

September 28, 2008

Terms and Conditions for the transfer of Tract C to South Arkansas Fire Protection District (SAFPD).

Proposal Draft

The following are the proposed terms and conditions for Tract C ownership transfer between Pinon Hills Homeowners Association (PH-HOA) and the South Arkansas Fire Protection District (SAFPD) who provide fire protection to the Pinon Hills Subdivision.

PH-HOA shall turn over ownership of Tract C consisting of 11.79 acres of land as noted on Pinon Hills Subdivision Plat, recorded November 7, 1966, to SAFPD.

SAFPD will use the land as collateral to obtain grants up to \$150,000.00 in order to construct an underground water cistern including water well and plumbing.

Conditions:

1. Tract C cannot be sold or transferred to a third party.
2. Tract C cannot be subdivided.
3. Tract C cannot be built upon other than the underground cistern with well and plumbing.
4. If after five \*(5) years, it is determined that the grant process cannot be completed, Tract C will be returned to PH-HOA.

\*Once construction of the cistern has started on the project, SAFPD title to Tract C shall be without item #4.