEED 2026
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AMENDED AND RESTATED
MASTER BILL OF ASSURANCE

KNOW ALL PERSONS BY THESE PRESENTS:

THAT, WHEREAS, Stirling Realty Corporation and First Real Estate Development Corporation were each Arkansas corporations acting by and through their respective duly authorized officers, jointly doing business as Eagle Mountain Development, An Arkansas Joint Venture (*Grantor*), and as such owned the fee simple interest in and to that certain real property aggregating approximately seven hundred ninety-five (795 acres, more less, lying in Independence County, Arkansas (the "County"), which ws more particularly described in Exhibit "A" which is reincorporated herein by reference (the "Property"); and

WHEREAS, Grantor previously intended to develop the Property in phases over an extended period of time for well-planned single-family residential, multi-family residential, condominium residential, common area, recreational area, open space and commercial uses and purposes; and

WHEREAS, Grantor formed and established a non-profit corporation pursuant to the laws of the State of Arkansas known as "Eagle Mountain Community Association, Inc." (the "Association") which, among other things, owned and had the duty and authority to maintain, operate and administer certain common community areas and facilities, to provide certain common community services, and to enforce certain applicable covenants and restrictions in regard to the Property, all for the common use and benefit of certain owners and residents of the Property, and

WHEREAS, Grantor caused Manes, Castin, Massie & McGetrick, 2501 Willow Street, P.O. Box 1035, North Little Rock, Arkansas 72115, registered professional engineers, surveyors and planners (the "Planner"), to survey and subdivide the Property into certain residential subdivisions, commercial building tracts, residential and commercial parcels or lots, streets, easements, common and recreational areas and open spaces which shall be more particularly shown and designated from time to time on certain survey plats thereof prepared by the Planner (as now or hereinafter amended, a "Plat" or collectively, the "Plats"), which were executed by Grantor and Planner, bearing certificates of approval from the Planning Commission of Batesville, Arkansas, and duly recorded in the records of the Circuit Clerk and Ex-Officio Recorder of the County (the "Recorder"); and

WHEREAS, Grantor prepared a general plan for the development of the Property which requires that it be subdivided in accordance with the Plats and that it be held, owned

conveyed, leased, used, improved and developed subject to the protective covenants, conditions and restrictions hereinafter provided in order to enhance and protect the value of the Property;

WHEREAS, the original Master Bill of Assurance was duly executed and recorded in the real property records of Independence County, Arkansas, on or about the 21st day of July 1986; and

WHEREAS, the provisions of the Master Bill of Assurance are necessary to protect the value of the investment of all owners of lands within the Property, and to ensure that the community retrains the characteristics envisioned in the original plan of development; and

WHEREAS, the general plan of development for the Property conceived and implemented by the Grantor, Planner, and subsequent owners of the Property, and as enforced by the Association, has been of benefit to the owners of the Property in the past and should continue to benefit such landowners in the future; and

WHEREAS, the Master Bill of Assurance created an Aesthetics Committee to safeguard the common development of the Property, but the powers and duties of the Aesthetics Committee terminated on January 1, 1995, and it is desirable to reconstitute that Aesthetics Committee with similar powers and duties; and

WHEREAS, the Property has developed into a predominately single-family residential area, and after the passage of more than thirty-six years, some of the terms of the Master Bill of Assurance are no longer applicable or are unclear when applied to the Property's current uses; and

WHEREAS, uncertainty as to the meaning of the Master Bill of Assurance, the Association's enforcement authority; and misinterpretation of the Master Bill of Assurance's terms, poses a threat to the integrity of the common development plan; and

WHEREAS Arkansas law provides that a restrictive covenant such as the Master Bill of Assurance must be executed by the owners of real property and recorded in the office of the recorder of the county in which the property is located, Arkansas Code Annotated § 18-12-103(b), and the Master Bill of Assurance satisfied that requirement; and

WHEREAS, the Master Bill of Assurance provided that it could 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; and

WHEREAS, on and after July 21, 1986, the Property was developed into eleven different subdivisions with separate Supplemental Bills of Assurance, with all but one of each Supplemental Bill of Assurance reciting that its terms control over any conflict with the Master Bill of Assurance; and

WHEREAS, the Master Bill of Assurance provides a minimum standard for protective covenants and development of the Property, and defines a Supplemental Bill of Assurance as an instrument recorded in the Independence County land records subjecting any portion of the Property to both the Master Bill of Assurance and any other additional or supplemental protective Covenants; and

WHEREAS, Keith Harville and Guadalupe Harville (Lindsey Cruz Properties, LLC), executed a Bill of Assurance for Richland Heights on February 28, 2007, which is recorded in the Independence County land records in Deed Book 2007 at pages 1260-1264; that Supplemental Bill of Assurance embraces lands situated within the Property and subject to the Master Bill of Assurance; and that Supplemental Bill of Assurance recited it would be binding upon all parties and persons until February 5, 2027, and for automatic successive ten year terms, unless 65% of the "then owners of the lots" agree in writing to amend said covenants and restrictions; and

WHEREAS, What Dreams May Come LLC and Justin Thornton executed a Bill of Assurance for Woodbridge Pointe on October 1, 2014, which is recorded in the Independence County land records in Deed Book 2014, Pages 5345-5349; that Supplemental Bill of Assurance embraces lands situated within the Property and subject to the Master Bill of Assurance; and that Supplemental Bill of Assurance recited it would be in effect for 25 years and successive periods of 10 years unless a "majority of the then owners of lots in the addition" agree to amend or remove the covenants, and that Supplemental Bill of Assurance also provided that it may be "amended at any time by the owners of 75% of the lots in the addition; and

WHERES, it is desirable to lower the threshold for future amendments to the Master Bill of Assurance to more easily address future changes to the Property and its development; and to make other modifications to the Master Bill of Assurance to address the numbers of vehicles that may be parked on or about any lot; to allow for infrequent yard sales; to more clearly prohibit the commercial activity for renting or leasing with some exceptions; to remove references to condominiums; to prohibit chain link fences and require fences to be repaired; to address lawn grass maintenance; to require driveways to be paved; to prohibit all forms of livestock including roosters, chickens, goats, geese, ducks, and other wild animals, from being harbored on or about the property; and to refine and empower the Association to assert liens on lots or Property for unpaid assessments and other violations of the Master Bill of Assurance or any Supplemental Bill of Assurance, and to remedy those violations itself; and

WHEREAS, at least two-thirds (66 2/3%) of the Owners of Lots and Residential Units, 65% of the then owners of lots in the Richland Heights, and 75% of the lots in Woodbridge Pointe, have determined that a restatement of the Master Bill of Assurance is in order to the end that its provisions will be expressed in one document, that its terms be stated in a precise and understandable manner, and in order to make a more efficient administration thereof; and

NOW, THEREFORE, in consideration of the premises, the enhanced value of the Property and other benefits to accrue to them and their successors and assigns, which consideration they acknowledge to be of good and sufficient value, at least two-thirds (66 2/3%) of the Owners of Lots and Residential Units, 65% of the then owners of lots in the Richland Heights, and 75% of the lots in Woodbridge Pointe hereby make, execute and deliver this Amended and Restated Master Bill Of Assurance and Covenants, and agree and declare that any portion of the Property which is hereafter made subject to and bound by the same shall thereafter be held, owned, conveyed, leased, used, improved and developed subject to the following:

1. DEFINITION OF TERMS. The following terms shall have the following meanings whenever used or referred to herein unless the context clearly indicates otherwise:

"Aesthetics Committee" shall mean that committee of not less than three (3) nor more than seven (7) persons, all of whom shall at all times be Members of the Association, the majority of which shall be Owners, all of whom shall be appointed and duly authorized by the Board in writing to approve all Plans for all Improvements on every Residential Lot, on and after the date this Amended and Restated Bill of Assurance if filed in the Independence County Land Records, and shall specifically include all successors or substitutions of such persons.

"Association" shall have the meaning hereinabove specified in the Recitals.

"Association Documents" shall collectively mean the Articles of Incorporation, By-Laws, rules and regulations of the Association and all amendments, changes, modifications and alterations thereto.

"Board" shall mean the duly elected or appointed Board of Directors of the Association.

"Builder" shall mean any builder, contractor or developer who shall purchase any Lot and improve, develop and re-sell it in the ordinary course of their business.

"Commercial Lots" shall collectively mean all building tracts, parcels or lots of the Property at any time designated as such on any Plats, which are zoned and are also restricted by this Master Bill Of Assurance and any Supplemental Bill Of Assurance to commercial uses, and which are assessed as separate units for real estate tax purposes by the State of Arkansas or the County.

"Community Facilities" shall collectively mean all building tracts or parcels of the Property and any Easements, together with all buildings, structures, improvements, appurtenances and facilities thereon, which shall at any time be conveyed to the Association by Grantor and identified as such on any Plats for the common use, benefit and enjoyment of all Members, together with any or all other projects, services, facilities, studies, programs, walking trails, ponds and lakes, systems, and properties relating to: parks, recreational facilities or services; trees, flowers and landscaping; office buildings, buildings, storage and maintenance yards, garages and other buildings and facilities deemed necessary or desirable by the Board in connection with the administration, management, control and operation of the Association; walking trials, ponds, lakes, playgrounds and other related or unrelated recreational facilities; and any and all other improvements, facilities and services that the Board shall find to be necessary, desirable or beneficial to the interest of the Property and the Members.

"Corner Lot" shall mean any Lot with two or more contiguous intersecting Streets as now or hereafter shown on any Plats.

"County" shall have the meaning hereinabove specified in the Recitals.

"Covenants" shall collectively mean all covenants, Easements, conditions representations, warranties, restrictions or other terms or provisions of this Master Bill Of Assurance, every Supplemental Bill Of Assurance and all Plats.

"Easements" shall collectively mean all easements or rights-of-way on, over, across, under or above any portion of the Property as now or hereafter shown on any Plats or granted by this Master Bill Of Assurance or any Supplemental Bill Of Assurance for the purpose of Streets and other means of access, ingress and egress, and for Utilities, drainage, Community Facilities and all other authorized uses.

"Grantor" shall have the meaning hereinabove specified in the recitals and shall specifically bind and inure to the benefit of Stirling Realty Corporation, First Real Estate Development Corporation and their respective successors and assigns.

"Grantor Property" shall collectively mean any portion of the Property at any time hereafter owned in fee simple by Grantor for so long as Grantor shall own the same.

"Improvements" shall collectively mean all Residences and any other residential or commercial buildings, appurtenances, structures, fences, walls, enclosures, plants, shrubbery and other landscaping, ornamental yard fixtures or decorations, and all other buildings, structures and improvements of any kind placed at any time upon, under or above any Residential Lot or Commercial Lot or any portion thereof, and shall specifically include all appurtenances, repairs, alterations, modifications, changes or additions thereto.

"Lots" shall collectively mean all Residential Lots and all Commercial Lots.

"Main Floor" shall mean the finished heated and air conditioned floor space on the ground floor of a Residence that is used for living, cooking, dining, sleeping and storage areas; provided, however, that such areas may be on different levels if the Residence is a split-level house but shall not include any such areas in a basement or above the ground floor of a Residence that has two or more stories. The number of square feet in the Main Floor shall be computed by aggregating the total number of square feet in a horizontal plane to the outside top plate line of the Residence, exclusive of eaves, overhangs, open porches, patios, breezeways, decks, terraces, garages, carports, exterior or secondary steps or stairways, porte-cocheres and outbuildings.

"Master Bill Of Assurance" shall mean this instrument and shall specifically include all amendments, changes, modifications and alterations thereto.

"Members" shall collectively mean all Residents other than the Owners of any Commercial Lots, who shall have complied with the requirements of the Association Documents and hold a membership in good standing in the Association.

"Owner" shall mean any person or legal entity having record fee simple legal title, or equitable title pursuant to a contract of sale, to any interest in any Lot or Unit or portion thereof, whether or not they actually occupy the same or reside thereon, other than for the purpose of security for the performance of any obligation.

"Placed" shall mean in reference to any Lot, and portion thereof or any other part of the Property, the placement thereon, thereunder of thereabove of any improvements or other thing or matter, including without limitation as the context may require any of the same that are constructed, erected, assembled, attached, placed, located, situated, thrown, dumped, planted, grown, used, maintained, stored or permitted to remain thereon, and any alteration, modification, change or addition thereto.

"Planner" shall have the meaning hereinabove specified in the Recitals and shall specifically include successors and assigns and any other engineers, surveyors or planners who shall prepare any Plans or Plats or any amendments, changes, modifications or alterations thereto.

"Plans" shall mean collectively all plans, specifications, drawings, blueprints, work sheets and plot plans for the design, size, color scheme, materials, location and directional placement (with respect to existing topography, adjoining Streets and finished ground elevations) of any Improvements, and shall specifically include all change orders or other amendments, changes, modifications and alterations thereof.

"Plat" shall have the meaning hereinabove specified in the Recitals and shall specifically include all amendments, changes, modifications and alterations thereto.

"Property" shall have the meaning hereinabove specified in the Recitals.

"Recorder" shall have the meaning hereinabove specified in the Recitals.

"Residence" shall mean a detached single-family residential house , and related Improvements, constructed on a Residential Lot which shall be primarily used at all times by a single family as its principal dwelling, and shall also include any other single-family residential dwelling unit within the Property which is used for the purpose of making the possession thereof available to the owner of any share, membership or other interest in any cooperative or other entity organized and operated for such purposes.

"Resident" shall mean any Owner of a Residential Lot and any other natural person who actually resides in any Residential Unit on the Property as a lessee pursuant to an oral or written lease, or who are members of the immediate family of any of the foregoing persons, are at least eighteen (18) years of age and actually reside on the Property in the same Residential Unit with such persons.

"Residential Lots" shall collectively mean all building tracts, parcels or lots of the Property at any time designated as such on any Plats, which are zoned and are also restricted by this Master Bill Of Assurance and any Supplemental Bill Of Assurance to single-family, or multi-family residential use, and which are assessed as separate units for real estate tax purposes by the State of Arkansas or the County.

"Residential Units" shall collectively mean all Residences and all apartments or other residential dwelling units of an apartment building or other multi-family residential building intended for tenant occupancy.

"Street" shall mean any highway, street, terrace, road, roadway, alley, drive, circle, cove, boulevard or way as now or hereafter shown on any Plat.

"Subdivision" shall mean any portion of the Property at any time subdivided into any Lots, Streets, Easements or Community Facilities, as now or hereafter shown on any Plats and subject to the Covenants of this Master Bill Of Assurance and any Supplemental Bill Of Assurance.

"Supplemental Bill Of Assurance" shall mean any Bill of Assurance or other instrument of protective covenants, conditions or restrictions which shall at any time hereafter be duly executed, acknowledged and filed with the Recorder to subject any portion of the Property to the Covenants of this Master Bill Of Assurance and to any other additional or supplemental protective Covenants provided therein.

"Unit" shall mean the fee simple title to any Lot within the Property, the fee simple title to a unit in any condominium development within the Property, and any share, membership or other interest in any cooperative or other entity organized and operated for the purpose of making residential dwelling units available to its shareholders, members or other beneficiaries, which share, membership or other interest entities the owner thereof to possession of any residential dwelling unit within the Property, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation.

"Utilities" shall mean collectively and without limitation all electric, gas, steam, solar, water, sewer, telephone, television cable and other public utility services of every kind and nature.

"Utility Company" shall mean any person or legal entity who shall provide any Utilities to the Residents of the Property in the ordinary course of their business, and shall specifically include their respective heirs, successors and assigns, as the case may be.

2. PROPERTY SUBJECT TO MASTER BILL OF ASSURANCE; RESERVATIONS. The Covenants of this Master Bill Of Assurance are and shall be imposed upon any portion of the Property and on all Owners and Residents thereof hereafter subjected thereto by any instrument duly executed; acknowledged and filed with the Recorder by Grantor for such purposes, including without limitation any Subdivision of the Property and any Lots therein, and all Owners and Residents thereof, which shall thereafter be held, owned, conveyed, leased, used, improved and developed subject thereto, upon Grantor duly executing, acknowledging and filing with the Recorder a Supplemental Bill Of Assurance and a Plat thereof subdividing such portion into the Subdivision. Such Supplemental Bill Of Assurance and Plat shall describe the portion of the Property constituting the Subdivision, shall provide that the Subdivision and all Owners and Residents thereof shall thereafter be subject to and bound by the Covenants of this Master Bill Of Assurance, may subject the Subdivision to other additional Covenants which may be consistent or inconsistent with the Covenants herein and shall be automatically incorporated herein by reference upon the filing thereof as hereinabove provided; provided that Grantor shall in any event subdivide and restrict the Subdivision to single-family residential, multi-family residential, condominium residential, commercial or Community Facilities uses and purposes. Notwithstanding anything herein to the contrary, the Covenants herein shall not be imposed on or binding upon any portion of the Property or

any Owners or Residents thereof unless and until such portion is hereafter subjected thereto by an instrument or a Supplemental Bill Of Assurance and a Plat thereof in the aforesaid manner, and then only from that time forward. No approval or consent of the Association, and Members, the Aesthetics Committee or any other person or legal entity shall be required or necessary to subject any portion of the Property to this Master Bill Of Assurance. In filing such instrument or Supplemental Bill Of Assurance and Plat for a Subdivision, for its own use and benefit or for the use and benefit of such other persons or legal entities as Grantor may designate, Grantor specifically reserves the right to keep and use any surplus dirt, gravel, concrete, asphalt, fill, curbs, pipes, drains, sewers, storm sewers, manholes, conduit, light poles and fixtures, wire or other building materials of any kind that may have been used by Grantor in the construction of the Subdivision or the Utilities.

3. COVENANTS PERTAINING SOLELY TO RESIDENTIAL UNITS AND RESIDENTIAL LOTS. Every Residential Unit and Residential Lot and every portion thereof shall at all times be held, occupied, owned, conveyed, leased, used, improved and developed by all Owners and Residents thereof subject to and in compliance with the following Covenants:

(a) Residential Units And Residential Lots Restricted To Residential Use. All use of Residential Units and Residential Lots shall be restricted to residential use of the type and character for which it is zoned by the appropriate governmental zoning authority having jurisdiction thereof, and specifically each Residence shall be primarily used at all times by a single family as its principal dwelling; provided, however, that upon the prior written consent of the Aesthetics Committee as to the Plans therefor, Grantor or a Builder may construct, landscape and furnish one or more Residential Units to be used as model units for promotional and sales or lease purposes. No Improvements shall be Placed on any Residential Lot other than (i) a Residence that is a single-family house, the Plans for which have been previously approved in writing by the Aesthetics Committee, which shall not exceed two and one-half (2 1/2) stories in height when seen from the front or principal Street facade, together with a private garage for not less than two (2) nor more than (3) passenger motor vehicles, where the residential Lot is zoned for single-family residential use, (ii) such other improvements, the Plans for which have been previously approved in writing by the Aesthetics Committee, as may be authorized as herein provided. Other than the aforesaid authorized garages, no guest house, servants quarters or other outbuilding or detached structure appurtenant to Residential Units may be Placed upon any Residential Lot without the prior written consent of the Aesthetics Committee, and all such other appurtenant structures must be clearly incidental and related to residential use of the Residential Lot.

(b) Commercial, Charitable, Etc. Uses Prohibited. Except for temporary structures used for the construction and sale and lease of Residential Units by Grantor or a Builder, Residential Units and Residential Lots shall not be used to conduct, carry on or

permit any business, professional, trade or other commercial uses or activities, nor any uses or activities of an organized social, civic, charitable, educational or religious organization, association, legal entity, and no Improvements shall be Placed on any Residential Lot for any such prohibited purpose. Such prohibited uses or activities shall include without limitation the rental or real estate land sale contract for sale by installment of any Residence, guest house, or servants quarters, boarding houses, tenements, apartment houses, short-term rental such as a Vacation Rental By Owner (VRBO), Airbnb, or similar vacation or temporary rental in exchange for remuneration, trailer or mobile home parks, tourist courts, motels, hotels, restaurants, eating houses, clubs, stores, warehouses, offices, beauty shops, barber shops, service and repair facilities, yard, garage or carport sales, flea markets, the headquarters or meeting place of any aforesaid organized social, civic, charitable, educational or religious entity, and all other similar or related uses or activities.

(c) Yard Sales and Long-term Rentals. Persons residing in a Residential Unit and Residential Lot must be the Owner, a member of the Owner's immediate family, or a person residing there with the owner's permission without any exchange of money or remuneration. As to rentals lasting longer than one year's time and real estate land sale contracts for sale by installment, the Association may vary the prohibitions in this paragraph and in paragraph 3(b) as it determines in its sole discretion, provided that variance is intended to promote the long-term habitation and ownership of residences without disruption to the common single-family nature of the Property. The Association may also schedule designated "yard sale" weekends, from Friday until Saturday at 6 PM, bi-annually, once during the months of January through June, and again during the months of July through December. During these designated and pre-scheduled yard sale weekends, yard sales shall be permitted notwithstanding the prohibitions in paragraph 3(b).

(d) Pre-Fabricated Buildings Prohibited. No pre-existing, pre-erected or pre-fabricated trailer, mobile home or other building or structure of any kind shall be Placed on any Residential Lot; provided that the prior written approval of the Aesthetics Committee of all Plans therefor, a pre-fabricated house may be Placed on a Residential Lot zoned and restricted by the Covenants for single-family residential use.

(e) Temporary Facilities and Habitation Prohibited. No trailer, mobile home, motorhome, recreational vehicle, camper, tent, shack or any other vehicle, facility or structure or a detached structure other than a guest house or servants quarters that comply with this Master Bill Of Assurance, shall at any time be used for temporary or permanent human habitation, and no basement or attic in any Residential Unit shall at any time be used for temporary or permanent human habitation unless appropriately finished or completed for permanent human habitation according to Plans previously approved in writing by the Aesthetics Committee. Nothing herein contained shall prevent a protective shelter for use during emergencies from being Placed on any Residential Lot; provided that the Plans for such shelter shall have been previously approved in writing by the Aesthetics Committee. No such protective shelter shall be used for any temporary or permanent

human habitation except upon the occurrence of an emergency of the type against which the shelter is designed to protect.

(f) Division and Size of Residential Lots. No Residential Lot shall be divided or re-subdivided into a smaller lot, parcel or tract; provided that a Residential Lot may be divided to increase the size of adjacent Residential Lots. Under no circumstances may any Residence be Placed on any building site, tract, parcel or lot (other than the Residential Lots shown on the Plat) having a width of less than one hundred feet (100') at the minimum building set-back line herein provided, or having a gross area of less than 15,000 square feet.

(g) Set-Back Requirements. No Residence or other building for Residential Units shall be located on any Residential Lot nearer to the front Residential Lot line or nearer to the side Street line than the minimum building set-back lines shown on the Plats. No Residence or building for Residential Units shall be located nearer to an interior Residential Lot line than a distance of ten percent (10%) of the average width of the Residential Lot or 8 feet, whichever is less, except that a detached garage or other accessory building permitted in accordance with this Master Bill of Assurance and located 35 feet or more from the minimum building set-back line may be placed not nearer than 5 feet from the side or rear Residential Lot line. No residence or other building for Residential Units shall be located on any Residential Lot nearer than 25 feet to the rear Residential Lot line. For the purpose of this Covenant, eaves, patios, decks, steps and porches not under the roof shall not be considered as a part of the Residence or building.

(h) Restrictions on Animals and Reptiles. No horses, cattle, sheep, pigs, poultry, roosters, chickens, ducks, geese, goats, animals or reptiles that are normally innately wild, undomesticated or have an untameable disposition, or any other livestock, animals or reptiles of any kind shall be kept, raised, bred, maintained or permitted to remain on or about any Residential Lot or Residential Unit; provided, however, so long as they are not kept, raised, bred, maintained or permitted to remain for commercial purposes, Residents may have customary household pets such as dogs, cats, birds, domestic fowl or fish of such varieties and in such numbers as shall be previously authorized in written rules or regulations of the Aesthetics Committee.

(i) Signs and Billboards. No signs, billboards or advertising signs or structures of any kind shall be Placed or displayed to public view on any Residential Lot or any Improvements thereon, except for (i) a name and address sign of a Resident which has been previously approved in writing by the Aesthetics Committee, and (ii) signs, billboards or advertising signs or structures not exceeding 5 square feet in size which are Placed and used by Grantor, Builders, Owners or real estate agents to advertise the sale of a Residential Unit during the initial construction and sales period and at the time of any subsequent sale of the Residential Unit.

(j) Utility Lines; Radio and Television Facilities. Subject to all applicable laws, rules and regulations, each Owner of a Residential Lot shall bury underground on their residential Lot all lines, wires, conduits and cables for electrical, telephone and television cable services in a ditch approximately 4 inches wide and 18 inches deep from the point of service by the Utility Company to the point of use by said Owner. All overhead lines, wires, conduits, cables, poles or other structures for any Utilities for Residential Lots and for the lighting of Streets are prohibited; provided, however, that notwithstanding anything in this Master Bill Of Assurance to the contrary, any facilities, equipment, structures or other Improvements for any Utilities may, with the prior written approval thereof by the Grantor, be Placed by any Utility Company on or above any portion of the Property within any Easements for Utilities. No exposed or exterior radio or television transmission or receiving antennas, dishes or other similar facilities or equipment shall be Placed on any Residential Lot or any part of a Residential Unit without the prior written approval thereof by the Aesthetics Committee.

(k) Fences, Walls, Landscaping, Etc. No fence, wall hedge, mass plant growth, enclosure or any other improvements shall be Placed beyond the minimum building set-back lines established herein applicable and in effect as to each Residential Lot without the prior written approval of the Aesthetics Committee; provided, however, that Owners of a Residential Lot may landscape their yards without such prior written approval with trees, flowers, evergreens, other plants or shrubbery, or ornamental yard fixtures or decorations, as long as the same otherwise comply with the Covenants. All fences shall be wooden privacy fences, wrought iron fences, or fences which incorporate building materials associated with the residence on that Lot. The Aesthetic Committee must pre-approve any fence's design prior to its construction. No fence shall be allowed to fall into disrepair for longer than six months without that fence being repaired to its previously approved state.

(l) Motor Vehicles, Boats, Etc. Except for parking or maintaining in an authorized garage, authorized carport, and the temporary parking (defined as typical parking for ingress, egress, and loading, not lasting more than one hour's time) on any portion of a garage driveway or in a Street, as allowed by law, no automobile, truck, motorcycle, motorhome, recreational vehicle, mail cart, dune buggy, mobile home, golf cart, or any other motor vehicle, and no boat, boat trailer, travel trailer, other trailer, or camper shall be parked or placed on any Residential Lot regardless of how it is zoned, provided that each Residential Lot may have a total of two personal, operable four-wheeled automobiles parked outside of an authorized garage on a driveway. Further, no commercial motor vehicles or trailers other than an automobile, pick-up truck, van or motorhome, and no construction or similar equipment of any kind, shall be parked or Placed on any Residential Lot, regardless of how it is zoned. Small canoes, fishing boats, and other recreational vehicles may be maintained on a Residential Lot only if they are not visible from any Street or visible from any other Residential Lot.

(m) Letter and Delivery Boxes. The Aesthetics Committee must approve in writing the location, color, size, design, lettering, standards, brackets, name signs and all other aspects of all mail or newspaper delivery boxes prior to being Placed on any Residential Lot.

(n) Minimum Residence Size. All Residences shall have a Main Floor of the minimum size specified in the Supplemental Bill Of Assurance for the Subdivision in which it is located; provided that nothing herein shall be construed to prevent the integration and construction of a garage as part of a Residence if the garage otherwise complies with this Master Bill Of Assurance.

(o) Occupancy. Residential Units shall not be occupied in any manner while in the course of construction or at any time prior to being fully completed. Nor shall any completed Residential Units be in any manner occupied until they comply with all Plans therefor approved by the Aesthetics Committee and with all other Covenants. Unless such time shall be extended in writing by the Aesthetics Committee when warranted by the circumstances, the construction or erection of all Residences or other Residential Units shall be completed within 6 months from the start thereof. The occupancy of any guest house or servants quarters shall be limited to either guests, servants or members of the Owner's or Resident's family.

(p) Use Of Boats. No boat, raft, canoe or other water craft of any kind shall at any time be operated upon the lake, stream, river, canal or other waterway without the prior written approval of the Board, and if such approval is granted the operation thereof shall conform to all rules and regulations promulgated by the Board and the Aesthetics Committee concerning the same.

(q) Driveways. All driveways, including garage driveways, situated on any Residential Lot shall be paved or constructed as a hard surface. No gravel driveways or dirt driveways are allowed without prior written approval from the Aesthetics Committee.

4. COVENANTS PERTAINING SOLELY TO COMMERCIAL LOTS. Every Commercial Lot and every portion thereof shall at all times be held, occupied, owned, conveyed, leased, used, improved and developed subject to and in compliance with the following Covenants:

(a) Trucks, Trailers, Junk Motor Vehicles, Etc. No trucks or trailers of any kind shall be Placed on Commercial Lots or on any adjacent Streets or Residential Lots at any time, except for those used in the actual construction, alteration or repair of Improvements to Commercial Lots and those present for periods not exceeding forty-eight hours for purposes of loading, unloading and temporary promotions or advertising in the ordinary course of business of the Owners or lessees of the Commercial Lots. No junk, disabled,

dismantled, wrecked or scrap motor vehicles or parts thereof of any kind shall be Placed on Commercial Lots at any time.

(b) Sidewalks, Curbing, Etc. As part of the construction of each building erected on Commercial Lots, there shall be included a sidewalk in front of such buildings of eight-foot minimum width, which sidewalk or such part thereof as shall be required for such purpose may extend into any platted Street in front of such building . Likewise, as part of the construction of each building, there shall be constructed concrete curbing and gutters, and storm sewers, plus that portion of any unpaved Street fronting on each such building lying between such curb and gutter and any Street paved by Grantor shall be paved. All of the construction required by this paragraph shall be at the expense of the Owner or lessees and shall be paid for by the Owner or lessees concurrently with the erection of a building or buildings. Owners or lessees who erect buildings on only a fractional portion of Commercial Lots must provide curbs, sidewalks, gutters and paving for the entire Commercial Lot.

(c) Commercial Covenants. The following Covenants shall apply at all times to Commercial Lots:

(i) Buildings erected on Commercial Lots shall be limited to stores, offices, business buildings, commercial enterprises, hotels, motels restaurants, bars, theaters, and light industry.

(ii) All buildings erected on Commercial Lots must be of brick, concrete block, or cement masonry construction, or a combination of these, and must include adequate toilet facilities for Owners, lessees and their employees. No such building shall be used or occupied as living quarters, except bona fide hotels or motels.

(iii) When and where the use of a party wall is not in conflict with the laws and regulations governing fire protection, party walls are permissible by the mutual consent of all parties concerned.

(d) Loading Docks. No loading dock shall be constructed facing on any public Street unless such loading dock and every part thereof is at least 100 feet inside the right-of-way line of the public Street on which such loading dock fronts.

(e) Storage Yards. Outdoor storage yards shall be screened from public view and shall be placed so as to conform with the building line restrictions set forth hereinbelow.

(f) Parking. Owners and lessees of Commercial Lots shall not permit their employees or tenants to regularly park during business hours on public Streets within the Property. It will be the responsibility of such Owners and lessees, their successors, assigns, or other persons holding under them to provide adequate off-street parking for employees

and visitors within their property lines. All such parking areas shall be covered with a hard, dust-free, paved surface.

(g) Setbacks. No building shall be constructed on any Commercial Lot nearer than 30 feet to the right-of-way line of Streets. In the case of Corner Lots both 30-foot front setbacks will apply. There must be maintained a strip of 10 feet minimum of landscaped ground along and within the Street property lines, exclusive of drives and walks. Minimum side yards shall be 25 feet and shall aggregate 50 feet on each individually owned Commercial Lot, provided, however, that where suitable the 25-foot minimum may be waived by the Aesthetics Committee. In the event more than one Commercial Lot shall be owned by one person or entity and in the improvement of such Commercial Lot, then the side line restriction on the interior line or lines shall be waived. Provided further, that if a part of a Commercial Lot shall be sold before any improvements thereon shall have been erected, then the line between the part sold and the part retained shall be the property line to which this setback restriction shall apply.

(h) Condition of Property. The Owner or lessees of any Commercial Lot shall at all times keep the premises and Improvements thereon in a safe, clean, wholesome condition and comply in all respects with all government, health, fire, and police requirements and regulations; and the Owner or lessees will remove at his or its own expense any rubbish of any character whatsoever which may accumulate thereon. In the event such Owner or lessees fail to comply with any or all of such specifications or requirements, the Grantor shall have the right, privilege, and license to enter upon such premises and make any and all corrections or improvements that may be necessary to meet such standards and to charge such Owner or lessees the expenses incurred in doing so.

(i) Construction Period. If, after the expiration of one year from the date of execution of a contract for the sale of any Commercial Lot, or after the expiration of one year from the date of completion of Utilities, whichever is later, any purchaser shall not have begun in good faith the construction of a permanent building upon such Commercial Lot, then Grantor retains the option to rescind such contract, refund the purchase price and enter into possession of such Commercial Lot. However, Grantor may extend in writing the time at which such construction may be begun.

(j) Signs. Plans for the construction, installation, or alteration of all outdoor signs on Commercial Lots, if any, shall be first submitted to and have the written approval of the Association.

(k) Approval of Plans. No improvements shall be Placed on any Commercial Lot unless the Plans therefor shall have been previously approved in writing by the Association.

5. COVENANTS PERTAINING TO ALL LOTS IN GENERAL. Every Lot and every portion thereof shall at all times be held, occupied, owned, conveyed, leased, used, improved and developed subject to and in compliance with the following Covenants:

(a) Nuisances Or Noxious Activity. No trash, rubbish, garbage, refuse, ashes, debris, scrap metal, appliances, iceboxes, furniture, excess construction material, tin cans, standing water which breeds mosquitos or other invasive insects, motor vehicles not in good operative condition or any parts thereof, weeds, brush, shrubbery or other plants of any kind, including grass, not properly trimmed and maintained, or any other property or thing of any kind that will or could cause an unclean, untidy, unsightly or unsanitary appearance or condition, or that will or could be obnoxious or offensive to an ordinary person, shall at any time be Placed on any Lot. Grass, and weeds shall be unclean, untidy, and unsightly in appearance if it has grown to exceed eight (8) inches in height, unless that Residential Lot has been recognized by the Association, city, state, or the United States as agricultural, wetlands, open spaces, natural areas, or wild flower areas. Nor shall any hazardous or non-hazardous substance, thing or material be Placed on any Lot that will or could be hazardous to the health or safety of any person, or emit foul or obnoxious odors or cause any noise that will or could disturb the health, peace, quiet, comfort or serenity of the adjacent Lots or the Property as a whole. Further, no activity or conduct of any kind that will or could be noxious, offensive or annoying to an ordinary person, or that will or could be or become a nuisance to the neighborhood or the Property as a whole, shall be conducted, carried on, or permitted upon any Lot.

(b) Drilling And Mining Prohibited. No oil, natural gas, petroleum, asphaltum, hydrocarbon products, or minerals of any kind shall be produced, extracted, drilled, developed, refined, quarried or mined upon or from any Lot. Nor shall any well, tank, tunnel, derrick, excavation, shaft or other structure or improvement used, useful or related to such operations be Placed thereon.

(c) Cesspools Prohibited. No leaching cesspool of any kind shall ever be Placed on any lot.

(d) Sight Line Restrictions. No fence, wall, hedge, shrubbery, other mass plant growth or any other Improvements which obstructs sight lines at any elevation of more than 30 inches above any Street shall be Placed on any Corner Lot within the triangular area formed by the two intersecting Street property lines adjacent to the Corner Lot and a third line connecting them at a point 50 feet from the point of their intersection, or in the case of a round Corner Lot, within the triangular area formed by the two intersecting tangents to the curve, one tangent at its beginning and one at its end, and a third line connecting them at a point 50 feet from the point of their intersection. The same sight line restrictions shall also apply to any Lot within 10 feet from the intersection of a Street property line and the edge of a driveway or alley pavement. The foliage line of any tree

located within such restricted areas shall be maintained at a height of not less than 8 feet above ground level to prevent obstruction of such sight lines.

(e) Lot Lines and Boundaries. Iron pins have been set on all Lot corners and points of survey and all Lot dimensions shown on curves and chord distances, and all curve data as shown on the Plats is centerline curve data. In the event of minor discrepancies between dimensions or distances as shown on the Plat and the actual dimensions or distances as disclosed by the established pins, the pins as set shall control.

(f) Native Growth. The native growth on any Lot shall not be destroyed or removed except as necessary or required by the Plans for all Improvements on the Lot which have been previously approved as herein provided. In the event such growth is removed without such approval, the Aesthetics Committee, in the case of Residential Lots, may require the replanting or replacement of the same, and the cost thereof shall be borne by the Owner of the Lot.

(g) Tanks, Clotheslines, Garbage Cans, Etc. No elevated tanks of any kind shall be Placed on any Lot; provided that nothing herein shall prevent tanks or other apparatus or equipment that are part of a water system used by a Utility Company to provide water service Utilities from being Placed thereon by Grantor or a Utility Company. Any tanks, including tanks for the storage of fuels, must be sufficiently buried or enclosed by a wall to conceal them from the view of neighboring Lots or Streets. All clotheslines, garbage cans, trash dumpsters, equipment, coolers, wood piles or storage piles shall be similarly enclosed by a wall to conceal them from the view of neighboring Lots or Streets. All Plans for enclosures of this nature must be previously approved in writing by the Aesthetics Committee, in the case of Residential Lots, and Grantor, in the case of Commercial Lots, prior to being Placed on any Lot.

(h) Street Signs and Unpaved Islands; Curbs and Gutters.
Street signs and unpaved islands for Subdivisions composed of Residential Lots shall be maintained by the Association in perpetuity. Curbs shall be broken at all driveways and the driveway grades lowered to meet the gutter line not more than two (2) inches above the gutter grade. No obstruction shall be placed in any Street gutter.

6. COVENANTS PERTAINING SOLELY TO EASEMENTS. All Easements, Lots, Owners, Residents and the public shall at all times be subject to and in compliance with the following Covenants:

(a) Utilities Easements. No trees, shrubbery, other plants, incinerators, structures, buildings, fences, pavement or other Improvements shall at any time be Placed within the area of the Easements for Utilities, and no excavations within the area of such Easements for any purposes whatsoever shall be made which will or could interfere with the installation, operation, maintenance, repair and replacement of any Utilities. In the

event this Covenant shall be violated, no Utility Company shall be liable for the removal or destruction of the cause thereof while engaged in the installation, operation, maintenance, repair or replacement of any Utilities located within the area of such Easements.

(b) Drainage Easements. All use and maintenance of the Easements for drainage and all other drainage way shall conform to the requirements of all applicable governmental laws, rules and regulations.

(c) Street Easements. All use of the Easements on, over and across the Streets shall be restricted to access, ingress, egress and the temporary parking of motor vehicles.

7. COMMUNITY FACILITIES. All Community Facilities and the construction, erection, acquisition, administration, operation, provision, maintenance, repair, replacement and use thereof shall at all times be subject to and in compliance with the following Covenants:

(a) Grant and Conveyance to Association. Grantor shall be entitled but is not obligated to convey to the Association any Community Facilities that Grantor may deem to be in the best interests of the Association for the use and enjoyment of the Members thereof, and Grantor may, but is not obligated to, assign to the Association any contractual or other rights it may have which Grantor in its sole discretion determines would be of benefit to the Association for the continued enjoyment and security of the Members with respect to the Property and the Community Facilities. Grantor covenants that any such conveyance of Community Facilities to the Association shall be made by special warranty deed, subject to the Covenants. Notwithstanding anything to the contrary contained in this Master Bill of Assurance; Grantor may not be forced to convey any Community Facilities to the Association by injunctive relief, specific performance, or any other equitable or injunctive remedy or proceeding, nor shall Grantor be liable to the Association, any Owner, any resident or any other person or legal entity for any damages, awards, costs of expenses asserted to have proximately resulted from the failure or refusal of Grantor to so convey any Community Facilities to the Association for any reason. Nothing herein shall be construed to prohibit or impair the right of the Association, and the Association shall have the right, to conduct, erect, acquire, administer, operate, repair, replace and use Community Facilities by any lawful means other than by a grant or conveyance from Grantor.

(b) Members' Easements of Enjoyment. Subject to the provisions contained in this Paragraph 7, every Member of the Association shall have a right and easement of enjoyment in and to the Community Facilities, including, but not limited to, a non-exclusive right of ingress and egress and a non-exclusive right to use the Community Facilities for recreational or other authorized purposes, and such easement shall be appurtenant to and shall pass with the title to all Residential Lots. Unless waived by the vote of 50% or more of Members then entitled to vote, as evidenced by affidavit of a

Member of the Board recorded with the Recorder, and subject to applicable zoning ordinances, governmental rules and regulations and the rights of Grantor and others as herein stated, the Community Facilities shall be used only for recreational, educational and community purposes. The rights and easements of enjoyment created hereby shall be subject to the following:

(i) The right of Grantor or its designees to the exclusive use of such portion of the Community Facilities as it, in the exercise of its sole discretion, may deem necessary or advisable for, or as may be reasonably required, convenient or incidental to, the construction of Improvements within the Property and the sale of property contained therein including, but not limited to, sales and business offices, storage areas, construction yards and signs. Such right of Grantor shall and does exist notwithstanding any provision of this Master Bill Of Assurance which might be construed to the contrary, and such right of Grantor exists without affecting any Member's obligation to pay dues, assessments, fees or charges coming due during such period of time and without affecting any charge and lien on any Member's property in favor of the Association.

(ii) The right of the Association (if 50% or more of the votes of those Members then entitled to vote shall so authorize, and subject to applicable zoning ordinances) to borrow money for the purpose of improving the Community Facilities and in aid thereof to mortgage or otherwise burden or encumber the Community Facilities. The Association shall not mortgage any portion of the Community Facilities which may provide ingress or egress to any Residential Unit. In the event of a default upon any such mortgage or other burden or encumbrance the lender shall then only have a right (a) to take possession of such Community Facilities (where such right to possession exists), (b) to charge admission and other fees as a condition to continued enjoyment by the Members and, (c) if necessary, to open the enjoyment of such Community Facilities to persons other than Members until the mortgage or other debt is satisfied, such right being the exclusive remedy available to the lender; and at the time such mortgage or other debt is satisfied the title to and possession of such Community Facilities shall be returned to the Association, all rights of persons other than Members shall terminate and all rights of the Members hereunder shall be full restored.

(iii) The right of the Association to take such steps as are reasonably necessary to protect the Community Facilities against foreclosure.

(iv) The right of the Association, as provided in the Association Documents, to suspend the enjoyment rights of any Member for any period during which any dues, assessments, fees or charges remain unpaid, and for such period as it considers appropriate for any infraction of its published rules and regulations.

(v) The right of the Association to charge reasonable admission and other fees for the use of any Community Facilities.

(vi) The right of the Association at any time to transfer all or any part of the Community Facilities, if authorized by 50% or more of the votes of those Members then entitled to vote, subject to the provisions of this Master Bill Of Assurance and the Association Documents.

(vii) The right of the Association to grant such easements and rights-of-Way to any Utility Company or other public agencies or authorities as it shall deem necessary or desirable for the proper servicing and maintenance of the Community Facilities or of common property owned by any condominium association of persons who are also Members of the Association or are Residents of the Property.

(viii) The right of Grantor to impose reasonable covenants and restrictions in respect to such Community Facilities in addition to those set forth herein, at the time of any grant or conveyance thereof to the Association, and such covenants and restrictions are hereby incorporated by reference and made a part of the Covenants.

(c) Extension of Rights And Benefits. Every Member of the Association shall have the right to extend the rights and easements of enjoyment vested in them hereunder to each of their tenants and to each member of their family who resides with them in a Residential Unit, and to such other persons as may be permitted by the Board.

8. COVENANTS PERTAINING TO THE PROPERTY IN GENERAL. The Property, all Owners, all Residents, and the public shall at all times be subject to and in compliance with the following Covenants.

(a) Covenants Run With the Property; Duration. The Covenants touch and concern the ownership and use of the Property and the interest of all Residents and Owners in every Residential Unit, Lot, and the Community Facilities, and therefore Grantor intends that they shall be, and the same hereby are, restrictive Covenants running with the Property and the title to every Residential Unit, Lot, Community Facilities or other part of the Property. By acceptance of a purchase contract, lease, deed or other conveyance of title to any interest in any Lot or Residential Unit, all Residents and all Owners agree to be bound by, to perform and comply with all Covenants. Unless amended, modified, extended or cancelled as herein provided, the Covenants shall bind and inure to the benefit of every Lot or other part of the Property, and all Residents and Owners and their heirs, personal representatives, successors and assigns. All parties claiming by, through or under them shall be deemed to have agreed and covenanted with all Owners and Residents, and with each of them, to be bound by, to perform and comply with all Covenants and to the use of all Lots and other parts of the Property as herein restricted. None of the Covenants shall be personally binding upon any Resident or Owner except in respect to breaches or

violations committed during the seisin of title of such Resident or Owner. Except as may be otherwise provided herein, the Covenants shall remain in full force and effect at all times as against the Property, all Residents, all Owners and the public until January 1, 2055, on which date they shall terminate and thereafter be of no further legal or equitable effect; provided, however, that the same shall be automatically extended for a period of ten (10) years, and thereafter in successive ten (10) year periods unless on or before the end of the preceding such period a majority of Owners shall duly execute, acknowledge and record a written instrument to terminate, amend, or cancel the same. Although the Covenants may terminate as herein provided, any and all rights, causes of action or remedies for breach of the same committed or suffered prior to such termination shall be absolute and remain unaffected and unimpaired.

(b) Right to Enforce. The Association, Grantor, any Owner and any other resident shall have the right to sue for and obtain a prohibitive or mandatory injunction to prevent the breach of or to enforce all covenants in addition to all other available legal or equitable remedies for damages or otherwise.

(c) Aesthetics Committee. Except as may be otherwise provided herein, no Improvements shall be Placed on any Residential Lot or Residential Unit unless a majority of the Aesthetics Committee shall have previously approved in writing all Plans therefor. Approval of the foregoing shall be evidenced by the written endorsement on the Plans by the Aesthetics Committee and delivery of the written approval to the Owner of the Residential Lot or Residential Unit upon which the Improvements are to be made prior to their being Placed thereon. No change order, modification, amendment, change or alteration of such Plans so approved shall be made without the prior written consent of the Aesthetics Committee. In the event the Aesthetics Committee fails to approve or disapprove such Plans within thirty (30) days after they have been submitted to it, or in the event no lawsuit seeking to enjoin such Improvements from being Placed has been commenced prior to the completion thereof, the required approval by the Aesthetics Committee shall be deemed to have been fully complied with. The Aesthetics Committee shall not be liable for any structural or other defects in such Plans, or in any Improvements Placed on any Residential Lot or Residential Unit according to such Plans, or for any approval thereof given hereunder, and any such approval so given shall not be considered as a waiver of any provision, covenant or restriction in any Plat or the Covenants. Nothing herein contained, nor the required approval of the Aesthetics Committee, shall in any way be deemed to prevent any person or entity entitled thereto from maintaining any legal action relating to any Improvements within the Property which they would otherwise be entitled to maintain. There shall be no compensation to any member of the Aesthetics Committee for any services performed pursuant to the Covenants. .

(d) The Association. By acceptance of a purchase contract, deed or other conveyance of title to any interest in any Residential Lot or Residential Unit, all Owners, other than the Owners of any commercial Lots, agree to become and shall be Members of

the Association and subject to the obligations thereof and the Association Documents. Upon filing with the Association a written request and certificate of residency within the Property, all Residents other than such Owners may also become and shall be Members of the Association and subject to the obligations thereof and the Association Documents. Grantor shall be a Member of the Association so long as Grantor shall own any Grantor Property, and shall likewise be subject to the obligations thereof and the Association Documents; provided, however, that notwithstanding anything in this Amended and Restated Master Bill of Assurance or any of the Covenants to the contrary, and notwithstanding that Grantor shall then own any Grantor Property, Grantor shall cease to be a Member and shall not be subject to the obligations of the Association and the Association Documents upon the first to occur of either (i) the date on which that portion of the Grantor Property that is zoned for any residential use shall constitute less than fifty percent (50%) in acreage of all of the Property zoned for any residential use, or (ii) January, 1 1995. By becoming such, all Members agree to pay to the Association at such times and in such amounts as shall be established by the Board, provided that the amounts thereof shall be so established and written notice thereof shall be sent to the Members liable therefor at least ninety (90) days prior to the payment date thereof, the following: (i) annual dues and assessments, (ii) any special assessments for capital improvements to the Community Facilities, and (iii) any user fees for use of the Community Facilities, and (iv) any other fees or charges necessary to implement or affect the purposes of the Association as herein provided. All Members further agree to pay the Association any fees, costs, charges, expenses, penalties, and interest incurred by the Association to bring that Member's Residential Unit or Residential Lot into compliance with the Amended and Restated Master Bill of Assurance or any Supplemental Bill of Assurance. The Board shall for the purpose of imposing such dues, assessments, fees and charges— except any fees, costs, charges, expenses, penalties, and interest incurred due to a Member's noncompliance with the Amended and Restated Master Bill of Assurance or Supplemental Bill of Assurance—have the authority to classify all Members into groups or classifications according to similarity of types of Members and of types, sizes, value and uses of Residential Lots and Residential Units, and to impose different amounts of such dues, assessments, fees and charges on different groups or classes, provided, however, that all such classifications shall be reasonable and all such dues, assessments, fees and charges shall be imposed without discrimination and not arbitrarily between similarly situated groups or classes, and shall be imposed equally among the Members of each such group or class. Any increase in any such dues, assessments, fees or charges in excess of five percent (5%) more than the same for the previous year must be previously approved by the vote of a majority of the Members then entitled to vote who are present at the regular annual meeting of the Members. Any Member who is the Owner of more than one Residential Lot or Residential Unit shall be liable for the payment of the dues, assessments, fees and charges for each such Residential Lot or Residential Unit unless another person or legal entity occupying, using or in possession of the same shall also be a Member and therefore responsible for paying such. The Association Documents shall provide that each Member shall be entitled to one vote at all elections and on all other matters that may come before

any meeting of the Members; provided that any Member who shall be an Owner of more than one Residential Lot or Residential Unit shall be entitled to as many votes as the number of Residential Lots or Residential Units being purchased or owned by said Member for which such Member is paying the dues, assessments, fees or charges imposed thereon by the Association. The Association shall have the authority to expend its revenue pursuant to its Association Documents, including for the enforcement of this Amended and Restated Master Bill of Assurance, any Supplemental Bill of Assurance, enforcing covenants and restrictions, remedying Residential Lots and Residential Units that are out of compliance with any covenant or restriction in the Amended and Restated Master Bill of Assurance or any Supplemental Bill of Assurance, and employing or contracting for consultants, accountants, yard workers, carpenters, repairmen, contractors, engineers, attorneys, and other professionals necessary or desirable for carrying out the Association's functions. The Association shall have the right, power and authority to impose a penalty not to exceed twenty percent (20%) of the total amount of dues, assessments, fees and charges owed against any Member for nonpayment thereof at the time and in the amount due. Further, each Member shall be liable for and agrees to pay interest at the highest rate allowed by law on such delinquent dues, assessments, fees, charges and penalties from the date they become due until paid in full, together with all costs and attorney's fees incurred by the Association in enforcing the collection thereof. A lien is hereby imposed and shall continue to exist upon each Residential Lot and Residential Unit to secure the payment of said dues, assessments, fees, charges, penalties, interest, costs and attorney's fees until the same are paid in full, provided that no such lien shall be imposed upon any Residential Lot or Residential Unit to secure the payment thereof by any Member liable therefor who shall not be the Owner of such Residential Lot or Residential Unit at the time the due, assessment, fee, charge, penalty, interest, cost, and attorney's fee is incurred. Upon default in the payment thereof, the Association may enforce the collection thereof by either bringing suit to recover a money judgment therefor against the defaulting Member, without foreclosing or waiving the right to enforce said lien, or by instituting appropriate foreclosure proceedings in the Circuit Court of Independence County, or the successor court of general jurisdiction, in the same manner pursuant to the same procedures by which other liens are enforced against real property located in the County. The Association shall have the right and power to acquire title to any Residential Lot or Residential Unit at a foreclosure sale and to hold, own, convey, use improve or develop the same subject to and in compliance with this Amended and Restated Master Bill of Assurance. Notwithstanding anything herein to the contrary, the lien herein created shall not become effective against third parties until the aforesaid dues, assessments, fees and charges have become delinquent and the Association shall have duly executed, acknowledged and filed with the Recorder a written instrument giving notice of such delinquency. Said lien shall be inferior, subject and subordinate to the lien of any mortgage, deed of trust or other encumbrance made in good faith, for value recorded with the Recorder prior to the filing of such written instrument, but shall otherwise have priority over any other encumbrance as provided by law. Upon the payment in full or satisfaction of all delinquent dues, assessments, fees, charges, interest, costs and attorney's fees, the Association shall duly

execute, acknowledge and file with the Recorder another written instrument stating the payment or satisfaction thereof and releasing the effectiveness of the lien against third parties until another notice of delinquency may be recorded as herein provided. Any holder of a duly recorded mortgage, deed of trust or other encumbrance made in good faith and for value may pay any such delinquencies with respect to any Residential Lot or Residential Unit and shall thereby acquire a lien against the Residential Lot or residential Unit for the amount paid of the same rank and priority as the existing encumbrance of said holder. The Association may execute subordination agreements to extend priority over the lien herein created to other encumbrances not otherwise entitled thereto. Upon request, the Association shall duly execute, acknowledge and deliver to any Member, any encumbrancer or any prospective Owner or encumbrancer of any Residential Lot or Residential Unit a certificate setting the amount of indebtedness secured by the aforesaid lien as of the date thereof. Such certificate shall be provided for a reasonable fee, not to exceed $25.00, and shall be conclusive and bind the Association and all Members with respect to any person or legal entity who relies thereon in good faith as to the amount of such indebtedness on the date thereof. The Association shall have the right, authority, power and duty for; and all annual or special dues, assessments, and all fees, charges, penalties, interest and other funds or income received by the Association shall be used exclusively for (i) the payment of all indebtedness incurred by the Association in regard to the Community Facilities or for other purposes authorized herein, (ii) the construction, erection, acquisition, administration, operation, provision, maintenance, repair, replacement and use of Community Facilities, (iii) the operating expenses and costs of the Association, (iv) the enforcement of any Covenants, (v) the enforcement of this Amended and Restated Master Bill of Assurance, any Supplemental Bill of Assurance, enforcing covenants and restrictions, remedying Residential Lots and Residential Units that are out of compliance with any covenant or restriction in the Amended and Restated Master Bill of Assurance or any Supplemental Bill of Assurance, and employing or contracting for consultants, accountants, yard workers, carpenters, repairmen, contractors, engineers, attorneys, and other professionals necessary or desirable for carrying out the Association's functions; and (v) the operation, management and administration of the Association itself.

9, COVENANTS PERTAINING TO THE MASTER BILL OF ASSURANCE IN GENERAL. The Master 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 Master 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 Master 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 Amended and Restated Master 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 Amended and Restated Master 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 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 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 a majority 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, the Association, 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, the Association, 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, Residential Unit, Community Facilities, or portion thereof, but rather the Covenants shall be binding upon and effective against the mortgagee, trustee, purchaser of 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, than 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 Property, all Residents, all Owners, all Lots, all Residential Units, all Community Facilities, or portions thereof, all Plats, Supplemental Bills Of Assurance and this Master 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 Master 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.