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CERTIFICATE OF RECORD
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Filed & Recorded in
Official Records of
STATE OF ARKANSAS
VAN BUREN COUNTY
MARKET BONDS WILLOCK
CIRCUIT COUNTY CLERK
Fees \$12.00
BY: *[Signature]*

THIS INSTRUMENT PREPARED BY:
EVERETTE L. MARTIN, ESQUIRE
MITCHELL, WILLIAMS, SELIG,
GATES & WOODYARD, P.L.L.C.
425 West Capitol, Suite 1800
Little Rock, Arkansas 72201
(501) 688-8800

ISLAND AT CHOCTAW BAY SUBDIVISION

DECLARATION OF COVENANTS AND RESTRICTIONS

THIS DECLARATION OF COVENANTS AND RESTRICTIONS is made this ____ day of July, 2000 by Choctaw Island Development, LLC hereafter referred to as "Declarant".

WHEREAS, Declarant is the owner of certain real property situated in Van Buren County, Arkansas, known as Island at Choctaw Bay Subdivision, more particularly described on the attached Exhibit "A" which is incorporated herein by reference.

(the "Property" and sometimes referred to as the "Subdivision")

WHEREAS, Declarant has caused the Property to be surveyed and divided into forty-one (41) lots, rights-of-way, and common areas, by Eddie Wheeler Surveying pursuant to a survey ("Survey" and sometimes referred herein as "Plat") titled Island at Choctaw Bay, Van Buren County, Arkansas, dated June 21, 2000 (consisting of two sheets). The Survey was filed of record with the Circuit Clerk and Ex-officio Recorder for Van Buren County on July 20, 2000 in Plat book 7 Page 83.

WHEREAS, Declarant is in the process of developing the Property. The Subdivision will consist of lots (the "Lots", sometimes separately referred to as a "Lot" and shall mean and refer to any plot of land shown on the Survey and all improvements thereon, with the exception of any common areas, road, easements, and other rights-of-way shown on the Survey), to be used for the construction and occupancy of detached single-family residences (except for Lots 1, 20 and 21 which may have up to five (5) single family residences each, as provided herein), subject to the provisions of this Declaration and other matters of record, for the benefit of the Subdivision.

WHEREAS, Declarant desires to subject the Subdivision to the covenants, restrictions, conditions, and easements, hereinafter set forth to insure the development of the Subdivision as a highly desirable residential area, to promote internal harmony and architectural excellence within the Subdivision, to preserve the natural attributes of the land, to prevent the construction, installation or maintenance of any undesirable use or improvement, in a manner consistent with high environmental, aesthetic and residential standards.

NOW, THEREFORE, Declarant hereby declares that the Subdivision, including each Lot in the Subdivision, shall be held, transferred, sold, conveyed, leased, used and occupied subject to the following covenants, restrictions, conditions, and easements, each of which is for the benefit of, and shall run with and bind, each Lot and each person having any right, title or interest in any Lot, including, without limitation, each

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Owner (which shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Subdivision) and occupant, and the heirs, personal representatives, successors and assigns of any such person.

ARTICLE I

ARCHITECTURAL REVIEW

Section 1. Preservation of Natural Features. It is the intent of the Architectural Review Committee to ensure preservation of the natural features of each Lot to the greatest extent possible. Consequently, a great deal of importance will be placed during the approval process on ensuring that the natural site characteristics of each particular homesite are well integrated into the architectural and site plan design. Every effort shall be made to preserve the natural topography, slopes, woods, groves of trees and all other desirable natural features through skillful and appropriate design, placement and construction of the residences and related improvements.

Section 2. Architectural Review Committee. No residence or other improvement shall be installed, constructed, reconstructed or maintained on any Lot, nor shall any addition or alteration be made relative to the exterior appearance of any improvement or landscaping, until detailed plans have been submitted to and approved by the Architectural Review Committee (the "Committee"). The Committee shall, initially, be composed of the Declarant. At such time as all of the Lots have been sold and residences have been constructed thereon the Committee will resign and delegate and assign the power of appointment with regard to members of the Committee to the Board of Directors of the Association (defined herein); provided that Declarant may, at its sole discretion, make such delegation at an earlier time. Neither Declarant nor any member of the Committee shall have any liability whatsoever to any person in connection with the approval or disapproval of any plans or specifications in regard to any improvement.

Section 3. Architectural Approval Procedure. No tree removal, excavation or construction shall be performed on any Lot until detailed plans and specifications for any proposed improvements have been submitted and approved in writing by the Committee. Submittal and review procedure shall be followed for obtaining approval of the Committee for any new residence or substantial improvement on any Lot as follows:

1) A copy of preliminary plans and specifications shall be submitted to the Committee for preliminary review and approval including the following:

- A. A floor plan.
- B. A site plan locating the proposed residence, driveway, septic tank, lamppost, pool and any other improvements on the topographical site survey with proposed grades indicated.
- C. Exterior elevation drawings for all sides of the proposed residence.
- D. An indication of the exterior materials and colors to be used to construct the proposed residence.
- E. Any other data, drawings or specifications which the Committee deems necessary to fulfill the architectural review process.

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Section 4. Validity of Approval. No approve of the Committee shall be deemed to have been obtained for any improvement which violates any restriction set forth in this Declaration unless a variance is specifically granted, in writing by the Committee, for that specific restriction. Approval by the Committee does not constitute a waiver of any provision of zoning or building ordinances or codes.

Section 5. Approval/Disapproval. All documentation delivered for architectural review shall become the property of the Committee and shall be retained as a permanent record. The Committee shall have 45 days from and after receipt of the required documentation which receipt shall be in writing, to approve or disapprove the design, plans and specifications. No change may be made in any approved design, plans or specification without prior written consent of the Committee. In the event that the Committee fails to respond within 45 days after the full, proper and complete submission of materials required for approval evidenced by acknowledgment of delivery of such materials, that approval shall be deemed to have been granted, with all other restrictions, limitations and conditions set forth in this Declaration remaining in full force and effect.

ARTICLE II

USE RESTRICTIONS

Section 1. Permitted Use. Each Lot shall be used for single family residential purposes, except that Lots 1, 20 and 21 may be subdivided or placed in a horizontal property regime with a maximum of five (5) units which shall mean any portion of a structure situated upon Lot 1, 20 or 21, designed and intended for use and occupancy as a residence by a single family, including without limitation, detached single family homes, townhouse homes, patio homes and condominium units, with each unit containing a minimum livable area of fifteen hundred (1,500) square feet; each such unit is hereinafter referred to as a "Residential Unit". Except as specifically permitted herein, no structure shall be erected, altered, placed or permitted to remain on any Lot other than one single family residential dwelling with an attached garage for the sole use of the Owner/Occupant of the Lot.

Section 2. Floor Area. Except as provided in Article II, Section 1 above, the minimum livable floor area for each residence built on a Lot shall be eighteen hundred (1,800) square feet. In the event Lot 1, 20 or 21 contains only one residence, such residence shall contain a minimum of eighteen hundred (1,800) square feet. As used herein, the term "livable floor area" shall not be deemed to include basements or unfinished attics, garages, patios, decks, open porches, terraces, or like area, even if attached to the dwelling.

Section 3. Exterior Materials. Eighty percent (80%) of the visible exterior of each residence and appurtenant structures shall be constructed of brick, natural stone, wood siding, cement siding, and vinyl siding. All siding shall be comprised of individual boards and not sheets such as Texture 1-11. No used material, except reclaimed brick, may be used in the construction of any visible exterior wall. The use of exposed cement block, slag, cinder block, imitation brick, or asphalt on any visible exterior wall is expressly prohibited.

Section 4. Driveways. All driveways and driveway approaches shall be paved with asphalt, brick pavers, concrete or other approved paving materials. Driveways shall be completed prior to occupancy of the residence except to the extent delayed by adverse weather conditions, in which event such paving shall be complete within thirty (30) days after termination of such adverse weather conditions.

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Section 5. Culverts. Driveway culverts shall extend four feet beyond the driveway. Each homeowner shall conceal the culvert end openings with stone of size and color specified by the Declarant to insure a pleasing, consistent appearance throughout the development.

Section 6. Lawn Areas. All areas of a residential homesite not landscaped with plant materials or maintained as natural areas shall be established and attractively maintained as lawn areas by sodding or hydroseeding. Lawn or landscaped areas shall be extended and maintained to the edge of the pavement along all Lot boundaries.

Section 7. Walls and Fences. No fence or wall of any type shall be permitted to extend beyond the front of the house, except ornamental or decorative fences not to exceed two and one half (2-1/2) feet. Rear yard fencing for purpose of Lot enclosure may be used but not to exceed four (4) feet in height. No wood privacy fencing or chain link fencing may be used for purpose of Lot enclosure. Individual wood picket fencing may be used if constructed with visible spacing and left natural or stain preserved (but not painted).

Section 8. Swimming Pools. All swimming pools shall be in-ground only. Mechanical equipment shall be concealed from view.

Section 9. Air Conditioners. No external air conditioning unit shall be placed in or attached to a window or wall of any residence or appurtenant structure. No compressor or other component of a heat pump/central air conditioning system shall be visible from any adjacent street, and to the extent reasonably possible, all such external equipment shall be so located on any Lot so as to minimize the negative impact thereof on any adjoining Lot, in terms of noise and appearance.

Section 10. Septic Tank. Each Lot and Residential Unit shall be responsible for installing an underground pump septic system ("Residential System") to be connected to a septic tank effluent pump system ("STEP"). The Residential System shall meet or exceed the requirements promulgated by the Committee or if the Committee is no longer in existence or active, the Board of Directors of the Association (defined in Article IV). Once installed and accepted by the Association, the Association shall be responsible for maintaining the Residential System. Declarant hereby grants and conveys to the Association an easement over the lots to inspect, maintain, repair and replace such Residential Systems.

Section 11. Minimum Lot Size. No Lot shall be subdivided into a smaller lot with the exception of Lots 1, 20 and 21.

Section 12. Timely Completion. The exterior of all residences and other structures must be completed as soon as practical after construction commences, and in any event within eighteen (18) months after commencement of construction.

Section 13. Animals. No animals, livestock, or poultry of any kind shall be raised or kept on any Lot except for dogs, cats or other household pets, provided that they are not kept or maintained for commercial purposes.

Section 14. Temporary or Accessory Structures. No structure of a temporary character, trailer, detached garage, barn, storage shed, tent or outbuilding may be placed, used or occupied on any Lot, either temporarily, or permanently, except that tents for entertainment purposes may be erected for periods not to exceed forty-eight (48) hours. Permanent swimming pool bathhouses and detached garages which are architecturally compatible with the primary residence may be permitted provided that plans for such have

been approved by the Committee.

Section 15. Storage of Vehicles. All vehicles, including without limitation, automobiles, permitted trucks, garden tractors, motor homes, recreational vehicles and utility trailers of the owners are to be parked in paved off-street parking areas and no such vehicle shall be parked otherwise than temporarily in any part of the yard or on the street. In addition to the foregoing requirements, all motor homes and/or recreational vehicles and garden tractors shall be parked either in an enclosed garage or within the rear yard area shielded from adjoining Lots and the street by a privacy fence, hedge, or other suitable planting; subject to the approval of the Committee.

Section 16. Antennas. No exterior radio, television or other communications antenna of any type exceeding twenty-four (24) inches in diameter or height may be erected, placed, maintained or permitted to remain on any Lot. The location of any permitted antenna up to twenty-four (24) inches in height or diameter shall be behind the residence or in dwelling attic space.

Section 17. Outdoor Playsets. Permanent outdoor playground equipments shall be primarily of wood construction and shall be located in the rear yard areas of residences so as not to be visible from roadway areas.

Section 18. Easements. Easements for the construction, installation and maintenance of public utilities, for surface and road drainage facilities are reserved as shown on the recorded Survey of the Subdivision. Landscaping and plantings shall be allowed within easements to the extent that they do not interfere with reasonable and necessary access for the installation and maintenance of the utilities and facilities located within such easements. No building, wall, fence or any other permanent structure shall be constructed on any easement nor shall any grading be done to restrict waterflow in any drainage easements. Driveways shall not be considered structures for the purpose of this restriction.

Section 19. Underground Utilities. All public utilities such as water mains, electric, cable television, and telephone local subdivision distribution lines, and all connections to such facilities, either private or otherwise, shall be installed underground; provided, however, the above ground transformers, pedestals and other above ground electric, cable television, LP gas or telephone equipment deemed necessary by the supplier of any such utility service in connection with underground distribution systems shall be permitted. Each Owner shall be responsible for the installation, maintenance, repair, and replacement of electrical, LP gas, telephone, and cable television service conductors and facilities on such Owner's Lot, extending from the adjacent street right-of-way, or utility easement on such Lot, to the residence. LP gas tanks shall be appropriately secured as determined by the Committee.

Section 20. Signs. No billboard, poster, signs or object of unsightly nature shall be placed or permitted to remain on any part of any Lot, except one sign per Lot not to exceed five (5) square feet in area to advertise property for sale, or signs used by builders to advertise the property during construction and sales period.

Section 21. Sewage Disposal. The Arkansas Department of Health has approved the Subdivision for off-site sewage disposal systems.

Section 22. Right-Of-Way. Declarant hereby retains a sixty (60) foot road right-of-way along the Property, consistent with the Survey recorded herein and said road right-of-way may be dedicated to the County, once the road has been built to County specifications, after which time the County shall maintain said road.

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Declarant and Declarant's Appointees shall also have the right to install and maintain utilities in said road right-of-way and the common areas so designated and to add, maintain and replace said utilities in the road right-of-way and common areas.

ARTICLE III

CONSTRUCTION REGULATIONS

Section 1. Accountability. Prior to start of construction of a residence or other substantial improvement, each Owner shall provide his or her builder with a copy of the Declarations of Restrictions, and each Owner shall be held responsible for having his or her builder adhere to these Construction Regulations and other applicable provisions of this Declaration which are regulated by construction activities.

Section 2. Lot Clearing. Trees that have been approved for removal must be clearly marked and the builder/construction workers must not remove or otherwise damage trees not marked for removal.

Section 3. Portable Toilet. The builder shall provide a portable toilet at the job site located so as not to be visible from the road until such time as the plumbing of the residence is in working order.

Section 4. Construction Area. All construction activity and disturbance, including access by construction vehicles and equipment, shall be confined to the boundaries of the construction area for the homesite under construction. Adjacent homesites may not be used for parking, storage or access.

Section 5. Cleanliness. Throughout the course of construction, the job site shall be maintained in a clean and orderly manner. The road surface in the vicinity of the job site shall be kept clean of mud, trash and debris at all times.

ARTICLE IV

PROPERTY OWNERS ASSOCIATION AND VOTING RIGHTS

Section 1. Membership. Each person or entity who is a record Owner of any of the Property which is subject to assessment by the Choctaw Island Property Owners Association ("Association") shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of the land which is subject to assessment by the Association.

Section 2. Voting Classes. The Association shall initially have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant (except as hereinafter provided) and shall be entitled to one vote for each Lot owned; provided, however, if there is more than one Residential Unit placed on Lots 1, 20 and 21, such Residential Unit Owners shall be entitled to _ vote for each Residential Unit owned. When more than one person owns an interest in any Lot, all such persons shall be members. The vote of such Lot shall be exercised as the persons among themselves determine, but in no event shall more than one vote be cast with respect to each Lot or one-half vote as provided in the preceding sentence.

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Class B. The Class B member shall be the Declarant and shall be entitled to three (3) votes for each Lot or Commercial Unit owned. Class B membership shall cease and be converted to Class A membership on the earlier of the following dates:

(a) the date on which the total outstanding votes in the Class A membership equal or exceed the total available votes in the sum of Class B memberships; or

(b) January 1, 2003.

ARTICLE V

COVENANT FOR MAINTENANCE

ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments.

Annual assessments and special assessments are to be established as hereinafter provided. For each Lot or Residential Unit Owner, Owner by acceptance of the deed for said Lot or Residential Unit deemed to covenant and agrees to pay annual and special assessments to the Association, whether or not it shall be so expressed in such deed. Declarant shall not pay annual assessments or special assessments to the Association, except on a voluntary basis; provided, however, Declarant shall be responsible for the cost and expense of maintenance and upkeep of any Common Areas and Common Facilities until December 31, 2001.

The regular and special assessments, together with interest, penalties, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing and contractual lien upon the Lot or Residential Condominium against which each such assessment is made. Each such assessment, together with interest, penalty, costs and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of such Lot or Residential Unit at the time when the assessment became due. The personal obligation for delinquent assessments shall not pass to the Owner's successors in title unless expressly assumed by them.

Section 2. Purpose of Assessment.

The assessments levied by the Association shall be used exclusively for the community, civic and social welfare and benefit of the Property and the Owners, for the purpose determined by the Association to be appropriate in accordance with its Articles of Incorporation and By-Laws, which may include, but is not required to include: sewer services; improvement and maintenance of the Common Areas; and other services, facilities, and activities that may be in the community's interest.

Section 3. Amount of Annual Assessment.

The amount of the annual assessment shall not exceed \$600.00 per Lot and (1/2 of the annual assessment for each Residential Unit, provided there is more than one Residential Unit on such Lot), which shall be payable on January 1 of each year. On any sale of a new Lot by Declarant, the Owner shall pay such assessment in advance on the date of conveyance to such Owner with the amount to be prorated based upon the number of months from the month of the conveyance to January 1. Prior to the initial sale of a

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particular Lot, Declarant may establish an annual assessment in excess of the above amount which additional assessment shall be evidenced by the filing of supplementary declarations of covenants, conditions and restrictions. The maximum annual assessment may be increased above the rate specified above by a vote of a majority of the votes of members entitled to vote in person or by proxy, at a meeting duly called for such purpose.

From and after January 1, 2001, the maximum annual assessment may be increased each year above the maximum assessment for the previous year by a majority vote of the Board by the percentage change by which the Consumer Price Index (for the area in which Little Rock, Arkansas is located, for all items, issued by the Bureau of Labor Statistics of the United States Department of Labor), for the immediately preceding calendar year exceeds such Index for the calendar year prior thereto or by 5%, whichever is greater. If the publication of such Index is discontinued comparable statistics on the cost of living for the area in which the City of Little Rock is located, as they may be published by any other agency of the United States, shall be used.

Section 4. Special Assessments.

In addition to the annual assessments authorized above, in any year after the calendar year 2001, the Association may levy a special assessment applicable to that year only for the purpose of defraying in whole or in part, the cost for necessary purposes of the Association, such as the construction, reconstruction, maintenance repair or replacement of a capitol improvement in the sewer/septic system and the Common Areas or Common Facilities, including fixtures and personal property related thereto, or for counsel fees or the fees of other retained experts provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of Members entitled to vote in person or by proxy, at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Section 3 and 4

Written notice of any meeting called for the purpose of taking any such action authorized under Section 3 or 4 hereof shall be sent to all Members not less thirty (30) days nor more that sixty (60) days in advance of the meeting. At the first meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes of each class membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. Subsequent meetings can continue to be called in the aforesaid manner with the required quorum at any subsequent meeting(s) being one-half (1/2) of the required quorum at the preceding meeting until a quorum is present and votes are cast. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Effect of Nonpayment of Assessment: Remedies of the Association.

Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the maximum lawful rate. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Lot or Commercial Unit.

Section 7. Subordination of the Lien to Mortgage.

The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale

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or transfer of any Lot or Condominium Unit shall not affect the assessment lien. However, the sale or transfer of any Lot or Condominium Unit 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; provided, however, that the proceeds from any such sale, to the extent they exceed the first mortgage shall be used to satisfy the lien of assessments. No sale or transfer shall relieve such Lot for Condominium Unit from liability of any assessments which thereafter become due or from the lien thereof.

Section 8. Suspension of Rights of Membership.

Prior to foreclosure of any lien upon any Lot subject to this Declaration, the Board of Directors of the Association may elect to suspend all membership rights of any Member of Members of the Association who are delinquent in any payment due to the Association for more than 30 days, with such suspension to continue for so long as any such delinquency exists, and said Board of Directors may further suspend membership rights for a period not to exceed 30 days for the infraction of any rules or regulations by the Member, family of the Members or guests of the Members, relating to the use of any of the Common Areas of Common Facilities, with such suspension not to exceed 30 days in duration. Suspension of membership rights shall be effective from the date that notice of suspension is mailed to the Member via U.S. Certified Mail, Return Receipt Requested, postage prepaid, to the last known address of the said member, and a copy of the notice shall be posted on any or all of the Common Areas and Common Facilities during said suspension.

Section 9. Cancellation and Hearing

The said Board of Directors may elect to permanently cancel the membership and all membership rights of any Member who is delinquent in any payment due to the Association for more than 90 days or when such Member, family of the Member, or guest of the Member are guilty of repeated or flagrant violation after a hearing conducted by said Board of Directors, with notice of such hearing mailed to such Member at least 30 days in advance of said hearing date, and further provided that such Member may appeal any such decision of said Board of Directors to the membership of the Association by notice mailed to each Member at least ten days in advance of the desired special meeting date, and said notice setting forth the time, date, place and purpose of said meeting. A majority vote of the Members of the Association attending such special meeting shall be necessary to override the decision of the Board of Directors, and all votes shall be by secret ballot. Notice shall be mailed by the Member via U.S. Certified Mail, postage prepaid, return receipt requested.

ARTICLE VI

GENERAL PROVISIONS

Section 1. Enforcement. Any Owner shall have the right to enforce these covenants and restrictions by proceeding at law or in equity against any person violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against any Lot to enforce the lien created by these covenants upon such Lot; and failure 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.

Section 2. Invalidation of Covenants or Restrictions. Invalidation of any one or more of these covenants or restrictions by judgment or court order shall in no way affect any other provision of this Declaration, and this Declaration shall otherwise continue and remain in full force and effect.

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Section 3. Amendments and Duration. This Declaration, and the covenants and restrictions herein contained, shall run with the Lots and shall inure to the benefit of, and be enforceable by any Owner, their respective legal representative, heirs, successors and/or assigns, for an initial period of twenty-five (25) years from the date of the Declaration, after which time they shall automatically extend for successive periods of ten (10) years unless an instrument signed by the then Owners of two-thirds (2/3) of the Lots shall have been recorded, agreeing to change this Declaration, in whole or in part; provided, however, that no such agreement and instrument of change shall be effective unless written notice of the proposed agreement and instrument of change is sent to every Owner at least ninety (90) days in advance of any action taken. The term "then Owners" shall be defined as to include Owners of recorded Lots in all phases of Choctaw Island. This Declaration may be amended during the primary term by a recorded agreement and instrument of change signed by not less than eighty percent (80%) of the Owners, provided, that until December 31, 2001, Declarant shall have the right, by written instrument, signed, acknowledged and recorded with the County of Van Buren, to modify, amend, restate, waive or repeal any or all of the provisions herein contained with respect to all or any particular Lot within the Subdivision not materially affecting the rights of Owners.

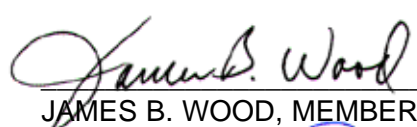
Section 4. Future Phases of Choctaw Island. Declarant may develop, but is not obligated to develop, all or portions of the adjacent land as a similar single family residential subdivision subject to Declaration of Covenants and Restrictions substantially similar to this Declaration.

Section 5. Disclaimer. The terms, conditions, restrictions and provisions of this Declaration are intended solely to enable Declarant or Architectural Control Committee to exercise its discretion in order to achieve the purposes described in the recitals to this Declaration to the extent feasible. None of the terms, conditions, restrictions or other provisions of this Declaration shall be deemed to constitute a representation, covenant or obligation of Declarant, and Declarant shall have no liability or obligation hereunder.

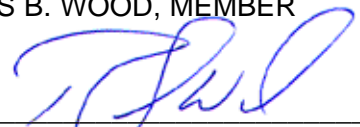
In Witness Whereof, the said Declarant hereto has executed this Declaration of Covenants and Restrictions to be effective as of the day and year aforesaid.

CHOCTAW ISLAND DEVELOPMENT, LLC

By:



JAMES B. WOOD, MEMBER



RANDY WOOD, MEMBER



BEN SHIELDS, MEMBER



TIM BALLARD, MEMBER

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CONSENT TO ISLAND AT CHOCTAW BAY SUBDIVISION

DECLARATION OF COVENANTS AND RESTRICTIONS

("COVENANTS AND RESTRICTIONS")

CONSENTED TO solely for the purposes of accepting the rights and benefits granted and evidenced hereby for itself and its successors and assigns and to evidence its agreement that notwithstanding any foreclosure sale or deed in lieu of foreclosure under or with respect to the mortgage on the Property (as defined in the Covenants and Restrictions) in favor of Simmons First Bank of Searcy ("Mortgaged Property"), the provisions of the Covenants and Restrictions with respect to any portion of the Mortgaged Property shall remain in full force and effect.

BANK:

SIMMONS FIRST BANK OF SEARCY

By: *Brady Davis*
Name: Brady Davis
Title: EVP

[Acknowledgment on following page]

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ACKNOWLEDGMENT

STATE OF ARKANSAS)
)
COUNTY OF Pulaski)

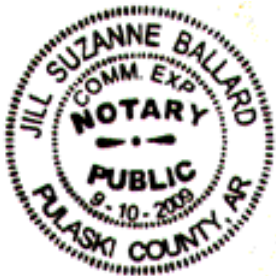
On this day, before me, the undersigned, a Notary Public acting within and for the County and State set forth in the seal below, personally appeared the within named James B. Wood, Randy Wood, Ben Shields and Tim Ballard, who stated that they were Members of Choctaw Island Development, LLC, an Arkansas limited liability company, and were duly authorized in such capacity to execute the foregoing instrument for and in the name and behalf of said company, and further stated and acknowledged that they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal on this 10th day of July, 2000.

Jill Suzanne Ballard
Notary Public

My commission expires:
9-10-2009

(S E A L)



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ACKNOWLEDGMENT

STATE OF ARKANSAS)
)
COUNTY OF Pulaski)

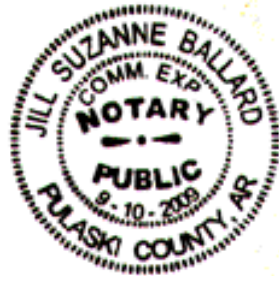
On this day, before me, the undersigned, a Notary Public acting within and for the County and State set forth in the seal below, personally appeared the within named Brooks Davis, acting as EVP of Simmons First Bank of Searcy, and was duly authorized in such capacity to execute the foregoing instrument for and in the name and behalf of said bank, and further stated and acknowledged that he had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal on this 14th day of July, 2000.

Jill Suzanne Ballard
Notary Public

My commission expires:
9-10-2009

(SEAL)



My Commission Expires:

(SEAL)

LEGAL DESCRIPTION ISLAND AT CHOCTAW BAY PERIMETER
(INCLUDING ALL ROADWAYS)

PART OF THE S1\2 SW1\4 SECTION 4, PART OF THE SE1\4 SE1\4 SECTION 5, PART OF THE N1\2 NE1\4, PART SE1\4 NE1\4, AND PART OF N1\2 NE1\4 SE1\4 SECTION 8, T-10-N, R-13-W, VAN BUREN COUNTY, ARKANSAS, MORE PARTICULARLY DESCRIBED AS: STARTING AT A STONE MONUMENT AT THE COMMON CORNER TO SECTIONS 4, 5, 8 AND 9, T-10-N, R-13-W, THENCE N88°13'48"W ALONG THE NORTH LINE OF THE NE1\4 NE1\4 SECTION 8, A DISTANCE OF 337.88 FEET TO A POINT ON THE FEE TAKING LINE OF GREERS FERRY RESERVOIR, THE POINT OF BEGINNING OF THE LANDS HEREIN DESCRIBED; THENCE S31°39'35"W ALONG SAID FEE TAKING LINE, A DISTANCE OF 838.88 FEET TO USCE BM 1707-42-2; THENCE CONTINUING ALONG SAID FEE TAKING LINE, S88°58'47"W A DISTANCE OF 187.98 FEET TO USCE BM 1707-42-1; THENCE CONTINUING ALONG SAID FEE TAKING LINE, S02°25'30"W A DISTANCE OF 201.13 FEET TO USCE BM 1707-42; THENCE CONTINUING ALONG SAID FEE TAKING LINE, S38°41'48"E A DISTANCE OF 828.72 FEET TO USCE BM 1707-41 ON THE NORTH LINE OF THE SE1\4 NE1\4 SECTION 8; THENCE LEAVING THE RESERVOIR BOUNDARY AND RUN N88°09'41"W ALONG SAID NORTH LINE, A DISTANCE OF 442.48 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF A 60 FOOT ROADWAY FROM STATE HIGHWAY 336; THENCE SOUTHERLY ALONG SAID RIGHT OF WAY LINE, ON A CURVE LEFT HAVING A CENTRAL ANGLE OF 18°27'25", A RADIUS OF 1402.39 FEET, AN ARC DISTANCE OF 478.24 FEET, AND A CORD BEARING AND DISTANCE OF S32°33'19"E 473.95 FEET TO THE POINT OF REVERSED CURVE; THENCE CONTINUING ALONG SAID RIGHT OF WAY LINE, ON A CURVE RIGHT, HAVING A CENTRAL ANGLE OF 25°41'55", A RADIUS OF 868.82 FEET, AN ARC DISTANCE OF 299.00 FEET, AND A CORD BEARING AND DISTANCE OF S29°28'03"E 298.50 FEET TO THE POINT OF TANGENCY; THENCE CONTINUING ALONG SAID RIGHT OF WAY LINE, S18°35'05"E A DISTANCE OF 175.88 FEET TO THE POINT OF CURVATURE OF A CURVE RIGHT; THENCE CONTINUING ALONG SAID RIGHT OF WAY LINE, ON SAID CURVE RIGHT, HAVING A CENTRAL ANGLE OF 11°38'27", A RADIUS OF 1175.92 FEET, AN ARC DISTANCE OF 238.91 FEET, AND A CORD BEARING AND DISTANCE OF S10°48'53"E 238.50 FEET TO THE POINT OF TANGENCY; THENCE CONTINUING ALONG SAID RIGHT OF WAY LINE, S04°58'40"E A DISTANCE OF 289.99 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 336; THENCE SOUTHWESTERLY ALONG SAID RIGHT OF WAY LINE, ON A CURVE LEFT HAVING A SEGMENT CENTRAL ANGLE OF 05°38'38", A RADIUS OF 328.48 FEET, AN ARC DISTANCE OF 31.97 FEET, AND A CORD BEARING AND DISTANCE OF S28°48'44"W 31.88 FEET TO A POINT ON THE NORTH LINE OF THE N1\2 NE1\4 SE1\4 SECTION 8; THENCE CONTINUING ALONG SAID HIGHWAY RIGHT OF WAY LINE, ON SAID CURVE LEFT HAVING A SEGMENT CENTRAL ANGLE OF 08°48'43", A RADIUS OF 328.48 FEET, AN ARC DISTANCE OF 38.82 FEET, AND A CORD BEARING AND DISTANCE OF S50°38'04"W 38.80 FEET TO A POINT ON THE WESTERLY RIGHT OF WAY LINE OF SAID 60 FOOT ROADWAY; THENCE LEAVING SAID HIGHWAY 336 AND RUN N04°58'40"W A DISTANCE OF 25.71 FEET TO A POINT ON THE SOUTH LINE OF THE SE1\4 NE1\4 SECTION 8, SAID POINT BEING S87°58'34"E A DISTANCE OF 872.59 FEET FROM THE SW CORNER OF SAID SE1\4 NE1\4; THENCE CONTINUING N04°58'40"W ALONG SAID WESTERLY RIGHT OF WAY LINE, A DISTANCE OF 291.21 FEET TO THE POINT OF CURVATURE OF A CURVE LEFT; THENCE CONTINUING ALONG SAID RIGHT OF WAY LINE, ON SAID CURVE LEFT HAVING A SEGMENT CENTRAL ANGLE OF 07°53'54", A RADIUS OF 1115.92 FEET, AN ARC DISTANCE OF 153.83 FEET, AND A CORD BEARING AND DISTANCE OF N08°53'38"W 153.71 FEET TO A POINT; THENCE LEAVING SAID ROADWAY AND RUN N88°09'41"W A DISTANCE OF 813.19 FEET TO A POINT ON THE WEST LINE OF THE SE1\4 NE1\4, SAID POINT BEING N01°30'30"E A DISTANCE OF 427.45 FEET FROM THE SW CORNER OF THE SE1\4 NE1\4; THENCE N01°30'39"E ALONG SAID WEST LINE, A DISTANCE OF 900.00 FEET TO USCE BM 1708-1 ON THE FEE TAKING LINE OF GREERS FERRY RESERVOIR, AT THE CENTER OF NE1\4 SECTION 8; THENCE N00°38'53"E ALONG SAID FEE TAKING LINE, A DISTANCE OF 489.18 FEET TO USCE BM 1707-43; THENCE CONTINUING ALONG SAID FEE TAKING LINE, N38°18'27"E A DISTANCE OF 373.82 FEET TO USCE BM

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1707-42-18; THENCE CONTINUING ALONG SAID FEE TAKING LINE, N28°01'52"W A DISTANCE OF 134.99 FEET TO USCE BM 1707-42-17; THENCE CONTINUING ALONG SAID FEE TAKING LINE, S83°55'01"W A DISTANCE OF 147.85 FEET TO A POINT ON THE EAST LINE OF THE NW1/4 NE1/4 SECTION 8, SAID POINT BEING S01°29'58"W A DISTANCE OF 438.23 FEET FROM THE NE CORNER OF SAID NW 1/4 NE1/4; THENCE CONTINUING S83°55'01"W ALONG SAID FEE TAKING LINE, A DISTANCE OF 378.86 FEET TO USCE BM 1707-42-18; THENCE CONTINUING ALONG SAID FEE TAKING LINE, N38°04'02"W A DISTANCE OF 478.85 FEET TO USCE BM 1707-42-15; THENCE CONTINUING ALONG SAID FEE TAKING LINE, N00°28'46"E A DISTANCE OF 119.28 FEET TO A POINT ON THE NORTH LINE OF SAID NW1/4 NE1/4; THENCE LEAVING SAID RESERVOIR BOUNDARY AND RUN S88°13'48"E, ALONG SAID NORTH LINE, A DISTANCE OF 881.35 FEET TO THE SW CORNER OF THE SE1/4 SE1/4 SECTION 3; THENCE N01°32'28"E, ALONG THE WEST LINE OF SAID SE1/4 SE1/4, A DISTANCE OF 138.28 FEET TO USCE BM 1707-42-13 ON AFORESAID FEE TAKING LINE; THENCE CONTINUING N01°32'28"E, ALONG SAID FEE TAKING LINE, A DISTANCE OF 588.88 FEET TO USCE BM 1707-42-12A; THENCE CONTINUING ALONG SAID FEE TAKING LINE, N01°29'44"E A DISTANCE OF 218.95 FEET TO USCE BM 1707-42-12; THENCE CONTINUING ALONG SAID FEE TAKING LINE, N58°59'39"E A DISTANCE OF 178.18 FEET TO USCE BM 1707-42-11; THENCE CONTINUING ALONG SAID FEE TAKING LINE, S81°01'03"E A DISTANCE OF 283.00 FEET TO USCE BM 1707-42-10; THENCE CONTINUING ALONG SAID FEE TAKING LINE, N79°57'23"E A DISTANCE OF 334.81 FEET TO USCE BM 1707-42-9; THENCE CONTINUING ALONG SAID FEE TAKING LINE, S84°03'38"E A DISTANCE OF 377.48 FEET TO USCE BM 1707-42-8A; THENCE CONTINUING ALONG SAID FEE TAKING LINE, S84°02'52"E A DISTANCE OF 198.08 FEET TO A POINT ON THE WEST LINE OF THE SW1/4 SW1/4 SECTION 4, SAID POINT BEING N01°13'10"E A DISTANCE OF 1032.13 FEET FROM AFORESAID STONE AT STARTING POINT; THENCE CONTINUING S84°02'32"E ALONG SAID FEE TAKING LINE, A DISTANCE OF 432.17 FEET TO USCE BM 1707-42-8; THENCE CONTINUING ALONG SAID FEE TAKING LINE, N55°58'54"E A DISTANCE OF 389.74 FEET TO USCE BM 1707-42-7; THENCE CONTINUING ALONG SAID FEE TAKING LINE, N74°58'26"E A DISTANCE OF 89.07 FEET TO USCE BM 1707-42-6A; THENCE CONTINUING ALONG SAID FEE TAKING LINE, N75°00'15"E A DISTANCE OF 180.93 FEET TO USCE BM 1707-42-6; THENCE CONTINUING ALONG SAID FEE TAKING LINE, S88°57'59"E A DISTANCE OF 100.05 FEET TO USCE BM 1707-42-5A; THENCE CONTINUING ALONG SAID FEE TAKING LINE, S88°59'29"E A DISTANCE OF 253.81 FEET TO A POINT ON THE WEST LINE OF THE SE1/4 SW1/4 SECTION 4; THENCE CONTINUING S88°59'29"E ALONG SAID FEE TAKING LINE, A DISTANCE OF 308.13 FEET TO USCE BM 1707-42-5; THENCE CONTINUING ALONG SAID FEE TAKING LINE, S88°30'52"W A DISTANCE OF 317.53 FEET TO A POINT ON THE EAST LINE OF THE SW1/4 SW1/4 SECTION 4; THENCE CONTINUING S88°30'52"W ALONG SAID FEE TAKING LINE, A DISTANCE OF 442.49 FEET TO USCE BM 1707-42-4A; THENCE CONTINUING ALONG SAID FEE TAKING LINE, S88°30'48"W A DISTANCE OF 629.99 FEET TO USCE BM 1707-42-4; THENCE CONTINUING ALONG SAID FEE TAKING LINE, S89°00'43"W A DISTANCE OF 397.18 FEET TO A POINT ON THE EAST LINE OF THE SE1/4 SE1/4 SECTION 5, SAID POINT BEING N01°13'10"E A DISTANCE OF 275.28 FEET FROM AFORESAID SECTION CORNER; THENCE CONTINUING S89°00'43"W ALONG SAID FEE TAKING LINE, A DISTANCE OF 22.84 FEET TO USCE BM 1707-42-3; THENCE CONTINUING ALONG SAID FEE TAKING LINE, S81°39'41"W A DISTANCE OF 380.85 FEET TO USCE BM 1707-42-2A; THENCE CONTINUING ALONG SAID FEE TAKING LINE, S81°39'38"W A DISTANCE OF 30.27 FEET TO THE POINT OF BEGINNING, BEING 0.78 ACRES IN SE1/4 SW1/4 SECTION 4, 15.30 ACRES IN SW1/4 SW1/4 SECTION 4, 30.18 ACRES IN THE SE1/4 SE1/4 SECTION 5, 8.09 ACRES IN NW1/4 NE1/4 SECTION 8, 18.45 ACRES IN NE1/4 NE1/4 SECTION 8, 14.19 ACRES IN SE1/4 NE1/4 SECTION 8, 0.01 ACRES IN N1/2 NE1/4 SE1/4 SECTION 8, AND CONTAINING AN AGGREGATE OF 3,615,500 SQUARE FEET OR 83.00 ACRES, SUBJECT TO A PERPETUAL FLOWAGE EASEMENT TO THE UNITED STATES OF AMERICA OVER THAT PORTION LYING AT AND BELOW ELEVATION 481 MEAN SEA LEVEL.