

BEFORE THE ARKANSAS CEMETERY BOARD

**IN THE MATTER OF DENVER-ROLLER, INC.,
doing business in Arkansas as:**

ORDER NO. C-05-035-05-OR01

**Crestlawn Memorial Park
Crittenden Memorial Park
Baxter Memorial Gardens
White County Memorial Gardens
Sunset Memorial Park
Mississippi County Memorial Gardens
Riverwood Memorial Gardens
Oaklawn Memorial Gardens
Marshall Memorial Gardens**

ORDER

A meeting of the Arkansas Cemetery Board was held on August 12, 2005. Among the topics considered at the meeting was a request by Denver-Roller, Inc. (the “licensee”) to ratify a proposed agreement between the licensee and the Arkansas Cemetery Board (the “Board”). The agreement proposes that the licensee will deposit a certificate of deposit in the amount of \$25,000 with Pulaski Bank and Trust (the “custodian”), a federally insured financial institution. The purpose of the deposit is to cover the cumulative deductible amounts of the required fidelity bonds of the trustees of the permanent maintenance funds of the Arkansas cemeteries owned by the licensee.

FINDINGS OF FACT

1. The licensee owns and operates nine perpetual care cemeteries in Arkansas.
2. The trustees of the permanent maintenance funds for the nine cemeteries have purchased fidelity bonds covering the principal amounts of the permanent maintenance funds. The cumulative sum of said fidelity bonds is \$2,463,000. The cumulative deductible amounts on said fidelity bonds is \$22,500.
3. The proposed agreement between the licensee and the Board would require the deposit of a \$25,000 certificate of deposit with the custodian to cover said deductible amounts. A copy of the proposed agreement is attached hereto Exhibit "A".

CONCLUSIONS OF LAW

4. Each licensed perpetual care cemetery in Arkansas shall establish or transfer its required permanent maintenance fund to a state or national bank with trust powers, or to certain authorized trustees. **Ark. Code Ann. 20-17-1014 (1), (2), and (3).**
5. One trustee arrangement permits establishment or transfer of the cemetery's permanent maintenance fund with three (3) trustees, only one of

whom may have any direct or indirect pecuniary interest in the cemetery, provided all trustees who make disbursements from the trust fund shall furnish a fidelity bond with corporate surety thereon, payable to the trust fund in a penal sum not less than one hundred per cent (100%) of the value of the trust fund principal at the beginning of the calendar year. Said fidelity bond shall be deposited with the Arkansas Cemetery Board.

OPINION

6. The proposed agreement requires the licensee to deposit with the custodian a certificate of deposit in the sum of \$25,000 to cover the cumulative deductible amounts on the trustees' fidelity bonds. The proposed agreement is in the public interest, adequately promotes the objectives of the Arkansas Cemetery Act for Perpetually Maintained Cemeteries, and should therefore be approved.

ORDER

Upon a unanimous vote of the members of the Board, the proposed agreement between the licensee and the Board, attached hereto, is hereby approved and authorized. It is further ordered that proof of the maintenance of this certificate of deposit in the sum of \$25,000 with the custodian shall be submitted to the Board annually, at the time of the licensee's renewal.

IT IS SO ORDERED.

Dated this 23 day of September, 2005.


Betty Finley, Chairperson
Arkansas Cemetery Board


Michael B. Johnson, Secretary
Arkansas Cemetery Board

ASSIGNMENT AND ESCROW AGREEMENT

Denver Roller, Inc. ("Permitholder"), the Arkansas Cemetery Board ("Board") and Pulaski Bank & Trust ("Custodian") have made and entered into this Assignment and Escrow Agreement (the "Agreement") set out below:

WHEREAS, the Permitholder holds permits issued by the Board to operate perpetual care cemeteries as outline in Exhibit A pursuant to the requirements and conditions set further in the Arkansas Cemetery Act for Perpetually Maintained Cemeteries, Act 352 of 1977, as amended ("Act") and the Rules issued by the Board ("Rules");

WHEREAS, the Act and Rules require that a fidelity bond issued by a corporate surety covering all trustees who make disbursements from the Cemetery Perpetual Care Trust Fund ("Trust Fund") payable to the Trust Fund in the penal sum of not les than one hundred percent (100%) of the value of the Trust Fund principal at the beginning of each calendar year with no deductible amount be deposited with the Board;

WHEREAS, the Permitholder has been unable to renew the current fidelity bond or find a new fidelity bond without the issuing corporate surety requiring the fidelity bond to contain a deductible as described in Exhibit A;

WHEREAS, the Permitholder has deposited with the Board Fidelity Bonds as described in Exhibit A to meet the above described requirements of the Act and Rules, but said bonds have a deductibles as set forth in Exhibit A;

WHEREAS, the Board has agreed to accept the pledge of the following security to cover the deductible amount of the required Fidelity Bonds;

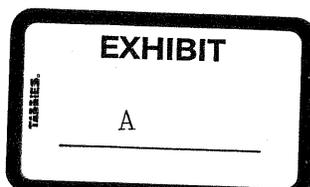
WHEREAS, the Permitholder and Board have agreed and desire to enter into an agreement with respect to the escrow of cash or securities in the total amount of \$25,000.00 to cover the deductibles in said fidelity bonds;

NOW THEREFORE, in consideration of the foregoing and covenants herein contained, it is agreed as follows:

1. The Permitholder herewith owns and tenders :

\$25,000 Certificate of Deposit issued by Pulaski Bank & Trust Co.(CD#
1000074791, due 8/9/2006) ("Approved Security"), for the escrow period set forth herein below. The Permitholder assigns its interest in the Approved Security but only for the limited purpose set forth herein.

2. The escrow period shall begin on the date of the signing of this Escrow Agreement and shall terminate on the later of ninety (90) days after the above described fidelity bond has been properly and fully terminated or upon a final determination of any administrative action begun prior to termination of this Agreement pursuant to the Arkansas Administrative Procedure Act or the Act and



Rules, claim or suit to settle any claim filed under the provisions of Paragraph 6 (“the suit”) (any reference of lawsuit, or claim or judgment,) (“Escrow Period”).

3. The proceeds of the Approved Security shall be used first to pay any claims or claims properly and timely filed pursuant to the terms and conditions of the above named fidelity bonds. In the event that another policy is issued, the provisions of this Agreement shall apply to the new policy. However a new Assignment and Escrow Agreement that refers to the newer policy may be required by the Board.
4. During the Escrow Period, the Permitholder agrees that the Approved Security shall not, in any way, be offered for sale, sold, pledged, hypothecated, transferred, redeemed, altered or disposed of in any manner. In the event that the Permitholder breaches, or allows this Agreement to be breached, the Board may terminate or revoke Permitholder’s authority to operate.
5. If during the Escrow Period, the Board shall reasonably determine that the Approved Security is no longer sufficient or the fair value falls below \$25,000.00, the Permitholder agrees to make any reasonable and appropriate deposit of additional cash, a substitute for cash, securities or file an acceptable corporate fidelity bond. Failure to do so will be deemed a failure to comply with the conditions of this Agreement, Act and Rules and the permits may be terminated.
6. If any person who has a cause of action against the Trust Fund’s Trustees under the provisions of the above detailed fidelity bonds and this Agreement files a claim or brings suit during the period described in Paragraph 2, the claim may be paid from the above detailed or Approved Security if a judgment is rendered against the Trustees for a claim against said bond, that judgment may be satisfied out of the above described Approved Security before its release by the Board.
7. The Approved Security cannot be used in satisfaction of any judgment unless suit is brought between the date hereof and ninety (90) days from the proper termination date of the above described fidelity bond.
8. The Permitholder shall be entitled to all interest earned on the escrowed Approved Security and the Custodian holding the Approved Security may disburse the earned interest to the Permitholder as earned.
9. In the event of dissolution or liquidation of the Permitholder during the escrow period, the Permitholder agrees that the distribution of the cash or securities held in Escrow shall be subordinated to rights of persons having a cause of action as above stated and no distribution of the Approved Security may be made until such time as the Escrow Agreement shall come to an end.
10. The Permitholder agrees to pay any and all expenses incurred by the Board or Custodian as a result of the escrow of the cash or securities and to indemnify the Board against all claims arising out of this escrow other than those caused by the Board’s own negligence or breach of this Agreement.
11. The Board agrees to administer this Escrow Agreement in strict compliance With all of the terms, conditions and instructions contained herein and the Permitholder agrees to provide all information necessary to facilitate the

administration of this Agreement. At such time as this Escrow Agreement shall terminate, the Approved Security may be released and returned to the Permitholder as provided herein, and the Board shall be relieved of all liability hereunder.

12. Pulaski Bank & Trust Co. as the custodian and holder of the Approved Security above described, by its signature below, agrees to honor the pledge of the Approved Security, notifying the Board of any changes to the Approved Security, specifically including, but not limited to, address changes to the Account holder, maturities, renewals and redemptions to the Approved Security. The Custodian further agrees that all obligations on it by virtue of this Agreement shall accrue and inure to any successor bank custodian, financial organization, custodian or other safe keeping organization.

The Permitholder, Custodian and the Board have entered into this Escrow Agreement on this 9th day of September, 2005, in multiple counterparts, each of which shall be considered an original.

DENVER ROLLER, INC.

By: [Signature]

Its: [Signature]

ARKANSAS CEMETERY BOARD

By: [Signature]

Its: [Signature]

PULASKI BANK & TRUST CO.

By: [Signature]

Its: Vice President
and Trust Officer

PERMITHOLDER ACKNOWLEDGEMENT

STATE OF ARKANSAS)

COUNTY OF PULASKI)

The undersigned, being first duly sworn, deposes and says that he/she has executed this form on behalf of, and with the authority of, the Permitholder. The undersigned and the Permitholder represent that the information and statements contained herein, including exhibits attached hereto, and other information filed herewith, all of which are made a part hereof, are current, true and correct to the best of their knowledge and behalf.

[Signature]
(SIGNATURE)

9/9/2005
(DATE)

George W. [Signature]
(PRINT NAME)

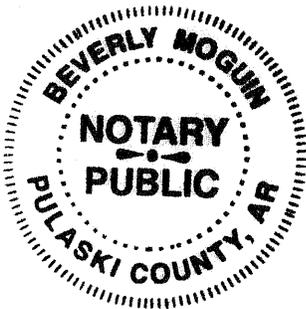
President - Denver Roll on Inc.
(TITLE-PERMITHOLDER)

Subscribed and sworn to before me this 9TH day of SEPTEMBER, 2005.

[Signature]
NOTARY PUBLIC

My Commission Expires:

7-13-2010



CUSTODIAN ACKNOWLEDGEMENT

STATE OF Arkansas)

COUNTY OF Pulaski)

The undersigned, being first duly sworn, deposes and says that he/she is authorized on behalf of the Custodian to execute this Agreement and has executed this form on behalf of, and with the authority of, the Custodian. The undersigned the Custodian represent that the information and statements contained herein regarding the obligations for the Custodian are current, true and correct to the best of their knowledge and belief and that they are unaware of any fact that would preclude them from abiding by their obligations hereunder.

Pulaski Bank + Trust
By George A. Prange VP + TO
(SIGNATURE)

PULASKI BANK + TRUST
By George A. Prange
(PRINT NAME)

9-12-05
(DATE)

Vice President and
(TITLE) Trust Officer

Subscribed and sworn to before me this 12th day of September, 2005.

Patricia Womack
NOTARY PUBLIC

My Commission expires:
Oct 17, 2012

ARKANSAS CEMETERY BOARD

BY: Betty Husley
DATE: Chapman