

AGREEMENT

THIS AGREEMENT entered into this 24 day of May, 1994, between CHEROKEE VILLAGE SUBURBAN IMPROVEMENT DISTRICT, hereinafter referred to as "DISTRICT", and the WINNIPESAUKEE ADDITION JOINT VENTURE, by and through its individual partners, RON R. RHODES, MARVIN GIBBONS, JOEL M. KING, KENNETH F. KING and KEVIN N. KING, hereinafter referred to as "JOINT VENTURE";

WITNESSETH

WHEREAS, certain residential units are being developed on lands wholly within the geographic area of the District in Cherokee Village, Arkansas, for sale on a private ownership basis, although such lands are not a part of the District; and

WHEREAS, said residential units are being developed under the name of the Winnepesaukee Subdivision of Cherokee Village, Arkansas, and the responsibility for maintenance and payment of expenses on any common area thereof, including those hereinafter mentioned will be originally vested in the name of the Winnepesaukee Addition Joint Venture to later be sold to private individuals; and

WHEREAS, the Joint Venture has requested the District to provide Fire Protection and Street Maintenance to the residential lots and possible common areas within such project and the District has agreed to do so, in that providing said services would benefit the District by assuring proper Street Maintenance and Fire Protection for those facilities within the District boundaries;

NOW THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties do hereby agree as follows:

1. The District will make available the following services to the residential lots and common areas located within the Winnepesaukee Addition which would be within the responsibility and ownership of the record title holders of the property: (A) Fire Protection and (B) Street Maintenance.

2. The Winnipiesaukee Addition Joint Venture or the record title holders to the property shall pay to the District the sum of hundred dollars (\$100.00) per lot per annum for Fire Protection and the amount of one dollar (\$1.00) per lineal foot of street frontage for each lot per annum for Street Maintenance.

3. The payments for each lot or living unit and each such lineal foot of street shall initially become due and payable upon the recordation in Sharp County, Arkansas, of each plat reflecting such street and lot thereon. Each such initial payment for a lot or lineal foot of street shall be prorated as to the remaining days of the year that the plat reflecting same is recorded. Thereafter, the payments thereon shall be made annually according to the standard procedure for the payment of Surburban Improvement District taxes.

4. It is agreed between the parties that construction of the streets within the Winnipiesaukee Addition shall be of a chip and seal type approved by the District and that the District shall use the type materials it uses at the time it repairs or resurfaces said streets.

5. It is expressly understood and agreed that the term "Street Maintenance" as used in this Agreement, includes only ordinary maintenance. The District shall not be responsible for replacements or extraordinary maintenance made necessary by sudden damage or deterioration caused by wrongful or negligent acts of the Joint Venture or the record title holders to the lands contained within the addition or third parties or resulting from natural causes or other causes beyond the control of the District.

6. It is specifically understood and agreed by and between the parties, (1) the Winnipiesaukee Addition Joint Venture, or any record title holder of the property thereof, do not and will not by reason of this agreement participate in the use or enjoyment of recreational facilities owned or operated by the District and (2) that any modifications of the assessment to the whole District membership shall automatically cause modification to the record title holders to lots contained in the Winnipiesaukee Addition payment on a prorata basis.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above mentioned.

CHEROKEE VILLAGE SUBURBAN
IMPROVEMENT DISTRICT

By: Greg B Grenger
President

ATTEST:

By: W. Robb Russett
Secretary

WINNIPESAUKEE ADDITION
JOINT VENTURE

By: Ron R. Rhodes
Ron R. Rhodes

By: Marvin Gibbons
Marvin Gibbons

By: Joel M. King
Joel M. King

By: Kenneth F. King
Kenneth F. King

By: Kevin N. King
Kevin N. King