



Olde Towne
A COMMUNITY ASSOCIATION

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

TO

OLDE TOWNE ADDITION

WHEN RECORDED MAIL TO
NAME Brent D. Coldiron
ADDRESS Suite 724, Del State Bank Towers
CITY & STATE 3000 Towers Dr.
Del City, OK 73115

OLDE TOWNE COMMUNITY ASSOCIATION, INC.
BY-LAW AMENDMENTS

(adopted June 7, 1990)

BY-LAW AMENDMENT NUMBER 1 to ARTICLE IV., SECTION 3, a0:

Owners, tenants, guests and invitees may only park motor vehicles in the owner's garage, driveway, or in the designated common parking areas. Any motor vehicle parked in any other location may be towed away and removed at the expense of the owner.

Any recreational vehicle, boat or motor home may be parked only in the owner unit driveway, but not in a common area, for a period not in excess of seventy-two (72) hours during any fourteen (14) day period. In the event that the boat or motor home will not fit in the owner unit driveway, then the vehicle or boat may be parked in one of the designated common area parking lots for a period not in excess of seventy-two (72) hours during any fourteen (14) day period. Violation hereof may result in removal of the vehicle or boat at the expense of the owner of the vehicle or boat, or the unit owner where the vehicle is parked; provided, owner's unit may have the cost of removal specifically assessed against it.

Vehicles with flat tires are considered to be unsightly objects and shall not be placed or remain upon the common area or any dwelling unit exterior for a period in excess of seven (7) days; and such vehicles are subject to being towed away at the owner's expense after the seven-day period has expired.

With regard to the towing of vehicles, notice shall be placed upon the vehicle and the unit residence responsible for the infraction, if such residence is known. Such notice shall request correction of the infraction within twenty-four (24) hours. Vehicles with repeated infractions will not receive a second notice and are subject to being towed away, at the owner's expense, without notice, upon the second infraction.

(Adopted June 7, 1990)

BY-LAW AMENDMENT NUMBER 2 to ARTICLE IV., Section 5:

All directors shall serve three (3) year terms. Each term shall be staggered with the remaining terms, in order to minimize the number of terms which will be filled in any one year.

OLDE TOWNE COMMUNITY ASSOCIATION, INC.

Proposed Minute for Privacy Fence Replacement

December 14, 1992

Pursuant to Article V, Section 16 of the Olde Towne Book of Covenants, "... All fencing shall be maintained by the Association, for both Common Areas and Unit Housing. As provided herein, the Association shall assess each dwelling unit for the Association's costs in such maintenance.

Whereas the Covenants and By-Laws of Olde Towne Community Association, Inc., authorize and empower the Board of Directors and the Managing Agent to maintain, repair or replace certain exterior features, including fencing; and,

Whereas the Covenants and By-Laws provide that if the property do not make the maintenance and repairs as required by the Board of Directors, the Board may cause the appropriate repairs to be performed and the costs thereof assessed against the subject property; and,

Whereas, as a result of the age of Olde Towne, there are an increasing number of fences which require repair; and,

Now, therefore, be it resolved , by the Board of Directors of Olde Towne Community Association, Inc., that the managing agent shall take reasonable and necessary measures pursuant to the Covenants and By-Laws to effectuate the repair and/or replacement of that fencing in the Olde Towne Addition in need of the same.

Dated: December 14, 1992
Jarvis Sparta
Kathy Hardy

Signed: Joe Mangatol
Imarion Meeb

INDEX
TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
TO OLDE TOWNE ADDITION

	<u>PAGE</u>
PREAMBLE -----	1
ARTICLE I. DEFINITIONS	1,2,3
Section 1. Assessment Schedule	1
Section 2. Association	1
Section 3. Board of Directors or Board	1
Section 4. By-Laws	1
Section 5. Common Area	2
Section 6. Common Area Expenses	2
Section 7. Declarant	2
Section 8. Declaration	2
Section 9. Detached Structure	2
Section 10. Drainway	2,3
Section 11. Dwelling Unit	3
Section 12. Dwelling Unit Exterior	3
Section 13. Manager	3
Section 14. Owner	3
Section 15. Party Wall	3
Section 16. Person	3
Section 17. Properties	3
Section 18. Rules	3
Section 19. Street	3
Section 20. Window Coverings	3
ARTICLE II. SCOPE OF DECLARATION AND RIGHTS RESERVED BY DECLARANT	3,4
Section 1. Property Subject to Declaration	3
Section 2. Conveyances Subject to Declaration; Reference in Deeds, Etc.	4
Section 3 Owners' Rights Subject to the Provisions Of this Declaration	4
ARTICLE III. PROPERTY RIGHTS	4,5,6,
Section 1. Owners' Nonexclusive Easement of Enjoyment; Limitations	4,5
(a) Association Rights to Use and to Grant Easements	4
(b) Association Right to make Rules	
(1) Number of Guests	4
(2) Admission	4
(3) Voting and Use Rights Suspension	5
(c) Borrow Money	5
(d) Protect Property	5
(e) Other Reserved Rights	5
Section 2. Delegation of Use; Nonresident Owner	5
Section 3. Lease of Dwelling unit; Leases in Writing	

	and Subject to Declaration; Breach Herein a Lease to Default	5
Section 4.	Title to Common Areas	5,6
Section 5.	Owners Easements of Enjoyment	6
ARTICLE IV. EASEMENTS		6,7
Section 1.	Dwelling Unit Yard Access Easement	6
Section 2.	Blanket Easements for Utilities; For Police, Fire, Etc.; for Maintenance and Repair to Common Area	6,7
Section 3.	Easements for Encroachments	7
Section 4.	Easements for Drainage	7
Section 5.	Easements deemed appurtenant	7
Section 6.	Zero Lot Line	7
ARTICLE V. USE AND OTHER RESTRICTIONS		8,9,10,11
Section 1.	Use; Residential; Declarant's Sales; New Construction; Declarant's Right to Rent	8
Section 2.	Temporary Use by Declarant on Common Area	8
Section 3.	Prohibitions; Waste; Alterations of Common Area or Dwelling Unit Exterior	8
Section 4.	No imperiling of Insurance	8
Section 5.	No Violation of Law	8
Section 6.	Nuisances; Offensive Activity; Hazardous Activity; Dumping Ground; Garbage Storage and Disposal	9
Section 7.	Signs; Exception as to Declarant	9
Section 8.	Pets	9
Section 9.	Trash and Unsightly Uses; Association Right to Enter and Remove; View from Common Area or Dwelling Area	9,10
Section 10.	Mineral Exploration	10
Section 11.	Trees, Shrubs and Water; Alteration Or Obstruction of Drainways	10
Section 12.	Parking	10
Section 13.	Mechanic's Liens	10,11
Section 14.	Rules	11
Section 15.	Utilities	11
Section 16.	Fences and Yards	11
Section 17.	Window Coverings	11
ARTICLE VI. ARCHITECTURAL CONTROL		11,12
Section 1.	Approval of Plans and Specifications by Architectural Control Committee; Fees	11,12
Section 2.	Failure to Approve or Disapprove	12
Section 3.	Additional Landscaping	12
Section 4.	Committee Address	12
Section 5.	Organization; Appointment by Board; Appointment by Declarant; Staggered Membership; Compensation; Replacement Members	12

ARTICLE VII. THE ASSOCIATION

13,14,15

Section 1.	Duties and Responsibilities of Olde Towne Community Association, Inc., Owner and Manager of Common Areas	13
	(a) Assessment Collection	13
	(b) Meet Expenses	13
	(c) Property Dealing	13
	(d) Entry into Units	13
	(e) Violation Enforcement	13
	(f) Property Manager Duties; Management	13
	Agreement	13
	(g) Exterior Lot maintenance	13,14
	(h) Protect Properties	14
	(i) Employ Professionals; Audit;	14
	Inspection Rights	14
	(j) Deposit Funds	14
	(k) File Zoning or variance Protests	14
Section 2.	Membership; Automatic and Mandatory; Effective Date of Membership	14
Section 3.	Voting Rights; Board Membership	14,15
Section 4.	Indemnification of manager, Employees Directors and Officers; Misfeasance or Malfeasance	15
Section 5.	Limitation Upon Liability of Association	15

ARTICLE VIII. ASSESSMENTS

15,16,17,18,
19,20

Section 1.	Declarant Subject to Reduced Assessments Pursuant to phasing	15
Section 2.	Assessments; Regular and Special; Personal Obligation; Due Dates; Pro-Rata Share	15,16
Section 3.	Purpose of assessments; Management And Maintenance; Reserves; Repairs Resulting from negligent acts	16
Section 4.	Basis of Assessments	16,17
	(a) Utility Charges	16
	(b) Common Area Expenses; Special Fees	16,17
	(c) Dwelling Unit Exterior Maintenance	17
	(d) Exterior Lot Maintenance	17
	(e) Individual Assessments	17
	(f) Levy of Assessments; Estimation of Assessments; Adjustment; Actual Overage and Shortage	17
	(g) Non-Exemption	17
Section 5.	Special Assessments; Assent of Owners and Mortgagees	17
Section 6.	Initial Capital Contribution	18
Section 7.	Non-Payment of Assessments	18,19
	(a) Late Charge; Interest Acceleration;	

	Costs; Attorney Fees; Voluntary Payment by Mortgagee	18
(b)	Lien; recording; Foreclosure; Subordinate to Recorded First Mortgage; Rental; Possession by Association	18,19
(c)	Sale does not Release Lien	19
(d)	Foreclosure Conveyance Extinguishes Lien; Unpaid Amounts Common Expense; Mortgagee Obtaining Title	19
ARTICLE IX.	MAINTENANCE	20,21
Section 1.	Maintenance of the Common Area	20
Section 2.	Maintenance	20
Section 3.	Other Maintenance of Dwelling Units; Failure of Owner to Maintain	20
Section 4.	Owner Duty to Inspect Premises and to Notify Association of Defects	21
Section 5.	Duty to Repair Damages; Failure to Repair	21
Section 6.	Willful or Negligent Acts	21
ARTICLE X.	INSURANCE	21,22,23,24
Section 1.	Master Policy; Public Liability	21,22,23
Section 2.	Named Insured; Mortgagee Clause, Modification or Cancellation Notice	23
Section 3.	Fiduciary Liability Insurance	23
Section 4.	Other Perils	23
Section 5.	Mortgagee's Rights; Distribution Of Insurance Proceeds	23
Section 6.	Insurance Obligation of Owners	24
ARTICLE XI.	MORTGAGEE'S RIGHTS	24,25
Section 1.	Notice and Documents to and Rights Of Mortgagee	24
Section 2.	Form of request	25
Section 3.	Protection of Lien of Mortgage	25
Section 4.	Mortgage Voluntary Payment	25
ARTICLE XII.	CONDEMNATION PROCEDURE	25
Section 1.	Condemnation of Common Area	25
Section 2.	Lien Holders	25
ARTICLE XIII.	PARTY WALLS	26
Section 1.	Party Wall	26
Section 2.	Destruction	26
ARTICLE XIV.	DURATION AND AMENDMENTS	26,27,28

Section 1.		26
Section 2.	Mortgagee's Rights	27
Section 3.	Special Amendments	27,28

ARTICLE XV. GENERAL PROVISIONS	28,29
--------------------------------	-------

Section 1.	Enforcement at Law or in Equity; Notice to Mortgagee of Uncured Default	28
Section 2.	Right to Assign	28
Section 3.	Invalidity	28
Section 4.	Claims	28
Section 5.	Waiver	29
Section 6.	Captions	29
Section 7.	Gender	29
Section 8.	FHA/VA Approval	29

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
OF
OLDE TOWNE ADDITION

PREAMBLE

THIS DECLARATION, made on the date hereinafter set forth, by OLDE TOWNE DEVELOPMENT CO., LTD., hereinafter referred to as "DECLARANT".

WITNESSETH:

WHEREAS, Declarant is the owner of the real property situated in the County of Oklahoma, State of Oklahoma, more particularly described as follows:

OLDE TOWNE ADDITION, also known as: A tract of land lying in the Northwest Quarter (NW/4) of Section Twelve (12), Township Eleven (11) North, Range Two (2) West of the Indian Meridian, Oklahoma County, Oklahoma, more particularly described as follows: Beginning at a point on the North line of said NW/4 at a distance of 660 feet East of the Northwest Corner of said NW/4, thence S 0°37'45" East a distance of 660 feet, thence East along a line parallel to the North line of said NW/4 a distance of 635 feet, thence North 0°37'45" West a Distance of 660 feet, thence West along the North line of said NW/4 a distance of 635 feet to the point of beginning.

Whereas, Declarant will construct a semi-detached cluster home development, a green area and facilities on the property above described, together with other improvements thereon, and,

Whereas, Declarant will convey the said property subject to the protective covenants, conditions, restrictions, reservations, liens and charges as hereinafter set forth, pursuant to Oklahoma's Real Estate Development Act. (Title 60 O.S. 1971, SS851-855, as Amended).

NOW, THEREFORE, Declarant hereby declares that the property above described shall be held, sold and conveyed subject to the following covenants, conditions, restrictions, uses and obligations, all of which are declared and agrees to be for the protection of the value of the property and for the benefit of any person having any right, title or interest in the described property and which shall be deemed to run with the land, and shall be a burden and benefit to any persons acquiring such interest, their grantees, successors, heirs, legal representatives and assigns.

ARTICLE I.

DEFINITIONS

Section 1. "Assessment Schedule" shall mean the proportion of Common Area and Dwelling Unit expenses (set out on Exhibit "B" hereto attached and made a part hereof) that each Dwelling Unit within OLDE TOWNE ADDITION shall bear.

Section 2. "Association" shall mean and refer to OLDE TOWNE COMMUNITY ASSOCIATION, INC.

Section 3. "Board of Directors" or "Board" shall mean and refer to the Board of Directors of the Association, duly elected pursuant to the By-Laws of the Association or appointed by Declarant as therein provided.

Section 4. "By-Laws" shall mean the By-Laws adopted by the Association as amended from time to time.

Section 5. “Common Area” shall mean that property so described on the recorded plat of OLDE TOWNE ADDITION and, in addition, all real property owned by the Association for the common use and enjoyment of the Owners. The Common Area to be owned by the Association as provided by Article III, Section 4, is described as follows:

Lot A, Block 1; Lots A & B, Block 2; Lots A,B,C,D,E,F, Block 3; Lots A,B,C,D,E,F, Block 4; Lots A,B,C, Block 5; Lots A & B, Block 6; Lot A, Block 7; all being Common Areas in Olde Towne Addition, being a part of the NW ¼ of Section Twelve (12), Township Eleven (11) North, Range Two (2) West, I.M., Midwest City, Oklahoma County, Oklahoma.

together with all facilities and improvements placed thereon, and any and all interest which the Association may acquire in adjacent lands, any easements granted to the

Association and the Owners and, in general all apparatus and installations existing for common use, and all other parts of the properties necessary or convenient to its existence, maintenance and safety, but not including Lots or Dwelling Units herein described.

Section 6. “Common Area Expenses” shall mean the Owner’s prorata share of the general common expenses including, but not limited to, the Common Area maintenance, repairs, utilities, management costs, maintenance and operation of recreational facilities, drainways, reserves, capital improvements, assessments, and all other charges which the Association may levy upon the Owners in accordance with this Declaration.

Section 7. “Declarant” shall mean OLDE TOWNE DEVELOPMENT CO., LTD., its successors and assigns.

Any other provision hereof to the contrary notwithstanding, the Declarant hereby authorizes and designates Earl Rooms and/or W.P. Atkinson, II, hereinafter called “the Developers” as its exclusive agents to act for and on behalf of the Declarant hereunder for any and all purposes and to the same extent as Declarant under all of the terms hereof. Specifically, but not by way of limitation, the Declarant expressly authorizes the Developer to act on its behalf as an Owner hereunder and also expressly authorizes the Developer to exercise its sole discretion with respect to all those consents, approvals, reviews, decisions and other acts specified herein as within the authority of the Developer. All notices to be given to Declarant as an Owner or member or otherwise hereunder shall be given to Developer as Declarant’s agent.

Section 8. “Declaration” shall mean this document of Declaration of Covenants, Conditions and Restrictions of OLDE TOWNE ADDITION, as same may be amended from time to time.

Section 9. “Detached Structure” shall mean any covered or enclosed structure on a Lot not attached to the main residence which it serves, and shall include, but not be limited to, carports, garages, outbuildings, tool sheds, kennels, cabanas, pergolas, greenhouses and any temporary structures.

Section 10. “Drainway” shall mean and refer to all swales, channels, watercourses, draws, depressions, ditches, whether or not any of these shall constitute recognizable ravines or gorges of any size, and whether natural or artificial, over and in which surface water flows or is meant to flow.

Section 11. “Dwelling Unit” shall mean and refer to the single family residence constructed or to be constructed on each Lot and any replacement thereof, patio and fence, along with the real property underlying the same as described in the deed to such Dwelling Unit.

Section 12. “Dwelling Unit Exterior” shall mean and refer to the roof, foundation, steps, footings, patios, fences, drainways, balconies, crawl spaces and outer surface of exterior walls of the Dwelling Unit, including, without limitation, those portions which serve more than one Dwelling Unit.

Section 13. “Manager” shall mean any duly authorized property manager employed or appointed by the Association to implement the duties and responsibilities incumbent upon the Association.

Section 14. “Owner” except as that term is restricted in Article XIII, shall mean and refer to the record owner of any Dwelling Unit, whether one or more persons, or entities excluding those having an interest under an encumbrances.

Section 15. “Party Wall” shall mean the entire wall or fence, 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.

Section 16. “Person” shall mean an individual, corporation, partnership, association, trust or other legal entity or any combination thereof.

Section 17. “Properties” shall mean and refer to all Common Areas, all Lots and all improvements thereon and thereto which constitute or shall constitute the entire project herein created, known as OLDE TOWNE ADDITION.

Section 18. “Rules” shall mean the Rules and regulations adopted by the association as amended from time to time.

Section 19. “Street” shall mean any street, cul-de-sac, lane, drive, way, avenue, boulevard, court, circle, place, manor, terrace, or other road intended for automobile traffic, as shown on any recorded subdivision plat of the Properties.

Section 20. “Window Coverings” shall mean all woven materials produced for drapes to have with drapes material woven linings white shade color and metal venetian blinds brown in color.

ARTICLE II.

SCOPE OF DECLARATION AND RIGHTS RESERVED BY DECLARANT

Section 1. PROPERTY SUBJECT TO DECLARATION

Declarant, as the owner of fee simple title to the Properties, expressly intends to, and by recording this Declaration does hereby, subject the properties to the provisions of this Declaration. Provided that the total development area shall not exceed Ninety-Four (94) Dwelling Units. Declarant shall not be obligated to subject to this Declaration as Properties any real property other than that described herein, which is presently subject to this Declaration.

Section 2. CONVEYANCES SUBJECT TO DECLARATION;
REFERENCES IN DEEDS, ETC.

All easements, restrictions, conditions, covenants, reservations, liens, charges, rights, benefits and privileges which are granted, created, reserved or declared by this Declaration shall be deemed to be covenants appurtenant, running with the land, and shall at all times inure to the benefit of and be binding on any person having at any time an interest or estate in the Properties, and their respective heirs, successors, representatives or assigns. Reference in any deed of conveyance, lease, mortgage, deed of trust, other evidence of obligation or any other instrument to the provisions of this Declaration shall be sufficient to create and reserve all of the easements, restrictions, conditions, covenants, reservations, liens, charges, rights, benefits and privileges which are granted, created, reserved or declared herein as though fully and completely set forth in their entirety in any such document.

Section 3. OWNER'S RIGHTS SUBJECT TO THE
PROVISIONS OF THIS DECLARATION

Each owner shall own his Dwelling Unit in fee simple for use as a primary single family residence, and shall have full and complete dominion thereof, subject to the provisions of this Declaration.

ARTICLE III.

PROPERTY RIGHTS

Section 1. OWNERS' NONEXCLUSIVE EASEMENT
OF ENJOYMENT; LIMITATIONS

Every Owner and his immediate family shall have a non-exclusive right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to the Lot of such Owner, subject to the following rights:

- a) Association Rights to Use and To Grant Easements.
The non-exclusive right and easement of the Association to make such use of the Properties 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 Area to any Municipal corporation or public utility company, or other entity providing water, sewer, gas, electricity, telephone, cable television, or other similar services to the Properties.
- b) Association Right to make Rules. The right of the Association to make such reasonable Rules regarding the use of the Common Area and facilities located thereon by members and other persons entitled to such use, including, but not limited to, the following:
 - (1) Number of Guests. To limit the number of guests of Owners permitted to use any recreational facilities.
 - (2) Admission. To fix reasonable admission or other fees for the use of any recreational facility by the guests of any Owner.

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

c) Borrow Money.

The right of the Declarant and of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Areas and in aid thereof to mortgage said Common Areas, provided, however, any such mortgage shall provide that in the event of a default the mortgagee's rights thereunder as to any such Common Areas shall be limited to a right, after taking possession thereof, and without changing the character thereof, to charge admission and other fees as a condition to continued enjoyment by the members and, if necessary, to open the enjoyment of such properties to a wider public until the mortgage debt is satisfied, whereupon the possession of such properties shall be returned to the Association and all rights of the members hereunder shall be fully restored. Provided further that the assent of not less than two-thirds (2/3) of each class of members is required prior to the Declarant and the Association borrowing money for improvement of common areas.

d) Protect Property.

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

e) Other Reserved Rights.

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

Section 2. DELEGATION OF USE; NONRESIDENT OWNER.

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

Section 3. LEASE OF DWELLING UNIT; LEASES IN WRITING
AND SUBJECT TO DECLARATION; BREACH HEREIN
A LEASE DEFAULT.

Any Owner shall have the right to lease his Dwelling Unit upon such terms and conditions as the Owner may deem advisable, subject to the following. Any such leases shall be in writing and shall provide that the lease is subject to the terms of this Declaration and the Rules. Only an entire Dwelling Unit may be leased, not any portions thereof and only for single family residential use. Any failure of a lessee to comply with the terms of this Declaration, Articles of Incorporation, or By-Laws of the Association, or the Rules, shall be a default under the lease enforceable by the Association.

Section 4. TITLE TO COMMON AREAS.

The Declarant will convey legal title to the common areas to the Association free and clear of any indebtedness, liens and encumbrances in accordance with the staged plan of development, attached hereto, incorporated by reference, labeled Exhibit "A".

Section 5. OWNERS EASEMENTS OF ENJOYMENT.

Every owner shall have a right and easement of enjoyment in and to the common area which shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions:

- (a) The rights of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the common area;
- (b) The right of the Association to suspend the voting rights and right to use of the recreational facilities by an owner for any period during which any assessment against his lot remains unpaid; and for a period not to exceed sixty days for any infraction of its published rules and regulations;
- (c) The right of the Association to dedicate or transfer all or any part of the common area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of each class of members has been recorded.

ARTICLE IV.

EASEMENTS

Section 1. DWELLING UNIT YARD ACCESS EASEMENT.

Where three (3) or more dwelling Units are constructed within one (1) building, so that the interior dwelling unit or units share a party wall with an exterior dwelling unit or units, the owner of any interior dwelling unit, his immediate family, tenants, licensees or invitees shall have an easement over, upon and across the rear yard of the adjacent exterior dwelling unit for the purpose of ingress and egress to the rear yard of the interior dwelling unit, so that yard and exterior maintenance can be accomplished, utility maintenance and meter reading can be accomplished, and other similar maintenance work be completed.

Section 2. BLANKET EASEMENTS FOR UTILITIES; FOR
POLICE, FIRE, ETC.; FOR MAINTENANCE
AND REPAIR TO COMMON AREA

There is hereby created a blanket easement in, on, through, upon, across, over and under all of the Common Area for ingress and egress, installation, replacement, repair and maintenance of all utilities, including, but not limited to, water, sewer, gas, telephone and electricity. By virtue of this easement, it shall be expressly permissible for all utility companies providing service to erect and maintain the necessary poles, lines, cables, and other necessary equipment on said Common Area and to affix and maintain electrical and/or telephone wires, circuits, conduits, television cable, on, above, across and under the roof and exterior walls buildings upon the Common Area. An easement is further granted to all police, fire protection and ambulance personnel, and all similar persons to

enter upon the common Area in the performance of their duties. Further, an easement is hereby granted to the Association to enter in, onto, above, across or under the Common Area and any Dwelling unit to perform the duties of maintenance and repair to the Common Area and to the dwelling unit as required herein. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on said Common Area except as approved by Declarant or the Association. Should any utility furnishing a service covered by the general easement herein provided request a specific easement, Declarant or the Association may grant such an easement to the Common Area by a separate recorded instrument without conflicting with the terms hereof and without consent of the Owners being required. The easements provided for in this Article shall in no way affect any other recorded easement to said Common Area.

Section 3. EASEMENTS FOR ENCROACHMENTS.

If any part of the Common Area encroaches or shall hereafter encroach upon a Dwelling Unit adjacent thereto, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of a Dwelling Unit unintentionally encroaches or shall hereafter (whether because of reconstruction, settling, shifting or otherwise) encroach upon the common Area, or upon another Dwelling Unit, the owner of that encroaching Dwelling Unit shall and does have a perpetual easement for such encroachment and for the maintenance of the same.

Section 4. EASEMENTS FOR DRAINAGE.

The Association is hereby granted an easement and right of access in, on and through any lot for the purposes of maintenance, repair, replacement or construction of drainways as it deems necessary in order to promote the best and most reasonable flow of surface water across the Properties. Pursuant to said easement, the Association shall have the right to divert, accentuate, or otherwise alter any drainway across any of the Properties.

Section 5. EASEMENTS DEEMED APPURTENANT.

The easements and rights herein created for an Owner shall be appurtenant to the Dwelling Unit of that Owner, and all conveyances and instruments affecting title to a Dwelling 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.

Section 6. ZERO LOT LINE.

Zero Lot Line shall mean that line where the building limit line, side set back and/or rear set back lines are the same as lot lines. Zero lot lines are permissible within this addition as long as a distance of ten (10) feet exists between buildings.

ARTICLE V.

USE AND OTHER RESTRICTIONS

Section 1. USE; RESIDENTIAL; DECLARANT'S SALES; NEW CONSTRUCTION; DECLARANT RIGHT TO RENT.

All of the Properties shall be used for residential purposes; for services, activities and recreational facilities in conjunction with said residential use; for Dwelling units; for the maintenance administration of the aforementioned and the Declarant's sales purposes. All structures erected upon the Properties shall be of new construction and none shall be moved from other locations onto the Properties. No structures of a temporary character, trailer, tent, shack, garage, barn or other outbuilding shall be placed on any portion of the Properties. Notwithstanding any of the foregoing, the right of the Declarant to rent or lease units until their initial transfer to an Owner is hereby specifically reserved.

Section 2. TEMPORARY USE BY DECLARANT ON COMMON AREA.

Notwithstanding any provisions herein contained to the contrary, during the period of construction or sale, it shall be expressly permissible for Declarant to maintain upon the Common Area, without charge, such facilities as in the sole opinion of Declarant may be reasonably required, convenient or incidental for construction of sales purposes, including but not limited to, a business office, storage area, construction yards and structures, signs, model Dwelling Units and sales offices. For sales purposes, Declarant, its agents and prospective purchasers also shall have the right to use and enjoy the Common Area at any and all reasonable times, without charge, and without permission from any Owner or the Association being required. It is further provided that the temporary use by Declarant of the common area shall not encumber or affect the individual dwelling unit owners' non-exclusive easement for use and enjoyment.

Section 3. PROHIBITIONS; WASTE; ALTERATIONS OF COMMON AREA OR DWELLING UNIT EXTERIOR.

All use and occupancy of the Common Area shall be subject to and governed by the Rules. No damage or waste shall be committed to the Properties. No Owner shall alter any of the Common Area or any Dwelling unit exterior without the prior written consent of the Association. Nothing shall be done within the properties which would impair the structural integrity of any improvement located on the properties.

Section 4. NO IMPERILING OF INSURANCE.

Nothing shall be done within the properties which might result in an increase in the premiums of insurance obtained for any portion of these Properties or which might cause cancellation of such insurance, except with the prior written consent of the Board.

Section 5. NO VIOLATION OF LAW.

Nothing shall be done within the Properties which would be in violation of any statute, rule, ordinance, regulation, permit or validly imposed requirement of any governmental body.

Section 6. NUISANCES; OFFENSIVE ACTIVITY; HAZARDOUS
ACTIVITY; DUMPING GROUND; GARBAGE STORAGE
AND DISPOSAL.

No noxious or offensive activity shall be carried on upon the Common Area, nor shall anything be done thereon which may be, or may become an annoyance or nuisance to the neighborhood. No activity shall be conducted on any part of the properties which is or might be unsafe or hazardous to any person. No part of the Common Area may be used as a dumping ground for garbage, trash or other waste, and the same shall be disposed of in a sanitary manner. All equipment for the storage or disposal of garbage, trash, and waste shall be kept in a clean and sanitary condition. Garbage, trash or waste disposal shall be made in such a manner as may be established by the Association, provided that each owner shall be responsible to keep their yard area free of litter, garbage, pet excretions, and other refuse without regard to the source of such litter, and the burning of garbage, trash or waste in outside incinerators, barbecue pits or the like is strictly prohibited. Owners shall not permit or allow any garbage, trash or other waste to be placed in front of their premises except on the day of garbage collection and only in proper containers as required by the Association.

Section 7. SIGNS; EXCEPTION AS TO DECLARANT.

No signs, billboards or advertising devices of any nature except "for sale" signs in compliance with Rules of the Association shall be erected or maintained on any part of the Properties; provided, however, the foregoing shall not apply to the business activities, advertising, or to the construction and maintenance of structures, of any of Declarant while any portion of the Properties remains unsold. The Association may erect signs or notices for identification purposes in accordance with the applicable state and municipal laws or codes.

Section 8. PETS.

No animals, livestock or poultry of any kind shall be raised, bred or kept on any of the Properties except that dogs, cats, or other household pets may be kept provided that they are not kept, bred or maintained for any commercial purpose, and shall be subject to the rules of any governmental ordinance or law. Dogs shall be leashed at all times when outside a Dwelling Unit and shall be confined for excretion to such areas as may be designated by the Association. Pets constituting a nuisance may be ordered by the Board to be kept within the Dwelling Unit of the owner or ordered expelled from the Properties. No more than one household pet may be kept without the written permission of the Association. Any Owner who causes any animal to be brought or kept within the project shall indemnify and holds 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.

Section 9. TRASH AND UNSIGHTLY USES; ASSOCIATION RIGHT
TO ENTER AND REMOVE; VIEW FROM COMMON AREA
OR DWELLING UNIT.

Refuse piles or other unsightly objects and materials shall not be placed or remain upon the Common Area or any Dwelling Unit exterior. The Association shall have the right to enter upon any Dwelling Unit exterior and to remove such refuse piles or other unsightly objects and materials at the expense of the Owner, and upon due notice to owner and failure of Owner to comply with this Section, such entry shall not be deemed a trespass. The Association shall make Rules concerning trash, storage, and collection. No clotheslines or drying yards shall be permitted. Garbage cans, equipment, coolers, or wood storage piles shall be located as not to be visible from the street and/or Common Area or any other dwelling unit within the project.

Section 10. MINERAL EXPLORATION.

No portion of the Properties shall be used to explore for or to remove any water, soil hydrocarbons, or other materials of any sort.

Section 11. TREES, SHRUBS, AND WATER; ALTERATION
OR OBSTRUCTION OF DRAINWAYS.

The removal of trees, shrubs and other improvements from the Common Area shall be prohibited without the express written approval of the Board. No person shall permit water to be introduced or placed into or on the soil anywhere within the Common Area without the express written approval of the Board. No person other than the Association shall alter any Drainway anywhere on the Properties or permit the same, by act or omission, to become obstructed in any manner, but nothing herein shall relieve any Owner of his duty to maintain drainways as otherwise provided.

Section 12. PARKING.

No Owner shall permit a vehicle of any type or other object whatsoever to be parked anywhere on the streets. All visitor and guest parking must be on either the Owner Unit driveway or in the designated guest or visitor Common Area parking areas. No commercial type of vehicle, truck or recreational vehicle shall be parked on the streets and/or Common Area except as above described. For purposes of this Declaration, a Recreational Vehicle shall include: boats, motor homes, motor coaches, buses, pick-up trucks with camper tops or similar accessories, camping trailers or trailers of any type. Except as hereinafter provided, no unused vehicle shall be stored or parked on the streets and/or Common Area except in areas as may be designed by the Association. "Unused vehicle" shall be defined as any vehicle which has not been driven under its own propulsion for a period of one (1) week or longer. A written notice describing the "unused vehicle" and requesting removal thereof may be personally served upon the Owner, and if such vehicle has not been removed within seventy-two (72) hours thereafter, the Board shall have the right to remove the same without liability to it, and the expense thereof shall be charged against the Owner. If such owner shall be a member of the Association, the cost thereof may be added to his regular assessment.

Section 13. MECHANIC'S LIENS.

No labor performed or materials furnished with the consent or at the request of an owner, his agent, contractor, or subcontractor shall create any right to file a mechanic's lien against the dwelling unit of any other owner who does not consent to or request the same or against any interest in the Common Area. Each contracting or consenting owner shall indemnify, defend and hold harmless the Association and each of the other owners from and against liability arising from the claim of any lien or against the dwelling units or labor performed or for material furnished at the request of the contracting or consenting Owner. At the written request of any owner, the Association shall enforce such indemnity by collecting from the contracting or consenting owner the amount necessary to discharge any such lien and all costs incidental thereto, including attorney's fees and expenses. Said expenses shall be added to the Owner's regular assessment.

Section 14. RULES

Every Owner, his guests, members of his family, servants, employees, invitees, lessees and licensees, shall adhere strictly to the Rules.

Section 15. UTILITIES.

The Owner of each Lot shall provide the required facilities to receive electric service, cable TV, telephone service, and other utilities, leading from the sources of supply to any improvements erected on such Lot by means of underground service conductors installed, owned and maintained by the Owner in accordance with plans and specifications furnished by the suppliers of such services. No Owner shall demand or require the furnishing of such services through or from overhead wiring facilities so long as underground distribution systems are available.

Section 16. FENCES AND YARDS.

As provided in Article VII, the Association shall be responsible for, including but not limited to, all landscaping, lawns, shrubbery, and trees located in all Common Areas and surrounding adjacent to all dwelling units. All fencing shall be maintained by the Association for both Common Areas and Unit Housing. As provided herein, the Association shall assess each dwelling unit for the Association's costs in such maintenance. No additional fencing, structures, out buildings, trees or other landscaping shall be permitted on any dwelling unit without written approval from the Association. The Association shall provide in its rules, sufficient restriction on the use of back yard space of each dwelling unit in order to maintain the integrity and consistency of such areas as an open and green area.

Section 17. WINDOW COVERINGS.

All windows shall have interior window coverings as defined herein. No other substances shall be used as a window covering, without the express written consent of Association. No outside window coverings shall be used.

ARTICLE VI.

ARCHITECTURAL CONTROL

Section 1. APPROVAL OF PLANS AND SPECIFICATIONS BY
ARCHITECTURAL CONTROL COMMITTEE; FEES.

No residence, building, wall, storage, structure, awning or fence shall be commenced, erected, placed or altered (including the color thereof) on any Lot until the plans and specifications showing the nature, kind, shape, height, materials and locations of such have been submitted to and approved in writing as to quality of workmanship and materials, and conformity and harmony of exterior design with existing structures, and location with respect to existing buildings, topography and finished ground elevation, by an Architectural Control Committee appointed by the Association, nor shall interior changes in a Dwelling unit of a structural nature be permitted prior

to the approval of said Architectural Control Committee. The Association in its sole discretion, may request a reasonable fee for review of said plans.

Section 2. FAILURE TO APPROVE OR DISAPPROVE.

If the said Architectural Control Committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted in writing to the Association for consideration by the Architectural Control Committee, such approval will be deemed to have been given.

Section 3. ADDITIONAL LANDSCAPING.

The Architectural Control committee may allow the additional landscaping by any owner unless it is determined by them to be or become a nuisance to other owners or a threat to the structural and anesthetic integrity of the improvements on the properties.

Section 4. COMMITTEE ADDRESS.

All plans and specifications which must be submitted in writing for approval hereunder shall be submitted to said Architectural Control Committee at the following address:

W. P. Atkinson, II
8901 Southeast Fifteenth Street
Mailing Address: Post Office Box 30588
Midwest City, Oklahoma 73140

Or to such other address as may hereafter be given in writing to Owners by the Association or by said Architectural Control committee.

Section 5. ORGANIZATION; APPOINTMENT BY BOARD;
APPOINTMENT BY DECLARANT; STAGGERED
MEMBERSHIP; COMPENSATION; REPLACEMENT
MEMBERS.

The Architectural Control Committee shall consist of three persons appointed by the Board of Directors. Declarant shall have the right to appoint the initial Committee members whose terms shall expire two (2) years from the date of the filing of this Declaration and said members need not be Owners. Thereafter, Committee members shall be appointed by the Board of Directors and must be Owners. One Committee member shall serve for one year; one Committee member shall serve for two years; and one Committee member shall serve for three years; and the Board of Directors shall appoint Committee members to replace those whose terms expires. All replacement committee members shall have terms of three years. Members of such Architectural Control Committee shall not be entitled to any compensation for services performed. In the event any committee member shall die or resign, the Board shall appoint a replacement to serve out the term of such committee member.

ARTICLE VII.

THE ASSOCIATION

Section 1. DUTIES AND RESPONSIBILITIES OF OLDE TOWNE COMMUNITY ASSOCIATION, INC., OWNER AND MANAGER OF COMMON AREA.

Declarant has caused to be incorporated as a non-profit corporation OLDE TOWNE COMMUNITY ASSOCIATION, INC., the By-Laws of which are attached as Exhibit "C", and has designated the Association to be the owner and manager of the Common Area. Any purchaser of a Dwelling Unit shall be deemed to have assented to, ratified, and approved such designation and management. Said Association shall have the following duties, rights and powers:

a) Assessment Collection.

To collect monthly or periodic assessments, equitably prorated, from Owners; to collect delinquent assessments by suit or otherwise; and to collect such other assessments as are herein authorized.

b) Meet Expenses.

From funds collected, to provide for maintenance, management, insurance and such other expenses as are enumerated in this Declaration.

c) Property Dealing.

To lease, acquire and sell real or personal property in pursuance of its obligations.

d) Entry Into Units.

To enter into and upon Dwelling Units when necessary with as little inconvenience as possible to the occupants concerned in connection with the duties outlined in this Declaration.

e) Violation Enforcement.

To enjoin or seek damages from the Owners for violation of the declaration, the Articles of Incorporation of the Association, the By-Laws or the Rules.

f) Property Manager Duties: Management Agreement.

To employ workmen and others; to contract for services to be performed, including those of a Manger; to purchase supplies and equipment; to enter into contracts; and generally to have the powers of a property manager in connection with the matters herein set forth, except that the Association may not encumber or dispose of the fee title of any Owner except to satisfy a lien, award or judgment against such Owner for violation of the Owner's covenants imposed by this Declaration. The Association shall not enter into any contract or management agreement for the furnishing of services (other than utility services), materials or supplies, the term of which is in excess of one year; and further provided that any contract or management agreement entered into (excluding those utilities) by the Association shall be terminable by the Association for cause upon thirty (30) days written notice or without cause or payment of a termination fee upon ninety (90) days written notice.

g) Exterior Lot Maintenance.

In addition to the Maintenance upon the Common Area, the Association shall provide exterior lot maintenance upon each lot which is subject to assessment hereunder, as follows:

The maintenance and repair of all fences, and the care for all trees, shrubbery, grass, lawns, and other landscaping to include all mowing, trimming, watering, fertilizing, and otherwise caring for all such landscaping.

h) Protect Properties.

To protect and defend the Properties from loss and damage from suit or otherwise.

i) Employ Professionals; Audit; Inspection Rights.

To employ counsel, attorneys and auditors in connection with legal matters of the Association and in connection with the audit of its books and records, which audit shall be made at least once a year and shall be available to Owners and first mortgagees, as hereinafter provided, for inspection at the Association office.

j) Deposit Funds.

To deposit funds in the hands of the Board which are not necessary for immediate disbursements in savings accounts of national or State Banks or Savings and Loan institutions earning the standard rate of interest and insured.

k) File Zoning or Variance Protests.

To file legal protests, formal or informal, with authorities against the granting by authorities of zoning ordinances or variances as to any property within reasonable proximity of the Properties which might affect the value of the owner's interest in the Properties.

Section 2. MEMBERSHIP; AUTOMATIC AND MANDATORY;
EFFECTIVE DATE OF MEMBERSHIP.

Any person acquiring a fee simple record ownership interest in a dwelling unit shall automatically become a member of the Association. Such ownership interest shall be the sole qualification for membership. Upon the sale or transfer of a dwelling unit by an owner, that person's membership shall terminate and shall be automatically transferred to the purchaser or transferee. Membership shall be appurtenant to and may not be separated from ownership.

Section 3. VOTING RIGHTS; BOARD MEMBERSHIP.

The Association shall have two classes of voting membership:

Class A. Class A members shall be all owners, with the exception of Declarant, and shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as determined by the members, but in no event shall more than one vote be cast with respect to any lot.

Class B. Class B members shall be the Declarant (as defined in the Declaration), and shall be entitled to three (3) votes for each lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either paragraphs A or B, whichever occurs earlier. Further, the exclusive right to vote for the election of members of the Board of Directors shall be vested in the Declarant or its successors or assigns until the first occurring of paragraphs A or B below:

- (A) 120 days after completion of transfer of 80% of the total number of units; or
- (B) Three (3) years from the date of filing of this instrument.

Section 4. INDEMNIFICATION OF MANAGER, EMPLOYEES, DIRECTORS AND OFFICERS;
MISFEASANCE OR MALFEASANCE.

The Manager, employees of the Association, and each director and officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon them in connection with any proceeding to which they may be a party, or in which they may become involved by reason of being or having acted as such upon behalf of the Association; provided, that this indemnification shall not apply if the said person is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided, further, that in the event of a settlement, the indemnification herein shall apply only when the Board approves such settlement and reimbursement as being for the best interest of the Association. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which such person may be entitled.

Section 5. LIMITATION UPON LIABILITY OF ASSOCIATION.

Notwithstanding the duty of the Association to maintain and repair parts of the Properties, the Association shall not be liable for injury or damage, other than the normal costs of the maintenance and repair caused by the conduct of the Owners or persons or by casualties for which insurance is not provided by the Association.

ARTICLE VIII.

ASSESSMENTS

Section 1. DECLARANT SUBJECT TO REDUCED ASSESSMENTS
PURSUANT TO PHASING.

Declarant, its successors or assigns, in accordance with the three step phasing of said project, shall be subject to a scaled down assessment equal to twenty-five percent (25%) of the normal assessment chargeable to other unit owners; however, in no event shall Declarant be assessed upon units contained in a step or steps of phasing not under way provided further, upon the first occupancy of any unit heretofore subject to scaled down assessment, the normal assessment for other unit owners shall be owing, notwithstanding that ownership is retained by Declarant.

Section 2. ASSESSMENTS; REGULAR AND SPECIAL;
PERSONAL OBLIGATION; DUE DATES;
PRO-RATA SHARE.

Each Owner, by acceptance of a deed, agrees to pay the Association regular assessments or charges and special assessments, both to be fixed, established and collected from time to time as herein provided. Such assessments, together with interest and the cost of collection in the event of delinquency in payment as allowed in

Section 7 of this Article, shall be the personal obligation of the person who was the owner, or of the persons, jointly and severally, who were the Owners at the time when the assessment was made. Payment of the assessments made shall be paid by the Owners to the Association as of the date of closing the original purchase of an Owners' Dwelling Unit and prorated if upon a date other than the due date of an assessment, and thereafter in monthly or other periodic installments commencing on the first day of each month or period following the closing. The prorata share of assessments of each Owner shall be in accordance with Exhibit "B" Assessment Schedule.

Section 3. PURPOSE OF ASSESSMENTS; MANAGEMENT
AND MAINTENANCE; RESERVES; REPAIRS
RESULTING FROM NEGLIGENT ACTS.

The assessments levied by the Association shall be used exclusively for the management and maintenance of the Common Area and Dwelling Units and for the performance of all other duties and obligations incurred by the Association pursuant to the Declaration, including, but not limited to; the provision of services and facilities related to the use and enjoyment of the Common Area; the provision of services and maintenance of all fences and trees, lawns, grass, shrubbery, and other landscaping located adjacent to each unit dwelling and exterior to the same on each lot; the maintenance, repair and replacement of underground utilities except those utilities and services provided by and dedicated to the City, drainways, lighting, walkways, and Dwelling Unit Exteriors (only as hereinafter provided); provision for snow removal, grounds upkeep, sprinkler systems, landscaping, water and sewer maintenance, recreational programs; the operation and maintenance of recreational facilities, including personnel necessary for implementation, administration, expenses, working capital, rental and acquisition of real or personal property; and such expenses as the Association, in its opinion, shall determine to be necessary and desirable including the establishment and maintenance of a cash reserve and a sinking fund for all of the foregoing purposes, including but not limited to, an adequate reserve fund for the maintenance, replacement and repair of those elements of the Common Area which must be replaced on a periodic basis, to be charges against the owners as part of their regular assessment. In the event repairs are required resulting from negligent acts of an Owner, or the Owner's family, guests, employees, invitees, or lessees, the Association shall be reimbursed forthwith by such Owner therefor.

Section 4. BASIS OF ASSESSMENTS.

a) Utility Charges.

Gas, water, sewer, electricity and all other public utility charges incurred in operation and maintaining the Common Area, based upon actual charges levied by the respective public utility or municipality.

b) Common Area Expenses; Special Fees.

Maintenance, repair, replacement, administration and operation of the Common Area, including recreational facilities, all of which expense may take into account any sinking fund established for future expected expenditures. A separate fee may be levied by the Association for participants in a special program for supplies for specialized classes, or for special tours, functions, or other activities, all of which activities are to be voluntary only. Such separate fee is not to be considered a Common Area Expense.

c) Dwelling Unit Exterior Maintenance.

Maintenance, repair and replacement of the Dwelling Unit Exteriors (only as hereinafter provided).

d) Exterior Lot Maintenance.

Maintenance, repair and replacement of all fences, and care for, including but not limited to, mowing, watering, fertilizing, all landscaping including trees, shrubbery, lawns, grass, and such related landscaping located on the owners exterior lot.

e) Individual Assessments

The Association shall have the right to add to any Owner's assessment as provided in this Article those amounts expended by the Association for the benefit of any individual dwelling unit and the Owner thereof, for repairs and replacements caused by the negligent or willful acts of any Owner, his family, guests, employees, licensees, lessees or invitees.

f) Levy of Assessments; Estimation of Assessments;
Adjustment; Actual Overage and Shortage.

During the last month of each fiscal year, the Board shall determine the estimated annual assessment payable periodically during the following year by each Owner; provided, however, that said assessments may be adjusted upon a finding of necessity by the Board, but no more than twice in any one year. As soon as practicable after the close of each fiscal year, actual expenses shall be totaled and any overages or shortages of actual expenses and assessments made shall then be charges or refunded to the Owner.

g) Non-Exemption.

No Owner shall be relieved from payment of any assessment or charge by waiver or suspension of the use of any of the Common Area or by the abandonment or leaving of a Dwelling Unit.

Section 5. SPECIAL ASSESSMENTS; ASSENT OF
OWNERS AND MORTGAGEES.

In addition to the assessments authorized above, the Board may levy special assessments for the purpose of defraying the cost of any construction or reconstruction, unexpected structural repairs or replacement or capital improvements, including the necessary fixtures and personal property related thereto. Such assessment must have assent of two-thirds (2/3) of the voting rights as set forth by Article VII Section 3, of the members (both Class A and B), and mortgagees voting in person or by proxy at a meeting duly called for such purpose at the annual meeting. Written notice shall be sent to all members of record and first mortgagees not less than fifteen (15) days nor more than thirty (30) days in advance of the meeting, setting forth the purpose of the meeting.

Section 6. INITIAL CAPITAL CONTRIBUTION.

The Association shall levy and collect from each Owner at the closing when the Owner acquires a Dwelling Unit the sum equal to six (6) times the original estimated monthly assessment apportioned to his Dwelling Unit. Said sum may be used by the Association for working capital, for application against a delinquent account of an Owner, or for emergency needs, and shall be refunded to the Owner (except as hereinafter provided) upon the sale or transfer of his Dwelling unit less any amount then due by said Owner to the Association. Such amount may be transferred to a new Owner upon a settlement sheet adjustment between a seller and purchaser. Deficiency amounts in any Owner's account shall be promptly restored upon request by the Board to maintain an amount equal to six (6) times the original estimated assessment for such Dwelling Unit. The existence of this reserve account shall in no way relieve any Owner from his duty to pay his assessments when due.

Section 7. NON-PAYMENT OF ASSESSMENTS.

- a) Late Charge; Interest Acceleration; Costs;
Attorney Fees; Voluntary Payment by Mortgagee.

Assessments and fees shall be due and payable on the first day of each month or the first day of the period fixed for payment of the assessment or fees, and shall become delinquent unless paid ten (10) days thereafter. All unpaid assessments and fees shall be subject to a late charge for non-payment as may be determined from time to time by the Board. If such fees or assessments are not paid within thirty (30) days after the due date, they shall bear interest from the date of delinquency at the rate of six per cent (6%) per annum or other reasonable rate fixed by the Board and uniformly applied. Failure to make payment within thirty (30) days of the due date thereof shall also cause the full amount of such Owner's estimated annual assessment for the remainder of that year to become due and owing at once, at the option of the Board. In the event it shall become necessary for the Board to collect any delinquent assessments or fees, whether by foreclosure of a lien hereinafter created or otherwise, the delinquent Owner shall pay, in addition to the assessment and late charge and interest hereinabove provided, all costs of collection, including a reasonable attorney's fee and costs incurred by the Board in enforcing payment. 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.

- b) Lien; recording; Foreclosure; Subordinate to
Recorded First Mortgage; Rental; Possession by
Association.

The Association is hereby granted a lien against the Owner's Dwelling Unit for any payment or payments which the Owner fails to make within thirty (30) days after the due date; provided, however, that (1) such lien shall be effective only upon recordation of a notice thereof in the office of the Clerk and registrar of Deeds of Oklahoma County, State of Oklahoma, and each Owner, by accepting a Deed to his Dwelling Unit, designates any one of the officers of the Association or its duly appointed Manager as agent with full irrevocable power and right to record a notice of said lien in favor of the Association; (2) a lien accruing hereunder shall be foreclosed in the same manner as provided by the laws of the State of Oklahoma for foreclosure of mortgages on real property; and (3) such lien shall be subject and subordinate to and shall not affect the right of a holder of any recorded first mortgage now or hereafter placed on the Dwelling Unit in good faith and for value. The lien hereby given shall also be a lien upon all of the rents and profits of the encumbered Dwelling Unit. In the event of foreclosure, the Owner shall be required to pay reasonable rental to the Association for occupying the same during the period of the foreclosure and, if after the filing of a foreclosure action, the Owner's Dwelling Unit is left vacant, the Board may take possession and rent said

Dwelling Unit or apply for the appointment of a receiver for the Dwelling Unit without notice to the Owner. In addition to the lien herein granted, the Board shall have the right to bring an action at law against any owner who fails to pay any amounts assessed against his Dwelling Unit and obtain a judgment for the amount of the assessments due plus costs as herein provided. The Boards shall have the power to bid at the foreclosure sale, and if title is obtained, hold, lease, mortgage and encumber or convey the same.

c) Sale Does Not Release Lien.

Sale or transfer of any interest by an Owner shall not affect or release any lien granted the Association herein.

d) Foreclosure Conveyance Extinguishes Lien; Unpaid
Amounts Common Expense; Mortgagee Obtaining Title.

In the case of the conveyance of a Dwelling Unit pursuant to foreclosure proceedings or by deed in lieu of foreclosure, such transfer of title shall extinguish the lien for all unpaid assessments made by the Association becoming due before the date of transfer of title or date of first possession, whichever comes first. The amount remaining unpaid with respect to which the lien is extinguished shall be deemed to be a Common Area expense collectible from all the Owners as such, without prejudice to the right of the Association to recover such amount from the delinquent Owner. 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, 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. It is further provided that any first mortgagee who obtains title to a dwelling unit pursuant to the remedies provided in the mortgage shall not be liable for the share of the common expenses or assessments chargeable to such dwelling unit which became due prior to the acquisition of title to such unit by said first mortgagee.

Section 8. 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 the OLDE TOWNE COMMUNITY ASSOCIATION, INC., c/o W. P. Atkinson, II, 8901 Southeast Fifteenth Street, Mailing Address: Post Office Box 30588, Midwest City, Oklahoma 73140, 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, Brent D. Coldiron, Attorney at Law, Suite 724, Del State Bank Tower, 3000 Tower Drive, Del City, Oklahoma 73115.

ARTICLE IX

MAINTENANCE

Section 1. MAINTENANCE OF THE COMMON AREA.

The Association shall provide for the care, operation, management, and repair of the Common Area. Without limiting the generality of the foregoing and by way of illustration, the Association shall keep the Common Area in good, clean, attractive and sanitary order and repair; may arrange to be furnished to the Common Area and each of the Dwelling Units water, sewer, electricity, cable TV, gas, and all other necessary utility services (Dwelling Units may be separately metered for any or all of such services, in which event the obligation to pay for such services shall be that of the Owners with respect to their Dwelling Units); may maintain and replace all or any portion of the landscaping; may provide for rubbish collection; may remove snow, ice and other materials from the streets and walkways; shall keep the Properties safe, attractive and desirable; and may make necessary or desirable alteration or improvements to the Common Area. Nothing herein shall be construed as a waiver of any right by the Association to recover for any damage or expense incurred as the result of the willful or negligent action or omission of any person.

Section 2. MAINTENANCE.

In addition to the maintenance upon the common area, the Association shall provide maintenance, repair and replacement of all fences, and care for, including but not limited to mowing, watering, fertilizing, and landscaping, including trees, shrubbery, lawns, grass and such related landscaping located on the owner's exterior lot, and exterior paint of all dwellings. No owner of a dwelling unit shall be permitted, without written consent of the Association, to perform the maintenance, repair and/or care provided for in this Section.

Section 3. OTHER MAINTENANCE OF DWELLING UNITS; FAILURE OF OWNER TO MAINTAIN.

Except as otherwise provided in Article IX, Section 2, the unit owner will be responsible for the maintenance, repair and replacement of his dwelling unit and in the event an owner of any lot in the properties shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the Board of Directors, the Association, after approval by two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon said parcel and to repair, maintain, and restore the lot and the exterior of the buildings, and any other improvements erected thereon. The cost of such exterior maintenance shall be added to and become part of the assessment to which such lot is subject.

Section 4. OWNER DUTY TO INSPECT PREMISES AND TO
NOTIFY ASSOCIATION OF DEFECTS.

Each owner shall have the duty to make reasonable inspections of his Dwelling Unit, from time to time, to determine if said Dwelling Unit contains any obvious defects including proper drainage for which the Association or Declarant is or may be liable. In the event of discovery of such a defect, the Owner also shall have the duty immediately to give written notice of the defect to the Association.

Section 5. DUTY TO REPAIR DEFECTS; FAILURE TO
REPAIR.

In the event a defect as described in Section 3 above may affect the Dwelling Unit or Dwelling Unit Exterior of any other Owner of the Common Area, the Owner whose Dwelling Unit or Dwelling Unit Exterior has the defect shall repair the same in a workmanlike fashion within a reasonable time following discovery thereof. Upon the failure of such Owner to so repair, the Association shall have the duty to enter into and upon the Dwelling Unit and effect such repair. The cost of such repair shall be chargeable to such Owner by assessment or otherwise.

Section 6. WILLFUL OR NEGLIGENT ACTS.

In the event that any maintenance, repair or other work is required because of the willful or negligent action or lack of action of any owner, his family, guests, tenants, invitees, lessees or licensees and such maintenance, repair or other work is not covered or paid for by insurance for the benefit of the Association, the Board may perform such work or cause the same to be performed at such Owner's cost and expense and may make an assessment to recover payment thereof against such Owner, provided, except in the event of an emergency, any such Owner shall be given ten (10) days' prior notice within which to perform the required maintenance, repair or work.

ARTICLE X.

INSURANCE

Section 1. MASTER POLICY; PUBLIC LIABILITY.

The Association shall carry a blanket insurance policy from an insurance company qualified to do and conduct business in the State of Oklahoma and holding a rating of Best's Insurance Reports of Class VI or better, the limits of coverage of which insurance shall be reviewed annually by the Board of Directors, of fire and extended coverage and, if required by law, workmen's compensation insurance (all of which hereinafter referred to as the "Master Policy"), with respect to the project and the Association's administration thereof in accordance with the following. If the project is located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards, a "blanket" policy of flood insurance on the project must be maintained in the amount of the aggregate of the outstanding principal balances of the mortgage loans on the Units comprising the project or the maximum limit of coverage available under the National Flood Insurance Act of 1968, as amended, whichever is less. The Board of Directors shall also obtain and maintain, to the extent obtainable, public liability insurance in such limits as may from time to time be determined necessary, covering all of the common areas in the

project. Such insurance policy shall contain a severability of interest endorsement which shall preclude the insurer from denying the claim of a Unit Owner because of negligent acts of the Association or other Unit Owners. The scope of coverage must include all other coverage in the kinds and amounts required by private institutional mortgage investors for projects similar in construction, location and use. Coverage shall be for at least \$1,000,000.00 per occurrence, for personal injury and/or property damage. The Association shall use its best efforts to see that the liability insurance carried by the Association shall contain cross-liability insurance endorsements, or appropriate provisions to cover liability of the Owners, individually and as a group, to another Owner.

Said master policy and the endorsements made a part thereof may provide for such deductibles from any amounts otherwise payable thereunder as the Association may determine, and shall also (i) provide that the insurer issuing said policy agree to abide by the decision of the Association whether to repair, reconstruct or restore all or any damaged or destroyed portion of the Common Areas covered thereby, (ii) contain no "escape or "other insurance" clause that would cause said policy to become void in whole or in art or cause any proceeds payable thereunder to be reduced, set off, apportioned, prorated or otherwise brought into contribution with or by reason of separate insurance contained by or for any owner or his Mortgagee, (iii) provide that only improvements made or installed by the Association shall affect the valuation of any Building or Improvement on the project for co-insurance purposes, (iv) provide for at least an annual insurance review which shall include an appraisal of all buildings, improvements and personal property of the Association located on or within the project required to be insured hereby by a representative of the insurer issuing said master policy, (v) contain a waiver of said insurer of any or all rights of subrogation against any Owner, Declarant (and each member of its staff and its employees), the Association, its Board (and each member thereof), its officers (and its Board and each member thereof), its officers (and each of them), the Manager and his staff, and the agents, representatives and employees of the Association, (vi) provide that said master policy cannot be cancelled, invalidated, suspended, substantially modified, terminated, voided or expire in whole or in part by reason of any act, omission or breach of any covenant contained in this Declaration by an Owner, Declarant, the Association, its Board, its officers, the Manager and his staff, or the agents, representatives or employees of the Association without prior written demand that the Association cure such breach, and that in no event shall said policy be cancelled, invalidated, suspended, substantially modified, terminated, voided or expire for any reason without ten (10) days prior written notice from the insurer to the Association, Declarant and to any Owner and Mortgagee (vii) provide that the Board or its authorized agent or representative shall have the exclusive authority to adjust any and all losses covered by said policy, (viii) provide that the insurance obtained pursuant to this paragraph shall not be prejudiced by any act or neglect of any of the insureds when such act or neglect is not within the knowledge and control of the insureds collectively, (ix) provide that the insurance obtained pursuant to this paragraph shall not be prejudiced by failure to the insureds collectively to comply with any warranty or condition which regard to any portion of the premises over which the insureds obtained pursuant to this paragraph shall not be prejudiced by reason of the vacancy or non-occupancy of any one or more units within the project, provided that the declaration (as the same may be amended from time to time) is in force and (xi) provided that all insurance proceeds under said master policy shall be payable to the Association as trustee to be held and expended as provided in this Declaration for the benefit of the Owners and respective Mortgagees as their interests may appear.

Section 2. NAME INSURED; MORTGAGEE CLAUSE,
MODIFICATION OR CANCELLATION NOTICE.

The Master Policy shall be purchased by the Association naming the Association as the insured, as attorney-in-fact, or trustee (for all of the Owners), which policy or policies shall provide that same cannot be canceled or substantially modified until after ten (10) days prior written notice is first given to the Association and each first mortgagee. All policies of hazard insurance must contain or have attached the standard mortgagee clause commonly accepted by private institutional mortgage investors in the area in which the mortgaged premises are located.

Section 3. FIDUCIARY LIABILITY INSURANCE.

The Board of Directors shall also obtain and maintain to the extent maintainable, professional and fiduciary liability insurance coverage against dishonest acts on the part of directors, managers, trustees, employees or volunteers responsible for handling funds belonging to or administered by the Association. The fidelity bond or insurance must name the Association as the named insured and shall be written in an amount sufficient to provide protection which is in no event less than one and one-half times the estimated annual operating expenses and reserves. In connection with such coverage, an appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers.

Section 4. OTHER PERILS.

The Association may, in its sole discretion, elect to carry insurance to cover other perils.

Section 5. MORTGAGEE'S RIGHTS; DISTRIBUTION OF
INSURANCE PROCEEDS.

In the event of substantial damage to, or destruction of any part of the Common Area, any distribution of insurance proceeds hereunder shall be made to the Owner and their respective mortgagees, as their interests may appear, and no Owner or other party shall be entitled to priority over the first mortgagee of a Dwelling Unit with respect to any such distribution; provided, however, that nothing in this Section 5 shall be construed to deny the Association the right to apply any such proceeds to repair or replace damaged portions of the Common Area. The Association shall notify the appropriate Mortgagee forthwith whenever damage to the Common Area exceeds \$10,000.00.

Section 6. INSURANCE OBLIGATION OF OWNERS.

Each owner of a lot upon which a residence is constructed shall obtain fire and extended coverage insurance to the extent of full replacement value of all buildings constructed on such Owner's lot. Any policy obtained shall provide that it may not be cancelled except upon ten (10) days' written notice to the Association. Each such Owner shall pay for such fire and extended coverage insurance when required by the policy therefor, and if the Owner failed to obtain such fire and extended coverage insurance, or fails to pay such insurance premiums as required, the Association may (but shall not be obligated to) obtain such insurance and/or make such payments for such Owner, and add to the cost of such payments, as a special assessment, to the normal assessment of such Owner.

ARTICLE XI.

MORTGAGEE'S RIGHTS

Section 1. NOTICE AND DOCUMENTS TO AND RIGHTS OF
MORTGAGE.

Each holder of a first mortgage on any Dwelling Unit shall, upon written request by such holder to the Board, receive any of the following:

- a) 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 Dwelling Unit covered by the mortgage;
- b) 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;
- c) Copies of notices of meetings of the owners and the right to be represented at any such meetings by a designated representative;
- d) Notice of the decision of the Owners or the Association to make any material amendments to this Declaration, the By-Laws, or the Articles of Incorporation of the Association.
- e) Notice of substantial damage to or destruction of any Dwelling Unit or any part of the Common Area;
- f) Notice of commencement of any condemnation or eminent domain proceedings with respect to any part of the Common Area;
- g) Notice of any default of the holder'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;
- h) The right to examine the books and records of the Association at any reasonable time.

Section 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 thereof 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 Dwelling Unit, the Association shall honor the most recent request received.

Section 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 Lot 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 subject to this Declaration.

Section 4. MORTGAGE VOLUNTARY PAYMENT.

First mortgagees of Units may, jointly and 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.

ARTICLE XII.

CONDEMNATION PROCEDURE

Section 1. CONDEMNATION OF COMMON AREA.

In the event of a proceeding in condemnation or partial condemnation of any common area by any governmental authority authorized so to do, the holder of a first mortgage to a dwelling unit shall be entitled to priority over all parties with respect to any distribution of condemnation proceeds of common area.

Section 2. LIEN HOLDERS.

When a condemnation of a Dwelling Unit occurs and the Dwelling Unit is subject to an encumbrance, the Association shall send written notice forthwith to all holders of first mortgages covering any Dwelling Unit affected thereby. The proceeds due the Owner by reason of such condemnation shall be paid to the holder of the encumbrance. The holder of a first mortgage shall be entitled to priority over all other parties with respect to any distribution of condemnation proceeds. Any excess amount not required to clear encumbrance shall be paid to Owner.

ARTICLE XIII.

PARTY WALLS

Section 1. PARTY WALL.

The Owner shall possess, in fee simple, that portion of the Party Wall lying within his Unit. 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 is an infringement of the adjoining Dwelling Unit Owner's rights in the Party Wall absent written agreement between such Owners. In the event that any portion of any structure, originally constructed by Declarant, including any Party Wall, shall protrude over an adjoining Dwelling unit, such structure shall not be deemed to be an encroachment upon the adjoining Dwelling unit nor shall any action be maintained for the removal or for damage because of such protrusion. It shall be deemed that said Owner has granted maintenance and use of any such protrusion. The foregoing shall apply to any replacements of any Party Wall if the same are constructed substantially in conformity with the original Party Wall constructed by the Declarant.

Section 2. DESTRUCTION.

If a party wall is destroyed or damaged by any casualty, the Owners of Dwelling Units abutting such Party Wall shall jointly restore it substantially to its original form, and they shall contribute equally to the cost of restoration thereof without prejudice, however, to the right of any such Owner to call for a larger contribution from the other Owner under any 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 Dwelling Units abutting such a Party Wall are obligated hereby to restore it in its substantially original condition. Notwithstanding any other provisions of this Article, 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 Dwelling 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 Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

ARTICLE XIV.

DURATION AND AMENDMENTS

Section 1. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of, twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the lot owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the lot owners. Any amendment must be recorded.

Section 2. Mortgagees Rights. The above notwithstanding, the prior written approval of all holders of first mortgages on the dwelling units will be required for any of the following:

- (a) An amendment to the Declaration which (I) changes the ratios of assessments against Owners or (ii) amends this Article, Section, or any other provision which specifically grants right to Mortgagees hereunder;
- (b) The alienation, partition, subdivision, release, transfer, hypothecation or other encumbrance of the Common Area after such Common Area has been conveyed to the Association subject to Declarant's rights herein; 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.
- (c) The abandonment of the development or the removal of any part or all of the Properties from the provisions of this Declaration;
- (d) The effectuation of any decision by the Association to terminate professional management and to assume self-management of the Common Area.
- (e) The waiver of abandonment of the scheme of regulations of Architectural Control or the enforcement thereof pertaining to the architectural design or the exterior appearance of units, the exterior maintenance of units, the maintenance of the common property party walks or common fences and driveways, or the upkeep of lawns and plantings.
- (f) The failure to maintain fire and extended coverage insurance on the Common Area on a replacement cost basis in an amount not less than 100% of the insurable value (based on current replacement costs) or any decision not to use the proceeds of such insurance to repair, rebuild, replace, or reconstruct the Common Area, all as provided herein.

Section 3. Special Amendments. 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 Governmental National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Association, the Veteran's Administration, 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 to make, purchase, sell, insure, or guarantee first mortgages covering Dwelling 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. Each deed, mortgage, trust deed, other evidence of obligation or other instrument affecting a Dwelling Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power to 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 Dwelling 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 Dwelling Unit.

ARTICLE XV.

GENERAL PROVISIONS

Section 1. Enforcement at Law or in Equity; Notice to Mortgagee or 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, that 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, 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 the Articles or By-laws and any amendments thereto. A first mortgagee, upon request, will be entitled to written notification from the homeowners association of any default in the performance by the individual unit Borrower of any obligation under the Declaration, By-Laws or Rules which is not cured within sixty (60) days.

Section 2. Right to Assign. The Declarant by appropriate instrument may assign or convey to any person or all of the rights, reservations, easements and privileges herein reserved by it, and upon such assignment or conveyance being made, its assignees or grantees may at their option exercise, transfer or assign such right, reservations, easements and privileges, or any one or more of them, at any time in the same way and manner as though directly reserved by them or it in this instrument.

Section 3. Invalidity. Any provision of this Declaration invalidated in any manner whatsoever shall not be deemed to affect in any manner the validity, enforceability or effect of the remainder of this Declaration, and in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provision had never been included herein.

Section 4. Claims. No claim or cause of action shall accrue in favor of any person in the event of the invalidity of any provision of this Declaration to enforce provisions hereof. This Section may be pleaded as a full bar to the maintenance of any suit, action, or arbitration brought in violation of this provision.

Section 5. Waiver. No provision contained in this Declaration 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.

Section 6. 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 nor the intent of any provision hereof.

Section 7. Gender. The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural, and vice versa, when the context so requires.

Section 8. FHA/VA Approval. Until such time as the Class "B" membership shall expire, the following actions require the prior approval of the Federal Housing Administration or the Veterans Administration, respectively, provided there are the mortgages insured or guaranteed by either of the foregoing agencies: annexation of additional properties, dedication of the Common Area, mergers or consolidations, mortgaging of the common Area, amendment of this Declaration or of any supplementary declaration. Should such approval not be granted, or denied, within ninety (90) days of the submission by the Association of a written request for approval, such approval shall be deemed granted.

In WITNESS WHEREOF, the Declarant has caused this Declaration to be executed by its duly authorized officers and its corporate seal to be affixed on this 22 day of June, 19 81.

OLDE TOWNE DEVELOPMENT CO., LTD.
An Oklahoma Limited Partnership

STATE OF OKLAHOMA)
) ss.
OKLAHOMA COUNTY)

On this 22 day of June, 19 81, before me, the undersigned, a Notary Public in and for said County and State aforesaid, personally appeared W.P. Atkinson, II, to me known to be the identical person who signed the name of the maker thereof to the within and foregoing instrument as its President and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the 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.




NOTARY PUBLIC

My commission expires:

STATE OF OKLAHOMA)
) ss.
OKLAHOMA COUNTY)

On this 22 day of June, 19 81, before me, the undersigned, a Notary Public in and for said County and State aforesaid, personally appeared Earl Rooms, to me known to be the identical person who signed the name of the maker thereof to the within and foregoing instrument as its President and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the 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.



NOTARY PUBLIC

My commission expires:



30-84

EXHIBIT "A"

Legal description of common areas for phasing:

Phase One:

All of Lot A, Lot B and Lot C to Block Five (5), and all of Lot B, Lot D and Lot F to Block Four (4), and Lot A, Block Six (6), and Lot B, Block Two (2), to Olde Towne Addition, being a part of the northwest Quarter (NW/4), Section Twelve (12), Township Eleven (11) North, Range Two (2) West, of the India Meridian, to Midwest City, Oklahoma County, Oklahoma, according to the recorded plat thereof.

Phase Two:

All of Lot A, Lot C, and Lot E to Block Four (4), and all of Lot B, Lot D, and Lot F to Block Three (3) and Lot B, Block Six (6) and Lot A, Block Two (2), to Olde Towne Addition, being a part of the northwest Quarter (NW/4), Section Twelve (12), Township Eleven (11) North, Range Two (2) West, of the India Meridian, to Midwest City, Oklahoma County, Oklahoma, according to the recorded plat thereof.

Phase Three:

All of Lot A, Lot C and Lot E to Block Three (3), and Lot A, Block Seven (7) and Lot A, Block One (1), to Olde Towne Addition, being a part of the northwest Quarter (NW/4), Section Twelve (12), Township Eleven (11) North, Range Two (2) West, of the India Meridian, to Midwest City, Oklahoma County, Oklahoma, according to the recorded plat thereof.

EXHIBIT “B”

Assessment Schedule

Ninety-four (94) townhouses resulting in each townhouse being initially assessed Thirty Dollar (\$30.00) per unit per month (subject to subsequent modification) and any special assessments shall be assessed at 1.06383 per cent annually per unit of all approved assessments levied by Olde Towne Community Association, Inc., pursuant to its Articles of Incorporation and lawfully adopted By-Laws.

BY-LAWS
OF
OLDE TOWNE COMMUNITY ASSOCIATION, INC.

The name of the organization shall be OLDE TOWNE COMMUNITY ASSOCIATION, INC.

ARTICLE I.

PURPOSE AND PARTIES

1. Governance of Planned Unit Development Regime. The purpose for which this non-profit corporation is formed is to govern the planned unit development project known as OLDE TOWNE ADDITION, hereinafter referred to as "Project", situated in the County of Oklahoma, State of Oklahoma, which property is described in the declaration of Conditions, Covenants and restrictions ("Declaration") of OLDE TOWNE ADDITION, and which property has been submitted to the regime created by the Declaration and the Exhibits thereto, including a true and correct copy hereof. All definitions contained in said Declaration shall apply hereto and are incorporated herein by reference.
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 project, are subject to the provisions and regulations set forth in these By-Laws. The mere acquisition, lease or rental of any unit or mere act of occupancy of a unit will signify that these By-Laws are accepted, approved, ratified and will be complied with.

ARTICLE II.

MEMBERSHIP, VOTING, MAJORITY OF
CO-OWNERS ("OWNERS"), QUORUM, PROXIES

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 the 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 covenant and obligations incident thereto.
2. Voting Rights; Board Membership. The Association shall have two classes of voting membership: Class A. Class A members shall be owners, with the exception of Declarant, and shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as a determine but in no event shall more than one vote be cast with respect to any lot.

Class B. Class B members shall be the Declarant (as defined in the Declaration), and shall be entitled to three (3) votes for each lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either Paragraphs A or B, whichever occurs earlier:

However, the exclusive right to vote for the election of members of the Board of Directors shall be vested in the Declarant or its successors or assigns until the first occurring of Paragraphs A or B below.

(a) When the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B membership; or

(b) On January 1, 1985.

3. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of owners representing fifty per cent (50%) of the units 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 the unit owners either in person or by proxy shall be required to transact the business of the meeting.

4. Proxies. Votes may be cast in person or by written proxy. Proxies must be filed with the Secretary or Assistant Secretary of the Association before the appointed time of each meeting.

ARTICLE III.

ADMINISTRATION

1. Association Responsibilities. OLDE TOWNE COMMUNITY ASSOCIATION, INC., a corporation, hereinafter referred to as "Association", will have the responsibility of administering the project through a Board of Directors.

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

3. Annual Meeting. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of _____ o'clock _____.m. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

4. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors or upon written request of the members who are entitled to vote one-fourth (1/4) of all the votes of the Class A membership.

5. Notice of Meetings. It shall be the duty of the Secretary or Assistant Secretary of the Association to mail a notice of each meeting, stating the purpose thereof, 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.

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.

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 IV.

BOARD OF DIRECTORS

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 from three (3) to five (5) persons appointed by Declarant. At such first meeting, there shall be elected any three (3) to five (5) members of the Association to the Board of Directors and who shall, thereafter, govern the affairs of this Association until their successors have been duly elected and qualified.

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 residential project. 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.

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 project:

- a) Administration. To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration, the By-Laws of the Association and supplements and amendments thereto.

- b) Rules. To establish, make and enforce compliance with such reasonable house rules as may be necessary for the operation, use and occupancy of the project 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.
- c) Maintenance of Common Area. To keep in good order, condition and repair all of the common areas and all items of common personal property used by the owners in the enjoyment of the entire premises.
- d) Insurance. To insure and keep insured all of the insurable common areas of the property in an amount equal to their maximum replacement value as is provided in the Declaration. To insure and keep insured all of the common fixtures, and equipment and personal property for the benefit of the owners of the units and their mortgagees. Further, to obtain and maintain comprehensive liability insurance covering the entire premises.
- e) Budget; Determination of Assessments; Increase or Decrease Same; Levy of Special Assessments. To prepare a budget for the project at least annually, determine the amount of common charges payable by the owners to meet the common expenses of the project, and allocate and assess such common charges among the owners, 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 or 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. Declarant to be exempt from assessment fees.
- f) Enforcement of Assessment Lien Rights. To collect delinquent assessments 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 enforce a per diem late charge and to collect interest in connection with assessments remaining unpaid more than thirty (30) days from due date for payment thereof, together with all expenses, including attorney's fees incurred.
- g) Protect and Defend. To protect and defend the entire premises from loss and damage by suit or otherwise.
- h) 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.
- i) Contract. To enter into Contracts within the scope of their duties and powers.
- j) 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.

- k) Manage. To make repairs, additions, alterations and improvements to the common areas, consistent with managing the project in a first class manner and consistent with the best interests of the unit owners.
 - l) 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, and to cause a complete audit of the books and records by auditors once a year.
 - m) Annual Statement. To prepare and deliver annually to each owner statement showing receipts, expenses and disbursements since the last such statement.
 - n) Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and time as ,may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.
 - o) Personnel. To designate, employ and dismiss the personnel necessary for the maintenance and operation of the common areas or other administration of the project.
 - p) 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 project.
 - q) Managing Agent. To employ for 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.
 - r) 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.
 - s) All Things Necessary and Proper. To do all things necessary and proper for the sound and efficient management of the project.
 - t) Tax Exempt Status. To determine each year the advisability of election of tax exempt status under Revenue Code.
4. No Waiver of Rights. The omission of failure of the Association or any owner to enforce the covenants, conditions, restrictions, easements, use limitations, obligations or other provisions of the Declaration, the By-Laws or the regulations and house 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.

5. Election and Term of Office; Staggered Office. At the first annual meeting of the Association the term of office of two Directors shall be fixed at two (2) years; and the term of office of the remaining Directors 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 one (1) year. The Directors shall hold office until their successors have been elected and hold their first meeting, except as otherwise provided.

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.

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 (2/3rds) of the voting rights, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed shall be given an opportunity to be heard at the meeting. Should any Director miss three consecutive regular meetings of the Board of Directors, he shall automatically be removed from the Board and a successor selected and approved by the Board to fill his unexpired term.

8. Directors' Organization Meeting. The first meeting of a newly elected Board of Directors following the annual meeting of the unit owners 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, provided a majority of the whole Board shall be present.

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, telephone or telegraph, at least five (5) days prior to the day named for such meeting.

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, telephone or 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 or Assistant Secretary of the Association in like manner and on like notice on the written request of one or more Directors.

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.

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.

13. Fidelity Bonds. The Board of Directors must require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be a common expense.

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 V.

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:

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

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:

- a) 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.
- b) Reserves for deferred maintenance, which shall include funds for maintenance items which occur less frequently than annually.
- c) Reserves for replacement or sinking funds, which shall include funds for repair or replacement required because of damage, wear or obsolescence.
- d) Capital improvements, which shall include funds for construction of new improvements for which reserves for replacement have not been established.

ARTICLE VI.

OFFICERS

1. Designation. The officers of the Association shall be a President, Vice President, Secretary, Assistant Secretary and treasurer, all 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 its representative(s).
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.
3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be 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.
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.
5. Vice President. The Vice President shall have all the powers and authority and perform all of the functions and duties of the President in the absence of the President, or in his inability for any reason to exercise such powers and functions or perform such duties, and also perform any duties he is directed to perform by the President.
6. Secretary.
 - a) 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 the By-Laws.
 - b) 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 number or other appropriate designation of the unit owned by such member, the undivided interest in the general common elements and a description of the limited common elements assigned for exclusive use in connection with such unit. 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.

7. Assistant Secretary. The Assistant Secretary shall have all the powers and authority and perform all the functions and the duties of the Secretary, in the absence of the Secretary, or his inability for any reason to exercise such powers and functions or perform such duties, and also perform any duties he is directed to perform by the Secretary.

8. Treasurer. 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 effect 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 VII.

INDEMNIFICATION OF OFFICERS, DIRECTORS AND MANAGING AGENT

1. Indemnification. The Association shall indemnify through insurance or other means every Director, officer, managing agent, their respective successor, personal representatives, and heirs, against all loss, costs and expenses, including counsel fees, reasonably incurred by him in connection with any action, suit or proceedings to which he may be made a part by reason of his being or having been a Director, Officer or Managing Agent of the Association, except as to matters as to which he shall be finally adjudged in such action, suit or proceedings to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such Director, Officer or Managing Agent in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director, Officer or Managing Agent may be entitled. All liability, loss, damage, costs and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses; provided, however, that nothing in this Article VII shall be deemed to obligate the Association to indemnify any member or owner of a unit who is or has been a Director or Officer of the Association with respect to any duties or obligations assumed or liability incurred by him under and by virtue of the Declaration.

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 "C" to the Declaration, except as otherwise provided in said Declaration.

ARTICLE VIII.

AMENDMENTS TO BY-LAWS

1. Amendments to By-Laws. These By-Laws may be amended at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B membership.

ARTICLE IX.

MORTGAGES

1. Notice to Association. An owner who mortgages his unit shall notify the Association through the Managing Agent, if any, or the Secretary or Assistant 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".

2. Notice to Mortgagees of Unpaid Common Assessments. The Board of Directors, whenever so requested in writing by a mortgagee of a unit, shall promptly report any then unpaid common assessments due from, or any other default by, the owner thereof.

3. Notice to mortgagees of Default by owner. The Board of Directors, when giving notice to an owner of a default in paying common assessments or other default, shall send a copy of such notice to each holder of a mortgage covering such unit whose name and address has theretofore been furnished to the Board of Directors, and shall have the right, but not the obligation, to post a copy of such notice in a public place on the common grounds of the project without assuming any liability for such action.

4. Examination of Books By Owners and Mortgagees. Each owner and each mortgagee of a unit shall be permitted to examine the books of account of the unit at reasonable times, on business days after notice, and shall be permitted to receive, upon request, audited financial statements of the Association.

ARTICLE X.

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

1. Proof of Ownership. Except for those owners who initially purchase a unit from Declarant, any person, of 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 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.

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.

3. Designation of Voting Representative – Proxy.

a) 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; provided, however, that 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.

b) The requirements herein contained in this Article 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 XI.

OBLIGATIONS OF THE OWNERS

1. Assessments. All owners shall be obligated in accordance with the provisions in the Declaration of Covenants, Conditions and Restrictions, Article VIII, Section 1, to pay the monthly assessments 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.

2. Lien. The obligation of each owner to pay assessments shall be secured by a lien on the unit in favor of the Association and such obligation shall survive any sale thereof.

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.

4. Maintenance and Repair.

a) Every owner must perform promptly, at his own expense, all maintenance and repair work within and on his own unit.

b) An owner shall be obligated to reimburse the Association promptly upon receipt of its statement for any expenditure incurred by it in repairing or replacing any common area damaged by his negligence or by the negligence of his family, members, tenants, agents or guests.

5. Mechanic's Lien. Each owner agrees to indemnify and hold each of the other owners harmless from any and all claims of mechanic's lien filed against other units and the common areas for labor, materials, services or other products incorporated in 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 each owner's unit and paid with the next month's assessment falling due after the final determination of the Association's total expense.

6. General.

- a) Each owner shall comply strictly with the provisions of the recorded Declaration and these By-Laws and amendments thereto.
- b) Each owner shall always endeavor to observe and promote the cooperative purposes for the accomplishment of which this project was built.

7. Use of Units. All units shall be utilized only for residential purposes except as is otherwise provided in the Declaration and Plans.

8. Use of Common Areas. Each owner may use the common areas, sidewalks, pathways, roads and streets located within the entire project in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other owners.

9. Right of Entry.

- a) 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.
- c) 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 is at a time reasonably convenient to the Owner. In case of an emergency, such right of entry shall be immediate.

10. Rules and regulations.

- a) The initial rules and regulations, which shall be effective until amended or supplemented by the Association, have been prepared by Declarant.

- b) The Board of Directors, pursuant to Article IV of these By-Laws, reserve the power to establish, make and enforce compliance with such additional rules as may be necessary for the operation, use and occupancy of this project, 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.

ARTICLE XII.

ABATEMENT AND ENJOINMENT OF VIOLATIONS BY OWNERS

1. Abatement and Enjoinment. The violation of any rule or regulation accepted by the Board of directors, or the breach of any By-Laws, or the breach of any provisions 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 in law or in equity, the continuance of any breach.

2. Denial of Use of Common Areas. 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 area until such default or violation is appropriately cured.

ARTICLE XIII.

COMMITTEES

1. Designation. The Board of Directors may, but shall not be required to, appoint an executive committee, and it may designate and appoint members to standing committees or 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 and may delegate responsibility to said committees.

2. Executive Committee. The executive committee shall consist of two (2) persons who shall be appointed by the Board of Directors for the members of the Board. One member shall be 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 meetings monthly or as it may, in its discretion, determine. Special meetings may be called at any time by the chairman of the committee or by any of its members, either personally or by mail, telephone or telegraph, and a special meeting may be held by telephone.

3. Nominating Committee. Before each annual meeting, the Board of Directors may appoint a committee of three members who shall nominate candidates for the Board. The names of the candidates shall be submitted on or before thirty (30) days before the election. Members may submit names of candidates other than those submitted by the nominating committee at least thirty (30) days prior to the election. Unless such names are submitted, either by the nominating committee or by the members, no person shall be elected whose name is not submitted unless no nominations are made, in which event the names of candidates shall be submitted at the election by the members.

4. Welcoming Committee. The welcoming committee, consisting of at least three (3) persons, shall have the responsibility of assisting new residents in settling into their units and becoming a part of the Association.

5. Social Committee. The Social Committee, consisting of at least two (2) persons, shall have the responsibility of planning programs to make the best possible use of the facilities and amenities of the Association.

6. Newsletter Committee. The Newsletter Committee, consisting of at least two (2) persons, shall have the responsibility of providing residents with up-to-date information on new residents, Association functions, the progress of the development, committee vacancies, rules and regulations changes, and other appropriate information.

7. Finance and Insurance Committee. The Finance and Insurance Committee, consisting of at least two (2) persons, shall have the responsibility of advising the Board on insurance matters and the capital and operating budgets.

8. Maintenance and Management Committee. The Maintenance and Management Committee, consisting of at least two (2) persons, shall have the responsibility of planning programs that conserve, enhance and protect the common and limited common elements.

9. Vacancies. A vacancy in any committee shall be filled by the President until the next meeting of the Board of Directors.

ARTICLE XIV.

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, provided, however, (I) that reasonable compensation may be paid to any member, director or officer while acting as agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, and (ii) that 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 XV.

EXECUTION OF DOCUMENTS

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

ARTICLE XVI.

MISCELLANEOUS

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.

2. Conflict Between Owners. In the event that any dispute between owners arise involving any of the common elements, limited common elements, amenities or any other matters concerning the project and the conflict cannot be resolved by the Managing Agent, it shall be resolved by the Board of Directors.

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, after receiving notice of the Board's intended imposition of a fine or other punitive action, of not less than ten (10) days written notice served upon the owner as provided by civil process in the State of Oklahoma, a hearing before the Board of Directors, en banc, shall then be available to any owner to present evidence 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.

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 these 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 specially made the responsibility of the owner thereof.

Executed this 19 day of June, 19 81, by the undersigned, being all the Directors of OLDE TOWNE COMMUNITY ASSOCIATION, INC.

W. P. Atkinson II
W. P. ATKINSON, II

Earl N. Rooms
EARL ROOMS

Joyce Mauldin
JOYCE MAULDIN

STATE OF OKLAHOMA)
) ss.
OKLAHOMA COUNTY)

The foregoing instrument was acknowledged before me this
19 day of June, 19 81, by W. P. ATKINSON,
II, EARL ROOMS and JOYCE MAULDIN.

Lelia Morse
NOTARY PUBLIC

My commission expires:

6-30-84