

BILL OF ASSURANCE
AND
COVENANTS AGREEMENT

KNOW ALL MEN BY THESE PRESENTS :

THAT, **LTT, LCC** an Arkansas limited liability company, by its Members hereinafter collectively called and referred to as Grantor, being the sole owner of a tract of real property situated in White County, Arkansas, more particularly described as Exhibit A attached hereto.

The aforesaid tract is composed of lots as more particularly set forth in detail on a survey and plat which has been recorded in Plat Cabinet C-1, Sleeve 50, of the records of White County, Arkansas, and effectively incorporated herein as though set forth herein by reference thereto.

The tract shall be known, designated and hereafter referred to as Club West Grande Estates (Phase XII) of White County, Arkansas, and said Grantor hereby dedicates to the public forever all streets and rights of way, of the width, length and locations as set forth on said plat record herewith.

The above described tract constitutes Club West Grande Estates (Phase XII) addition and certain restrictions apply thereto in regard to residential use; dwelling cost, quality and size; building location; lot area and width; easements; electrical service and other conditions and restrictions as hereafter set forth.

THIS INSTRUMENT PREPARED BY:

Paul Petty, Atty at Law
411 W. Arch Avenue
Searcy, AR 72143

Grantor, as sole owner of the above described tract, hereby makes the following declarations as to the limitations, restrictions and uses to which the lots may be used for and which shall constitute covenants to run with the land, as provided by law, and shall be binding on all parties and all persons claiming under them, and for the benefit of the limitations upon all future owners in said addition, this declaration of restrictions being designated for the purpose of keeping said real property desirable, uniform and suitable as residential property and the use thereof as herein specified. The declarations are as follows, to-wit:

AREA OF APPLICATION

1. **FULLY PROTECTED RESIDENTIAL AREA.** The residential area covenants hereinafter set forth in their entirety shall apply to all of the lots in Club West Grande Estates (Phase XII) addition.

RESTRICTIONS AND COVENANTS

1. **LAND USE AND BUILDING TYPE:** No lot shall be used except for residential purposes. No building shall be erected, altered, placed, or permitted to remain on any lot other than a single-family residence not to exceed two stories in height, a private garage, guest house, servant quarters and other outbuildings incidental and related to residential use of the premises; provided, however, nothing herein contained shall be construed to prevent or prohibit an owner of two or more contiguous lots or parts of lots from utilizing the same as a unit for a building site, and in any such instance, the lot lines referred to in the Building Location of the covenants and restrictions shall be exterior extremities of such unit, but in each instance, all minimum set back and area requirements hereinafter set out shall apply to such unit, and compliance therewith shall be required. After the

sale of any lot, the owner must maintain the property in an acceptable appearance; as governed and controlled by the ACC until and after construction (Refer to Section 1, Maintenance).

2. **ARCHITECTURAL CONTROL:** No building shall be erected, placed, or altered on any lot until the construction plans and specification and a plan showing the location of the structure have been approved by the Architectural Control Committee (ACC) as to quality of workmanship, size of dwelling, materials, harmony of external design with existing structures, and as to location within respect to topography and finish grade elevation. No fence or wall shall be erected, placed, or altered on any lot nearer to any street than the minimum setback line unless similarly approved. Outbuildings must have the same quality of construction and same exterior building materials so they will correspond with the house construction. Approval shall be provided in Architectural Control hereof or otherwise approved by ACC.

3. **DWELLING SIZE:** The ground floor area of the main structure, exclusive of one-story, open porches and garages shall not be less than 2000 square feet heated/cooled for a one-story dwelling, nor less than 1600 square feet heated/cooled for a dwelling of more than one-story, provided however, that a dwelling of more than one-story shall contain the minimum aggregate of 2000 square feet heated/cooled as described above. Dwelling shall be at least 70 percent brick or otherwise be approved by the ACC. All dwellings must have a garage with a minimum footage to accommodate at least two (2) vehicles.

4. **DRIVEWAYS:** All driveways must be concrete or asphalt and a minimum of 10 feet wide or otherwise approved by ACC.

5. **GARBAGE AND REFUSE DISPOSAL:** No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage, or other waste shall not be kept except in sanitary containers. All equipment used for the storage or disposal of such material shall be kept in a clean and sanitary condition. The buyer is responsible for removing all stumps and debris brought about by clearing the building site.

6. **BUILDING LOCATION:** Any location of building shall meet the following requirements; from setback 50 feet center of any road; side setbacks 10 feet; rear setbacks 25 feet.

7. **EASEMENTS:** Easements for the installation and maintenance of utilities and drainage facilities and area fences are reserved as shown on recorded plat. Within these easements, no structure, planting, or other material shall be placed or permitted to remain which would damage or interfere with the installation and maintenance of utilities or which may change the direction of flow of drainage channels in said easements, or which may obstruct or retard the flow of water through drainage channels in the easements.

8. **LOT AREA:** As shown on plat, under no circumstances can any lot be subdivided unless otherwise approved by ACC.

9. **NUISANCES:** No noxious or offensive activity shall be carried upon any lot nor shall anything be done therein which may be or may become an annoyance or nuisance to the neighborhood.

10. **TEMPORARY STRUCTURES:** No structure of a temporary character, trailer, basement, tent, shack, garage, barn, fences, or other residence, either temporary or permanently, shall be permitted unless otherwise approved by ACC.

11. **SIGNS:** No sign of any kind shall be displayed to the public view on any lot except one professional sign of not more than five feet, advertising the property for sale or rent, or signs used by a builder to advertise the property during construction and sales period.

12. **OIL AND MINING OPERATIONS:** No oil drilling, oil development operations, oil refining, quarry, or mining operations of any kind shall be permitted on the property or in any lot, nor shall oil wells, tanks, tunnels, mineral excavation, or shafts be permitted upon or in any lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained, or permitted upon any lot.

13. **LIVESTOCK AND POULTRY:** No animals, livestock, or poultry of any kind shall be raised, kept on any lot, except dogs, cats, or other household pets may be kept provided that they are not kept, bred, or maintained for any commercial purpose. All pets must be restricted to their own lot by means of but not limited to underground and above-ground fencing.

14. **MAIL BOXES:** Mail box pedestals shall be built of brick or materials that match the exterior material of the house. Before any mailbox is erected, owner shall contact the local Post Office for its proper location.

15. **FENCES:** No chain link fences shall be erected on any lot unless hidden from view by a wooden fence. All fences must be approved by the ACC. No fences shall be closer than 15 feet to the front of dwelling.

16. **ARCHITECTURAL CONTROL COMMITTEE:** The Architectural Control Committee is composed of Terry Murphy, Norma Burgin, and Suzanne Murphy, along with any additional members that may be added. A majority of the committee may designate a representative to act for it. In the event of death or resignation of any member of the committee, the remaining

members shall have full authority to designate representatives, and they shall be entitled to any compensation for services performed pursuant to this covenant. At any time, the then record owners of a majority of the lots shall have the power, through a duly recorded written instrument, to change the membership of the committee or to withdraw from the committee's approval or disapproval, as required in these covenants. In the event the committee, or its designated representative fails to approve or disapprove within 30 days plans and specifications which have been submitted to it, or in any event if no suit to enjoin the constructions has been commenced prior to the completion thereof, approval will not be required, and the related covenants shall be deemed to have been fully complied. Plans must include a rough outline of landscaping.

17. **FUNCTION OF THE ARCHITECTURAL CONTROL COMMITTEE:** To govern and control the general appearance and maintenance of each dwelling. Functions detailed more specifically in Maintenance Section.

18. **TERM:** These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of thirty (30) years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by a majority of the then owners of the lots has been recorded, agreeing to change said covenants in whole or in part.

19. **SEVERABILITY:** Invalidation of any of these covenants by judgements or court order shall in no way affect any of the other provisions hereof, which shall remain in full force and effect.

20. **ROOF SPECIFICATIONS:** All roofs must have a minimum of 7-12 degree pitch. All roofs must also be constructed with a fiberglass architectural shingle or any variation must be approved by the ACC.

21. **YARDS:** All front and side yards must be seeded until complete covering is obtained, beginning at the completion of construction; and within six (6) months, required landscaping must be completed.

22. **CULVERTS:** All culverts must be a minimum of 15 inches by 20 feet with bulkheads on each end or otherwise approved by ACC before installation.

PROPERTY RIGHTS OF THE COMMON PROPERTIES

SECTION 1: Limitation of Liability: Neither the Declarant, the ACC, nor any of its members shall be liable, in damages or otherwise, to anyone submitting plans and specifications for approval or to any owner of land affected by this Declaration by reason of mistake of judgement, negligence or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any plans or specifications.

MAINENANCE

SECTION 1: Duty of Maintenance: Owners and occupants (including lessees) of any part of the Property shall jointly and severally have the duty and responsibility, at their sole cost and expense, to keep that part of the Property so owned or occupied, including buildings, improvements and grounds in a well-maintained, safe, clean and attractive condition at all times. Maintenance includes, but is not limited to, the following:

- (a) Prompt removal of all litter, trash, refuse, and waste.
- (b) Lawn mowing.
- (c) Tree and shrub pruning.
- (d) Watering.
- (e) Keeping exterior lighting and mechanical facilities in working order.

- (f) Keeping lawn and garden areas live, free of weeds, and attractive.
- (g) Keeping parking areas, driveways, and roads in good repair.
- (h) Complying with all governmental health and police requirements.
- (i) Repainting of improvements.
- (j) Repair of exterior damages to improvements.

SECTION 2 : Enforcement : If, in the opinion of the ACC, any Owner or occupant has failed in any of the foregoing duties or responsibilities, then the ACC may provide written notice of that failure, giving the Owner or occupant ten (10) days from receipt to perform the care and maintenance required. Should any person fail to fulfill this duty and responsibility within the ten (10) day period, the then ACC through its authorization agent or agents shall have the right and power to enter onto the premises and perform needed care and maintenance without any liability for damages for wrongful entry, trespass or otherwise to any person. The Owners and occupants (including lessees) of any part of the Property on which work is performed shall jointly and severally be liable for the cost of the work and shall promptly reimburse the ACC for all costs. If the ACC has not been reimbursed within 30 days after the invoicing, the indebtedness shall be a debt of all of the owners and occupants jointly and severally, and shall constitute a lien against that portion of the Property on which work was performed. The ACC shall have powers and rights in all respects, including but not limited to the right of foreclosure.

COMMON SCHEME RESTRICTIONS

The following restrictions are imposed as a common scheme upon all Sites and Common Areas for the Benefit of each other. Site and Common Areas may be enforced by any owner or the ACC through any remedy available at law or in equity.

1. No clothes lines, drying yards, service yards, woodpiles or storage areas shall be so located as to be visible from a street.

2. No junk vehicle, commercial vehicle, trailer, truck camper, camp truck, house trailer, boat or other machinery or equipment (except as may be reasonable and customary in connection with the use and maintenance of any improvements located upon the property and except for such equipment and/or machinery as the ACC may require in connection with the maintenance and operation of the Common Property) shall be kept upon the Property, nor (except for bona fide emergencies) shall the repair or extraordinary maintenance of automobiles or other vehicles be performed. This restriction shall not apply to vehicles, trailers, boats, machinery, equipment or the like stored and kept within an enclosed storage room or garage. The ACC may, in the discretion of its Board of Directors, provide and maintain a suitable area designated for the parking of such vehicles.

3. No gardens in side yards shall be permitted, unless screened by fences or shrubs.

ASSESSMENTS

1. The following property in Club West Grande Estates (Phase XII) of White County, Arkansas (including additions duly made thereto), shall be exempt from assessments of the Association; all Private Common areas; public property exempt from taxation under the Constitution and Laws of the State of Arkansas, such as churches, schools and libraries; and property for commercial use (any use other than residential) where such property has no living unit in or on it. Owners of such exempt property shall not be members of the Association.

2. Except as set forth in Paragraph 1 above, each owner of unplatted land in Club West Grande Estates (Phase XII), White County, Arkansas, and each owner of any Lot by acceptance of a deed to same, whether or not it shall be so expressed in such deed, shall covenant and agree to pay to the Association; annual assessments or charges; and special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments (together with interest, costs and reasonable attorney's fees, if delinquent) shall be a charge on the land and secured by a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees shall also be the personal obligation of the person who was the owner of such property at the time when the assessment, or portion(s) thereof, fell due. The purpose of the Property Owners Association is to maintain the lake property. This includes providing a pavilion, picnic and recreational areas for the members of the Property Owners Association and their guests. Also to be included are two Bar-B-Q pits, water and electric at the Pavilion Area, designated gravel parking area and a concrete boat launching ramp. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them. Regardless

of any statement herein which might be construed to the contrary, Grantor shall not be liable for any charge or assessment, neither annual nor special with respect to any Lot(s) owned by Grantor until or unless Grantor's tenant or agent occupies a lot and then only as to such lot(s) occupied by tenant(s) or agent(s) of Grantor.

3. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in Club West Grande Estates (Phase XII) of White County, Arkansas, and for the improvement and maintenance of the Private Common Areas, facilities and improvements thereon and landscaping along streets and easements situated in Club West Grande Estates (Phase XII), White County, Arkansas, including but not limited to, the payment of taxes, insurance, repairs, replacement and additions thereto and for the cost of labor, equipment, materials, management and supervision thereof and such other uses beneficial to members of the Association and authorized by its Articles of Incorporation and By-Laws.

4. Until the year beginning January 1, 2010, the maximum annual assessment shall be \$300.00 per lot of unplatted land. From and after January 1, 2011, the annual assessment may be increased by vote of the member, as hereinafter provided, for the next succeeding three years and at the end of each such period of three years for each succeeding period of three years. From and after January 1, 2011, this maximum annual assessment for the next succeeding three years may be increased by the same percentage as the Consumer Price Index for the month of December of the preceding year. Consumer Price Index shall mean the monthly average consumer price or monthly average cost of living (all items) as reflected and shown by the Federal Reserve Bulletin based on statistics now compiled by the Bureau of Labor Statistics of the United States Department of Labor, and shall mean and include such other Federal Agency as may succeed to its duties in compiling such

statistics currently shown as Consumer Price Index or such similar chart or table by which the same or similar calculations and statistics may be hereafter shown and used; and, for each succeeding period of three years (beginning January 1, 2011) the maximum annual assessment may be increased by the same percentage as the said Consumer Price Index for the month of December of the year next preceding the beginning of such three year period shall be increased (if any) over and above that for the month of December three years prior thereto, beginning on January 1, 2010. That the members of the Property Owners Association shall elect their own Board of Directors in January of the year 2010.

5. The Board of Directors of the Association shall have authority to fix the annual assessment at any amount not exceeding \$500.00 per lot after consideration of current maintenance costs and future needs of the Association and may fix the annual assessment for any year at a lesser amount but annual assessment per lot shall always be a direct percentage of the number of property owners in the association to the cost of maintenance of the real property dedicated as all private common areas. There shall be no assessment on unplatted land devoted to or for use as Private Common Areas.

6. Subject to the limitations set forth in Paragraph 4, and for the periods specified in Paragraph 4 hereof prospectively for any such three year period. Any such change shall have the assent of members who are entitled to vote not less than two-thirds (2/3s) of all the votes of members who are voting in person or by proxy, at a meeting duly called for this purpose, provided further that the limitations of Paragraph 4 hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

7. In addition to the aforementioned annual assessments, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement upon the Private Common Areas, including fixtures and personal property related thereto, provided that any such special assessment shall have the assent of Members entitled to cast not less than two-thirds (2/3s) of all votes of Members who are voting in person or by proxy, any assessment shall not exceed an amount equal to three times the current fixed annual assessment at the time such special assessment is levied.

8. Assessments (annual and/or special) owing by the owner(s) of any lot and/or by the owner(s) of any unplatted land may be offset against or credited upon money advanced by such owner with the approval of the Association's Board of Directors for paying any costs, expenses or debts the Association's assessments are authorized to be used to pay, including but not limited to, defraying in whole or in part costs of construction, reconstruction, repair, or replacement of any capital improvement(s) upon the Private Common Areas including fixtures and personal property related thereto and/or for maintenance, preservation or improvement of Private Common Areas or landscaping along public streets or easements and the levy of such assessments shall be credited on the indebtedness owing such owner as of the date(s) that such assessment(s) fell due.

9. Any assessments which are not paid when due shall be delinquent. If the assessments are not paid within 30 days after the due date, the assessment shall bear interest from the date of delinquency at the rate of 10% per annum, and the Association may bring an action at law against the owner personally obligated to pay the same, or foreclose the lien against the property, and interest, costs, and reasonable attorney fees of any such action shall be added to the amount of such

assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Private Common Areas or abandonment of his lot.

10. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any lot or any unplatted land shall not affect the assessment lien. However, the sale or transfer of any lot or any unplatted land pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer, subject to the right of the Association to foreclose its lien or obtain judgment for assessments due in such foreclosure suit pursuant to the provisions of Paragraph 9 hereof. No sale or transfer shall relieve such lot or unplatted land from liability for any assessments thereafter becoming due or from the lien thereof.

11. Each party wall built as a part of the original construction of the homes or residential living units shall be governed by the law applicable to party walls which law shall determine the rights and liabilities of the respective owners.

12. The Association, or any owner, shall have the right to enforce, by proceeding at law or in equity, all covenants, restrictions, reservations, liens, and charges now or hereafter imposed by the provisions of this Bill of Assurance, the same being a benefit to all. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

13. Words of masculine gender when used herein shall include neutral gender and vice versa and each shall include feminine gender and singular number includes plural and vice versa.

14. Each and all of the covenants, restrictions, and provisions set forth in the Bill of Assurance shall be binding as covenants on present and future owners, their heirs, successors, and assigns, and shall run with the land. Any and all of the covenants, restrictions, requirements, and provisions set forth in this Bill of Assurance may be amended, modified, extended, changed or cancelled in whole or in part from time to time by written instrument(s) signed and acknowledged by the owner or owners of over 50% in area of the land in Club West Grande Estates (Phase XII), White County, Arkansas (including additions duly made thereto, but excluding all Private Common Areas) and approved by the planning commission, planning agency or planning authority having jurisdiction of the area at the time or times involved and such instrument(s) shall be effective and binding beginning with and after the date it is filed for record in the office of the Recorder of White County, Arkansas, after being executed by the aforesaid Owner(s) and approved by such planning body.

15. The covenants, restrictions, requirements, and provisions of this instrument shall be automatically extended for successive periods of ten years each on and after January 1, 2010, unless and until amended or cancelled as authorized herein.

16. Invalidation of any covenant, restriction, requirement, or provision set forth herein or any part thereof by an order, judgment, or decree of any Court or otherwise shall not invalidate or affect any of the other covenants and/or restrictions or any part thereof as set forth herein but they shall remain in full force and effect.

IN TESTIMONY WHEREOF, the name of the **GRANTOR** is hereunto affixed by its
Manager/Member on this _____ day of October, 2010.

LTT, LLC

By: _____
TERRY MURPHY, MANAGER/MEMBER

ACKNOWLEDGMENT

STATE OF ARKANSAS)
) **ss.**
COUNTY OF WHITE)

On this day appeared before me Terry Murphy, to me personally well known, who acknowledged that he is the Manager/Member of LTT, LLC, an Arkansas Limited Liability Company, and that he, as such Manager/Member, is authorized so to do, has executed the foregoing instrument for the purposes therein contained, by signing the name of the company by himself as such Manager/Member.

WITNESS my hand and official seal this _____ day of October, 2010.

Notary Public

My Commission Expires:
