

AGREEMENT

THIS AGREEMENT entered into this 12th day of December, 1997, between CHEROKEE VILLAGE SUBURBAN IMPROVEMENT DISTRICT, hereinafter referred to as "DISTRICT", and the FOULIS TOWNHOUSE ASSOCIATION, INC.; by and through its officers, JEFFREY L. MUNROE, President, and REBECCA M. MUNROE, Secretary; hereinafter referred to as "ASSOCIATION";

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 FOULIS TOWNHOUSE ADDITION 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 Association to later be sold to private individuals; and

WHEREAS, the Association 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 Foulis Townhouse 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 Association or the record title holders to the property shall pay to the District the sum of ONE HUNDRED AND NO HUNDREDTHS DOLLARS (\$100.00) per lot per annum for Fire Protection and the amount of ONE AND NO HUNDREDTHS DOLLARS (\$1.00) per lineal foot of street frontage for each lot per annum for Street Maintenance. (Total street frontage equals 825 lineal feet.)

(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 Suburban Improvement District taxes.

(4) 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 Association 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.

(5) It is specifically understood and agreed by and between the parties; (1) the Foulis Townhouse Association, Inc., 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 Foulis Townhouse 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: Gregory B. Prenger
GREGORY B. PRENGER, Chairman

ATTEST: W. Robb Nisbet
W. ROBB NISBET, Secretary

FOULIS TOWNHOUSE ASSOCIATION, INC.

By: Jeffrey L. Munroe
JEFFREY L. MUNROE, President

ATTEST: Rebecca M. Munroe
REBECCA M. MUNROE, Secretary

Brenda J. Doyle
Notary Public

My commission expires April 24th 2007

