

PACKET OF LEGAL DOCUMENTS

FOR

THE OAKS,
A Real Estate Development

Warren E. Jones

May 2, 1968

HASTIE & KIRSCHNER
A PROFESSIONAL CORPORATION

ATTORNEYS & COUNSELORS AT LAW

FIRST OKLAHOMA TOWER - 210 W. PARK AVENUE - SUITE 3000 - OKLAHOMA CITY, OK 73102

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
THE OAKS

Warren E. Jones
Hastie and Kirschner
210 West Park Avenue
3000 First Oklahoma Tower
Oklahoma City, Oklahoma 73102

TABLE OF CONTENTS

	<u>Tab</u>
1. Declaration of Covenants, Conditions and Restrictions for The Oaks	A
2. By-Laws of The Association of Owners for The Oaks, Inc.	B
3. Rules and Regulations of the Association	C
4. The Oaks Management Agreement	D
5. Articles of Incorporation of The Association of Owners for The Oaks, Inc. (the "Association")	E
6. Association Budget of Income and Expenses	F
7. Warranty Deed (joint tenancy and non-joint tenancy)	G
8. Warranty Deed on Common Elements to Association	H

TABLE OF CONTENTS

DECLARATION

	<u>Page</u>
Recitals	1
1. Definitions	1
1.1 Association	1
1.2 Building	2
1.3 Common Elements	2
1.4 Common Expenses	2
1.5 Declarant	2
1.6 Interassociation Committee	2
1.7 Oak Tree	3
1.8 Owner	3
1.9 Party Wall	3
1.10 Person	3
1.11 Real Estate Development	3
1.12 Rules	3
1.13 Unit	3
2. Property Rights	3
2.1 Owner's Nonexclusive Easement of Enjoyment; Limitations	3
2.1.1 Association Rights to Use and To Grant Easements	4
2.1.2 Association Right To Make Rules ...	4
2.1.2.1 Number of Guests	4
2.1.2.2 Admission	4
2.1.2.3 Voting and Use Rights Suspension	4
2.1.3 Borrow Money	4
2.1.4 Protect Property	5
2.1.5 Other Reserved Rights	5
2.2 Delegation of Use; Nonresident Owner	5

2.3	Title to Common Elements	5
3.	Easements	5
3.1	Unit Access Easement	5
3.2	Blanket Easements for Utilities; For Police, Fire, Etc.; For Maintenance and Repair to Common Elements	5
3.3	Easements Deemed Appurtenant	6
4.	Use and Occupancy; Rights to Rent; Mortgagee Right to Rent; Leases Subject to Declaration	6
4.1	Declarant Right to Rent	7
4.2	Declarant Business Office; Model Units	7
4.3	Offensive or Noxious Use	7
4.4	Mineral Drilling	7
4.5	Livestock	7
4.6	Refuse Storage; Growth	7
4.7	Signs and Billboards; Declarant's Right	8
4.8	Vehicle Restrictions	8
4.9	View from Common Elements or Unit	8
4.10	Tanks	8
4.11	Transmitting or Receiving Devices	9
4.12	Waste	9
4.13	Temporary Structure	9
4.14	Nuisance Activity	9
4.15	Improvements and Alternations; Plans and Specifications	9
4.16	Household Pets; Care and Restraint; Limit on Number; Indemnification by Owners	10
4.17	Use of Oak Tree Golf Course	10
5.	Easements for Encroachments	10
6.	Administration and Management; Mandatory Membership; Terminable Contracts	11
7.	Oak Tree Home Owners Association, Inc.; Mandatory Membership; Subject to By-Laws and Rules and Regulations; Architectural Control Committee of Oak Tree	11

8.	Records; Inspection by Owners and Mortgagees; Notices to Mortgagees	11
8.1	Retention	11
8.2	Auditing	12
8.3	Notice to Mortgagees	12
9.	Reservation for Access, Maintenance, Repair, and Emergencies; Negligence of Owner; Easement by Association	13
10.	Owner's Maintenance Responsibility of Unit	13
11.	Association's Maintenance, Operation, Repair, and Alterations Responsibility	13
12.	Compliance with Provisions of Declaration, By-Laws and Rules and Regulations	13
13.	Interim Control of Association	14
14.	Revocation or Amendment to Declaration; Amendment of Undivided Interest in Common Elements; Approvals by Mortgagees	14
15.	Assessment for Common Expenses	14
15.1	Obligation to Pay Pro-Rata Share	14
15.2	Assessment Due Date	14
15.3	Fixing Assessments; Adjustments	15
15.4	Special Assessments for Capital Improvements; Majority Assent; Notice	15
15.5	Basis of Common Expenses; Increases	15
15.6	Benefit of Assessment or Association Earnings	16
16.	Owner's Personal Obligation for Payment of Assessments	16
16.1	Non-Exemption from Payment; Board Responsibility to Collect; Interest, Costs, and Attorneys Fees; Suit; Notice to Mortgagee ...	16
16.2	Unsold Unit Assessments	17
16.3	Reserves and Working Capital	17

17.	Assessment Lien; Priority; Notice of Lien; Recording; Enforcement; Receiver; Mortgagee May Pay Assessment	18
18.	Assessments Collectible Upon Sale	19
19.	Mortgaging a Unit; Priority; Mortgage Subject to Declaration; Mortgagee in Title-Unpaid Assessments ..	20
20.	Insurance	20
	20.1 Insurance for Unit Owners	20
	20.2 Distribution of Proceeds; Priority Rights of First Mortgagees	21
21.	Eminent Domain	21
	21.1 Acquisition of All or Substantially All of a Unit	21
	21.2 Acquisition of Part of a Unit	21
	21.3 Acquisition of Part of Common Elements	22
	21.4 Association to Represent Owners	22
22.	Registration of Mailing Address of Unit Owners; Association Address; Service Agent	22
23.	Mortgagee's Rights	22
	23.1 Notice and Documents to Mortgagee	22
	23.2 Form of Request	23
	23.3 Protection of Lien of Mortgage	24
	23.4 Mortgagee Voluntary Payment	24
	23.5 Mortgagee's Rights	24
24.	Period of Ownership	25
25.	General Reservations	25
26.	Waiver Clause	26
27.	Party Walls	26
	27.1 Ownership of Party Wall; Reciprocal Easement ..	26
	27.2 Destruction	26
28.	Development of Real Estate Development	27

29.	General	27
29.1	Severance	27
29.2	Failure to Enforce Not Waiver	27
29.3	Captions	27
29.4	Gender	28
29.5	Covenants to Run With the Land	28
29.6	Declarant Easement	28
29.7	Enforcement at Law or In Equity; Notice to Mortgagee of Uncured Default	28
29.8	Attorneys Fees	29
29.9	Special Amendment	29
29.10	City of Edmond a Beneficiary	30

BY-LAWS

Article 1 - Purpose and Parties	1
1.1 Governance of Real Estate Development Regime ..	1
1.2 Owners Subject to These By-Laws; Acceptance of By-Laws	1
Article 2 - Membership, Voting, Majority of Owners, Quorum, Proxies	2
2.1 Membership	2
2.2 Voting	2
2.3 Majority of Unit Owners	2
2.4 Quorum for Owners' Meetings	2
2.5 Proxies	2
Article 3 - Administration	3
3.1 Association Responsibilities	3
3.2 Place of Meeting	3
3.3 Annual Meetings	3
3.4 Special Meetings	3
3.5 Notice of Meetings	3
3.6 Adjourned Meetings	4
3.7 Order of Business	4
Article 4 - Board of Directors	4
4.1 Number, Qualification and Appointment or Election	4
4.2 General Powers and Duties	4
4.3 Other Powers and Duties	4
4.3.1 Administration	5
4.3.2 Rules	5
4.3.3 Maintenance of Common Elements	5
4.3.4 Maintenance of Unit	5
4.3.5 Insurance	5
4.3.6 Budget; Determination of Assessments; Increase or Decrease Same; Levy of Special Assessments	5
4.3.7 Enforcement of Assessment Lien Rights	6
4.3.8 Protect and Defend	6
4.3.9 Borrow Funds	6

4.3.10	Contract	6
4.3.11	Bank Account	6
4.3.12	Manage	6
4.3.13	Books and Records	7
4.3.14	Annual Statement	7
4.3.15	Meetings	7
4.3.16	Personnel	7
4.3.17	Administration of Association	7
4.3.18	Managing Agent	7
4.3.19	Ownership of Units	8
4.3.20	All Things Necessary and Proper	8
4.3.21	Tax Exempt Status	8
4.4	No Waiver of Rights	8
4.5	Election and Term of Office; Staggered Office .	8
4.6	Vacancies in Board	8
4.7	Removal of Directors	9
4.8	Directors' Organization Meeting	9
4.9	Directors' Regular Meetings	9
4.10	Director's Special Meetings	9
4.11	Waiver of Notice	9
4.12	Board of Directors' Quorum	10
4.13	Fidelity Bonds	10
4.14	Compensation	10
Article 5	- Fiscal Management	10
5.1	Fiscal Year	10
5.2	Accounts	10
5.2.1	Current Expenses	10
5.2.2	Reserves for Deferred Maintenance ...	11
5.2.3	Reserves for Replacement	11
5.2.4	Capital Improvements	11
Article 6	- Officers	11
6.1	Designation	11
6.2	Election of Officers	11
6.3	Removal of Officers	11
6.4	President	11
6.5	Secretary-Treasurer	12
Article 7	- Indemnification of Officers, Directors, and Managing Agent	12

7.1	Indemnification	12
7.2	No Personal Liability	12
Article 8 - Amendments to By-Laws		13
Article 9 - Mortgages		13
9.1	Notice by Owners to Association	13
9.2	Notice to Mortgagees	13
9.3	Examination of Books by Owners and Mortgagees .	14
Article 10 - Evidence of Ownership, Registration of Mailing Address, and Designation of Voting Representative		14
10.1	Proof of Ownership	14
10.2	Registration of Mailing Address	14
10.3	Designation of Voting Representative-Proxy	15
Article 11 - Obligations of the Owners		15
11.1	Assessments	15
11.2	Lien	16
11.3	Notice to Association of Lien or Suit	16
11.4	Maintenance and Repair	16
11.5	Mechanic's Lien	16
11.6	General	17
11.7	Unit Modifications or Alterations	17
11.8	Use of Common Elements	17
11.9	Right of Entry	17
11.10	Rules and Regulations	18
11.11	Insurance	18
Article 12 - Abatement and Enjoinment of Violations by Owners		18
12.1	Abatement and Enjoinment	18
12.2	Denial of Use of Amenities	18
Article 13 - Committees		19
13.1	Designation	19
13.2	Executive Committee	19

13.3	Nominating Committee	19
13.4	Architectural Control Committee	19
13.4.1	Improvements and Alterations; Plans and Specifications; Approval ..	20
13.4.2	Approvals; Copy of Plans and Specifications Deposited; Lapse of Time Tantamount to Approval	20
13.4.3	Construction; Limitations; Deviations from Plans and Specifications	21
13.4.4	Certificate of Compliance	21
13.4.5	Rules and Regulations of Architec- tural Control Committee	22
13.4.6	Enforcement; Right to Correct Violations	23
Article 14 - Compensation		24
Article 15 - Execution of Documents		24
Article 16 - Miscellaneous		24
16.1	Conflict in Documents	24
16.2	Conflict Between Owners	25
16.3	Due Process	25
16.4	Exculpation of Unavoidable Loss	25
Schedule A - Rules and Regulations for Owners' Association		

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
THE OAKS

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, OKLAHOMA OAKS I, an Oklahoma general partnership, hereafter referred to as the "Declarant," are the owners of certain land and improvements in Oklahoma County, Oklahoma, which property is more fully described on the attached Exhibit "A," incorporated herein and made a part hereof for all purposes; and

WHEREAS, Declarant desires to submit the land and improvements constructed thereon to Oklahoma's Real Estate Development Act (Title 60 O.S. 1971, §§851-855, as amended).

NOW, THEREFORE, Declarant does hereby publish and declare that the land and its improvements are hereby subjected to the covenants, conditions, and restrictions herein set forth to be established upon the recording hereof, in accordance with and subject to the provisions of the Oklahoma Real Estate Development Act; and that the covenants, conditions, restrictions, use limitations, obligations, and provisions hereof shall be deemed to run with the land described on Exhibit "A" and shall be for the use and benefit to the Declarant, its successors and assigns, and to any person or entity acquiring or owning an interest in the land and improvements, or any portion thereof, its grantees, successors, heirs, personal representatives, devisees and assigns.

1. Definitions. Unless the context shall expressly provide otherwise:

1.1 "Association" means The Association of Owners for The Oaks, Inc., an Oklahoma corporation, its successors and assigns, the By-Laws of which shall govern the administration of this Real Estate Development, the

members of which shall be all of the Owners of the Units.

- 1.2 "Building" means one or more of the building improvements lying within the real estate described on Exhibit "A."
- 1.3 "Common Elements" means Common Units A, B, C, D, and E, as shown on the recorded plat of The Oaks Addition, and all other portions of the Real Estate Development other than the Units.
- 1.4 "Common Expenses" means and includes expenses for maintenance, replacement, repair, operation, improvements, management, and administration, and expenses declared Common Expenses by the provisions of this Declaration (including assessments imposed by Oak Tree Home Owners Association, Inc. and by the Inter-association Committee) and the By-Laws of the Association, and, in addition, a Unit Owner's pro-rata share of the cost of insuring the Unit.
- 1.5 "Declarant" shall mean and refer to Oklahoma Oaks I, an Oklahoma general partnership, and successors and assigns.
- 1.6 "Interassociation Committee" shall mean the committee to be comprised of one (1) representative of each residential community within Oak Tree, a planned unit development, in Edmond, Oklahoma (which, at the present time, includes those seven subdivisions at plat book 47, page 77, plat book 47, page 42, plat book 47, page 10, plat book 48, page 42, plat book 49, page 81, plat book 49, page 1, and plat book 50, page 74), and the Oak Tree Golf Club, which committee shall be responsible for the preparation of a budget to provide for the maintenance and upkeep of the streets, perimeter fencing and sidewalks, entry island and banks, street lighting charges, if any, insurance of any insurable improvements and liability insurance, and security, if any, and the establishment of assessments, all as more particularly provided in the recorded Declaration of Covenants, Conditions and Restrictions for Oak Tree.

- 1.7 "Oak Tree" shall mean and refer to the Oak Tree Home Owners Association, Inc., an Oklahoma corporation, and successors and assigns.
- 1.8 "Owner" means a person or persons, firm, corporation, partnership, trust, association, or other legal entity, or any combination thereof, who owns one or more Units.
- 1.9 "Party Wall" shall mean the entire wall, including the foundations thereof, which is built as a part of the original improvements on a lot and is intended to be placed on the boundary line between adjoining lots.
- 1.10 "Person" means a natural person, corporation, partnership, association, trust, other entity, or any combination thereof.
- 1.11 "Real Estate Development" means the real estate described at Exhibit "A," portions of which are designated for separate ownership and the remainder of which is designated for common ownership solely by the Owners of those portions, as provided for at 60 O.S. §851, as amended.
- 1.12 "Rules" shall mean the Rules and Regulations adopted by the Association as amended from time to time.
- 1.13 "Unit" means a portion of the Real Estate Development designated for separate ownership, the boundaries of which are the lot lines as shown on the recorded plat of the real estate described on Exhibit "A," and includes all improvements contained within said boundaries.

2. Property Rights.

- 2.1 Owner's Nonexclusive Easement of Enjoyment; Limitations. Every Owner and his immediate family shall have a nonexclusive right and easement of enjoyment in and to the Common Elements, which shall be appurtenant to and shall pass with the title to the Unit of such Owner, subject to the following rights:

2.1.1 Association Rights to Use and To Grant Easements. The nonexclusive right and easement of the Association to make such use of the Real Estate Development as may be necessary or appropriate for the performance of the duties and functions which it is obligated or permitted to perform under this Declaration. The Association, in its sole discretion, may from time to time grant easements and rights of way on, across, under, and over the Common Elements to any municipal corporation or public utility company, or other entity providing water, sewer, gas, electricity, telephone, cable television, or other similar service to the Real Estate Development.

2.1.2 Association Right To Make Rules. The right of the Association to make such reasonable Rules regarding the use of the Common Elements and facilities located thereon by members and other persons entitled to such use including, but not limited to, the following:

2.1.2.1 Number of Guests. To limit the number of guests of Owners permitted to use any Common Elements.

2.1.2.2 Admission. To fix reasonable fees for the use of any Common Elements by the guests of any Owner.

2.1.2.3 Voting and Use Rights Suspension. To suspend the voting rights and the right of an Owner to use the Common Elements for any period during which any assessment against his Unit remains unpaid, and for a period not to exceed thirty (30) days for any infraction of the Rules.

2.1.3 Borrow Money. The right of the Association, in accordance with its By-Laws, to borrow

money for the purpose of improving the Common Elements and, in aid thereof, to mortgage said Common Elements.

2.1.4 Protect Property. The right of the Association to take such steps as are reasonably necessary to protect the above described properties against foreclosure; and,

2.1.5 Other Reserved Rights. The rights reserved in this Declaration to Declarant, Owners, other persons, and the Association.

2.2 Delegation of Use; Nonresident Owner. Any Owner may delegate his right of enjoyment of the Common Elements to the members of his family, to his tenants, to his guests, or to contract purchasers who may reside in the Unit. All such persons shall be subject to the Rules concerning such use. Any Owner not residing in his Unit may not use the recreational facilities except as may be provided otherwise by the Rules.

2.3 Title to Common Elements. Notwithstanding any provisions herein, the Declarant hereby covenants for itself, its successors and assigns that it shall convey to the Association all of the Common Elements not later than July 1, 1991.

3. Easements.

3.1 Unit Access Easement. Each Owner shall have a non-exclusive easement in, on, and through the Common Elements for access to said Owner's Unit.

3.2 Blanket Easements for Utilities; For Police, Fire, Etc.; For Maintenance and Repair to Common Elements. There is hereby created a blanket easement in, on, through, upon, across, over, and under all of the Common Elements for ingress and egress, installation, replacement, repair, and maintenance of all utilities including, but not limited to, water, sewers, gas,

telephones, and electricity. By virtue of this agreement, it shall be expressly permissible for electrical and/or telephone company providing service to erect and maintain the necessary equipment on Common Elements and to affix and maintain electrical and/or telephone wires, circuits, and conduits on the roof and exterior walls of the Buildings upon Common Elements. An easement is further granted to all police, fire protection, and ambulance personnel and all similar persons to enter upon the Common Elements in the performance of their duties. Further, an easement is hereby granted to the Association to enter in, onto, above, across, or over the Common Elements and any Unit to perform duties of maintenance and repair to the Common Elements and to the Units. Notwithstanding anything to the contrary contained in this paragraph, sewers, electrical lines, water lines, or other utilities may be installed or relocated on Common Elements except as approved by Declarant the Association. Should any utility furnishing service covered by the general easement here provided request a specific easement, Declarant the Association may grant such an easement to Common Elements by a separately recorded instrument without conflicting with the terms hereof and with the consent of the Owners being required. The easements provided for in this paragraph shall in no way affect any other recorded easement to said Common Elements.

3.3

Easements Deemed Appurtenant. The easements and rights herein created for an Owner shall be appurtenant to the Unit of that Owner, and all conveyances and instruments affecting title to a Unit shall be deemed to grant and reserve the easements and rights as provided herein, as though set forth in said document in full, even though no specific reference to such easements or restrictions appears.

4. Use and Occupancy; Rights to Rent; Mortgagee Right to Rent; Leases Subject to Declaration. After the initial sale or transfer of a Unit or Units by Declarant, all such Units shall thereafter be used and occupied only for single family residential purposes by the Owner, by the Owner's family, the Owner's tenants, or the Owner's guests. However, Units shall not be rented

by the Owners thereof for transient or hotel purposes, which shall be defined as (a) rental for any period less than thirty (30) days; or (b) any rental if the occupants of the Unit are provided customary hotel services, such as room service for food and beverage, maid service, furnishing laundry and linen, and bellboy service. If any mortgagee forecloses on any Unit, said mortgagee shall have the right to rent said Unit upon such terms as it deems advisable until the Unit is sold. Any lease shall be in writing and shall be subject to the covenants and restrictions contained in this Declaration and further subject to the By-Laws.

- 4.1 Declarant Right to Rent. Notwithstanding any of the foregoing, the right of Declarant to rent or lease Units until their initial transfer to an Owner is hereby specifically reserved.
- 4.2 Declarant Business Office; Model Units. Declarant and its employees, representatives, and agents may maintain a business and sales office, model Units, and other sales facilities necessary or required until all of the Units are sold.
- 4.3 Offensive or Noxious Use. The Owner of any Unit shall not use or allow the use of such Unit for any purpose which will be noxious, offensive, or detrimental to the use of the other Units or which will create or emit any objectionable, offensive, or noxious odors, dust, gases, fumes, or other such material or which will in any manner violate any applicable zoning ordinance or other regulations enacted by any duly constituted governmental authority.
- 4.4 Mineral Drilling. No drilling or puncturing of the surface for oil, gas or other minerals or hydrocarbons shall be permitted.
- 4.5 Livestock. The keeping of any poultry, cattle, horses or other livestock of any kind or character is prohibited.
- 4.6 Refuse Storage; Growth. The storage of trash, ashes, or other refuse, except in normal receptacles, is prohibited. Weeds, underbrush, or other unsightly growths shall not be permitted to grow or remain on Common Elements. No trash, ashes, or other refuse

may be thrown on any other Owner's Unit or in or on Common Elements.

- 4.7 Signs and Billboards; Declarant's Right. No signs or billboards shall be permitted on any Unit or Common Element without the prior written consent of the Association; provided, this prohibition shall not apply to the Declarant in the initial sale of such Unit.
- 4.8 Vehicle Restrictions. No trailer, camper, mobile home, motorcycle, motorbike, or motor driven cycle, commercial vehicle, truck (other than standard size pickup truck), inoperable automobile, boat, or similar equipment shall be permitted to remain upon any area within the Real Estate Development, other than temporarily, unless placed or maintained within an enclosed garage or carport, or in an area specifically designated for such purposes by the Association. Commercial vehicles shall not include sedans or standard size pickup trucks, which are used both for business and personal use, provided that any signs or markings of a commercial nature on such vehicles shall not, as determined in the sole discretion of the Board, be unobtrusive and inoffensive. No noisy or smoky vehicles shall be operated within the Real Estate Development. No off-road unlicensed motor vehicles shall be maintained or operated within the Real Estate Development, except as reasonably necessary to the execution of the rights or duties of the Association under this Declaration.
- 4.9 View From Common Elements or Unit. All garbage cans, equipment, coolers, or storage piles shall be located as not to be visible from the Common Elements or any other Unit within the Real Estate Development. Notwithstanding anything herein contained, no clothesline or drying yards shall be permitted within the Real Estate Development.
- 4.10 Tanks. No elevated tanks of any kind shall be erected, placed, or permitted on any Unit or Common Elements.

- 4.11 Transmitting or Receiving Devices. No radio or television transmitting or receiving device shall be allowed on any Unit with an exposed or exterior antenna, and no dish shall be placed or maintained on any Common Element. In addition, no citizens band or amateur broadcasting transmission or receiving device shall be permitted within the Real Estate Development.
- 4.12 Waste. No waste shall be committed on the Common Elements.
- 4.13 Temporary Structure. No trailer, tent, or shack shall be erected, placed, or permitted nor shall any structure of a temporary character be used at anytime as a residence without the prior written consent of the Association.
- 4.14 Nuisance Activity. No noxious or offensive activity shall be carried on, nor shall anything be done therein which may be or may become an annoyance or nuisance. Except with the prior written approval of the Association, no power equipment, work shops, or car maintenance of any nature whatsoever shall be permitted within the Real Estate Development. The Association shall consider (in deciding whether to grant approval) the effects of noise, air pollution, dirt or grease, fire hazard, interference with radio or television reception, and similar objections.
- 4.15 Improvements and Alterations; Plans and Specifications. Except for construction by the Declarant or for purposes of restoration by Declarant of improvements or structures to their original appearance or as otherwise provided in the By-Laws, no building, fence, wall, or other improvements or structures shall be commenced, erected, placed, moved, or maintained upon the Real Estate Development, nor shall any exterior addition to or change in any improvement located on the Real Estate Development be made until the complete plans and specifications showing the precise and exact nature, kind, shape, height, set-back, materials, color, and location of the same shall have been submitted in duplicate to and approved in writing as to harmony of external

design, color, and location in relation to surrounding structures and topography and conformity with the design concept for the Real Estate Development by the Architectural Control Committee of the Association and the Architectural Control Committee of Oak Tree (according to its rules and procedures), as more fully described in the By-Laws.

4.16 Household Pets; Care and Restraint; Limit on Number; Indemnification by Owners. No animal shall be kept except household pets. Such pets may not be kept or bred for any commercial purpose and shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor, or unsanitary conditions. No savage or dangerous animal shall be kept. No more than two (2) household pets may be kept without written permission of the Association. No pets may be permitted to run loose within the Real Estate Development, and any Owner who causes any animal to be brought or kept within the Real Estate Development shall indemnify and hold harmless the Association for any loss, damage, or liability which the Association may sustain as a result of the presence of such animal on the premises, whether or not the Association has given its permission therefor.

4.17 Use of Oak Tree Golf Course. No Owner, occupant, lessee, guest, or any other person shall have any right to go upon, use, or in any manner conduct any activity upon the Oak Tree golf course adjoining the Real Estate Development unless such person is a member or a guest of a member of the Oak Tree Golf Club. Such entry or use by unauthorized persons shall be considered a trespass, which may be promptly abated by the Association or by Oak Tree.

5. Easements for Encroachments. If any portion of the Common Elements encroaches upon a Unit or Units, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist, regardless of whether such easement is shown on the recorded plat. If any portion of a Unit encroaches upon the Common Elements, or upon adjoining Unit or Units, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. Such

encroachments and easements shall not be considered or determined to be encumbrances either on the Common Elements or on the Units.

6. Administration and Management; Mandatory Membership; Terminable Contracts. The administration and management of this Real Estate Development shall be governed by these Covenants, Conditions, and Restrictions and by the By-Laws of the Association, a copy of which is attached hereto as Exhibit "C." An Owner of a Unit, upon becoming an Owner, shall mandatorily be a member of the Association and shall remain a member for the period of his ownership. The Association shall be governed by a Board of Directors as is provided in the By-Laws of the Association. The Association may employ agents, servants, and employees, and any person or firm to act as Managing Agent at any agreed compensation, but any agreement for professional management of the Real Estate Development, or any contract providing for services by Declarant, or any lease to which Declarant or affiliate of Declarant is a party, must provide for termination by either party without cause or payment of a termination fee on ninety (90) days or less written notice and thirty (30) days with cause and a maximum contract term of one (1) year.

7. Oak Tree Home Owners Association, Inc.; Mandatory Membership; Subject to By-Laws and Rules and Regulations; Architectural Control Committee of Oak Tree. An Owner of a Unit, upon becoming an Owner, shall mandatorily become a member of Oak Tree and shall be obligated to conform to all of the terms, By-Laws, rules and regulations, and to pay assessments and dues as determined by the Interassociation Committee. In addition, the Real Estate Development shall conform to the requirements and controls covering Oak Tree and its general scheme of improvement, and shall be subject to the same control of the Architectural Control Committee of Oak Tree, to the same degree and in the same manner as all other lots in the Oak Tree Planned Unit Development.

8. Records; Inspection by Owners and Mortgagees; Notices to Mortgagees.

8.1 Retention. The Board of Directors shall keep or cause to be kept current certified copies of the recorded Declaration, the executed By-Laws, and the books and records with detailed accounts of the receipts and expenditures affecting the Real Estate Development and its administration and specifying the maintenance and repair expenses of the Common

Elements and any other expenses incurred by or on behalf of the regime. The records so kept shall be available for inspection by all Owners, lenders, and the holders, insurers, and guarantors of first mortgages at convenient hours on working days or under other reasonable circumstances.

8.2 Auditing. All records shall be kept in accordance with accepted accounting procedures and shall be audited at least once a year by an auditor outside the Association. Owners and holders, insurers, and guarantors of first mortgages shall be entitled to receive, free of charge upon written request, annual audited financial statements of the Association within ninety (90) days following the end of the fiscal year of the Association.

8.3 Notice to Mortgagees. The holder, insurer, or guarantor of the mortgage on any Unit in the Real Estate Development is entitled to timely written notice of:

8.3.1 Any condemnation or casualty loss that affects either a material portion of the Real Estate Development or the Unit securing its mortgage;

8.3.2 Any sixty (60) day delinquency in the payment of assessments or charges owed by the Owner of any Unit on which it holds the mortgage;

8.3.3 A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and

8.3.4 Any proposed action that requires the consent of a specified percentage of eligible mortgage holders.

To obtain this information, the mortgage holder, insurer or guarantor shall send a written request to the Association, stating both its name and address and the address of the Unit on which it has the mortgage.

9. Reservation for Access, Maintenance, Repair, and Emergencies; Negligence of Owner; Easement by Association. The Owners shall have the irrevocable right, to be exercised by the Board of Directors of the Association, or its agent, to have access to each Unit from time to time during reasonable hours as may be necessary for the maintenance, repair, or replacement of any of the Common Elements thereon or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Elements or to another Unit or Units. Damage to the interior or any part of a Unit resulting from the maintenance, repair, emergency repair, or replacement of any of the Common Elements or as a result of emergency repairs on another Unit, at the instance of the Association, shall be a Common Expense of all of the Owners; provided, however, if such damage is the result of the misuse or negligence of a Unit Owner, then such Unit Owner shall be responsible and liable for all such damage. All maintenance, repairs, and replacements as to the Common Elements (unless necessitated by the negligence or misuse of a Unit Owner, in which case such expense shall be charged to such Unit Owner), shall be the Common Expense of all the Owners. The Association shall have the right to grant permits, licenses, and easements over the Common Elements for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance or operation of the Real Estate Development.

10. Owner's Maintenance Responsibility of Unit. For purposes of maintenance, repair, alteration, and remodeling, an Owner shall be deemed to be responsible only for that portion of the Unit for which the Association is not responsible, as described in paragraph 11 below.

11. Association's Maintenance, Operation, Repair, and Alterations Responsibility. The Association shall be responsible for the maintenance, operation, and repair of the Common Elements, for the repair and maintenance of the exterior of the Unit, such exterior being only the outermost layer of material of the Unit, be that outermost layer roof shingles, brick and mortar, wood, glass, or any other materials, and for the maintenance of the landscaping and lawn.

12. Compliance with Provisions of Declaration, By-Laws and Rules and Regulations. Each Owner shall comply strictly with the provisions of this Declaration, the By-Laws of the Association, and the rules, regulations, decisions, and resolutions of the Association adopted pursuant thereto as the same may be lawfully

amended from time to time. Failure and refusal after written notice to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief or both, and for reimbursement of all attorney's fees incurred in connection therewith and interest on all of such amounts at the highest lawful rate, which action shall be maintainable by the Managing Agent or Board of Directors in the name of the Association on behalf of the Owners or, in a proper case, by an aggrieved Owner.

13. Interim Control of Association. Until the first occurring of July 1, 1991, or within one hundred twenty (120) days after the date by which seventy-five percent (75%) of the Units have been conveyed to Unit purchasers, the Declarant has the option to appoint or elect the Board of Directors.

14. Revocation or Amendment to Declaration; Amendment of Undivided Interest in Common Elements; Approvals by Mortgagees. This Declaration shall not be revoked unless all of the Owners and all of the holders of any recorded mortgage or lien covering or affecting any or all of the Units unanimously consent and agree to such revocation by instrument(s) duly recorded. This Declaration shall not be amended unless the Owners, excluding Declarant, representing an aggregate ownership interest of eighty percent (80%), or more, of the Common Elements and eighty percent (80%) of the holders of any recorded first mortgage or lien covering or affecting any or all Units consent and agree to such amendment by instrument(s) duly recorded.

15. Assessment for Common Expenses.

15.1 Obligation to Pay Pro-Rata Share. All Owners shall be obligated to pay the assessments, either estimated or actual, imposed by the Board of Directors of the Association to meet the Common Expenses, but Declarant shall be obligated only to subsidize the Association in accordance with paragraph 16.2 hereof. The pro-rata share of assessments shall be determined in accordance with Exhibit "B."

15.2 Assessment Due Date. Beginning with the conveyance of each Unit from the Declarant, assessments for the estimated Common Expenses shall be due monthly in advance on the first day of each month. In the event the ownership of a Unit commences on a day other than

the first day of a month, the assessment for that month shall be prorated.

- 15.3 Fixing Assessments; Adjustments. For the purpose of fixing and determining the annual assessments or charges, the Board of Directors of the Association shall determine in advance for each calendar year the estimated aggregate amount of such assessments and charges as may be necessary for such year. The Board of Directors may from time to time during each year make reasonable adjustments in said estimated aggregate amount. The estimated aggregate amount for each year's expenses shall be pro-rated among the Owners of the Units in accordance with Exhibit "B."
- 15.4 Special Assessments for Capital Improvements; Majority Assent; Notice. In addition to the annual assessments hereof, the Board of Directors may levy in any assessment year a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement, including the necessary fixtures and personal property related thereto, provided that any such special assessment shall have the majority assent of all of the Owners with interests in the Common Elements as established hereby, voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be given to all members at least ten (10) days in advance, which shall set forth the purpose of the meeting.
- 15.5 Basis of Common Expenses; Increases. The assessments made for Common Expenses shall be based upon estimated expenses growing out of or connected with the maintenance, repair, operation, additions, alterations, and improvement responsibility of the Association, which sum may include, but shall not be limited to, expenses and assessments of Oak Tree and the Interassociation Committee imposed on the Real Estate Development; expenses of management; taxes and special assessments until separately assessed; insurance premiums as otherwise herein described; landscaping and care of grounds; common lighting;

repairs and renovations; removal of pollutants and trash collections; wages; utility charges; beautification and decoration; professional (including legal and accounting) fees; management fees; expenses and liabilities incurred by the Board of Directors on behalf of the Owners under or by reason of this Declaration and the By-Laws of the Association; any deficit arising or any deficit remaining from a previous period; the creation of reasonable contingency funds, reserves, working capital, and sinking funds as well as other costs and expenses relating to the Common Elements. In the event the cash requirement for Common Expenses exceeds the aggregate assessments made pursuant to this paragraph, the Board of Directors for the Association may from time to time and at any time increase, pro-rata, the monthly assessments set forth in this paragraph. The omission or failure of the Board of Directors to fix the assessment for any period shall not be deemed a waiver, modification, or a release of the Owners from their obligation to pay the same. Assessments shall be payable at the address determined by the Board of Directors.

15.6 Benefit of Assessment or Association Earnings. No part of the assessments or net earnings of the Association shall inure to the benefit of any Unit Owner or individual, except to the extent that Unit Owners receive the benefits from the maintenance, repair, operations, additions, alterations, and improvement responsibility of the Association.

16. Owner's Personal Obligation for Payment of Assessments.

16.1 Non-Exemption from Payment; Board Responsibility to Collect; Interest, Costs, and Attorney Fees; Suit; Notice to Mortgagee. The amount of Common Expenses assessed against each Unit (including subsidy payments by Declarant, pursuant to paragraph 16.2 hereof) shall be the personal and individual debt of the Owner thereof. No Owner may exempt himself from liability for his contribution toward the Common Expenses by waiver of the use of enjoyment of any of the Common Elements or by abandonment of his Unit. The Board of Directors shall have the responsibility to take prompt action to collect any unpaid

assessment or, in the case of Declarant, unpaid subsidy payments, which remains unpaid more than fifteen (15) days from the due date for payment thereof. In the event of a default by an Owner in the payment of the assessment, such Owner shall be obligated to pay interest at the rate of fifteen percent (15%), or such higher rate (provided the same shall not be usurious) as the Board of Directors may from time to time determine, per annum on the amount of the assessment from due date thereof, together with all expenses, including attorney's fees, incurred to collect such assessment together with late charges as provided by the By-Laws of the Association. Suit to recover a money judgment for unpaid Common Expenses may be instigated in Oklahoma County, Oklahoma, and may be maintainable without foreclosing or waiving the lien securing same. Additionally, in the event that the mortgage on a Unit should so provide, a default in the payment of an assessment shall be a default in such mortgage and if required by the mortgagee by written notice to the Association, the Board of Directors shall give notice of any default in payment of an assessment to the mortgagee.

- 16.2 Unsold Unit Assessments. Declarant shall not be responsible for payment of assessments for any unsold Unit. Declarant shall, however, be obligated to subsidize the Association.
- 16.3 Reserves and Working Capital. The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair, and replacement of improvements to the Common Elements and Unit exteriors which the Association may be obligated to maintain. The fund shall be maintained out of regular assessments for Common Expenses. Additionally, a working capital fund shall be established for the initial months of the Real Estate Development operation equal to at least a two (2) months' estimated Common Expenses for each Unit. Each Unit's share of the working capital fund shall be collected and transferred to the Association at the time of closing of the sale by Declarant of each Unit and maintained in a segregated account for the use and

benefit of the Association. The contribution to the working capital fund for each unsold Unit shall be paid by the Declarant to the Association within sixty (60) days after the date of the conveyance of the first Unit in the Real Estate Development.

17. Assessment Lien; Priority; Notice of Lien; Recording; Enforcement; Receiver; Mortgagee May Pay Assessment. All sums assessed (including subsidy payments by Declarant) but unpaid for the share of Common Expenses chargeable to any Unit, including any fees, late charges, fines, or interest, shall constitute a lien on such Unit prior to all other liens except the following: (1) assessments, liens, and charges for taxes past due and unpaid on the Unit, (2) judgments entered in a Court of Record prior to the date of Common Expense assessment, (3) mortgage instruments of encumbrance duly recorded prior to the date of such assessment, (4) mechanic's and materialmen's liens arising from labor performed or material furnished upon a Unit prior to the date of such assessment, and (5) mechanic's and materialmen's liens for labor performed or material furnished upon the Common Elements to the extent of the proportionate part chargeable to the Unit Owners which constitute a part of an assessable charge for Common Expenses, satisfaction of which shall discharge the assessment to the extent of the payment made. To evidence such lien, the Board of Directors shall prepare a written notice of assessment lien setting forth the amount of such unpaid indebtedness, the name of the Owner of the Unit, and the legal description of the Unit. Such a notice shall be signed by one of the Board of Directors or by one of the officers of the Association and shall be recorded in the office of the County Clerk of Oklahoma County, Oklahoma. Such lien for the Common Expenses shall attach from the due date thereof and impart notice to third parties from the date of the recording thereof. Such lien may be enforced by the foreclosure of the defaulting Owner's Unit subsequent to the recording of a notice or claim thereof by the Association in like manner as a mortgage on real property. In any such proceedings, the Owner shall be required to pay the costs, expenses, and attorney's fees incurred for filing the lien and, in the event of foreclosure proceedings, the additional costs, all expenses and attorney's fees incurred. The Owner of the Unit being foreclosed shall be required to pay to the Association the monthly assessment for the Unit during the period of foreclosure, and the Association shall be entitled to the appointment of a receiver to collect the same. The Association shall have the power to purchase a Unit at foreclosure or other legal sale and to acquire and hold, lease,

mortgage, vote the votes appurtenant to, convey, or otherwise deal with the same. Any mortgagee holding a lien on a Unit may pay, but shall not be required to pay, any unpaid Common Expenses payable with respect to such Unit, and such payment shall not be deemed a waiver by the Association of default by the Unit Owner.

18. Assessments Collectible Upon Sale. Upon the sale or conveyance of a Unit, all unpaid assessments against the seller-Owner for his pro-rata share of the Common Expenses, including interest and costs and reasonable attorney's fees incurred in collection, shall be first paid out of the sales price or by the purchaser in preference of any other assessments or charges of whatever nature, except the following:

- 18.1 Assessments, liens, and charges for taxes past due and unpaid on the Unit;
- 18.2 Judgments entered in a Court of Record prior to the date of Common Expense assessment;
- 18.3 Mortgage instruments of encumbrance duly recorded prior to the date of such assessments;
- 18.4 Mechanic's and materialmen's liens arising from labor performed or material furnished upon a Unit prior to the date of such assessment; and
- 18.5 Mechanic's and materialmen's liens for labor performed or material furnished upon the Common Elements to the extent of the proportionate part chargeable to the Unit Owners which constitute a part of an assessable charge for Common Expenses, the satisfaction of which shall discharge the assessment to the extent of the payment made.

In a voluntary conveyance of a Unit, the grantee of the Unit shall be jointly and severally liable with the grantor for all unpaid assessments by the Association against the latter for his share of the Common Expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, any such grantee shall be entitled to a statement from the Managing Agent or Board of Directors of the Association, as the case may be, setting forth the amount of the unpaid assessments against the grantor due the Association and such grantee

shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments made by the Association against the grantor in excess of the amount therein set forth.

19. Mortgaging a Unit; Priority; Mortgage Subject to Declaration; Mortgagee in Title-Unpaid Assessments. An Owner shall have the right from time to time to mortgage or encumber his Unit and the interests appurtenant thereto by deed of trust, mortgage, or other instrument, but the lien created thereby shall be subject to the terms and provisions of this Declaration, and any mortgagee or other lienholder who acquires a Unit through judicial foreclosure, public sale, or other means shall be subject to the terms and conditions of this Declaration except as specifically excepted herefrom. Where the holder of a first mortgage of record or other purchaser obtains title to the Unit as a result of foreclosure of the first mortgage or deed in lieu of foreclosure, such acquirer of title shall not be liable for the share of the Common Expenses or assessments chargeable to such Unit which became due prior to acquisition of title to such Unit by such acquirer. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses collectible from all of the Units including such acquirer, his successors, and assigns. However, the acquirer shall not be liable, under such sharing arrangement, for more than six (6) months of the Unit's unpaid Common Expenses accrued before the acquisition of the title to the Unit by such acquirer.

20. Insurance. The Association shall continuously carry and maintain, for the Common Elements, casualty and comprehensive general liability insurance as well as fidelity, worker's compensation, directors' and officers' liability, and, as applicable, flood insurance meeting all of the statutes of the State of Oklahoma and meeting all the regulations and requirements, whether present or future, of the Federal National Mortgage Association.

20.1 Insurance for Unit Owners. Each Owner shall be required to obtain casualty insurance, at his own expense, on his Unit and all furnishings, decorations, and other items of personal property belonging to an Owner. Public liability insurance coverage within each Unit is also specifically made the responsibility of the Owner thereof.

20.2 Distribution of Proceeds; Priority Rights of First Mortgagees. Nothing contained herein or in any of the Real Estate Development constituent documents shall give a Unit Owner or any other party priority over any rights of first mortgagees of Units in the case of a distribution of insurance proceeds, eminent domain awards, or a taking of the Common Elements.

21. Eminent Domain.

21.1 Acquisition of All or Substantially All of a Unit. If a Unit is acquired by eminent domain, or if part of a Unit is acquired by eminent domain leaving the Unit Owner with a remnant which may not practically or lawfully be used for any purpose permitted by this Declaration, the award must compensate the Unit Owner and mortgagees, if any, as their interest may appear, for the Unit and its Common Element interest, whether or not any Common Element interest is acquired. Upon acquisition, unless the decree otherwise provides, that Unit's entire Common Element interest, votes in the Association, and Common Expense liability are automatically reallocated to the remaining Units in proportion to the respective interests, votes, and liabilities of those Units before the taking, and the Association shall promptly prepare, execute, and record an amendment to the Declaration reflecting the reallocations. Any remnant of a Unit remaining after part of a Unit is taken under this subsection is thereafter a Common Element.

21.2 Acquisition of Part of a Unit. Except as provided in paragraph 21.1, if part of a Unit is acquired by eminent domain, the award must compensate the Unit Owner and mortgagees, if any, as their interest may appear, for the reduction in value of the Unit and its Common Element interest. Upon acquisition, (1) that Unit's Common Element interest, votes in the Association, and Common Expense liability are reduced in proportion to the reduction in the size of the Unit, or on any other basis specified in the Declaration, and (2) the portion of Common Element interest, votes, and Common Expense liability divested from the partially acquired Unit are automatically reallocated to that Unit and the remaining Units in proportion to

the respective interests, votes, and liabilities of those Units before the taking with the partially acquired Unit participating in the reallocation on the basis of its reduced interests, votes, and liabilities.

21.3 Acquisition of Part of Common Elements. If part of the Common Elements is acquired by eminent domain, the award must be paid to the Association. The Association shall divide any portion of the award not used for any restoration or repair of the remaining Common Elements among the Unit Owners in proportion to their respective Common Element interests before the taking.

21.4 Association to Represent Owners. The Association shall represent the Unit Owners in any condemnation proceedings or in negotiations, settlements, and agreements with the condemning authority for acquisition of the Common Elements, or part thereof. Each Unit Owner appoints the Association as attorney-in-fact for such purposes.

22. Registration of Mailing Address of Unit Owners; Association Address; Service Agent. Each Owner shall register his mailing address with the Association, and notices or demands intended to be served upon an Owner shall be sent by mail, postage prepaid, addressed in the name of the Owner at such registered mailing address. All notices, demands, or other notices intended to be served upon the Board of Directors of the Association or to the Association shall be sent certified mail, postage prepaid, to 5900 Morning Dove Lane, Edmond, Oklahoma 73034, Attention: J. W. Armstrong, or at such other address of which the Board may be furnished from time to time or served in person upon the service agent of the Association, J. W. Armstrong, 5900 Morning Dove Lane, Edmond, Oklahoma 73034.

23. Mortgagee's Rights.

23.1 Notice and Documents to Mortgagee. Each holder, insurer, or guarantor of a first mortgage on any Unit shall, upon written request by such holder, insurer, or guarantor to the Board of Directors of the Association, receive any of the following:

- 23.1.1 Copies of budgets, notices of assessments, insurance certificates, or any other notices or statements provided under this Declaration by the Association to the Owner of the Unit covered by the mortgage;
 - 23.1.2 Any audited or unaudited financial statements of the Association within ninety (90) days following the end of any fiscal year, which are prepared for the Association and distributed to the Owners;
 - 23.1.3 Copies of notices of meetings of the Owners and the right to be represented at any such meetings by a designated representative;
 - 23.1.4 Notice of the decision of the Owners or the Association to make any material amendment to this Declaration, the By-Laws, or the Articles of Incorporation of the Association;
 - 23.1.5 Notice of substantial damage to, destruction of, or casualty loss to any Unit or any part of the Common Elements;
 - 23.1.6 Notice of commencement of any condemnation or eminent domain proceedings with respect to any Unit or any part of the Common Elements;
 - 23.1.7 Notice of any default herein of the holder's, insurer's, or guarantor's Owner which is not cured by the Owner within sixty (60) days after the giving of notice by the Association to the Owner of the existence of the default;
 - 23.1.8 A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and
 - 23.1.9 Any proposed action that requires the consent of a specified percentage of eligible mortgage holders.
- 23.2 Form of Request. The request of a holder shall specify which of the above it desires to receive and

shall indicate the address to which any notices or documents shall be sent by the Association. Failure of the Association to provide any of the foregoing to a holder who has made proper request therefor shall not affect the validity of any action which is related to any of the foregoing. The Association need not inquire into the validity of any request made by a holder hereunder, and in the event of multiple requests from purported holders of the same Unit, the Association shall honor the most recent request received.

- 23.3 Protection of Lien of Mortgage. No violation or breach of or failure to comply with any provision of this Declaration and no action to enforce any such provision shall affect, defeat, render invalid, or impair the lien of any mortgage taken in good faith and for value and perfected by recording in the appropriate office, prior to the time of recording in said office of an instrument describing the Unit and listing the name or names of the Owner or Owners thereof and giving notice of such violation, breach, or failure to comply. However, any purchaser on foreclosure or person accepting a deed in lieu thereof shall take title subject to this Declaration.
- 23.4 Mortgagee Voluntary Payment. First mortgagees of Units may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any common property and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such common property, and first mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.
- 23.5 Mortgagee's Rights. The prior written approval of eighty percent (80%) of the holders of first mortgages on the Units will be required for any of the following:
- 23.5.1 An amendment to the Declaration which (i) changes the method of determining the obligations, assessments, dues, or other charges which may be levied against a Unit Owner, or

(ii) amends this section, or any other provision which specifically grants rights to mortgagees hereunder;

23.5.2 The abandonment, alienation, partition, subdivision, release, transfer, hypothecation, or other encumbrance of the Common Elements, except that the consent of mortgagees shall not be required for action by the Association to (i) grant easements for utilities and similar or related purposes, or (ii) to lease or grant licenses;

23.5.3 The abandonment of the development or the removal of any part or all of the properties from the provisions of this Declaration;

23.5.4 The effectuation of any decision by the Association to terminate professional management and to assume self-management of the Common Elements;

23.5.5 By act or omission, the waiver or abandonment of the scheme of regulations of architectural control or the enforcement thereof pertaining to the architectural design or the exterior appearance of Units and the maintenance of the Common Elements; and

23.5.6 The failure to maintain fire and extended coverage insurance on the Common Elements on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement cost) or any decision not to use the proceeds of such insurance to repair, rebuild, replace, or reconstruct the Common Elements all as provided herein.

24. Period of Ownership. The Real Estate Development created by this Declaration shall continue until this Declaration is revoked in the manner as is provided for in this Declaration.

25. General Reservations. Declarant reserves the right to establish within the Common Elements future easements,

reservations, exceptions, and exclusions concerning ownership of the Real Estate Development and for the interests of the Unit Owners and the Association in the entire Real Estate Development.

26. Waiver Clause. Except as to the payment of a contribution, the Association shall have the power to grant to any Unit Owner a variance, or exception of and from any of the provisions of the Declaration, upon approval of a three-fourths (3/4) vote of the votes entitled to be cast by the members of the Association at the annual meeting of the Association or at any meeting called for this purpose.

27. Party Walls.

27.1 Ownership of Party Wall; Reciprocal Easements. Each Owner shall possess, in fee simple, the party wall lying within the plat of the development and his improvements sit. Each Owner having a party wall is hereby granted a mutual reciprocal easement for repair or replacement of said party wall. No Owner shall commit or omit any act, the result of which shall be an infringement of the adjoining Unit Owner's interest in the party wall absent written agreement between such Owners. In the event that any party wall, structure, including any party wall, structure, or structure over an adjoining Unit, such structure shall be deemed to be an encroachment upon the adjoining Unit, nor shall any action be maintained for trespass or for damage because of such protrusion or overhang, nor be deemed that said Owner has granted any easements to the adjoining Owner for the purpose of maintenance and use of any such party wall. The provisions of the foregoing shall apply to any replacement of a party wall if the same are constructed in conformity with the original party wall as constructed by the Declarant.

27.2 Destruction. If a party wall is destroyed by any casualty, the Owners of Units having a party wall shall jointly restore it substantially to its original form, and they shall contribute to the cost of restoration thereof without limitation, however, to the right of any such Owner to require a larger contribution from the other Owners.

rules of law regarding liability for negligent or willful acts or omissions. Destruction or damage to any party wall shall not cause the termination of any rights of any of the adjoining Owners thereto, and such Owners will retain those rights herein set forth concerning any reconstruction or replacement of a party wall. Owners of Units abutting such a party wall are obligated hereby to restore it in its substantially original condition. Notwithstanding any other provisions of this section, an Owner who by his negligent or willful act causes the party wall to be damaged shall bear the whole cost of repairing such damage and shall diligently prosecute all such repairs and reconstruction. If such Owner shall fail to do so, then any other Owner of a Unit abutting such party wall may do so at the sole cost and expense of the Owner causing such damage. The right of any Owner to contribution from any other Owner under this section shall be appurtenant to the land and shall pass to such Owner's successors in title.

28. Development of Real Estate Development. Declarant represents that he intends, but is not obligated, to develop the Real Estate Development by constructing a single-family dwelling Unit on each of the platted lots within the Real Estate Development.

29. General.

29.1 Severance. If any of the provisions of this Declaration or any paragraph, sentence, clause, phrase, or word, or the application thereof in any circumstance be invalidated, such invalidity shall not affect the validity of the remainder of this Declaration, and the application of any such provisions, paragraph, sentence, clause, phrase, or word in any other circumstances shall not be affected thereby.

29.2 Failure to Enforce Not Waiver. No provision contained in this Declaration or the By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same irrespective of the number of violations or breaches which may occur.

29.3 Captions. The captions herein are inserted only as a matter of convenience, and for reference, and in no

way define, limit, or describe the scope of this Declaration or exhibits or the intent of any provision hereof.

- 29.4 Gender. The use of the masculine gender in this Declaration shall be deemed to refer to the feminine or neuter gender, and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.
- 29.5 Covenants to Run With the Land. The covenants, conditions and restrictions of this Declaration shall run with and bind the Real Estate Development and shall inure to the benefit of and be enforceable by the Association or any member, their respective legal representatives, heirs, successors and assigns.
- 29.6 Declarant Easement. Declarant has an easement through the Common Elements as may be reasonably necessary for the purpose of discharging Declarant's obligations or exercising Declarant's rights reserved herein.
- 29.7 Enforcement at Law or In Equity; Notice to Mortgagee of Uncured Default. The Association, or any Owner or Declarant, so long as Declarant has a record interest in the covered property, shall have the right to enforce by proceedings at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration or any amendment hereto, including the right to prevent the violation of any such restrictions, conditions, covenants, or reservations and the right to recover damages or other dues for such violation; provided, however, with respect to assessment liens and Association Rules, the Association shall have the exclusive right to the enforcement thereof. Failure by the Association or by any member to enforce any covenant, condition, or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Association or any Owner shall also have the right to enforce by proceedings at law or in equity the provisions of this Declaration or the By-Laws and any amendments thereto. A first

mortgagee, upon request, will be entitled to written notification from the Association of any default in the performance by the individual Unit Owner of any obligation under the Real Estate Development documents which is not cured within sixty (60) days.

29.8 Attorneys Fees. In the event action is instituted to enforce any of the provisions contained in this Declaration, the party prevailing in such action shall be entitled to recover from the other party thereto as part of the judgment, reasonable attorneys' fees and costs of such suit. In the event the Association is a prevailing party in such action, the amount of such attorneys' fees and costs shall be a special assessment with respect to the Unit involved in the action.

29.9 Special Amendment. Declarant hereby reserves and is granted the right and power to record a Special Amendment to this Declaration at any time and from time to time which amends this Declaration (i) to comply with requirements of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure, or guarantee first mortgages covering Units. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant to make or consent to a Special Amendment on behalf of each Owner, or (iii) to comply with the requirements of any permanent lender or title insurance company. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power of the Declarant to make, execute, and record special amendments. No special amendment made by Declarant shall affect or impair the lien of any first mortgage upon a Unit or any warranties made by an Owner or first mortgagee in order to induce any of the above agencies or entities to make, purchase,

insure, or guarantee the first mortgage on such Owner's Unit.

29.10 City of Edmond a Beneficiary. In order that the public interest may be protected, the City of Edmond shall be a beneficiary of any of the covenants herein pertaining to location of uses, maintenance of Common Elements, and access. The City of Edmond may enforce compliance therewith.

IN WITNESS WHEREOF, the undersigned have executed these presents the _____ day of _____, 1986.

OKLAHOMA OAKS I, an Oklahoma general partnership
By: HERITAGE SAVINGS AND LOAN ASSOCIATION OF ELK CITY, an Oklahoma corporation, General Partner

ATTEST:

(SEAL) Secretary

By _____ (_____) President

STATE OF OKLAHOMA)
) SS:
COUNTY OF OKLAHOMA)

The foregoing instrument was acknowledged before me this _____ day of _____, 1986, by _____ (_____) President of Heritage Savings and Loan Association of Elk City, an Oklahoma corporation, on behalf of the corporation, as General Partner of Oklahoma Oaks I, an Oklahoma general partnership, on behalf of the partnership.

Notary Public

My Commission Expires:

(SEAL)

EXHIBIT "A"

Lots One (1) through Ninety-Two (92), and the Common Elements, as herein defined, and common lots, all in Block One (1) of The Oaks Addition to the City of Edmond, Oklahoma County, Oklahoma, according to the recorded plat thereof.

EXHIBIT "B"

Each Unit shall share equally, through membership in the Association, in all assessments, whether regular or special.

EXHIBIT "C"

BY-LAWS

OF

THE ASSOCIATION OF OWNERS FOR THE OAKS, INC.

The name of the organization shall be The Association of Owners for The Oaks, Inc.

ARTICLE 1

PURPOSE AND PARTIES

1.1 Governance of Real Estate Development Regime. The purpose for which this non-profit corporation is formed is to govern the real estate development described in the Declaration of Covenants, Conditions and Restrictions for The Oaks recorded at Book ____, page ____ of the records in the office of the County Clerk of Oklahoma County. All definitions contained in said Declaration shall apply hereto and are incorporated herein by reference.

1.2 Owners Subject to These By-Laws; Acceptance of By-Laws. All present or future Owners, tenants, future tenants of any Unit, or any other person who might use in any manner the facilities of the Real Estate Development are subject to the provisions and any regulations set forth in these By-Laws. The mere acquisition, lease, or rental of any Unit or the mere act of occupancy of a Unit will signify that these By-Laws are accepted, approved, ratified, and will be complied with in all respects.

ARTICLE 2

MEMBERSHIP, VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

- 2.1 Membership. Except as is otherwise provided in these By-Laws, ownership of a Unit is required in order to qualify for membership in this Association. Any person on becoming an Owner of a Unit shall mandatorily and automatically become a member of this Association and be subject to these By-Laws. Such membership shall terminate without any formal Association action whenever such person ceases to own a Unit, but such termination shall not relieve or release any such former Owner from any liability or obligation incurred under or in any way connected with this Association during the period of such ownership and membership in this Association, or impair any rights or remedies which the Owners have, either through the Board of Directors of the Association or directly, against such former Owner and member arising out of or in any way connected with ownership and membership and the covenants and obligations incident thereto.
- 2.2 Voting. Each Unit, whether owned by one Owner or more than one Owner, will be entitled to one (1) vote.
- 2.3 "Majority of Unit Owners" means the Owners of more than fifty percent (50%) of the Units.
- 2.4 Quorum for Owners' Meetings. Except as otherwise provided in these By-Laws, the presence in person or by proxy of Owners representing thirty-three and one-third percent (33 1/3%) of the Common Elements shall constitute a quorum. In the event a quorum is not present, then the meeting called shall be adjourned, and notice of a new meeting for the same purposes within two (2) to four (4) weeks shall be sent by mail, at which meeting the number of Owners represented in person or by proxy shall be sufficient to constitute a quorum. An affirmative vote of a majority of those Unit Owners who are either present at the meeting in person or by proxy shall be required to transact the business of the meeting.
- 2.5 Proxies. Votes may be cast in person or by written proxy. Proxies must be filed with the Secretary of the Association before the appointed time of each meeting.

ARTICLE 3

ADMINISTRATION

3.1 Association Responsibilities. The Association of Owners for The Oaks, Inc., an Oklahoma corporation, hereinafter referred to as "Association," will have the responsibility of administering the Real Estate Development through a Board of Directors.

3.2 Place of Meeting. Meetings of the Association shall be held at such suitable place, convenient to the Owners, as the Board of Directors may determine.

3.3 Annual Meetings. The first annual meeting of the Association shall be held on the first occurring of July 1, 1991, or within one hundred twenty (120) days after the date by which seventy-five (75%) of the Units have been conveyed to Unit purchasers. Thereafter, the annual meetings of the Association shall be held on the first Monday in the month of July of each succeeding year. At such meetings, there shall be elected by the Owners a Board of Directors in accordance with the requirements of paragraph 4.5 of these By-Laws. The Owners may also transact such other business of the Association as may properly come before them.

3.4 Special Meetings. It shall be the duty of the President to call a special meeting of the Owners as directed by resolution of the Board of Directors or upon a petition signed by a majority in voting interest of the Owners having been presented to the Secretary of the Association. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business except as stated in the notice shall be transacted at a special meeting unless by consent of two-thirds (2/3) of the Owners present, either in person or by proxy.

3.5 Notice of Meetings. It shall be the duty of the Secretary of the Association to mail a notice of each meeting, stating the purpose thereof, the items on the agenda, including the general nature of any proposed amendment to the Declaration or By-Laws, as well as the time and place it is to be held, to each Owner of record and to first mortgagees of record which shall be entitled to send a representative to attend such meeting, at least ten (10) days, but not more than thirty (30) days, prior to such meeting. The mailing of notice in the manner provided in this paragraph shall be considered notice served.

3.6 Adjourned Meetings. If any meeting of Owners cannot be organized because a quorum has not attended, the Owners who are present, either in person or by proxy, may adjourn the meeting, from time to time, until a quorum is obtained; however, the place of the meeting must remain as stated in the notice.

3.7 Order of Business. The order of business at all meetings of the Owners shall be as follows:

- (a) Roll call and certifying proxies;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading and disposal of unapproved minutes;
- (d) Reports of officers;
- (e) Reports of committees;
- (f) Election of directors, as applicable;
- (g) Unfinished business;
- (h) New business; and
- (i) Adjournment.

ARTICLE 4

BOARD OF DIRECTORS

4.1 Number, Qualification and Appointment or Election. Until the first annual meeting of the Association, the affairs of the Association shall be governed by a Board of Directors consisting of three (3) persons appointed by Declarant. At such first meeting, there shall be elected any three (3) persons to the Board of Directors, who shall thereafter govern the affairs of this Association until their successors have been duly elected and qualified.

4.2 General Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of a first class real estate development. The Board of Directors may do all such acts and things except as prohibited by law or by these By-Laws or by the Declaration.

4.3 Other Powers and Duties. Such powers and duties of the Board of Directors shall include, but shall not be limited to, the following, all of which shall be done for and on behalf of the Owners of the Real Estate Development:

- 4.3.1 Administration. To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations, and all other provisions set forth in the Declaration submitting the property to the provisions of the Real Estate Development Act of the State of Oklahoma, the By-Laws of the Association, and supplements and amendments thereto.
- 4.3.2 Rules. To establish, make, and enforce compliance with such reasonable rules as may be necessary for the operation, use, and occupancy of the Real Estate Development with the right to amend same from time to time. A copy of such rules and regulations shall be delivered or mailed to each Owner within five (5) days following the adoption thereof.
- 4.3.3 Maintenance of Common Elements. To keep in good order, condition, and repair all of the Common Elements and all items of common personal property used by the Owners in the enjoyment of the entire premises.
- 4.3.4 Maintenance of Unit. To keep in good order, condition and repair those portions of the Project for which the Association is responsible, as more particularly described at paragraph 11 of the Declaration.
- 4.3.5 Insurance. To continuously carry and maintain insurance coverage as described in the Declaration.
- 4.3.6 Budget; Determination of Assessments; Increase or Decrease Same; Levy of Special Assessments. To prepare a budget for the Real Estate Development, at least annually, determine the amount of common charges payable by the Owners, or, in the case of Declarant, subsidy payments to be made to meet the Common Expenses of the Real Estate Development, and to allocate and assess such Common Expenses among the Owners according to their respective common ownership interests in and to the Common Elements, and by a majority vote of

the Board to adjust, decrease, or increase the amount of the monthly assessments, and remit or return any excess of assessments over expenses, working capital, sinking funds, reserve for deferred maintenance and for replacement to the Owners at the end of each operating year. To levy and collect special assessments, whenever, in the opinion of the Board, it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies.

- 4.3.7 Enforcement of Assessment Lien Rights. To collect delinquent assessments and, in Declarant's case, delinquent subsidy payments by suit or otherwise and to enjoin or seek damages from an Owner who may be in default as is provided for in the Declaration and these By-Laws. To collect interest at the rate of fifteen percent (15%) per annum in connection with assessments remaining unpaid more than fifteen (15) days from due date for payment thereof, together with all expenses, including attorney's fees incurred.
- 4.3.8 Protect and Defend. To protect and defend the entire premises from loss and damage by suit or otherwise.
- 4.3.9 Borrow Funds. To borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the recorded Declaration and these By-Laws, and to execute all such instruments evidencing such indebtedness as the Board of Directors may deem necessary. Such indebtedness shall be the several obligations of all of the Owners in the same proportion as their interest in the Common Elements.
- 4.3.10 Contract. To enter into contracts within the scope of their duties and powers.
- 4.3.11 Bank Account. To establish a bank account or accounts for the common treasury and for all separate funds which are required or may be deemed advisable by the Board of Directors.

- 4.3.12 Manage. To make repairs, additions, alterations, and improvements to the Common Elements and to those portions of the Unit for which the Association is responsible, as more particularly described at paragraph 11 of the Declaration, consistent with managing the Real Estate Development in a first class manner and consistent with the best interests of the Unit Owners.
- 4.3.13 Books and Records. To keep and maintain full and accurate books and records showing all of the receipts, expenses, or disbursements and to permit examination thereof, upon written request, by each of the Owners and each first mortgagee, to cause a complete audit of the books and accounts by auditors once a year, and to allow mortgagees and owners to receive, upon written request, such annual audited financial statements of the Association within ninety (90) days following the end of the fiscal year of the Association.
- 4.3.14 Annual Statement. To prepare and deliver annually to each Owner a statement showing receipts, expenses, and disbursements since the last such statement.
- 4.3.15 Meetings. To meet at least once each quarter; however, any Board of Directors meeting may be attended and conducted by telephone or other device which permits all of the Directors in attendance to participate in such meeting, and any action required to be taken at any meeting of the Board of Directors, or any action which may be taken at such meeting, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members of the Board.
- 4.3.16 Personnel. To designate, employ, and dismiss the personnel necessary for the maintenance and operation of the Common Elements or other administration of the Real Estate Development.
- 4.3.17 Administration of Association. In general, to carry on the administration of this Association

and to do all of those things necessary and reasonable in order to carry out the governing and the operation of this Real Estate Development.

- 4.3.18 Managing Agent. To employ for the Association a management agent (Managing Agent) who shall have and exercise all of the powers granted to the Board of Directors by the Declaration and By-Laws except for the powers of attorney-in-fact set forth in the Declaration.
- 4.3.19 Ownership of Units. To own, convey, encumber, lease, or otherwise deal with Units conveyed to it as the result of enforcement of the lien for Common Expenses or otherwise.
- 4.3.20 All Things Necessary and Proper. To do all things necessary and proper for the sound and efficient management of the Real Estate Development.
- 4.3.21 Tax Exempt Status. To determine each year the advisability of election of tax exempt status under Section 528 of the Internal Revenue Code of 1954 as amended and the regulations enacted thereunder, and to file in a timely manner all appropriate returns, elections, and other documents that may be required to implement that determination.

4.4 No Waiver of Rights. The omission or failure of the Association or any Owner to enforce the covenants, conditions, restrictions, easements, use limitations, obligations, or other provisions of the Declaration, these By-Laws, or the regulations and rules adopted pursuant thereto, shall not constitute or be deemed a waiver, modification, or release thereof, and the Board of Directors or the Managing Agent shall have the right to enforce the same thereafter.

4.5 Election and Term of Office; Staggered Office. At the first annual meeting of the Association at which Directors are elected, the term of office of one Director shall be fixed at three (3) years; the term of office of the second Director shall be fixed at two (2) years; and the term of office of the remaining Director shall be fixed at one (1) year. At the expiration of the initial term of office of each respective Director, his

successor shall be elected to serve a term of three (3) years. The Directors shall hold office until their successors have been elected and hold their first meeting, except as is otherwise provided.

4.6 Vacancies in Board. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association.

4.7 Removal of Directors. At any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by two-thirds (2/3) of the Owners, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting. Should any Director miss three (3) consecutive regular meetings of the Board of Directors, he shall be automatically removed from the Board and a successor selected and approved by the Board to fill his unexpired term.

4.8 Directors' Organization Meeting. The first meeting of a newly elected Board of Directors following the annual meeting of the Association shall be held within ten (10) days thereafter at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

4.9 Directors' Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least one (1) such meeting shall be held during each calendar quarter. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, by telephone, or by telegraph, at least five (5) days prior to the day named for such meeting.

4.10 Directors' Special Meetings. Special meetings of the Board of Directors may be called by the President on five (5) days' notice to each Director, given personally, by mail, by

telephone, or by telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary of the Association in like manner and on like notice on the written request of one or more Directors.

4.11 Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required, and any business may be transacted at such meeting.

4.12 Board of Directors' Quorum. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

4.13 Fidelity Bonds. The Board of Directors must require that all officers, directors, managers, trustees, and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity insurance or bonds as described in the Declaration. The premiums on such insurance or bonds shall be a Common Expense.

4.14 Compensation. No member of the Board of Directors shall receive any compensation for acting as such. However, members of the Board of Directors or Association may be reimbursed for expenses incurred by them in the performance of Association business.

ARTICLE 5

FISCAL MANAGEMENT

The provision for fiscal management of the Units for and on behalf of all of the Unit Owners as set forth in the

Declaration shall be supplemented by the following provisions:

5.1 Fiscal Year. The fiscal year of the Association shall be fixed by resolution of the Board of Directors.

5.2 Accounts. The funds and expenditures of the Unit Owners by and through the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be Common Expenses:

- 5.2.1 Current expenses, which shall include all funds and expenditures within the year for which the funds are budgeted, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves and to additional improvements.
- 5.2.2 Reserves for deferred maintenance, which shall include funds for maintenance items which occur less frequently than annually.
- 5.2.3 Reserves for replacement (sinking funds), which shall include funds for repair or replacement required because of damage, wear, or obsolescence.
- 5.2.4 Capital improvements, which shall include funds for construction of new improvements for which reserves for replacement have not been established.

ARTICLE 6

OFFICERS

6.1 Designation. The officers of the Association shall be a President and Secretary-Treasurer, both of whom shall be elected by the Board of Directors, and such assistant officers as the Board shall, from time to time, elect. Such assistant officers need not be members of the Board of Directors, but each shall be an Owner of a Unit or the Declarant or his representative(s).

6.2 Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office subject to the continuing approval of the Board.

6.3 Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may have his office removed either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose. Members of the Board may only be removed by vote of the Owners as provided elsewhere in these By-Laws.

6.4 President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors unless he is absent. He shall have all of the general powers and duties which are usually vested in the office of president of an association including, but not limited to, the power to appoint committees from among the Owners from time to time as he may, in his discretion, decide are appropriate to assist in the operation of the Association or as may be established by the Board or by the members of the Association at any regular or special meeting.

6.5 Secretary-Treasurer. The Secretary shall keep all the minutes of the meetings of the Board of Directors and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary and as is provided in the Declaration and these By-Laws. The Secretary shall compile and keep up to date at the principal office of the Association a complete list of members and their last known addresses as shown on the records of the Association. Such list shall also show opposite each member's name the address or other appropriate designation of the Unit owned by such member and the undivided interest in the Common Elements. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours. The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors. In the event a Managing Agent has the responsibility of collecting and disbursing funds, the Treasurer shall review the accounts of the Managing Agent within fifteen (15) days after the first day of each month.

ARTICLE 7

INDEMNIFICATION OF OFFICERS, DIRECTORS, AND MANAGING AGENT

7.1 Indemnification. The Association shall indemnify every Director, officer, Managing Agent, and their successors through insurance commonly known as directors' and officers' liability insurance, as described in the Declaration.

7.2 No Personal Liability. Contracts or other commitments made by the Board of Directors, officers or the Managing Agent shall be made as agent for the Owners, and they shall have no personal responsibility on any such contract or commitment (except as Owners), and the liability of any Owner on such contract or commitment shall be limited to such proportionate share of the total liability thereof as the common interest of each Owner bears to the aggregate common interest of all of the Owners set forth on Exhibit "B" to the Declaration, except as provided in paragraph 14 of the Declaration as to assessments for Common Expenses.

ARTICLE 8

AMENDMENTS TO BY-LAWS

These By-Laws may be amended in writing by the Association at a duly constituted meeting called for such purpose or in any regular meeting so long as the notice of such meeting sets forth the complete text of the proposed amendment.

ARTICLE 9

MORTGAGES

9.1 Notice by Owners to Association. An Owner who mortgages his Unit shall notify the Association through the Managing Agent, if any, or the Secretary of the Association, giving the name and address of his mortgagee. The Association shall maintain such information in a book entitled "Mortgagees of Units."

9.2 Notice to Mortgagees. The Board of Directors, whenever so requested in writing by the holder, insurer, or guarantor of a

first mortgagee of a Unit, shall promptly give written notice thereto of:

- 9.2.1 Any condemnation loss or any casualty loss which affects a material portion of the Real Estate Development or any Unit on which there is a first mortgage held, insured, or guaranteed by such mortgage holder, insurer or guarantor, as applicable;
- 9.2.2 Any delinquency in the payment of assessments or charges owed by an Owner of a Unit subject to a first mortgage held, insured, or guaranteed by such holder, insurer, or guarantor which remains uncured for a period of sixty (60) days;
- 9.2.3 Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and
- 9.2.4 Any proposed action which would require the consent of a specified percentage of eligible mortgage holders as specified in these By-Laws or in the Declaration.

9.3 Examination of Books by Owners and Mortgagees. Upon written request, each Owner, lender, and the holders, insurers, and guarantors of first mortgages of a Unit shall be permitted to examine the Declaration, these By-Laws, and the books of account of the subject Unit at reasonable times, on business days, or under other reasonable circumstances and shall be permitted to receive, upon request, audited financial statements of the Association.

ARTICLE 10

EVIDENCE OF OWNERSHIP, REGISTRATION OF MAILING ADDRESS, AND DESIGNATION OF VOTING REPRESENTATIVE

10.1 Proof of Ownership. Except for those Owners who initially purchase a Unit from Declarant, any person, on becoming an Owner of a Unit, shall furnish to the Managing Agent or Board of Directors a true and correct copy of the original or a certified copy of the recorded instrument vesting that person with an interest

or ownership in the Unit, which copy shall remain in the files of the Association. A member shall not be deemed to be in good standing, nor shall he be entitled to vote at any annual or special meeting of members, unless this requirement is first met.

10.2 Registration of Mailing Address. The Owner or several Owners of an individual Unit shall have one and the same registered mailing address to be used by the Association for mailing of monthly statements, notices, demands, and all other communications, and such registered address shall be the only mailing address of a person or persons, firm, corporation, partnership, association, or other legal entity or any combination thereof to be used by the Association. Such registered address of an Owner or Owners shall be furnished by such Owner(s) to the Managing Agent or Board of Directors within fifteen (15) days after transfer of title, or after a change of address, and such registration shall be in written form and signed by all of the Owners of the Unit or by such persons as are authorized by law to represent the interest of the Owner(s) thereof.

10.3 Designation of Voting Representative - Proxy.

10.3.1 If a Unit is owned by one person, his right to vote shall be established by the record title thereto. If title to a Unit is held by more than one person or by a firm, corporation, partnership, association, or other legal entity, or any combination thereof, such Owners shall execute a proxy appointing and authorizing one person or alternate persons to attend all annual and special meetings of members and thereat to cast whatever vote the Owner himself might cast if he were personally present. Such proxy shall be effective and remain in force unless voluntarily revoked, amended or sooner terminated by operation of law; however, within thirty (30) days after such revocation, amendment or termination, the Owners shall reappoint and authorize one person or alternate persons to attend all annual and special meetings as provided by this paragraph.

10.3.2 The requirements herein contained in this paragraph 10 shall be first met before an Owner of a Unit shall be deemed in good standing and entitled to vote at an annual or special meeting of members.

ARTICLE 11

OBLIGATIONS OF THE OWNERS

11.1 Assessments. All Owners shall be obligated to pay the monthly assessments and, in Declarant's case, Declarant shall be obligated to pay the subsidy payments, pursuant to paragraph 16.2 of the Declaration, imposed by the Association to meet the Common Expenses. The assessments imposed hereunder shall be due and payable monthly in advance. The amount of such assessments may be altered in accordance with the Declaration. A member shall be deemed to be in good standing and entitled to vote at any annual or special meeting of members, within the meaning of these By-Laws, if, and only if, he shall have fully paid all assessments made or levied against him and the Unit or Units owned by him, and is not in violation of any rule or regulation of the Association then in force.

11.2 Lien. The obligations of each Owner to pay assessments or, in Declarant's case, subsidy payments shall be secured by a lien on the Unit in favor of the Association, and such obligation shall survive any sale thereof.

11.3 Notice to Association of Lien or Suit. An Owner shall give notice to the Association of every lien or encumbrance upon his Unit, other than for taxes and special assessments, and notice of every suit or other proceeding which may affect the title to his Unit, and such notice shall be given within five (5) days after the Owner has knowledge thereof.

11.4 Maintenance and Repair.

11.4.1 Every Owner must perform promptly, at his own expense, all maintenance and repair work of those portions of his Unit for which the Association is not responsible.

11.4.2 An Owner shall be obligated to reimburse the Association promptly upon receipt of its statement for any expenditures incurred by it in repairing or replacing any Common Element damaged by his negligence or by the negligence of his family members, tenants, agents, or guests.

11.5 Mechanic's Lien. Each Owner agrees to indemnify and to hold each of the other Owners harmless from any and all claims of mechanic's lien filed against other Units and the appurtenant Common Elements for labor, materials, services, or other products incorporated on the Owner's Unit. In the event such a lien is filed and/or a suit for foreclosure of mechanic's lien is commenced, then within ten (10) days thereafter, such Owner shall be required to discharge the same as provided by the laws of the State of Oklahoma and furnish evidence thereof to the Association in writing within ten (10) days after such discharge becomes final. Should such Owner fail so to do and the Association or its officers be made parties to any such suit, or be required to defend the same, all such costs including the Association's attorney fees, shall be added to the assessments due from such Owner's Unit and paid with the next month's assessment falling due after the final determination of the Association's total expenses.

11.6 General. Each Owner shall comply strictly with the provisions of the recorded Declaration and these By-Laws and amendments thereto.

11.7 Unit Modifications or Alterations. An Owner shall not make structural modifications or alterations to his Unit or installations located thereon without the prior written approval of the Association or its designated Architectural Control Committee and the Architectural Control Committee of the Oak Tree Home Owners Association, Inc. (according to its rules and procedures). The Association shall be notified in writing by certified mail, return receipt requested of the intended modifications through the Managing Agent, or if no Managing Agent is employed, then through the President of the Association. The Association shall have the obligation to answer an Owner's request within sixty (60) days after such notice, and failure to do so within such time shall mean that there is no objection to the proposed modifications or alterations. The Association's decision in this connection shall be final. While making approved modifications or alterations to an Owner's Unit, the Owner will not be permitted to interfere with or alter the drainage pattern of the Real Estate Development.

11.8 Use of Common Elements. Each Owner may use the Common Elements located within the Real Estate Development in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other Owners.

11.9 Right of Entry.

11.9.1 An Owner shall and does grant the right of entry to the Managing Agent or to any other person authorized by the Association in case of an emergency originating in or threatening his Unit, whether the Owner is present at the time or not.

11.9.2 An Owner shall permit the Association, or its representatives, to enter his Unit for the purpose of performing installations, alterations, or repairs to the mechanical, electrical, or utility services which, if not performed, would affect the use of other Unit(s); provided that requests for entry are made in advance and that such entry is at a time reasonably convenient to the Owner. In case of an emergency, such right of entry shall be immediate.

11.10 Rules and Regulations.

11.10.1 The initial rules and regulations, which shall be effective until amended or supplemented by the Association, are annexed hereto and made a part hereof as Schedule "A."

11.10.2 The Board of Directors, pursuant to Article 4 of these By-Laws, reserves the power to establish, make, and enforce compliance with such additional rules as may be necessary for the operation, use and occupancy of this Real Estate Development with the right to amend same from time to time. Copies of such rules and regulations shall be furnished to each Owner prior to the date when the same shall become effective.

11.11 Insurance. The hazard insurance obligations of the Unit Owner shall be as described at paragraph 20.1 of the Declaration.

ARTICLE 12

ABATEMENT AND ENJOINMENT OF VIOLATIONS BY OWNERS

12.1 Abatement and Enjoinment. The violation of any rule or regulation accepted by the Board of Directors, or the breach of

any of the provisions of these By-Laws, or the breach of any provision of the Declaration, shall give the Board of Directors or the Managing Agent the right, in addition to any other rights set forth therein, (i) to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any person, structure, thing, or condition that may exist therein contrary to the intent and meaning of the provisions thereof, and the Board of Directors or Managing Agent shall not be deemed guilty in any manner of trespass, and to expel, remove, and put out, using such force as may be necessary in so doing, without being liable to prosecution or any damages therefor; and (ii) to enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

12.2 Denial of Use of Common Elements. Should any Owner be in default in the payment of any dues, assessments, or other sums due under the terms of the Declaration or these By-Laws, or be in violation of any of the terms of the Declaration, these By-Laws, or any rule or regulation then in force, after due notice to correct such violation, then in any of such events, such Owner may be denied the use of any of the Common Elements until such default or violation is appropriately cured.

ARTICLE 13

COMMITTEES

13.1 Designation. The Board of Directors may, but shall not be required to, appoint an Executive Committee and/or any of the following standing committees and/or any special ad hoc committees for any useful or worthwhile purpose to function in an advisory capacity to the Board of Directors. The Board may establish rules for the conduct of these committees, as follows, and may delegate responsibility to said committees.

13.2 Executive Committee. The Executive Committee shall consist of at least two (2) persons who shall be appointed by the Board of Directors from the members of the Board. One member shall be the President. The Executive Committee shall supervise the affairs of the Association and shall regulate its internal economy, approve expenditures, and commitments, act and carry out the established policies of the Association, and report to the Directors at each meeting of the Board. The Executive Committee

may hold regular monthly meetings or as it may, in its discretion, determine. Special meetings may be called at any time by the chairman of the Executive Committee or by any of its members, either personally or by mail, telephone or telegraph, and a special meeting may be held by telephone.

13.3 Nominating Committee. Before each annual meeting, the Board of Directors may appoint a Nominating Committee of three (3) members who may nominate candidates for the Board. Members may submit names of candidates other than those submitted by the Nominating Committee from the floor at the election.

13.4 Architectural Control Committee. The Architectural Control Committee shall be composed of three (3) or more natural persons designated from time to time by the Board of Directors of the Association, and such persons shall serve at the pleasure of the Board of Directors. Notwithstanding anything herein contained to the contrary, the Declarant shall have the right to appoint one member of the Architectural Control Committee until ninety percent (90%) of the Units have been sold. The affirmative vote of a majority of the members of the Architectural Control Committee which shall be the required quorum of the Committee shall be required in order to adopt or promulgate any rule or regulation, or to make any finding, determination, ruling or order, or to issue any permit, consent, authorization, approval or the like pursuant to the authority contained in these By-Laws.

13.4.1 Improvements and Alterations; Plans and Specifications; Approval. Except for construction by the Declarant for purposes of restoration of improvements or structures to their original appearance or as otherwise provided in these By-Laws, no building, fence, wall, or other improvements or structure shall be commenced, erected, placed, moved, or maintained upon the Real Estate Development, nor shall any exterior addition to or change in any improvement located on the Real Estate Development be made until the complete plans and specifications showing the precise and exact nature, kind, shape, height, set-back, materials, color, and location of the same shall have been submitted in duplicate to and approved in writing as to harmony of external design, color and location in relation to sur-

rounding structures and topography and conformity with the design concept for the Real Estate Development by the Architectural Control Committee and by the Architectural Control Committee for the Oak Tree Home Owners Association, Inc. (according to its rules and procedures).

13.4.2 Approvals; Copy of Plans and Specifications Deposited; Lapse of Time Tantamount to Approval. Upon approval by the Architectural Control Committee and by the Architectural Control Committee for the Oak Tree Home Owners Association, Inc. (according to its rules and procedures) of any plans and specifications submitted pursuant to the provisions of these By-Laws, a copy of such plans and specifications, as approved, shall be deposited among the permanent records of such Committees and a copy of such plans and specifications bearing such approval, in writing, shall be returned to the applicant submitting the same. In the event the Architectural Control Committee and the Architectural Control Committee of the Oak Tree Home Owners Association, Inc. fail to approve or disapprove any plans and specifications which may be submitted to it within sixty (60) days after submission, then approval will not be required and this paragraph 13.4 shall be deemed to have been fully complied with.

13.4.3 Construction; Limitations; Deviations from Plans and Specifications. Construction or alterations in accordance with plans and specifications approved by the Architectural Control Committee and by the Architectural Control Committee of the Oak Tree Home Owners Association, Inc. (according to its rules and procedures) pursuant to the provisions of this paragraph 13.4 shall be commenced within six (6) months following the date upon which the same are approved by the Architectural Control Committee (whether by affirmative action or by forbearance from action), as provided in paragraph 13.4.2, and shall be substantially completed within twelve (12) months following the date of commencement, or within such longer period as the Architectural Control Committee and the

Architectural Control Committee of the Oak Tree Home Owners Association, Inc. shall specify. In the event construction is not commenced within the period aforesaid, then approval of the plans and specifications by the Architectural Control Committee and by the Architectural Control Committee of the Oak Tree Home Owners Association, Inc. shall be conclusively deemed to have lapsed and compliance with the provisions of this paragraph 13.4 shall again be required. There shall be no deviations from plans and specifications approved by the Architectural Control Committee and by the Architectural Control Committee of the Oak Tree Home Owners Association, Inc. without the prior consent in writing of the Architectural Control Committee and the Architectural Control Committee of the Oak Tree Home Owners Association, Inc. Approval for use for any Unit of any particular plans and specifications or design shall not be construed as a waiver of the right of the Architectural Control Committee and the Architectural Control Committee of the Oak Tree Home Owners Association, Inc. to disapprove such plans and specifications, or any elements or features thereof, in the event such plans and specifications are subsequently submitted for use upon any other Unit or Units.

- 13.4.4 Certificate of Compliance. Upon the completion of the construction or alteration of any building, fence, wall, or other improvements or structure in accordance with plans and specifications approved by the Architectural Control Committee and by the Architectural Control Committee of the Oak Tree Home Owners Association, Inc. in accordance with the provisions of this paragraph 13.4, the Architectural Control Committee and the Architectural Control Committee of the Oak Tree Home Owners Association, Inc. shall, at the request of the Owner thereof, issue a certificate of compliance which shall be prima facie evidence that the building, fence, wall, or other improvements or structure referenced in such certificate has been approved by the Architectural Control Committee and by the Architectural Control Committee of the

Oak Tree Home Owners Association, Inc. and constructed or installed in full compliance with the provisions of this paragraph 13.4 and with such other provisions and requirements of these By-Laws as may be applicable.

13.4.5 Rules and Regulations of Architectural Control Committee. The Architectural Control Committee shall from time to time adopt and promulgate such rules and regulations regarding the form and content of plans and specifications to be submitted for approval and may publish such statements of policy, standards, or guidelines and establish such criteria relative to architectural styles or details, or other matters, as it may consider necessary and appropriate. No such rules, regulations, statements, criteria, or the like shall be construed as a waiver of the provisions of this paragraph 13.4 or any other provision or requirement of the Declaration. The Architectural Control Committee may charge and collect a reasonable fee for the examination of any plans and specifications submitted for approval pursuant to the provisions of this paragraph 13.4. The decisions of the Architectural Control Committee and the Architectural Control Committee of the Oak Tree Home Owners Association, Inc. shall be final, except that any Owner who is aggrieved by any action or forbearance from action by the Architectural Control Committee may appeal the decision of the Architectural Control Committee to the Board of Directors. A vote of two-thirds (2/3) of the then constituted Board of Directors shall be necessary to overrule a decision of the Architectural Control Committee.

13.4.6 Enforcement; Right to Correct Violations. In the event any building, fence, wall, or other improvements or structure shall be commenced, erected, placed, moved, or maintained upon or in any Unit, otherwise than in accordance with the provisions and requirements of this paragraph 13.4, then the same shall be considered to have been undertaken in violation of this paragraph 13.4 and without the approval of the Architectural Control Commit-

tee and the Architectural Control Committee of the Oak Tree Home Owners Association, Inc. required herein. Upon written notice from the Architectural Control Committee or from the Architectural Control Committee of the Oak Tree Home Owners Association, Inc., such building, fence, wall or other structure or improvements shall be promptly removed. In the event the same is not removed, or the violation is not otherwise terminated, within fifteen (15) days after notice of such violation is delivered to the Owner of the Unit upon which such violation exists, then the Association shall have the right, through its agents and employees, to enter upon and in such Unit and to take such steps as may be necessary to remove or otherwise terminate such violation and the costs thereof shall be assessed against the Unit upon which such violation occurred. A statement for the amount thereof shall be rendered to the Owner of said Unit at which time the assessment shall become due and payable and a continuing lien upon said Unit and an obligation of the Owner, and may be enforced as provided in the Declaration. The Association shall have the further right, through its agents, employees, or committees, to enter and inspect any Unit at any reasonable daylight hour for the purpose of ascertaining whether any violation of the provisions of this paragraph 13.4 or any of the other provisions or requirements of the Declaration, exist on such Unit provided, however, that no such entry and inspection shall be taken without a resolution of the Architectural Control Committee or the Board of Directors, and after reasonable notice to the Owner of such Unit. Neither the Association nor any such agent or employee shall be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection.

ARTICLE 14

COMPENSATION

This Association is not organized for profit. No member, member of the Board of Directors, officer, or person from

whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any member of the Board of Directors, officer, or member; however, (1) reasonable compensation may be paid to any member, Director, or officer while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, and (2) any member, Director, or officer may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

ARTICLE 15

EXECUTION OF DOCUMENTS

The persons who shall be authorized to execute any and all contracts, documents, instruments, or conveyances or encumbrances, including promissory notes, shall be the President and the Secretary of the Association.

ARTICLE 16

MISCELLANEOUS

16.1 Conflict in Documents. In the event that any inconsistency or conflict exists between the items of the Declaration, these By-Laws, or any rule or regulation then in force, the inconsistency or conflict shall in every instance be controlled by the Declaration.

16.2 Conflict Between Owners. In the event that any dispute between Owners arises involving any of the Common Elements or any other matters concerning the Real Estate Development and the conflict cannot be resolved by the Managing Agent, if any, it shall be resolved by the Board of Directors.

16.3 Due Process. In order to afford due process to each Owner before any punitive action may be finally imposed by the Board of Directors, each Owner shall have the right with at least ten (10) days written notice from the Board, to a hearing before the Board

of Directors, en banc, for the purpose of avoiding or mitigating any penalty or punitive action at which hearing both the Association and the Owner may produce evidence and present witnesses. The Board of Directors shall promptly resolve the dispute and announce its decision, which in such instances shall be final as to all matters.

16.4 Exculpation of Unavoidable Loss. The Association shall not be liable for any loss to any Owner or inflicted upon any Unit or the property of the Owner situated therein, brought about by flooding, water damage caused by bursted pipes, acts of God or other force majeure. It is intended that for losses of this nature, each Owner will bear the same or effect his own insurance to cover the same. Each Owner may obtain additional insurance, at his own expense, for his own benefit. Insurance coverage on all furnishings and decorations and other items of personal property belonging to an Owner and casualty and public liability insurance coverage within each individual Unit are specifically made the responsibility of the Owner thereof.

EXECUTED this _____ day of _____, 1986, by the undersigned, being all the Directors of The Association of Owners for The Oaks, Inc.

J. W. ARMSTRONG

RICHARD F. ARMSTRONG

BLAIR H. HACKNEY

STATE OF OKLAHOMA)
) SS:
COUNTY OF OKLAHOMA)

The foregoing instrument was acknowledged before me
this ____ day of _____, 1985, by J. W. Armstrong, Richard
E. Armstrong, and Blair H. Hackney.

Notary Public

My Commission Expires:

(SEAL)

Return to: Warren E. Jones, Esquire
Hastie and Kirschner
First Oklahoma Tower
210 W. Park Avenue
Suite 3000
Oklahoma City, OK 73102

5615 PG 811

FIRST AMENDMENT TO DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE OAKS

DQC NUMBER 00049019
TIME 04:46 PM
MISC FEE 22.00
DATE APR. 13 1987

JERRY DELWOODY
OKLAHOMA COUNTY CLERK
RECORDED AND FILED

This First Amendment to Declaration of Conditions and Restrictions for The Oaks ("First Amendment") made and entered into as of the 13th day of April, 1987, by and among the undersigned owners of Units in The Oaks (herein described), with reference to the following:

(a) The Oaks (the "Project") is a planned unit development created by Declaration of Covenants, Conditions and Restrictions for The Oaks, recorded in Book 5487, beginning at page 609, of the records of Oklahoma County, Oklahoma (the "Declaration"), which Declaration covers Lots One (1) through Ninety-Two (92), and the Common Elements, as herein defined, and common lots, all in Block One (1) of The Oaks Addition to the City of Edmond, Oklahoma County, Oklahoma, according to the recorded plat thereof.

(b) The parties to this Agreement are owners of the Units in the Project and the percentage interests in the Common Elements (defined in the Declaration) as set forth beside their respective signatures. As shown on the signature pages of this First Amendment, the aggregate percentage interests in the Common Elements owned by parties to this First Amendment equals one hundred percent (100%).

(c) Based on their ownership of Units in the Project, the parties to this Agreement are also members of The Association of Owners for The Oaks, Inc. (the "Association"), and they are subject to the By-Laws of the Association, as amended (collectively, the "By-Laws").

(d) By means of this First Amendment, the parties desire to amend the Declaration and the By-Laws as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby covenant and agree as follows:

1. The Declaration of Covenants, Conditions and Restrictions of The Oaks, which is recorded in Book 5487, beginning at page 609, of the records of Oklahoma County, Oklahoma is hereby ratified, confirmed and approved.

2. Paragraph 1.4 of the Declaration is hereby deleted, and the following new paragraph 1.4 is substituted therefor:

"1.4 "Common Expenses" means and includes expenses for maintenance, replacement, repair, operation, improvements, management, and administration, and expenses declared Common Expenses by the provisions of this Declaration (including assessments imposed by Oak Tree Home Owners Association, Inc. and by the Interassociation Committee) and the By-Laws of the Association."

3. Paragraph 8.2 of the Declaration is hereby deleted, and the following new paragraph 8.2 is substituted therefor:

"8.2 Auditing. All records shall be kept in accordance with accepted accounting procedures and shall be audited at least once a year by an auditor outside or inside the Association. Owners and holders, insurers, and guarantors of first mortgages shall be entitled to receive, free of charge upon written request, annual audited financial statements, whether external or internal, of the Association within ninety (90) days following the end of the fiscal year of the Association."

4. The last sentence of paragraph 22 of the Declaration is hereby deleted, and the following sentence is substituted therefor:

"All demands or other notices intended to be served upon the Board of Directors of the Association or upon the Association

shall be sent by certified mail, postage prepaid, to Heritage Savings and Loan Association of Elk City, 921 West Third, Elk City, Oklahoma 73644, Attention: President, or to the successor service agent of the Association as established with the Oklahoma Secretary of State."

5. Paragraph 4.3.13 of the By-Laws attached to the Declaration as Exhibit "C" is hereby deleted, and the following new paragraph 4.3.13 is substituted therefor:

"4.3.13 Books and Records. To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof by each of the Owners and each first mortgagee, to cause a complete internal or external audit of the books and accounts by internal or external auditors once a year, and to allow mortgagees and owners to receive, upon request, such internally or externally annual audited financial statements of the Association within ninety (90) days following the end of the fiscal year of the Association."

6. As amended by this First Amendment, the Declaration and By-Laws continue in full force and effect. This First Amendment shall be binding upon and shall inure to the benefit of the undersigned and their respective heirs, personal representatives, successors and assigns.

IN WITNESS WHEREOF, the undersigned have duly executed this First Amendment as of the date set forth above.

Owner of all Units except Lot 3, Block 1, and Lot 7, Block 1, The Oaks, and owner, through membership in the Association, of an undivided 90/92 of the Common Elements

OKLAHOMA OAKS I, an Oklahoma general partnership
By: HERITAGE SAVINGS AND LOAN ASSOCIATION OF ELK CITY, an Oklahoma corporation,
Managing General Partner

ATTEST:



[Signature]
Secretary

By [Signature]
President

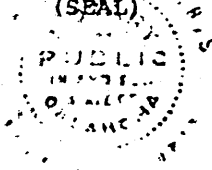
STATE OF OKLAHOMA)
) SS:
COUNTY OF BECKHAM)

The foregoing instrument was acknowledged before me this 4th day of March, 1987, by Richard F. Armstrong, () President of Heritage Savings and Loan Association of Elk City, an Oklahoma corporation, on behalf of the corporation as Managing General Partner of Oklahoma Oaks I, an Oklahoma general partnership, on behalf of the partnership.

My Commission Expires:

February 11, 1989
(SEAL)

[Signature]
Notary Public



AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR THE ASSOCIATION OF OWNERS FOR THE
OAKS, INC., AN ADDITION TO EDMOND, OKLAHOMA

BOOK 7332 PAGE 0533

KNOW ALL MEN BY THESE PRESENTS

That, WHEREAS, Oklahoma Oaks I, an Oklahoma
~~Corporation~~ did on the 20 day of June, 1996, file for record the Declaration
of Covenants, Conditions and Restrictions for THE ASSOCIATION OF OWNERS FOR
THE OAKS, INC., an Addition to Edmond, Oklahoma with the Oklahoma County Clerk,
being recorded in Book ~~7332~~ at Page 0533.

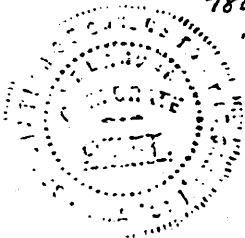
AND, WHEREAS, in ARTICLE 13 of said Declaration, we the undersigned do
hereby amend said article to include the following:

"All roof pitches will have a minimum of 6/12 slope. The composition of all pitched roofs
will be fire-retardant cedar shake shingles, clay or concrete tile, copper, slate, architectural
composition shingles and other materials only as approved by the Design Review Board and
Architectural Standards committee of THE ASSOCIATION OF OWNERS FOR THE
OAKS, INC. All composition shingle roof systems must consist of fiberglass materials with
minimum weight of 370 pounds per square (1 square = 100 square feet of coverage) and
carry a 40 year warranty. Any re-roof has to have all old roofing material removed before
new roofing is installed. Elk Prestique Plus Weatherwood or equal color on composition
shingles shall be used. All attached units in Pod have to agree and use same type of roofing
material Agreement based on majority rule."

IN WITNESS WHEREOF, the undersigned have set their hands and seal this 12th
day of May, 1998.

> Ret. to: Venture R.E. Inc.
6121 Stonegate Place
Edmond, OK 73003
9806 3042

The Association of Owners for The Oaks, Inc.



Edward Hoag
Edward Hoag, President

Rodney Armstrong, Sec. / Treas.
Rodney Armstrong, Secretary/Treasurer

DOC NUMBER 98081123
BOOK 7332
PAGES 833 - 835
TIME 1:10:55
FEE 12.00
06/11/1998
Carolynn Cudfill
Oklahoma County Clerk
RECORDED AND FILED

3/12

BOOK 7332 PAGE 0834

Page 2

Corporation Acknowledgment

State of Oklahoma

County of OKLAHOMA SS:

Before me, the undersigned, a Notary Public in and for said County and State, on this 12th day of May, 1998, personally appeared Edward Hoag, President of the Assn. of Owners for The Oaks, Inc., to me known to be the identical person who subscribed the name of the maker thereof to me above and foregoing instrument as its President and acknowledged to me that he/she executed the same as his/her free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

My Commission Expires: 08-06-2000


Notary Public

BOOK 7332 PAGE 0535

Page 2

Corporation Acknowledgment


State of Oklahoma

County of OKLAHOMA SS:

Before me, the undersigned, a Notary Public in and for said County and State, on this 12 day of May, 1998, personally appeared Rodney Armstrong, Sec./Treas. of the Assn. of Owners for The Oaks, Inc. to me known to be the identical person who subscribed the name of the maker thereof to me above and foregoing instrument as its SECRETARY/TREASURER and acknowledged to me that he/she executed the same as his/her free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

My Commission Expires: 08-06-2000


Notary Public

**SECOND AMENDMENT TO DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR "THE OAKS"**

WHEREAS, the Declaration of Covenants, Conditions and Restrictions for "The Oaks" was recorded as a matter of record with the Oklahoma County Clerk's office on June 24, 1986, at Book 5487, Pages 0609 through 0682;

WHEREAS, the First Amendment to Declaration of Covenants, Conditions and Restrictions for The Oaks was filed of record with the Oklahoma County Clerk's office on April 13, 1987, at Book 516, Pages 811 through 816;

WHEREAS, the members of The Association of Owners for The Oaks, Inc. desire to amend the Declaration of Covenants, Conditions and Restrictions for "The Oaks" and the First Amendment to that Declaration by deleting any reference to The Oaks as an interassociation of Oak Tree and by clarifying that individual members of The Oaks are also individual members of the Oak Tree Homeowners' Association and that The Oaks is a subassociation at Oak Tree. By this Amendment the individual members of The Oaks desire to become Class A members of the Oak Tree Homeowners' Association, Inc.;

WHEREAS, the owners and the members of The Oaks have signed a Resolution approving this Amendment; and

WHEREAS, the holders of any recorded first mortgage or lien affecting any unit agree to this Amendment;

NOW THEREFORE, in accordance with Sections 14 and 23.5 of the Declaration of Covenants, Conditions and Restrictions for "The Oaks", as the members of The Oaks and the first mortgage or lien holders have duly approved this Second Amendment, it is hereby declared that said Declaration is amended by:

WHEN RECORDED MAIL IN
NAME Randel Shadiq
ADDRESS P.O. Box 1217
CITY & STATE Edmond, Ok 73083

(1) Deleting any reference in the Declaration to the term "interassociation" or the term "interassociation committee" as indicated in Section 1.6, Section 7 and Section 15.5 or in any other provision in said Declaration; and "The Oaks" shall become and shall be known as a subassociation at Oak Tree;

(2) Section 7 is hereby further amended to read that an owner of a unit, upon becoming an owner, shall mandatorily become a Class A member of the Oak Tree Homeowners' Association and shall be obligated to conform and abide by all the terms of the Declaration of Covenants, Conditions and Restrictions for "Oak Tree", any by-laws, rules and regulations governing the Oak Tree Homeowners' Association and shall be obligated to pay an assessment or dues as determined by the Oak Tree Homeowners' Association under terms of the Declaration of Covenants, Conditions and Restrictions for "Oak Tree"; and

(3) the Declaration of Covenants, Conditions and Restrictions for "The Oaks" are hereby amended to state that to the extent that a conflict exists between any provision in the Declaration of Covenants, Conditions and Restrictions for "The Oaks" with any provision in the Declaration of Covenants, Conditions and Restrictions for "Oak Tree", the provision(s) in the Declaration of Covenants, Conditions and Restrictions for "Oak Tree" shall govern and control.

As amended by this Second Amendment, the Declaration as amended continues in full force and effect, subject only to the provisions of the Declaration of Covenants, Conditions and Restrictions for Oak Tree. This Second Amendment shall be binding upon

and shall inure to the benefit of the undersigned and their respective heirs, personal representatives, successors and assigns.

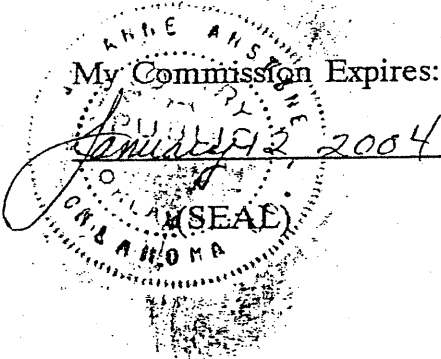
IN WITNESS WHEREOF, THIS AMENDMENT has been executed by the undersigned on 31 day of December, 1999.

BY: Edward Hoag
PRESIDENT,
THE ASSOCIATION OF OWNERS FOR THE
OAKS, INC.

STATE OF OKLAHOMA)
)ss
COUNTY OF OKLAHOMA)

The foregoing instrument was acknowledged before me this 31 day of December, 1999, by Edward Hoag, President of The Association of Owners for the Oaks, Inc.

John R. Rustine
NOTARY PUBLIC



SCHEDULE "A"
(As amended October 28, 1998)
RULES AND REGULATIONS FOR
THE ASSOCIATION OF OWNERS FOR THE OAKS, INC.

1. No article shall be placed on or in any of the Common Elements except for those articles of personal property which are the common property of all of the Unit Owners.

2. No vehicle belonging to or under the control of any Owner or a member of the Owner's family or a guest, tenant, lessee, or employee of a Unit Owner shall be parked in such manner as to impede or prevent ready access to any entrance to or exit from the Real Estate Development. Vehicles shall be parked within designated parking areas. When entering or leaving the Real Estate Development, vehicles will be operated at a speed not to exceed twenty five (25) miles per hour unless otherwise posted.

3. No Owner, resident, or lessee shall install wiring for electrical or telephone installation or for any other purpose, nor shall any television or radio antennae, transmitting, or receiving, machines, or air conditioning units be installed on the exterior of improvements within the Real Estate Development or be installed in such a manner that they protrude through the walls or the roof of the improvements or are otherwise visible from the ground, except as may be expressly authorized by the Association in writing. Notwithstanding the foregoing, Satellite receiving dishes not exceeding eighteen (18) inches in diameter are excepted from the above requirements.

4. Owners and occupants shall exercise reasonable care to avoid making (or permitting to be made) loud, disturbing, or objectionable noises, and in using or playing (or permitting to be used or played) musical instruments, radios, phonographs, television sets, amplifiers, and any other instruments or devices in such manner as may disturb or tend to disturb other Owners or occupants.

5. Disposition of garbage and trash shall be only by the use of garbage disposal units.

6. Cats, dogs, or other animals (hereinafter for brevity termed animals) shall be kept in such a manner so as not to disturb the other Owners. If an animal becomes obnoxious to

other Owners, the Owner or person having control of the animal shall be given a written notice by the Board of Directors to correct the problem, or if not corrected, the Owner, upon written notice, will be required to remove the animal. The written notices provided for herein shall be issued by the Managing Agent, or, if there is no Managing Agent, then the Board of Directors. An Owner must receive permission in writing from the Board of Directors or Managing Agent in order to keep an animal weighing more than one hundred (100) pounds on the premises or to keep more than two animals on the premises.

7. Any damage to the Common Elements or common personal property caused by an Owner or an Owner's guest or family members shall be repaired by the Association, but at the expense of that Owner.

8. No garments, rugs, or any other items shall be hung from the windows, roof, or any of the facades of the buildings.

9. All drapes visible from the exterior of a Unit shall have white linings. Upon prior written approval being procured from the Association, shutters or blinds of a neutral or wood stained color are permitted. No windows shall, however, be covered with aluminum foil or similar material.

10. No more than five (5) persons shall occupy Units on a permanent occupancy basis. For the purpose of the paragraph, "permanent occupancy" shall be defined as any occupancy in excess of thirty (30) days not separated by intervals of at least six (6) months.

11. Owners shall abide by rules and regulations governing the use of common facilities.

12. A Ten Dollar (\$10.00) charge will be made for all checks returned by the bank for any reason.

13. Children must be supervised when playing on the Common Elements.

14. Patios and walkways should be kept neat. A barbecue grill may be stored on walkways if it does not effect a hazard to walking. Barbecue supplies should be kept in the Unit or on the patio.

POOL AND TENNIS COURT RULES

POOL HOURS: WEEKDAYS 10:00 a.m. until 10:00 p.m.
 WEEKENDS 9:00 a.m. until 10:00 p.m.

TENNIS COURT HOURS: 8:00 a.m. until 10:00 p.m. daily

1. All guests must be accompanied by a Unit Owner or a family member and use these facilities at their own risk. The number of guests at one time may be limited by the Managing Agent.
2. Social gatherings involving more than three (3) guests at any one time must be prearranged with the Managing Agent or the Board of Directors at least five (5) days prior to the date of the event. Separate charges may be imposed for such use.
3. Children under 16 must be accompanied by an adult.
4. No glass containers shall be allowed in the pool area. Food shall not be allowed in pool area (although drinks are permitted). No metal objects shall be permitted in the pool area.
5. Persons having skin abrasions, open blisters, cuts, any skin disease, sore or inflamed eyes, cold, nasal or ear discharge, or any communicable disease shall not be allowed in the pool.
6. Spitting, spouting of water, and blowing the nose into the pool water shall be strictly prohibited.
7. No rough or boisterous play, wrestling or running shall be permitted.
8. Trash shall be put in containers provided.
9. Animals shall not be allowed within the pool area
10. Swimming alone is prohibited.

11. The pool is for the exclusive use of all Owners and Oaks occupants and their guests, and the Owners are responsible for the conduct of their guests.

12. Furniture, other than that provided shall not be used in the pool area, nor shall such furniture be removed from said area.

13. Radios, television sets, tape-recording or playing devices, and all other similar devices are strictly forbidden in the pool area.

14. Users of the pool area are responsible for the removal of all articles brought thereto by them, including but not limited to towels, books, and magazines, at the time they leave said area.

15. All bobby pins, hairpins, and other such materials shall be removed before entering the pool.

CLUBHOUSE RULES

1. The Clubhouse will be available for "reserved use" seven (7) days a week between the hours of 9:00 a.m. and 11:00 p.m. except for special events, when the hours may be extended by prior arrangement. The Clubhouse will, however, be closed Christmas Day and New Year's Day.

2. All Owners, members of an Owner's family, or guests of an Owner will be expected to be properly attired at all times while within the Clubhouse. All persons in bathing suits will wear an additional upper garment, such as a shirt or blouse, except around the pool area. All persons entering the Clubhouse must wear shoes.

3. Rules and Regulations that are posted in any particular area, room, or facility within the Clubhouse will control the use thereof and shall be deemed supplemental to the Rules and Regulations herein enumerated.

4. No person under the age of 16 will be admitted into the Clubhouse unless accompanied by an Owner responsible for his or her safety and conduct, or when in attendance at properly chaperoned parties.
5. All persons using the Clubhouse may be required to give proof of age.
6. Requests for Clubhouse reservations should be submitted to the Managing Agent.
7. The Clubhouse, including its kitchen area, is to be cleaned following private parties. In the event the Clubhouse is not properly cleaned following a private party, the Owner will be charged \$50.00. All food and beverages are to be removed from the Clubhouse following private parties.
8. Owners are responsible for the conduct of their guests.
9. Violations of the Clubhouse Rules should be brought to the attention of the Managing Agent. The Board of Directors shall investigate any violation of these Rules and may punish by fine, reprimand, suspension of Clubhouse privileges or expulsion of any Owner found guilty of infraction of these Rules, or of unbecoming conduct.
10. The Association will not be responsible for articles left in or about the Clubhouse.
11. Any Clubhouse property broken or damaged by an Owner, his family, or guests, must be paid for by the Owner.
12. Animals will not be allowed in the Clubhouse.
13. Owners and guests shall not use profane language in the clubhouse.