

COVENANTS, CONDITIONS, RESTRICTIONS AND RECIPROCAL EASEMENTS OF

CEDAR POINTE
A REAL ESTATE DEVELOPMENT

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Carolynn Caudill
Oklahoma County Clerk
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KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, (hereinafter "Developer"),

A. Developer is the owner of certain real estate located in the City of Edmond, Oklahoma County, Oklahoma, platted into blocks, lots, streets and easements as shown on the Plat thereof, recorded in the records of Oklahoma County, State of Oklahoma at the Book 57 at Page 47.

The Plat shall be referred to herein as the "Property" or "Project".

B. Developer expressly declares its intention to bring the Property herein within the provisions of 60 O.S. §851 through 855, inclusive, as a Real Estate Development in order to insure the management, maintenance, preservation and control of commonly owned areas or any portion of or interest in them and to enforce all mutual, common or reciprocal interests in or restrictions upon all portions of such separately owned lots, parcels or areas, or both.

C. The project may be referred to as Cedar Pointe. The owner of each separately owned lot, parcel or area shall receive title not only to it but to an undivided interest in the common elements in the ratio expressed herein.

D. Developer further expressly states that the project shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, sold and improved, subject to the following Covenants, Restrictions and Reciprocal Easements, all of which are for the purpose of enhancing and protecting the value and attractiveness of the Property and the project, and every part thereof, for the benefit of the Developer and its successors in title and it shall be incumbent upon the successors in title to adhere thereto; and any person or persons, corporation or corporations hereafter becoming the owner or owners, either directly or through any subsequent transfers or in any manner whatsoever, of any such lots, parcels or areas shall take, hold and convey same, subject to the Covenants, Restrictions and Reciprocal Easements herein. It is understood that all of the area in the Real Estate Development shown on the Plat attached hereto which is not a separately owned lot, parcel or area shall be owned in common by the owners of the separately owned lots, parcels or areas, except streets and parcels dedicated to the public.

ARTICLE 1

DEFINITIONS

1.1 "Assessments" shall mean that portion of the cost of maintaining, improving, repairing, operating and managing the property which is to be paid by each separate owner as determined by the Owners' Association or as provided herein.

1.2 "Board" or "Board of Managers" shall mean and refer to the form of administration specified in the "By-Laws".

1.3 "By-Laws" shall mean and refer to the By-Laws governing the administration of the Property, attached hereto as Exhibit "E", as amended from time to time.

1.4 "Commons Elements" or "Common Areas" mean and include all of the area shown on the Plat (1) not included in a lot or block to be separately owned, or (2) in connection with which there has been

WHEN RECORDED MAIL TO
NAME Wq Robinson
ADDRESS 500 Colcord Bldg 15N Robinson
CITY & STATE OKC 73102

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granted herein a reciprocal easement for egress, ingress, repair, maintenance, replacement and upkeep, being Common Area "A" and Common Area "B" and the Private Street, private drainage easements, gates and landscaping.

1.5 "Common expenses" mean and include:

1.5.1 Expenses of administration, maintenance, repair or replacement of the common elements and reciprocal easements and those portions of each parcel designated herein to be so maintained, repaired, replaced, governed and insured as a common expense.

1.5.2 Expenses agreed upon as common by all the separate owners.

1.5.3 Expenses declared common by the provisions of the By-Laws.

1.5.4 Expenses estimated by the Board of Managers as being necessary for operating the property, together with any reasonable reserves for such purposes as found and determined by the Board and all sums designated common expenses by or pursuant to the project documents.

1.6 "Common interests" shall mean the proportion of undivided interest in the common elements which is appurtenant to each separately owned lot graphically shown on, Exhibit "A".

1.7 "Common profit" means the balance of all income, rents, profits and revenues from the common elements and facilities remaining after the deduction of the common elements.

1.8 "Institutional lender" shall mean any bank, savings and loan association, insurance company or other financial institution holding a recorded first mortgage on any unit.

1.9 "Majority Owners" means the owners of more than fifty percent (50%) of the aggregate interest in the common elements. Any specified percentage of owners means such percentage in the aggregate of such undivided ownership.

1.10 "Member" shall mean and refer to an owner.

1.11 "Mortgage" shall include a deed of trust as well as a mortgage.

1.12 "Mortgagee" shall include the beneficiary or a holder of a deed of trust as well as a mortgagee.

1.13 "Mortgagor" shall include the trustor of a deed of trust as well as mortgagor.

1.14 "Owner" or "Owners" shall mean and refer to the record holder or holders of title to any separate lot in the Property. This shall exclude persons or entities having any interest merely as a security for the performance of any obligation.

1.15 "Owners' Association" means the unincorporated association composed of all of the separate owners of the lots in the Plat and denominated the "Cedar Pointe Homeowners Association".

1.16 "Person" means a natural person, a corporation, a partnership, a trustee or other legal entity.

1.17 "Plat" shall mean the Plats recorded in the offices of the County Clerk, a copy of which is attached hereto as Exhibit "A".

1.18 "Project" shall mean and refer to the entire Property

including all structures and improvements erected or to be erected thereon.

1.19 "Project documents" means and includes these Covenants, Restrictions and Reciprocal Easements as same may be amended from time to time, the exhibits attached hereto, the Plat and By-Laws of the Owners' Association and the rules and regulations for the members as established from time to time.

1.20 "Property" means and includes the land, whether leasehold or fee simple, the buildings, all improvements and structures thereon and all easements, rights and appurtenances belonging thereto.

1.21 "Reciprocal Easements" mean and includes the duties, privileges, obligations and rights shared by this Real Estate Development and any owners of lots in subsequent plats making reference and agreeing thereto.

1.22 "Tract" means this Real Estate Development.

ARTICLE 2

DESCRIPTION OF PROJECT, DIVISION OF PROPERTY AND CREATION OF PROPERTY RIGHTS

2.1 Description of Project.

The description of the lots and blocks and the dimensions, area and location of common elements affording access to each lot and other common elements are graphically shown on the Plat attached hereto and marked Exhibit "A".

2.2 Division of Property.

The Property is hereby divided into the following separate freehold estates:

2.2.1 Lots.

The lot designation and the statement of its location and immediate area to which it has access and any other data necessary for its proper identification including its proportionate interest in the common elements are graphically shown on the Plat attached hereto and marked Exhibit "A".

2.2.2 Common Elements.

The remaining portion of the Property, referred to herein as "common elements", shall include all of the additional contiguous or non-contiguous areas owned in common by the owners of the separately owned lots, parcels or areas likewise graphically shown on Exhibit "A" hereto, together with the reciprocal easements and agreements appurtenant thereto expressed herein. Each owner of each separate lot shall have, as appurtenant to his lot, a fractional, 1/69th undivided interest in the common area as set forth in Exhibit "A" attached hereto and incorporated by reference. Ownership in the Property shall include a lot and such undivided interest in the common elements. The common interest appurtenant to each lot is declared to be permanent in character and cannot be altered without the consent of all the owners affected and the first mortgagees of such owners as expressed in amended Covenants, Restrictions and Reciprocal Easements duly recorded. Such common interest cannot be separated from the lot to which it is appurtenant. Each lot owner may use the common elements in accordance with the purposes for which it is intended without hindering the exercise of or encroaching upon the rights of any other lot owner.

2.3 No Separate Conveyance of Undivided Interest.

The foregoing interests and exclusive easements herein are hereby established and are to be conveyed only with the respective lots and cannot be changed, except as herein set forth. The Developer herein, its successors, assigns and grantees, covenant and agree that the undivided interests in the common elements, the exclusive easements of the common elements, the fee simple title to the respective lots conveyed herewith shall not be separately conveyed and each such undivided interest and exclusive easement shall be deemed to be conveyed or encumbered with its respective lot even though the description in the instrument of conveyance or encumbrance may refer only to the fee simple title to the lot.

2.4 Partition Prohibited.

The common elements shall remain undivided and no lot owner shall bring any action for partition or division of any part thereof except as specifically permitted by law.

ARTICLE 3

OWNERS' ASSOCIATION, ADMINISTRATION,
MEMBERSHIP AND VOTING RIGHTS

3.1 Owners' Association to Manage Property.

The administration of every Property shall be governed by the By-Laws, a true copy of which shall be annexed hereto. Each owner shall comply strictly with the By-Laws and with the administrative rules and regulations adopted pursuant thereto as either of the same may be lawfully amended from time to time and with the covenants, conditions and restrictions set forth either herein or in the deed to his lot.

3.2 Membership.

The Owners' Association shall be composed of all of the owners of separate lots as same are hereinabove described and any owner of a lot in subsequent plats adopting these Covenants. Membership in said Owners' Association shall be deemed conveyed or encumbered with the lot even though such interest is not expressly mentioned or conveyed in the conveyance or other instrument.

3.3 Voting.

The proportionate representation for voting purposes in meetings of the Owners' Association shall be the ratio of the undivided interest of each lot owner in the common elements as expressed in Exhibit "A" hereto and the lot owners in any subsequent plat in which these covenants are adopted and agreed to. It is specifically understood that the numerator of the fractional interest in the common elements subject to the covenants shall be the lot owned by each lot owner and the denominator shall be the number of lots developed in the total number of plats governed by these covenants and adopted by the developer thereof. Any percentage of lot owners required for an action of the Owners specified either herein, by the By-Laws or the rules and regulations shall be such percentage in the aggregate of such undivided ownership so expressed.

3.4 Membership Meetings.

Regular and special meetings of the Owners' Association shall be held with the frequency, at the time and place and in accordance with the provisions of the By-Laws herein.

3.5 Board of Managers.

The affairs of the Owners' Association shall be managed by a Board of Managers, which is hereby established by the annexed By-Laws and which shall conduct regular and special meetings according to the provisions of the By-Laws.

ARTICLE 4

MAINTENANCE AND ASSESSMENTS

4.1 Creation of the Lien and Personal Obligation of Assessments.

The Developer, for each lot owned within the project, hereby covenants and each lot owner of the separately owned lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Owners' Association, or a duly authorized agent thereof (collectively referred to as "Owners' Association"): (1) regular assessments or charges and (2) special assessments for capital improvements and unexpected expenses, such assessments to be established and collected as provided herein and in the By-Laws. The annual and special assessments, together with interest, costs and reasonable attorneys' fees, shall be a charge and a continuing lien upon the lot against which each assessment is made, the lien to become effective upon recordation of a notice of assessment. Each such assessment, together with interest, costs and reasonable attorneys' fees, shall also be a personal obligation of the person who is the owner of such separate lot at the time when the assessment fell due. No owner of any separate lot may exempt himself from liability for his contribution toward the common elements by waiver of the use of enjoyment of any of the common elements or by the abandonment of his separate lot.

4.2 Purpose of Assessments.

The assessments levied by the Owners' Association shall be used exclusively to promote the recreation, health, safety and welfare of all the residents in the entire project for the improvement and maintenance of the common elements and the areas covered by the reciprocal easements herein for the common good of the project. Annual assessments shall include an adequate reserve fund for maintenance, repairs and replacement of the said common elements and easements. The assessments shall also be for the purpose of defraying the costs of any insurance premiums for any policy or policies of hazard insurance issued with respect to loss or damage to any portion or the whole of the improvements on the Property obtained by the Owners' Association.

4.3 Annual Assessments.

Until July 1 of the year immediately following the close of the sale of the first lot in the project, the maximum annual assessment per lot shall be such amount as set forth in the project budget approved by the Board of Managers, which amount shall be prorated based on the number of months remaining before July 1 of such year. Thereafter, the Board shall determine and fix the amount of the maximum annual assessment against each lot at least sixty (60) days in advance of each annual assessment; provided, however, that the maximum annual assessment may be neither increased more than ten percent (10%) above nor decreased for the previous year without the vote or written assent of a majority of the lot owners.

4.4 Special Assessments.

In addition to the regular annual assessments authorized above, the Board may levy, in any assessment year, a special assessment applicable to that year only for the purpose of

defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement related to common elements, including fixtures and personal property related thereto, or to defray any unanticipated or underestimated expense, for taxes assessed against the common element(s); provided, however, that the aggregate special assessments for any fiscal year shall not exceed five percent (5%) of the budgeted gross expenses of the Owners' Association for that assessment year without the vote or written assent of a majority of the lot owners.

4.5 Allocation of Assessments.

Each lot shall bear such fractional share of each aggregate regular and special assessment as corresponds to the fractional undivided interest in the common elements appurtenant to the said separate lot (such interest being set forth on Exhibit "A" and adjusted to reflect the numerator and denominator set forth above in the event of the developer of separate plats adopting and agreeing to these covenants). Additionally, special assessments may be levied against individual lots for disciplinary reasons as provided in the preceding Sub-Article.

4.6 Date of Commencement of Annual Assessment; Due Dates.

The regular annual assessments provided for herein shall commence as to all lots in the project thereof on the first day of the month following the close of the sale of the first lot in the project. Due dates of assessments shall be established by the Board and notice shall be given to each lot owner at least thirty (30) days prior to any due date.

4.7 Transfer of Lot by Sale or Foreclosure.

Sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any lot pursuant to mortgage foreclosure shall extinguish the lien of such assessment as to payments which become due prior to such sale or transfer (except for assessment liens recorded prior to the mortgage). No sale or transfer shall relieve such lot owner from liability for any assessments thereafter becoming due or from the lien thereof. Where the mortgagee of a first mortgage of record obtains title to a lot as a result of foreclosure of any such first mortgage, such mortgagee shall not be liable for the share of the common expenses or assessments by the Owners' Association chargeable to such lot which became due prior to the acquisition of title to such lot by such mortgagee. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible for all of the lots including such mortgagee. In a voluntary conveyance of a lot, the grantee of the same shall be jointly and severally liable with the grantor for all unpaid assessments by the Owners' Association against the latter for his share of the common expenses up to the time of the grant or conveyance without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, any such grantee shall be entitled to a statement from the Owners' Association setting forth the amount of the unpaid assessments due the Owners' Association and such grantee shall not be liable for, nor shall the lot be subject to a lien for, any unpaid assessments made by the Owners' Association against the grantor in excess of the amount set forth in the statement; provided, however, the grantee shall be liable for any such assessment becoming due after the date of any such statement.

4.8 Enforcement of Assessment Obligation; Priorities, Discipline.

Any part of any assessment not paid within thirty (30) days after the due date shall bear interest at the rate of ten percent (10%) per annum from the due date until paid. When a

notice of assessment has been recorded, such assessment shall constitute a lien on each respective lot prior and superior to all other liens except (1) all taxes, bonds, assessments and other levies which by law would be superior thereto and (2) the lien or charge of any first mortgage of record (meaning any recorded mortgage or deed of trust with first priority over other mortgages or deeds of trust) made in good faith and for value. Such lien, when delinquent, may be enforced by sale by the Owners' Association, its attorney or other person authorized by this document or by law to make the sale after failure of the owner to pay such assessment. The Owners' Association, acting on behalf of the lot owners, shall have the power to bid for the lot at the foreclosure sale and acquire and hold, lease, mortgage and convey the same. Suit to recover a money judgment for unpaid common expenses, rent and attorneys' fees shall be maintainable without foreclosing or waiving the lien securing the same. The Board may impose reasonable monetary penalties against a lot owner who is in default in payment of any assessment after notice and hearing according to the By-Laws.

4.9 Unallocated Taxes.

In the event that any taxes are assessed against the common elements or the personal property of the Owners' Association, rather than against the lots, said taxes shall be included in the assessments made under the provisions of this Article and, if necessary, a special assessment may be levied against the lots in an amount equal to said taxes to be paid in two installments thirty (30) days prior to the due date of each tax installment.

ARTICLE 5

DUTIES AND POWERS OF THE OWNERS' ASSOCIATION AND BOARD.

5.1 Duties and Powers of the Owners' Association.

The duties and powers of the Owners' Association shall be as required by 60 O.S. §851 through 855, inclusive, as same presently exist or may be hereafter amended relative to Real Estate Development.

5.2 Duties and Powers of the Board.

In addition to the duties and powers enumerated in the By-Laws or elsewhere provided for herein and without limiting the generality thereof and consistent with Article 3, Paragraph 3.5, herein, the Board may enforce the covenants and restrictions of the Real Estate Development specified herein and shall:

5.2.1 Maintain, repair, replace, restore, operate and manage all of the common elements and all facilities, improvements, furnishings, equipment and landscaping thereon and property that may be acquired by the Owners' Association. This obligation shall not extend to the maintenance of any portion or facility of the common elements required to be maintained by an individual owner under this document or the By-Laws.

5.2.2 Enforce the provisions of this document by appropriate means including, without limitation, the expenditures of funds of the Owners' Association, the employment of legal counsel and the commencement of actions.

5.2.3 Maintain such policy or policies of insurance as are required by this document or as the Board deems necessary or desirable in furthering the purposes of and protecting the interests of the Owners' Association.

5.2.4 Grant and reserve easements where necessary for utilities and sewer facilities over the common elements to serve

the common elements and the lots.

5.2.5 Have the authority to employ a manager or other persons and to contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the Owners' Association, subject to the By-Laws and restrictions imposed by any governmental or quasi-governmental body or agency having jurisdiction over the project.

5.2.6 Adopt reasonable rules not inconsistent with this document or the By-Laws relating to the use of the common elements and all facilities thereon and the conduct of owners and their tenants and guests with respect to the Property and other owners.

5.3 Maintenance of Project by Board.

The Board shall provide maintenance of the common elements as provided in the By-Laws. Specifically, but not limited to, the Board is responsible for the maintenance of the private streets, the detention improvements and for following in compliance with Title 17 of the Edmond City Code: (a) maintenance and repairs of the private streets and/or firelanes, and to provide the funds thereof, for the maintenance and repairs through the use of assessments; (b) maintenance testing and repairs of all functions of the gate; (c) establishing the access code, and assuring that the emergency services have the property code number. Changing the code will not be allowed without proper notification; (d) accompanying the Fire Department officers during annual inspection and testing of the opening systems; and (e) maintaining a service agreement with a qualified contractor to insure year round maintenance. The responsibility of the Board for maintenance and repair shall not extend to repair or replacements arising out of or caused by the willful or negligent act or neglect of an owner or his guests, tenants or invitees. The repair or replacement of any portion of the common elements resulting from such excluded items shall be the responsibility of each owner; provided, however, that, if an owner shall fail to make the repairs or replacements which are the responsibility of such owner, the Board shall have the right (but not the obligation) to make such repairs or replacements and the cost thereof shall be added to the assessments chargeable to such lot and shall be payable to the Owners' Association by the owner of such lot.

ARTICLE 6

UTILITIES

6.1 Owners' Rights and Duties.

The rights and duties of the owners of lots within the project with respect to utilities shall be as follows:

6.1.1 The sanitary sewer, water, electric, gas, television receiving or telephone lines or connections and other services generally referred to as "utilities" servicing the lot of an owner or owners are not deemed common elements herein.

6.1.2 Whenever sanitary sewer, water, electric, gas, television receiving or telephone lines or connections are located or installed within the project, which connections serve more than one lot, the owner of each lot served by said connections shall be entitled to the full use and enjoyment of such portions of said connections as service his lot.

6.1.3 In the event of a dispute between owners with respect to the repair or rebuilding of said connections or with respect to the share of the cost thereof, then, upon written request of one of such owners addressed to the Owners' Association, the matter shall be submitted to the Board, which shall decide the

dispute and the decision of the Board shall be final and conclusive on the parties.

6.2 Easements for Utilities and Maintenance.

Easements over and under the Property for the installation, repair and maintenance of sanitary sewer, water, electric, gas and telephone lines and facilities, heating and air conditioning facilities, cable or master television antenna lines, drainage facilities, walkways and landscaping as shown on the Plat of the Property and as may be hereafter required or needed to service the Property are hereby reserved by Developer and its successors and assigns, including the Owners' Association, together with its right to grant and transfer the same.

6.3 Owners' Association's Duties.

The Owners' Association shall provide oversight for the duties imposed on the Board on paragraph 5.3, above, and shall maintain all utility installations located in the common elements except for those installations maintained by utility companies, public, private or municipal. The Owners' Association shall pay all charges for utilities supplied to the project except those metered or charged separately to the lots.

ARTICLE 7

USE RESTRICTIONS

In addition to all of the covenants contained herein, the use of the Property and each lot therein is subject to the following:

7.1 Use of Individual Lots.

No lot shall be occupied and used except for uses permitted by the then current Zoning Ordinance of the City of Edmond.

7.2 Nuisances.

No noxious, illegal or offensive activities shall be carried on in any lot, or in part of the Property, nor shall anything be done thereon which may be or may become an annoyance or a nuisance to or which may in any way interfere with the quiet enjoyment of each of the owners of his respective lot or which shall in any way increase the rate of insurance for the project or cause any insurance policy to be cancelled or to cause a refusal to renew the same or which will impair the structural integrity of any building.

7.3 Vehicle Restrictions.

No trailer, camper, mobile home, commercial vehicle, truck (other than a standard size pickup truck), inoperable automobile, boat or similar equipment shall be permitted to remain upon any area within the Property, other than temporarily. Commercial vehicles shall not include sedans or standard size pickup trucks which are used both for business and personal use, provided that any signs or markings of a commercial nature on such vehicles shall be unobtrusive and inoffensive as determined by the Board. No noisy or smoky vehicles shall be operated on the Property. No off-road unlicensed motor vehicles shall be maintained or operated upon the Property, except as reasonably necessary to the execution of the rights or duties of the Board under these covenants, conditions and restrictions.

7.4 Signs.

No signs or banners or flags (except patriotic flags) of any type shall be displayed to the public view on any lots or on

any portions of the Property except such signs as are approved by the Board. Nothing in this subsection shall be construed to prohibit one "For Sale", "For Lease", or "For Sale or Lease" sign on each lot. With the homeowners approval, "political" signs will be permitted. Homeowners are asked to limit one sign per candidate or cause. All signs should conform in total size as determined by the Board of Managers.

7.5 Animals.

No animals or birds of any kind shall be raised, bred or kept on any lot or on any portion of the Property, except as allowed by the Board.

7.6 Garbage and Refuse Disposal.

All rubbish, trash and garbage shall be regularly removed from the Property and shall not be allowed to accumulate thereon. Trash, garbage and other waste shall not be kept except in sanitary containers.

7.7 Radio and Television Antennas.

No alteration to or modification of a central radio or television antenna system or cable television system, whichever is applicable, shall be permitted and no owner may be permitted to construct, use or operate his own external radio or television antenna without the consent of the Board.

7.8 Right to Lease.

The respective lots shall not be rented by the owners thereof for transient or hotel purposes. Subject to the foregoing restrictions, the owners of the respective lots shall have the absolute right to lease the lots provided that the lease is made subject to the covenants, conditions, restrictions, limitations and uses contained herein and the By-Laws and any reasonable rules and regulations published by the Board.

7.9 Clothes Lines.

No exterior clothes lines shall be erected or maintained and there shall be no outside laundering or drying of clothes.

7.10 Power Equipment and Car Maintenance.

No power equipment, workshops or car maintenance shall be permitted on the Property except with prior written approval of the Board. Approval shall not be unreasonably withheld and, in deciding whether to grant approval, the Board shall consider the effects of the noise, air pollution, dirt or grease, fire hazard, interference with radio or television reception and similar objections.

7.11 Liability of Owners for Damage to Common Elements.

The owner of each lot shall be liable to the Board for all damages to the common elements or improvements thereon caused by such owner or any occupant of his lot or guest.

7.12 No Warranty of Enforceability.

The maker hereof has no reason to believe that any of the restrictive covenants in this Article 7 or elsewhere in these covenants, conditions and restrictions are or may be invalid or unenforceable for any reason or to any extent. It makes no warranty or representation as to the present or future validity or enforceability of any such restrictive covenant. Any owner acquiring a lot in the project in reliance on one or more of such restrictive covenants shall assume all risks of the validity and

enforceability thereof, and by acquiring the lot, agrees to hold the maker hereof harmless therefrom.

7.13 Minimum Residence Construction Requirement

No residence shall:

- (i) be less than 1200 square feet in Blocks 1-3, inclusive, and, 1,600 square feet in Blocks 4 and 5, excluding garage and out buildings;
- (ii) be constructed with less than 60% of its exterior composed of brick; and,
- (iii) be roofed with any shingle having a weight of less than 240 pounds per square of such shingling material.

Should subsequent plat adopt these covenants, the foregoing restrictions will govern unless specified otherwise.

7.14 Fences

Any fences erected by owners of lots abutting collector streets within the subdivision will be in accordance with the materials, description, and measurements shown on Exhibit "D" hereto.

ARTICLE 8

GENERAL PROVISIONS

8.1 Enforcement.

The Owners' Association, any owner and any governmental or quasi-governmental agency or municipality having jurisdiction over the project shall have the right to enforce by any proceeding at law or in equity all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by this document and, in such action, shall be entitled to recover costs and reasonable attorneys' fees as are ordered by the Court; provided, however, that an individual owner shall have no right to enforce the collection of any assessment levied against any other owner under Article 4 above. Failure by any such person or entity to enforce any such provision shall in no event be deemed a waiver of the right to do so thereafter.

8.2 Invalidity of Any Provision.

Should any provision of this document be declared invalid or in conflict with any law of the jurisdiction where the project is situated, the validity of all other provisions shall remain unaffected and in full force and effect.

8.3 Amendments.

8.3.1 Except as provided in 8.3.2, below, to the extent not inconsistent with 60 O.S. §851, et seq., as same is now or may hereafter be amended, an amendment of the covenants and restrictions herein may be enacted by the vote or written assent of a majority of the lot owners; provided, however, that the percentage of the voting power necessary to amend a specific clause or provision shall not be less than the prescribed percentage of affirmative votes required for an action to be taken under that clause.

8.3.2 Any amendment to the Covenants, Conditions Restrictions and Reciprocal Easements affecting a change in any of the following provisions herein must be agreed to by owners or at least sixty-seven percent (67%) of the aggregate interest in the common elements as established by the Covenants, Conditions, Restrictions and Reciprocal Easements:

- 8.3.2.1 Voting Rights;
- 8.3.2.2 Assessments, assessment liens or subordination of assessment liens;
- 8.3.2.3 Reserves for maintenance, repair and replacement of common areas;
- 8.3.2.4 Responsibility for maintenance and repairs;
- 8.3.2.5 Reallocation of interests in the general or limited common areas or rights to their use;
- 8.3.2.6 Boundaries of any lot;
- 8.3.2.7 Convertibility of lots into common areas or vice versa;
- 8.3.2.8 Expansion or contraction of the project or the addition, annexation or withdrawal to or from the project;
- 8.3.2.9 Insurance or fidelity bonds;
- 8.3.2.10 Lease of lots;
- 8.3.2.11 Imposition of any restrictions on a lot owner's right to sell or transfer his or her lot;
- 8.3.2.12 A decision by the Owner's Association to establish self management when professional management had been required previously by an eligible mortgage holder;
- 8.3.2.13 Restoration or repair of the project (after a hazard damage or partial condemnation) in a manner other than that specified in the documents;
- 8.3.2.14 Any action to terminate the legal status of the project after substantial destruction or condemnation occurs; or
- 8.3.2.15 Any provisions that expressly benefit mortgage holders, insurers or guarantors.

8.3.3 Any amendment must be recorded and shall become effective upon being recorded in the office of the County Clerk of Oklahoma County, Oklahoma.

8.3.4 In the event that the owners, by unanimous action, vote to remove a property from the provisions of 60 O.S. §851, et seq., as it now exists or may be hereafter amended, the eligible mortgage holders representing at least sixty-seven percent (67%) of the votes of the mortgaged lots must agree before the action may be effectuated.

8.3.5 With respect to any amendment other than one provided for in Section 8.3.2, above, any mortgage holder entitled to notice pursuant to Section 8.5.2, below, who fails to submit a response to any notice of any proposal for any such amendment within thirty (30) days after the notice of the proposal is received shall be deemed to have impliedly approved the proposed action.

8.4 Encroachments.

Each lot within the Property is hereby declared to have an easement over all adjoining lots and the common elements for the purpose of accommodating any encroachment due to engineering error, error in original construction, settlement or shifting of the building or any other cause. There shall be valid easements for the maintenance of said encroachments as long as they shall exist and the rights and obligations of owners shall not be altered in any way by said encroachment, settlement or shifting; provided, however, that in no event will a valid easement for encroachment be created in favor of an owner or owners if said encroachment occurred due to the willful misconduct of said owner or owners. In the event a structure is partially or totally destroyed and then repaired or rebuilt, the owners of each lot agree that minor encroachments over adjoining lots or common elements shall be permitted and that there shall be a valid easement for the maintenance of said encroachments so long as they shall exist.

8.5 Mortgage Protection Clause.

8.5.1 Rights of First Mortgagees.

No breach of any of the covenants, conditions and restrictions contained in this document nor the enforcement of any lien provisions herein shall render invalid the lien of any first mortgage (meaning a mortgage with first priority over any other mortgage) on any lot made in good faith and for value but all of said covenants, conditions and restrictions shall be binding upon and be effective against any owner whose title is derived through foreclosure of trustee's sale or otherwise.

8.5.2 Notice to Lenders.

All institutional lenders that have filed with the Owners' Association an appropriate request shall be entitled to receive the following notices in writing from the Owners' Association:

8.5.2.1 Notice of any proposed change in the project documents, which notice shall be given thirty (30) days prior the effective date of such change;

8.5.2.2 Notice of default by the owner or trustor of any deed of trust or mortgage on a lot (the beneficial interest in which is held by said institutional lender) in the performance of such owner's or trustor's obligations under the project documents, which default is not cured within thirty (30) days;

8.5.2.3 Notice of any damage or destruction to any individual lot subject to a deed of trust or mortgage (the beneficial interest in which is held by said institutional lender, which damage exceeds One Thousand Dollars (\$1,000.00), which notice shall be given immediately upon the Board's obtaining knowledge of such damage or destruction; and

8.5.2.4 Notice of any loss to or taking of any portion of the common elements or facilities or improvements thereon, which loss or taking exceeds Ten Thousand Dollars (\$10,000.00), which notice shall be given immediately upon the Board's obtaining knowledge of such loss or taking.

8.5.3. Mortgage Priority; Right to Inspect Records.

Notwithstanding any language contained in this document to the contrary, no lot owner and no other party shall have priority over any rights of institutional lenders pursuant to their mortgages in the case of a distribution to lot owners of insurance proceeds or condemnation awards for losses to or taking of lots and/or any portion or element of the common elements.

Institutional lenders shall have the right to examine the books and records of the Owners' Association.

8.6 Insurance; Damage or Destruction.

8.6.1 Reconstruction by Lot Owners.

In the event of damage to or destruction of any improvement on any lot, the owner shall reconstruct the same as soon as reasonably practicable and in substantially in accordance with the original plans and specifications therefor. Each owner shall have an easement of reasonable access onto any adjacent lot for purposes of repair or reconstruction of his lot as provided in this Sub-Article.

8.6.2 Association Liability Insurance.

The Owners' Association shall obtain and continue in effect comprehensive public liability insurance insuring the Owners' Association, the Developer and the agents and employees of each and the owners and employees, guests and invitees of the owners against any liability incident to the ownership or use of the common elements and facilities in the common elements and including, if obtainable, a cross-liability endorsement insuring each insured against liability to each other insured and a "severability of interest" endorsement precluding the insurer from denying coverage to one owner because of the negligence of other owners or to the Owners' Association. Such insurance shall be in amounts deemed appropriate to the Board and to mortgagees holding first mortgages covering individual lots.

8.6.3 Additional Owners' Association Insurance.

The Owners' Association may purchase such other insurance as it may deem necessary, including without limitation, fire and extended coverage on common elements, plate-glass insurance, workmen's compensation, directors liability and errors and omissions insurance, and shall purchase fidelity coverage against dishonest acts by an directors, officers, employees or agents of the Owners' Association (whether said individuals are paid or volunteers) who are responsible for handling funds collected from the owners and belonging to or administered by the Owners' Association as the insured and shall provide coverage in an amount not less than one and one-half (1/2) times the Owners' Associations' estimated annual operating expenses and reserve.

8.6.4 Insurance Premiums.

Insurance premiums on policies purchased by the Owners' Association shall be a common expense to be included in the assessments levied by the Owners' Association. The acquisition of insurance by the Owners' Association shall be without prejudice to the right of any lot owner to obtain additional individual insurance.

8.6.5 Proceeds from Insurance.

If any of the common element improvements are damaged by fire or other casualty, insurance proceeds payable to the Owner's Association shall be used to rebuild or repair such damage substantially in accordance with the original plans and specifications therefor. Any excess insurance proceeds shall be deposited to the general funds of the Owners' Association. In the event the proceeds of the Owners' Association insurance policy are insufficient to rebuild or repair a common element, then the Owners' Association may use funds from its general account or, if necessary, from levying a special assessment on all unit owners (or on those responsible for the damage) to restore or rebuild said common element.

8.6.6 Waiver of Subrogation; Notice of Cancellation.

All property and liability insurance carried by the Owners' Association or the owners shall contain provisions whereby the insurer waives rights of subrogation as to the Owners' Association, officers and directors and any owner, their guests, agents and employees.

8.7 Limitation of Restrictions on Developer.

Developer is undertaking certain work in connection with the improvement of the lots. The completion of that work and the sale, rental and other disposal of said lots is essential to the establishment and welfare of the Property. In order that said work may be completed and said property be established as fully occupied as rapidly as possible, nothing in these Covenants, Conditions, Restrictions and Reciprocal Easements shall be understood or construed to:

8.7.1 Prevent Developer, its contractors or subcontractors from doing on the Property or any lot whatever is reasonably necessary or advisable in connection with the completion of the work; or

8.7.2 Prevent Developer or its representatives from erecting, constructing and maintaining on any part or parts of the Property such structures as may be reasonable and necessary for the conduct of its business of completing said work and disposing of the same in parcels by sale, lease or otherwise; or

8.7.3 Prevent Developer from conducting on any part of the Property its business of completing the work and of establishing a plan of lot ownership and of disposing of said Property in lots by sale, lease or otherwise; or

8.7.4 Prevent Developer, its contractors, subcontractors, materialmen or supplier from having free and ready access to the Project, or any additional Development as provided in Article 10, for purposes of completing the total development and erection of improvements on same.

So long as Developer, its successors and assigns, owns one or more of the lots established and described in these Covenants, Conditions, Restrictions and Reciprocal Easements and, except as otherwise specifically provided herein, Developer, its successors and assigns, shall be subject to the provisions of these Covenants, Conditions, Restrictions and Reciprocal Easements.

8.8 Owners' Compliance.

Each owner, tenant or occupant of a lot shall comply with the provisions of the project documents and all decisions and resolutions of the Owners' Association or its duly authorized representatives, and failure to comply with any such provisions, decisions or resolutions shall be grounds for an action to recover sums due for damages (including costs and attorney's fees) and/or for injunctive relief. All agreements and determinations lawfully made by the Owners' Association in accordance with the voting percentages established in these Covenants, Restrictions and Reciprocal Easements or in the By-Laws shall be deemed to be binding on all owners, their successors, and assigns.

8.9 Conflicts of Project Documents.

If there is any conflict among or between the project documents, priority shall be given to project documents in the following order: Plat; these Covenants, Conditions, Restrictions and Reciprocal Easements; By-Laws; and Rules and Regulations of the Owners' Association.

8.10 Service of Process.

The name of the person to receive service of process together with the residence or place of business of such person in Oklahoma County is William J. Robinson, 500 Colcord Building, 15 North Robinson, Oklahoma City, Oklahoma 73102-5408, or such other person as the Board may designate by an amendment hereto filed solely for that purpose.

ARTICLE 9

INCONSISTENCIES WITH PLAT

9.1 In the event that a provision herein is inconsistent or conflicts with a specific provision of the Owners' Certificate and Dedication of the Plats herein the provisions of said Plat shall supercede and govern the use and occupancy of the said Property covered thereby to the extent of the inconsistency; otherwise, the provisions hereof shall obtain.

ARTICLE 10

ADDITIONAL DEVELOPMENT

Developer is the owner of certain real estate situated in the city of Edmond, Oklahoma, of which the Property described on Exhibit "A" is a part, the whole of the Property subject to this Article 10 being described on Exhibit "B" and delineated on the "Site Plan" attached hereto and made a part hereof; and the balance of the Property on the said Site Plan to which this Article 10 is directed is described on Exhibit "C" attached hereto and made a part hereof and is hereinafter referred to as "the balance".

In a manner that is consistent with the use restrictions contained in Article 7 hereof, the balance may be developed, in whole or in part, for residential purposes as either a rental apartment project known as a "congregate" as hereinafter more fully described, a unit ownership estate pursuant to Title 60 Okla. Stat. §501, et seq., a Planned Unit Development subjected to the provisions of 60 Okla. Stat. §§851-855, inclusive, or single family residences. Developer will build certain driveways and walks in the balance which will provide egress and ingress between all of the Property described on Exhibit "B".

Developer, as owner of the balance or any portion thereof as hereinafter expressed, also intends to install sewer, water, electric, gas and drainage lines in, under and upon the Property described on Exhibit "B" and desires to establish and create for the benefit of the Property described on Exhibit "A" and the balance (a) certain rights of use, ingress and egress in, over and upon the driveways and walks, any lake described therein, and the other common elements of the Property described on Exhibit "A" and the right to maintain and repair the same and (b) certain rights to use, maintain, repair and replace utility and drainage facilities, as provided hereinbelow. In connection with the foregoing, Developer states as follows:

10.1 Subject to the exercise of the option provided owner of the balance or any portion thereof as hereinafter expressed, Developer does hereby establish and create for the benefit of the balance and does hereby give, grant and convey to each and every individual and business, or other entity hereafter owning any portion of the balance, the following easements, licenses, rights and privileges (the tract described on Exhibit "A" is hereinafter referred to as "Plat" and the Property described on Exhibit "C" is "the balance" and are collectively called "the Development Tracts" hereinafter):

10.1.1 Pedestrian Easements. Nonexclusive easements for the purpose of pedestrian traffic between each Development

Tract and: (i) each other Development Tract which is contiguous thereof; (ii) the public street and alleys now or hereafter abutting or located on any portion of the total site; (iii) the public walkways, escalators, elevators, concourses, plazas, malls, skywalks and bridges now and hereafter abutting or located on any portion of the total site; and (iv) the public parking areas now and hereafter abutting the total site or constituting a Development Tract; limited, however, to those portions of each Development Tract which are improved by the owner thereof from time to time for pedestrian walkways and made available by such owner for general use, as such portions may be reduced, increased or relocated from time to time by each such owner.

10.1.2 Vehicular Easements. Nonexclusive easements for the purpose of vehicular traffic between each Development Tract and the private or public streets and alleys now and hereafter abutting or located on any portions of the Development Tracts which are improved by the owner thereof from time to time for vehicular accessways as such portions may be relocated from time to time by such owner.

10.1.3 Utility Easements. Nonexclusive easements for the installation, operation, maintenance, repair, replacement and removal of: water lines and systems; telephone lines and systems; gas lines and systems; sanitary sewer lines and systems; electrical lines and systems; storm sewers, drainage lines and systems; any other utility lines or systems hereafter developed to serve one or more of the development parcels; provided, however, that all pipes, wires, lines, conduits, mains, sewers, systems and related equipment (hereafter called "Utility Facilities") will be installed underground or otherwise enclosed and will be installed, operated and maintained in a manner which will not unreasonably interfere with the use of the Development Tract or improvements on which such Utility Facilities are located. The owner of any Burdened Tract affected by any of such utility easements will have the right, at any time, and from time to time, to relocate any Utility Facilities then located on the Burdened Tract on the conditions that: (i) such right of relocation will be exercisable only after thirty (30) days prior written notice of the intention to relocate has been given to all owners using the Utility Facilities to be relocated; (ii) such relocation will not unreasonably interrupt any utility service to the improvements then located on the Benefitted Tract(s); (iii) such relocation will not reduce or unreasonably impair the usefulness or function of the Utility Facilities to be relocated; (iv) all costs of such relocation will be borne by the owner relocating the Utility Facilities.

10.1.4 Access Easements. Nonexclusive easements between each Development Tract and the public streets and ways abutting or crossing any portion of the total site for the purpose of providing ingress, egress and access to the easements hereby created.

10.1.5 Landscaping and Beautification Easements. Nonexclusive easements for the purpose of landscaping the beautification, including installation, replacement, modification, care and maintenance, excluding: (i) building and areas within building structures; and (ii) limited common elements designated in a unit estate (condominium) declaration with respect to all or any portion of the total site.

10.1.6 Recreational Use Easements. Nonexclusive easements for the purpose of using and enjoying recreational areas or facilities, subject to such rules, regulations, restrictions and exclusions prescribed by the project documents herein created by Developer which operate and apply uniformly to all owners of residential tracts and their permittees, excluding (i) buildings and building structures, except recreational buildings and structures; and (ii) limited common elements designated in a unit estate (condominium) declaration with respect to all or any portion

of the total site.

10.1.7 Self-Help Easements. Nonexclusive rights to entry and easements over, across and under each Development Tract for all purposes reasonably necessary to enable any other owner of a Development Tract to perform any of the provisions of this Agreement which a defaulting owner has failed to perform.

10.2 Unimpeded Access. The owners agree that no barricade or other divider will be constructed between the Development Tracts and the owners will do nothing to prohibit or discourage the free and uninterrupted flow of pedestrian traffic throughout the total site in the areas designated for such purpose by the owner of each Development Tract; provided that each owner will have the right to temporarily erect barriers to avoid the possibility of dedicating such areas for public use or creating prescriptive rights therein.

10.3 Use of Easements. Subject to the reasonable rules and regulations adopted for the use of each Development Tract by the owner thereof, the use of all easements created by this instrument will, in each instance, be nonexclusive except as provided in paragraph 10.2 of this Article 10 and for the use and benefit of the owners, their representative successors, assigns and such agents, customers, invitees, licensees, employees, servants, contractors, mortgagees, tenants and tenants' customers, invitees, employees, servants, licensees, contractors and agents as might be designated by each owner from time to time (all of which persons are hereafter called "permittees"). Each owner specifically reserves the right, at any time and from time to time, to promulgate such rules and regulations applicable to the owner's Development Tract as might be reasonably imposed to promote the health, safety, welfare and security of such Development Tract, the improvements located thereon and the permittees of such owner. Each owner may, at any time and from time to time, remove exclude and restrain any person from the use, occupancy or enjoyment of any easement hereby created or the area covered thereby for failure to observe the reasonable rules and regulations established as provided herein. If unauthorized use is being made of any easement area by any of the owners or their respective permittees, such unauthorized use may be restrained or terminated by appropriate proceedings after written notice to the defaulting owner and failure to abate such unauthorized use within a reasonable time.

10.4 Maintenance of Easement Areas. Except to the extent that such areas might be operated and maintained by public authorities or utilities, the owner of each Burdened Tract will operate and maintain all of the areas of the Burdened Tract which are subject to the pedestrian and vehicular easements created by paragraphs 10.1.1 and 10.1.2 of this Article 10 of this instrument in sound structural and operating condition at the sole expense of the owner of the Burdened Tract. The owner of each Burdened Tract pursuant to paragraph 10.1.3 of this Article 10 will operate and maintain all Utility Facilities located within the boundaries of such Burdened Tract in sound structural and operating condition (except to the extent that such operation and maintenance is performed by public authorities or utilities) and any expenses occasioned thereby will be borne by the owners of the Benefitted Tract(s) which are serviced by such Utility Facilities in the ratio which the gross floor area of the improvements located on each Benefitted Tract bears to the total gross floor area of the improvements located on all Benefitted Tracts; provided, however, that each owner will pay all costs associated with the operation and maintenance of Utility Facilities and the consumption of utility services which relate solely to the improvements located on a single Development Tract and no other owner will have any liability with respect thereto. No costs of operation and maintenance are associated with the easements provided by paragraphs 10.1.4 and 10.1.7 of this Article 10. The costs of operation and maintenance of the easements provided in paragraph

10.1.5 and 10.1.6 of this Article 10 shall be allocated as follows:

10.4.1 Allocation of Costs and Assessments. Until such time as the owner or owners of the balance exercise the option hereinafter provided, the Owners' Association created by this instrument governed by Articles 1 through 9, inclusive, above, shall be under no obligation to recognize any other easement herein created other than those created by paragraphs 10.1.1, 10.1.2, 10.1.3, 10.1.4 and 10.1.7, of this Article 10, above, conditioned upon the contribution to the maintenance thereof by the owners of the balance as herein provided. In the event, however, that the owner of the balance exercises the option hereinafter provided, the said owner or owners of the balance shall contribute a fraction, expressed above, of the costs of maintenance. It is understood that the owners of the balance may divide the said fraction, above, in such proportions as they may agree in writing.

10.4.2 Composition of Board and Procedure. The Board of Managers shall be composed of at least one representative from the Owners' Association created by the Covenants, Conditions, Restrictions and Reciprocal Easements of Articles 1 through 9, inclusive, above herein and one representative from the balance, irrespective of the number of developments or plats into which the balance is divided.

10.4.3 Optional Rights of the Balance. In the event the owners of all of the balance executed an election in recordable form to subject the balance to the liabilities imposed by this Article 10 with respect to the option (or election) to enjoy the benefits and privileges accruing with respect to the use of the recreational and landscape easements provided in paragraphs 10.1.5 and 10.1.6 hereinabove, all the provisions of this agreement will apply thereto.

10.5 Duration. Easements, covenants, restrictions, benefits and obligations hereunder shall be perpetual and run with the land or until terminated by the provisions of these Covenants or by the law. These Covenants shall create privity of contract and/or estate with and among all grantees of all or any part of the said entire premises, their heirs, executors, administrators, successors and assigns.

10.6 Indemnity. Each owner agrees to indemnify and hold harmless each other owner from all claims arising from the use of the easements hereby created to the extent that such use occurs within the boundaries of the Development Tract of such owner. The owner of each Development Tract on which construction is performed agrees to indemnify, defend and hold harmless each other owner and each other owner's Development Tract and the improvements located thereon from all loss, cost, damage, liability and expense (including reasonable attorneys' fees) resulting from the assertion of any mechanics', materialmen's or other liens. Each owner agrees to maintain policies of fire and extended coverage insurance and public liability insurance issued by reputable companies in amounts and on policy terms customary for the improvements of such owner. Each owner releases each other owner from any liability for any loss or damage of the type provided by fire and extended coverage insurance and grants to each other owner, on behalf of any insurer providing such insurance, a waiver of any right of subrogation which any insurer of any owner might acquire against any other owner by virtue of payment of any loss covered by such insurance.

10.7 Legal Effect. Each of the easements and rights created by this Agreement are appurtenant to the Development Tract to which they relate and may not be transferred, assigned or encumbered except as an appurtenance to such Development tract. For the purpose of each such easement and right, the Benefitted Tract will constitute the dominant estate and the Burdened Tract will constitute the servient estate. Each covenant contained in this Agreement:

- (a) is made for the direct, mutual and reciprocal benefit of each other Development Tract now or hereafter constituting a part of the total site;
- (b) creates mutual equitable servitudes on each Development Tract in favor of each other Development Tract;
- (c) constitutes a covenant running with the land;
- (d) binds every owner now having or hereafter acquiring an interest in any Development Tract; and
- (e) will inure to the benefit of each owner and each owner's successors, assigns and mortgagees.

Each owner agrees that, on conveyance of all or any part of the total site or a Development Tract, the grantee, by accepting such conveyance, will thereby become a new party to and be bound by this Agreement. In each such instance, the owner conveying an interest in the total site or a Development Tract agrees:

- (a) to require the grantee to assume and agree to perform each of the obligations of the conveying owner under this Agreement with respect to the portion of the total site or Development Tract conveyed to such grantee by means of a written instrument executed, acknowledged and recorded in Oklahoma County, Oklahoma; and
- (b) to give notice of each such conveyance and agreement to each other owner within ten (10) days after the execution thereof, which notice will be accompanied by a copy of such conveyance and agreement.

On such assumption by a grantee and the giving of notice thereof, the conveying owner will thereafter be released from any obligation under this Agreement arising thereafter with respect to the portion of the total site or Development Tract so conveyed. Each owner agrees on the written request of the conveying owner to execute and deliver any appropriate documents or assurances to evidence such release.

10.8 No Dedication. Nothing contained in this Agreement will be deemed to constitute a gift, grant or dedication of any portion of a Development Tract to the general public or for any public purpose whatsoever, it being the intention of the owners that this Agreement will be strictly limited to the private use of the owners and their respective permittees. This Agreement is intended to benefit the owners and their respective successors, assigns and mortgagees and is not intended to constitute any person which is not an owner, a third-party beneficiary hereunder or to give any such person any rights hereunder.

10.9 Amendment. This Agreement and any provision herein contained may be terminated, extended, modified or amended as to the total site or any Development Tract only as provided above. No amendment, modification, extension or termination of this Agreement will affect the rights of the holder of any mortgage constituting a lien on any portion of the total site or a Development Tract except as provided herein. No tenant, licensee or other person having only a possessory interest in the improvements constructed on a Development Tract will be required to join in the execution of or consent to any action of the owners taken pursuant.

10.10 Condemnation. In the event the whole, or any part, of a Development Tract is taken for any public or quasi-public use under any governmental law, ordinance or regulation or by right of eminent domain or by private purchase in lieu thereof, an owner

benefitted by an easement created by this Agreement will no share in any award, compensation or other payment made by reason of the taking of a portion of any Development Tract which subject to such easement and such award, compensation or other payment will belong entirely to the owner of that portion of the Development Tract which is taken and such owner will have no further liability to any other owner for the loss of such easements, or portion thereof, located on the Development Tract so taken.

10.11 Default; Remedies. The owners agree that the provisions of this Agreement will be enforced as follows:

10.11.1 Injunctive Relief. In the event of any violation or threatened violation by any owner of any of the provisions of this Agreement, in addition to the right to collect damages, each owner will have the right to enjoin such violation or threatened violation in a court of competent jurisdiction. Prior to the commencement of any such action, written notice of the violation will be given to the owner claimed to have committed such violation.

10.11.2 Self-Help. In the event any owner fails to perform any of the provisions of this Agreement, any other owner will have the right, without being obligated to do so, to enter upon the Development Tract and improvements of such defaulting owner and perform the obligations of the defaulting owner hereunder; provided, however, that written notice of such intention, specifying the nature of the alleged default and the actions to be performed, has been given to the defaulting owner not less than ten (10) days prior to the commencement of such action or not less than twenty-four (24) hours prior to such commencement if in the reasonable judgment of the owner giving notice, such default is of an emergency nature. During such ten (10) day or twenty-four (24) hour period, as the case may be, the defaulting owner will have the right to perform or commence performance of action appropriate to remedy such default and, provided such action is diligently carried to completion, the right of such other owner to perform the obligation of the defaulting owner will terminate. If an owner elects to perform the action to have been performed by a defaulting owner, on completion of such action or from time to time if the action is of a continuing nature, an itemized statement of cost thereof will be submitted to the defaulting owner and the amount thereof will be immediately due and payable by the defaulting owner, which amount will bear interest at the rate of fifteen percent (15%) per annum until paid.

10.11.3 Force Majeur. If performance of any action by any owner is prevented or delayed by act of God, war, labor disputes or other cause beyond the reasonable control of such owner, the time for performance of such action will be extended for the period that such action is delayed or prevented by such cause.

10.11.4 Notice of Default. An owner shall be in default under this Agreement unless the owner has received written notice specifying the nature of such default and has failed to cure or commence appropriate action to cure such default within the times herein provided.

10.11.5 No Termination. No breach of this Agreement will entitle any owner to cancel, rescind or otherwise terminate this Agreement. The foregoing limitation will not effect, in any manner, any other right or remedy which any owner might have by reason of any breach of this Agreement.

10.12 Miscellaneous. The owners further agree as follows:

10.12.1 Approvals. When approval by any owner is required hereunder, such approval will not be unreasonably withheld. Unless provision is made for a specific period of time, the period of time in which approval will be granted will be thirty

(30) days and, if an owner neither approves nor disapproves a proposed action within the period, the owner shall be deemed to have given such owner's approval. If an owner disapproves any action proposed by another owner hereunder, such disapproval will not be effective unless the reasons for such disapproval are stated in writing.

10.12.2 Notices. All notices, statements, demands, approvals and other communications given pursuant to this Agreement will be in writing and will be delivered in person or be certified or registered mail, postage prepaid, to the owners at the addresses maintained by the owners on file with the office of the Oklahoma County Assessor for delivery of ad valorem tax statements relating to the Development Tract until such addresses are changed by notice.

10.12.3 Attorney's Fees. If any owner institutes any action or proceeding against another owner relating to the provisions of this Agreement or any default hereunder, the unsuccessful owner in such action or proceeding will reimburse the successful owner therein for the reasonable expenses of attorneys' fees and disbursements incurred by the successful owner.

10.12.4 Waiver of Default. No waiver of any default by any owner will be implied from the failure by any other owner to take any action in respect of such default. No express waiver of any default will affect any default or extend any period of time for performance other than as specified in such express waiver. One or more waivers of any default in the performance of any provision of this Agreement will not be deemed a waiver of any subsequent default in the performance of the same provision or any other provision. The consent to or approval of any act or request by any owner will not be deemed to waive or render unnecessary the consent to or approval of any subsequent similar act or request. The rights and remedies provided by this Agreement are cumulative and no right or remedy will be exclusive of any other or of any other right or remedy at law or in equity which any owner might otherwise have by virtue of a default under this Agreement and the exercise of any right or remedy by any owner will not impair such owner's standing to exercise any other right or remedy.

10.12.5 No Partnership. Nothing contained in this Agreement and no action by the owners will be deemed or construed by the owners or by any third person to create the relationship of principal and agent or a partnership or a joint venture or any association between or among any of the owners.

10.12.6 Severability. If any provision of this Agreement is, to any extent, declared by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement (or the application of such provision to persons or circumstances other than those in respect of which the determination of invalidity or unenforceability was made) will not be affected thereby and each provision of this Agreement will be valid and enforceable to the fullest extent permitted by law.

10.12.7 Governing Law. This Agreement will be construed in accordance with the laws of the State of Oklahoma.

10.12.8 Captions. The captions of the paragraphs of this Agreement are for convenience only and are not intended to affect the interpretation or construction of the provisions herein contained.

10.12.9 Time. Time is of the essence of this Agreement.

10.12.10 Binding Effect. The provisions of this Agreement will be binding on the owners and their respective successors, assigns and mortgagees to the extent herein provided.

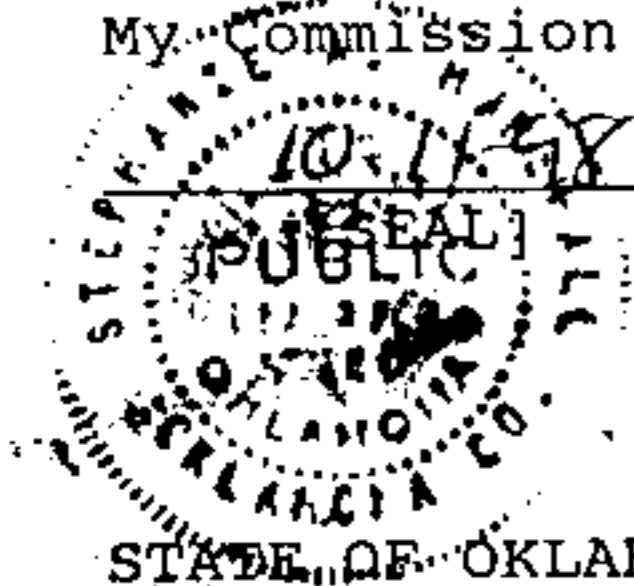
STATE OF OKLAHOMA)
) SS
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on the 9th day of September, 1997, by STARLAND BELL as President Bell Corporation, Inc. d/b/a Bell American Homes.

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

Stephanie Marshall
Notary Public

My Commission Expires:



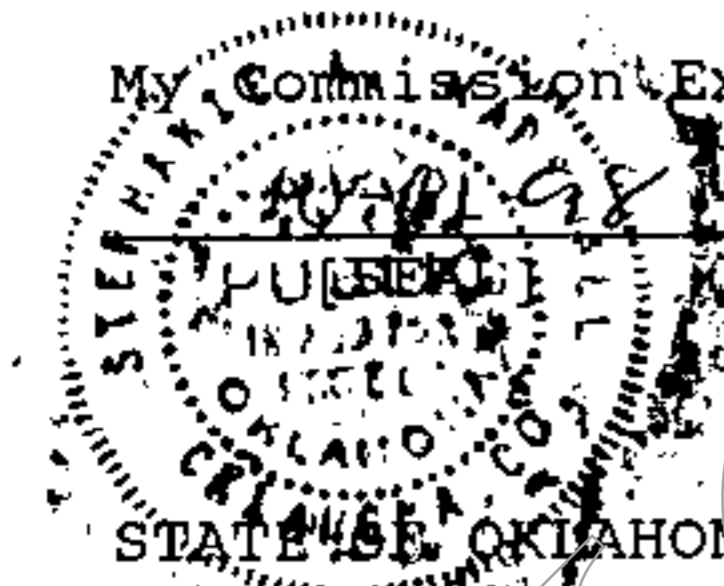
STATE OF OKLAHOMA)
) SS
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on the 9th day of September, 1997, by Danna D. Metzger and Tommy J. Metzger.

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

Stephanie Marshall
Notary Public

My Commission Expires:



STATE OF OKLAHOMA)
) SS
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on the 9th day of September, 1997, by WILLARD BARNETT and MARSHA BARNETT.

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

Stephanie Marshall
Notary Public

My Commission Expires:



STATE OF OKLAHOMA)
) ss
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on the 9th day of September, 1997, by _____ and _____

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

Notary Public

My Commission Expires:

[SEAL]

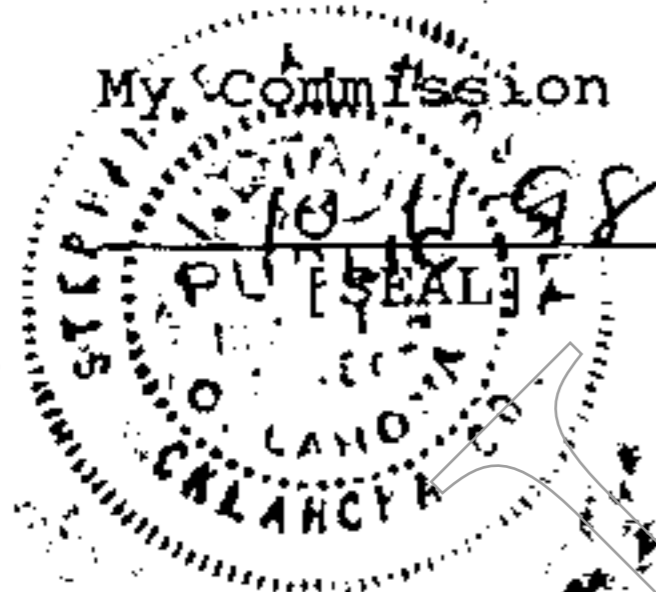
STATE OF OKLAHOMA)
) ss
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on the 9th day of September, 1997, by JIM MEYERS as President of Heartland Homes, Inc., as general partner of Heartland Homes Limited Partnership.

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

Stephen A Marshall
Notary Public

My Commission Expires:





COON ENGINEERING, INC.

BOOK 7162 PAGE 0895

2832 W. Wilshire Blvd.
Suite 202
Oklahoma City, OK 73116
(405) 842-0363
Fax (405) 842-0364

LEGAL DESCRIPTION

The Northwest Quarter (NW/4) of Section Twenty-Two (22), Township Fourteen (14) North, Range Three (3) West of the Indian Meridian, Oklahoma County, Oklahoma, being more particularly described as follows:

Beginning at the Northwest corner of said Section 22; thence from said Point of Beginning, South 89°11'18" East along the North line of said 1/4 Section a distance of 2662.18 feet to the Northeast corner of said NW/4; thence South 00°43'51" East along the East line of said NW/4 a distance of 2613.41 feet to the Southeast corner of said NW/4; thence North 89°51'54" West along the South line of the said NW/4 a distance of 2678.18 feet to the Southwest corner of said NW/4; thence North 00°22'11" West along the West line of said NW/4 a distance of 2644.66 feet to the Point or Place of Beginning, containing 7,018,705 square feet and/or 161.127 acres more or less.

DB
08/27/97

F:\CAD\PIBEL\960731082797.LGL

Exhibit B

ENGINEERS • SURVEYORS • PLANNERS



LEGAL DESCRIPTION
REMAINING PROPERTY

2832 W. Wilshire Blvd.
Suite 202
Oklahoma City, OK 73116
(405) 842-0363
Fax (405) 842-0364

The Northwest Quarter (NW/4) of Section Twenty-Two (22), Township Fourteen (14) North, Range Three (3) West of the Indian Meridian, Oklahoma County, Oklahoma, being more particularly described as follows:

Beginning at the Northwest corner of said Section 22; thence from said Point of Beginning, South 89°11'18" East along the North line of said 1/4 Section a distance of 2662.18 feet to the Northeast corner of said NW/4; thence South 00°43'51" East along the East line of said NW/4 a distance of 2613.41 feet to the Southeast corner of said NW/4; thence North 89°51'54" West along the South line of the said NW/4 a distance of 2678.18 feet to the Southwest corner of said NW/4; thence North 00°22'11" West along the West line of said NW/4 a distance of 2644.66 feet to the Point or Place of Beginning, containing 7,018,705 square feet and/or 161.127 acres more or less.

Less and except Cedar Pointe I an addition to the city of Edmond, Oklahoma being more particularly described as follows:

Commencing at the Southwest corner of said Northwest Quarter (NW/4), thence North 00°22'11" West along the West line of said Northwest Quarter (NW/4) a distance of 418.11 feet to the Point of Beginning; thence from said Point of Beginning North 00°22'11" West continuing along said West line a distance of 383.48 feet; thence North 89°37'49" East a distance of 50.00 feet; thence South 55°10'42" East a distance of 30.59 feet; thence North 89°37'49" East a distance of 274.37 feet; thence North 44°52'57" East a distance of 35.51 feet; thence North 00°08'06" East a distance of 27.77 feet; thence South 89°51'54" East a distance of 776.06 feet; thence South 00°08'06" West a distance of 180.00 feet; thence North 89°51'54" West a distance of 6.06 feet; thence South 00°08'06" West a distance of 120.00 feet; thence South 89°51'54" East a distance of 7.11 feet; thence South 00°08'06" West a distance of 110.00 feet; thence South 89°51'54" East a distance of 71.87 feet; thence South 00°08'06" West a distance of 160.00 feet; thence South 89°51'54" East a distance of 80.00 feet; thence South 00°08'06" West a distance of 110.00 feet; thence South 89°51'54" East a distance of 96.98 feet; thence South 00°08'06" West a distance of 160.00 feet; thence North 89°51'54" West a distance of 1,032.25 feet; thence North 27°21'00" West a distance of 122.68 feet; thence North 36°08'19" West a distance of 212.31 feet; thence North 43°36'48" West a distance of 191.78 feet; thence South 89°37'49" West a distance of 50.00 feet to the Point of Beginning containing 21.088 Acres, more or less.

Said REMAINING PROPERTY contains 140.039 acres more or less.

DB
08/28/97

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Exhibit C

EXHIBIT " D "

BOOK 7162 PAGE 0898

**6'6" Brick Column Acme 1776
24" WIDTH**

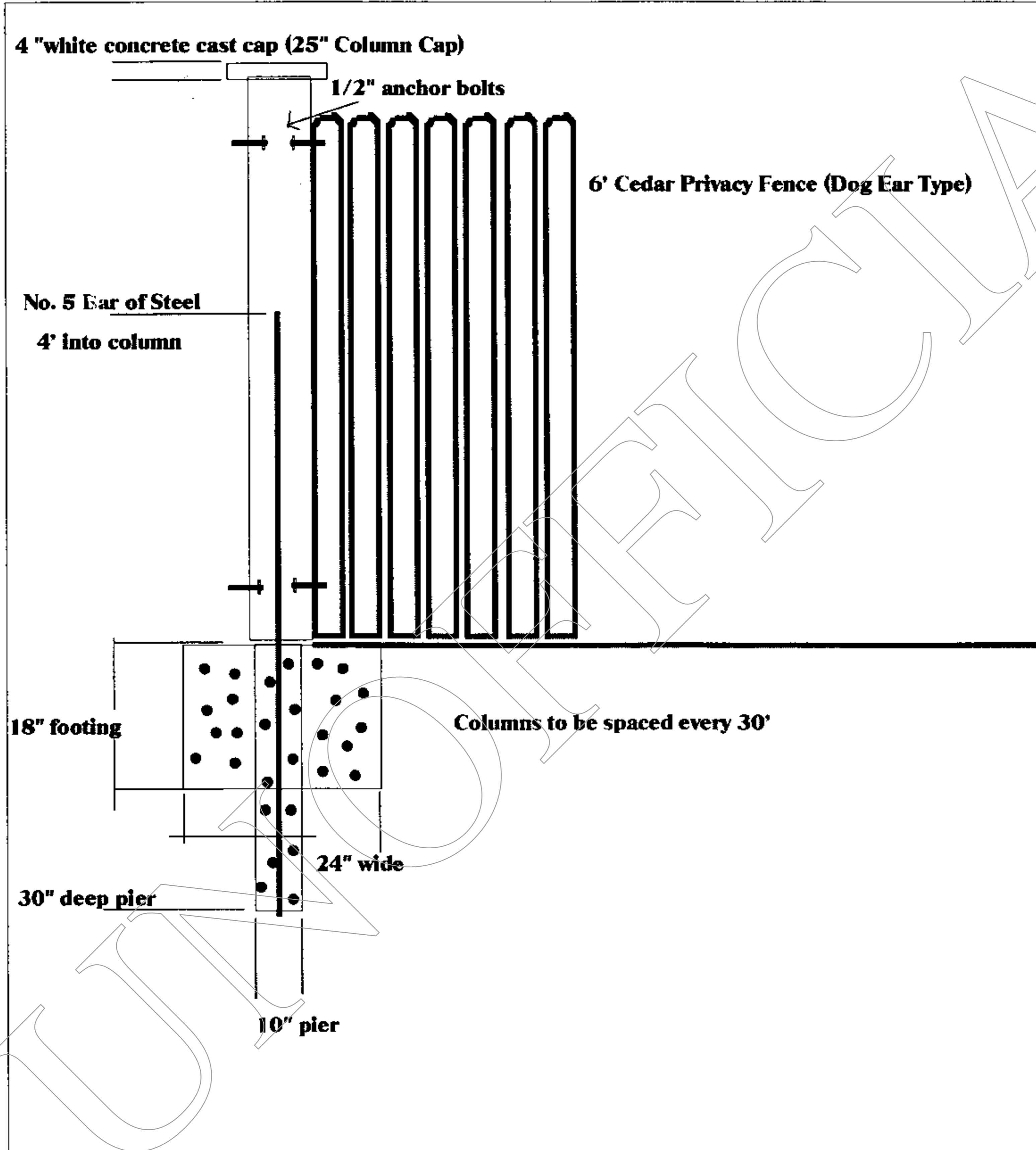


EXHIBIT E**BY-LAWS
CEDAR POINTE
(A REAL ESTATE DEVELOPMENT)****ARTICLE 1****NAME AND LOCATION**

The name of this Real Estate Development is Cedar Pointe.

ARTICLE 2**PURPOSE AND PARTIES**

2.1 The administration of every property described in Exhibit "A" of the Covenants, Conditions and Restrictions of which these are a part which has been submitted to the provisions of 60 Okla. Stat. §§851 through 855, inclusive, by the recording of said Covenants, Conditions and Restrictions and the Exhibits thereto, including a true and correct copy of the By-Laws. All definitions and terms contained in said Covenants, Conditions and Restrictions shall apply hereto and are incorporated herein by reference.

2.2 All present and future owners, future tenants of any lot, mortgagees and other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the Covenants, Conditions and Restrictions, the rules and regulations, all covenants, conditions and restrictions, agreements and easements relating thereto. The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a lot shall constitute an agreement that these By-Laws, the Covenants, Conditions and Restrictions, as they may be amended from time to time, and the title conditions are accepted and will be complied with.

ARTICLE 3**LOT OWNERS****3.1 Membership.**

Any person on becoming an owner of a lot in Cedar Pointe or subsequent Development Tract as defined and provided in Article 10 of the Covenants of which this Exhibit "E" is a part becomes member of The Cedar Pointe Homeowners Association and be subject to these By-Laws. Such membership shall terminate without any formal Homeowners Association action whenever such person ceases to own a lot, 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 Homeowners Association during the period of such ownership and membership in this Homeowners Association or impair any rights or remedies which the owners have either through the Board of Managers of the Homeowners Association or directly against such former owner or member arising out of or in any way connected with ownership and membership and the covenants and obligations incident thereto. The membership shall be deemed, conveyed or encumbered with the lot even when such interest is not expressly mentioned or described in the conveyance or other instrument.

3.2 Annual Meetings.

Regular annual meetings of members of the Homeowners Association shall be held on the project or such other suitable place convenient to the members as may be designated by the Board. The first meeting of the Homeowners Association shall be held within forty-five (45) days after the close of the sale of sufficient lots to constitute a majority of lot owners calculated without the consideration of the interest owned by the Developer but, in no event, shall the first meeting be held later than the

earlier of (i) four months after seventy-five percent (75%) of the lots in the project have been conveyed to lot purchasers or (ii) three years after the first lot is conveyed.

3.3 Special Meetings.

A special meeting of members of the Homeowners Association shall be promptly called by the Board upon the vote for such a meeting by a majority of a quorum of the Board or upon receipt of a written request therefor signed by members representing twenty-five percent (25%) of the total voting power of the Homeowners Association or by members representing fifteen percent (15%) of the voting power residing in members other than Developer.

3.4 Notice of Meetings.

Written notice of regular and special meetings shall be given to members by the Board by mailing a notice to each member which shall specify the place, day and hour of the meeting and, in the case of a special meeting, the nature of the business to be undertaken. Except in the case of an emergency, notice shall be mailed to each member at least ten (10) days prior to the meeting and shall be posted in a conspicuous place on the common elements.

3.5 Quorum.

Except as otherwise provided in these By-Laws, the presence in person or by proxy of a majority of lot owners shall constitute a quorum at all meetings of the lot owners. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum. An affirmative vote of a majority of the owners present, either in person or by proxy, shall be required to transact the business of the meeting except wherein the Covenants, Conditions and Restrictions, these By-Laws or by law a higher percentage vote is required.

3.6 Proxies.

At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot or upon receipt of notice by the secretary of the Board of the death or judicially declared incompetence of such member.

3.7 Adjournment.

In the absence of a quorum at the commencement of a members meeting, a majority of those present in person or by proxy may adjourn the meeting to another time, but may not transact any other business. Any adjournment for lack of a quorum shall be a date not less than five (5) days and not more than thirty (30) days from the original meeting date. The quorum for such a reconvened meeting shall be twenty-five percent (25%) of the total voting power of the Homeowners Association.

3.8 Voting.

The owner or owners of each lot shall be entitled to one vote, the value of which shall equal the common interest assigned to said owner or owner's lot as set forth in Exhibit "A" to the Covenants, Conditions and Restrictions or to the whole of the lots of a said Development Tract adopting the said Covenants.

3.9 Order of Business.

The order of business of 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 Board of Managers;
- (f) Reports of Committees;
- (g) Election of members of the Board of Managers;
- (h) Unfinished business;
- (i) New business; and,
- (j) Adjournment.

ARTICLE 4

BOARD OF MANAGERS, SELECTION; TERM OF OFFICE

4.1 Number and Term of Managers.

The Board shall consist of three (3) managers, each of whom shall be a lot owner or an agent of Developer (while Developer remains a lot owner). The "Developer" shall mean McKean Bell Development, L.L.C. acting through an agent or agents. The managers shall serve concurrent terms of one (1) year. The initial managers, who shall be appointed by the Developer, or its duly elected replacement, shall serve until Developer has sold seventy percent (70%) of the residences Developer elects to build on the land described on Exhibits A, B, and C, hereto; thereafter, all managers shall be elected and removed according to these By-Laws. So long as the Developer owns one or more lots, the Developer shall be entitled to elect at least one (1) member of the Board of Managers, who need not be a lot owner. After the Developer has conveyed all lots and is no longer entitled to elect one member of the Board of Managers, all managers shall be lot owners.

4.2 Election of Board of Managers.

4.2.1. Nomination. Nominations for election to the Board of Managers shall be made by a nominating committee. Nominations may also be made from the floor at the annual meeting of the Homeowners Association. The nominating committee shall consist of a chairman, who shall be a member of the Board of Managers, and two or more members of the Homeowners Association. The nominating committee shall be appointed by the Board of Managers at least ninety (90) days prior to each annual meeting of the members to serve until the close of such annual meeting. The nominating committee shall make as many nominations for election to the Board of Managers as it shall in its discretion determine but not less than the number of vacancies that are to be filled.

4.2.2. Cumulative Voting. Elections of Board members shall be by secret written ballot. All elections in which more than two (2) positions on the Board are to be filled shall be conducted by cumulative voting.

4.2.3. Special Provision. Except as is hereinabove provided for so long as a majority of the voting power of the Homeowners Association resides in the Developer, the first manager to be elected shall be elected solely by the votes of owners other than the Developer and the remaining managers shall be elected by the usual cumulative voting procedures.

4.3 Removal.

Unless the entire Board is removed from office by the vote of the Homeowners Association's members, an individual manager shall not be removed prior to the expiration of his term of office

if the number of votes cast against his removal is greater than the quotient arrived at by dividing the total number of votes that may be cast plus the authorized number of managers. A manager elected pursuant to the special procedures set forth in Sub-Article 4.2.3 may be removed prior to the expiration of his term only by a simple majority of the voting power residing in members other than the Developer. No manager shall continue to serve on the Board if, during his term of office, he shall cease to be a lot owner.

4.4 Vacancies.

Vacancies in the Board caused by any reason other than the removal of a manager by a vote of the members shall be filled by a vote of the majority of the remaining managers, even though they may constitute less than a quorum, and each person so elected shall be a manager until a successor is elected at the next annual meeting of the Homeowners Association or at a special meeting of the members called for that purpose.

ARTICLE 5

MEETING OF MANAGERS

5.1 Regular Meetings.

Regular meetings of the Board shall be conducted at least monthly at a time and place within or near the project as may be fixed by the Board. Notice of the time and place of regular meetings shall be given to each manager personally or by mail, telephone or telegraph at least three (3) days prior to the day named for the meeting and shall also be posted at a prominent place or places within the common elements.

5.2 Special Meetings.

A special meeting of the Board may be called by written notice signed by the President of the Homeowners Association or by any two (2) managers other than the president. Notice shall be provided to all managers and posted in the common elements in the manner prescribed for notice of regular meetings and shall include a description of the nature of any special business to be considered by the Board.

5.3 Waiver of Notice.

Before or at any meeting of the Board, any manager may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice that manager. Attendance by a manager at any meeting of the Board shall be a waiver of notice by him of the time and place of the meeting.

5.4 Quorum.

The presence in person of a majority of the managers at any meeting of the Board shall constitute a quorum for the transaction of business and the acts of a majority of the managers present at a meeting at which a quorum is present shall be the acts of the Board of Managers. If at any meetings of the Board of Managers there shall be less than a quorum present, a majority of those present may adjourn from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

5.5 Adjournment; Executive Session.

The Board may, with the approval of a majority of a quorum of the managers, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Homeowners Association is or may become

involved and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

5.6 Board Meetings Open to Members.

Regular and special meetings of the Board shall be open to all members of the Homeowners Association; provided, however, that members who are not on the Board may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board.

5.7. Managing Agent and/or Manager.

The Board of Managers may employ for the project a managing agent and/or a manager at a compensation established by the Board of Managers to perform such duties and services as the Board of Managers shall authorize.

5.8 Fidelity Bonds.

The Board of Managers shall attempt to obtain adequate fidelity bonds for all officers and employees of the project handling or responsible for project funds. The premium for such bonds shall constitute a common expense.

5.9 Compensation.

No member of the Board of Managers shall receive any compensation from the Homeowners Association or lot owners for acting as such.

5.10 Liability of the Board of Managers.

The members of the Board of Managers shall not be liable to the lot owners for any mistake of judgment, negligence or otherwise except for their own individual willful misconduct or bad faith. The lot owners shall indemnify and hold harmless each of the members of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Homeowners Association unless any such contract shall have been made in bad faith or contrary to the provisions of the covenants, Conditions and Restrictions or of these By-Laws. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Homeowners Association or the project. It is understood and permissible for the original Board of Managers, who are members of or employed by Developer, to contract with the Developer and affiliated corporations without fear of being charged with self-dealing. It is also intended that the liability of any lot owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board of Managers shall be limited to such proportion of the total liability thereunder as his interest in the common elements bears to the interests of all the lot owners in the common elements. Every agreement made by the Board of Managers or by the managing agent or by the manager on behalf of the Homeowners Association shall provide that the members of the Board of Managers, or the managing agent or the manager, as the case may be, are acting only as agents for the lot owners and shall have no personal liability thereunder (except as lot owners) and that each lot owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the common elements bears to the interest of all lot owners in the common elements.

ARTICLE 6

POWERS AND DUTIES OF THE BOARD OF MANAGERS

6.1 Powers and Duties.

The Board of Managers shall have the powers and duties necessary for the administration of every property and may do all such acts and things except as by law or by the Covenants, Conditions and Restrictions or by these By-Laws may not be delegated to the Board of Managers by the lot owners. Without limitation on the generality of the foregoing powers and duties, the Board shall be vested with and responsible for the following powers and duties.

6.1.1 To select, appoint, supervise and remove all officers, agents and employees of the Homeowners Association; to prescribe such powers and duties for them as may be consistent with law and with the Covenants, Conditions and Restrictions and these By-Laws; and to fix their compensation (if not prohibited under these By-Laws) and to require from them security for faithful service when deemed advisably by the Board.

6.1.2 To enforce the applicable provisions of the Covenants, Conditions and Restrictions, these By-Laws and other instruments relating to the ownership, management and control of the project.

6.1.3 To adopt and publish rules and regulations governing the use of the common elements and facilities and the personal conduct of the members of their guests thereon and to establish procedures and penalties for the infraction thereof, subject to approval of the membership.

6.1.4 To pay all taxes and assessments which are or could become a lien on the common elements or a portion thereof.

6.1.5 To contract for casualty, liability and other insurance on behalf of the Homeowners Association as provided in the Covenants, Conditions and Restrictions.

6.1.6 To cause the common elements to be maintained and to contract for goods and/or services for the common elements or for the Homeowners Association, subject to the limitations set forth in this Article.

6.1.7 To delegate its powers to committees, officers or employees of the Homeowners Association or to a management company pursuant to a written contract as expressly authorized by the Covenants, Conditions and Restrictions and these By-Laws.

6.1.8 To prepare budgets and financial statements for the Homeowners Association as prescribed in these By-Laws.

6.1.9 To initiate and execute disciplinary proceedings against members of the Homeowners Association for violations of the provisions of the Covenants, Conditions and Restrictions, these By-Laws and such rules as may be promulgated by the Board in accordance with procedures set forth in these By-Laws.

6.1.10 To enter upon any privately owned lot as necessary in connection with construction, maintenance or emergency repair for the benefit of the common elements of the owners.

6.1.11 To borrow money and incur indebtedness for purposes of the Homeowners Association and to cause to be executed and delivered therefor in the Homeowners Association's name promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities therefor.

6.1.12 To fix and collect regular and special assessments according to the Covenants, Conditions and Restrictions and these By-Laws and, if necessary, to record a notice of assessment is not paid within thirty (30) days after the due date or bring an action at law against the owner personally obligated to pay such assessment. All reserves for capital expansion, repair and maintenance shall be transferred to and held in a trust fund or funds for such purpose established by a vote of a majority of members and shall be expended only in the trust manner prescribed.

6.1.13 To prepare and file annual tax returns with the federal government and the State of Oklahoma and to make such elections as may be necessary to reduce or eliminate the tax liability of the Homeowners Association. Without limiting the generality of the foregoing, the Board may, on behalf of the Homeowners Association, elect to be taxed, if possible, under Section 528 of the Internal Revenue Code or any successor statute conferring income tax benefits on owners' associations. In connection therewith, the Board shall take such steps as are necessary to assure that the income and expenses of the Homeowners Association for any taxable year shall meeting the following limitations and restrictions.

6.1.13.1 At least eighty percent (80%) of the gross income of the Homeowners Association for any taxable year shall consist solely of amounts received as membership dues, fees or assessments from lot owners.

6.1.13.2 At least ninety percent (90%) or more of the expenditures of the Homeowners Association for any taxable year shall be for the acquisition, construction, management, maintenance and care of the Homeowners Association's property.

6.1.13.3 No part of the net earnings of the Homeowners Association shall inure (other than by acquiring, constructing or providing management, maintenance and care of the Homeowners Association's property and other than by a rebate of excess membership dues, fees or assessments) to the benefit of any private individual.

6.2 Limitation of the Board's Power.

Except with the vote or written assent of a majority of the voting power of the Homeowners Association residing in members other than Developer, the Board shall be prohibited from taking any of the following actions.

6.2.1 Incurring aggregate expenditures for capital improvements to the common elements in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Homeowners Association for that fiscal year.

6.2.2 Selling during any fiscal year property of the Homeowners Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Homeowners Association for that fiscal year.

6.2.3 Paying compensation to managers or to officers of the Homeowners Association for services performed in the conduct of the Homeowners Association's business, provided, however, that the Board may cause a manager or officer to be reimbursed for expenses incurred in carrying on the business of the Homeowners Association.

6.2.4. Entering into a contract with a third person wherein the third person will furnish goods or services for the common elements or the Homeowners Association for a term longer than one (1) year with the following exceptions.

6.2.4.1 A management contract.

6.2.4.2 A contract with a public utility company if the rates charges for the materials or services are regulated by the Corporation Commission; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate.

6.2.4.3 Prepaid casualty and/or liability insurance policies of not to exceed three (3) years duration provided that the policy permits for short rate cancellation by the insured.

Any agreement for professional management of the project or any other contract providing for services by Developer shall provide for termination by either party without cause or payment of a termination fee on ninety (90) days or less written notice and shall provide for a maximum contract term of three (3) years.

ARTICLE 7

OFFICERS AND DUTIES

7.1 Enumeration and Term.

The officers of the Homeowners Association shall be a president and vice president, who shall at all times be members of the Board of Managers, a secretary and a treasurer and such other officers as the Board may from time to time by resolution create. The officers shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign or shall be removed or otherwise disqualified to serve.

7.2 Election of Officers.

Except as to the initial officers who shall be elected by the Board appointed by this Developer as herein provided, the election of officers shall take place at the first meeting of the Board of Managers following each annual meeting of the members.

7.3 Resignation and Removal.

Any officer may be removed from office by a majority of the Board at any time with or without cause. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignations shall take effect on the date of receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

7.4 Vacancies.

A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

7.5 Multiple Offices.

The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to this Article.

7.6 Duties.

The duties of the officers are as follows:

7.6.1 President. The president shall preside at all meetings of the Board of Managers and the Homeowners Association (members); shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other

written instruments and shall co-sign all checks (unless the authority to sign checks in the ordinary course of the Homeowners Association's business has been delegated to a management company as provided in these By-Laws) and promissory notes.

7.6.2 Vice President. The vice president shall act in the place and stead of the president in the event of his absence, inability or refusal to act and shall exercise and discharge such other duties as may be required of him by the Board.

7.6.3 Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Homeowners Association, together with their addresses, and shall perform such other duties as provided by the Board.

7.6.4 Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Homeowners Association and shall disburse such funds as directed by resolution of the Board of Managers; shall co-sign all checks and promissory notes of the Homeowners Association; and shall keep proper books of accounts and prepare or have prepared financial statements as required in these By-Laws. The duty of the treasurer to receive and deposit funds and to sign checks in the ordinary course of the Homeowners Association's business may be delegated to a management company as provided in these By-Laws.

7.7 Compensation of Officers.

No officers shall receive any compensation from the Homeowners Association or lot owners for acting as such.

ARTICLE 8

MAINTENANCE AND ASSESSMENTS

Pursuant to the procedures and guidelines set forth in the Covenants, Conditions and Restrictions, the Board shall levy, collect and enforce regular and special assessments for the operation of the Homeowners Association and for management, maintenance and operation of the common elements. The assessments shall be used exclusively to promote the recreation, health, safety and welfare of all residents in the entire project for improvements and maintenance of the common elements for the common good of the project. Regular assessments shall include an adequate reserve fund for maintenance, repairs and replacement of the common elements. The requirement of this article include, but are not limited to, the maintenance of the private streets, the detention improvements and for following in compliance with Title 17 of the Edmond City Code: (a) maintenance and repairs of the private streets and/or firelanes, and to provide the funds thereof, for the maintenance and repairs through the use of assessments; (b) maintenance testing and repairs of all functions of the gate; (c) establishing the access code, and assuring that the emergency services have the property code number. Changing the code will not be allowed without proper notification; (d) accompanying the Fire Department officers during annual inspection and testing of the opening systems; and (e) maintaining a service agreement with a qualified contractor to insure year round maintenance.

ARTICLE 9

DISCIPLINE OF MEMBERS; SUSPENSION OF RIGHTS

The Homeowners Association shall have no power to cause a forfeiture or abridgment of an owner's right to the full use and enjoyment of his individually owned lot on account of a failure of the owner to comply with provisions of the Covenants, Conditions

and Restrictions, these By-Laws or of duly enacted rules of operation for the common elements and facilities, except where the loss of forfeiture is the result of the judgment of a court or a decision arising out of arbitration or on account of a foreclosure or sale under a power of sale for failure of the owner to pay assessments levied by the Homeowners Association. Notwithstanding the foregoing, the Board shall have the power to impose reasonable monetary penalties, temporary suspensions of an owner's rights as a member of the Homeowners Association or other appropriate discipline for failure to comply with the Covenants, Conditions and Restrictions, these By-Laws or duly enacted rules; provided that the accused shall be given reasonable notice and the opportunity to be heard by the Board with respect to the alleged violations before a decision to impose discipline is reached. In the case in which monetary penalties are to be imposed, such penalties shall be according to a schedule of penalties, related to specific offenses, which schedule shall be proposed by the Board and approved by the vote or written assent of a majority of the voting power of each class of membership. Such penalties shall bear a reasonable relationship to the conduct for which the penalty is imposed and may only be imposed prospectively.

ARTICLE 10

BUDGETS, FINANCIAL STATEMENTS, BOOKS AND RECORDS

10.1 Budgets and Financial Statements.

Financial statements for the Homeowners Association shall be regularly prepared and copies shall be distributed to each member of the Homeowners Association as follows:

10.1.1 A pro forma operating statement (budget) for each fiscal year shall be distributed not less than sixty (60) days before the beginning of the fiscal year.

10.1.2 A balance sheet (as of an accounting day which is the last day of the month closest in time to six (6) months from the date of closing of the first sale of a lot in the project to an individual buyer) and an operating statement for the period from the date of the first closing to the said accounting date shall be distributed within sixty (60) days after the accounting date. This operating statement shall include a schedule of assessments received and receivable identified by the number of the lot and the name of the lot owner assessed.

10.1.3 A balance sheet as of the last day of the Homeowners Association's fiscal year and an operating statement for said fiscal year shall be distributed within ninety (90) days after the close of the fiscal year.

In the event a holder, insurer or guarantor of any first mortgage that is secured by a lot in the project submits a written request therefor, the Homeowners Association will provide an audit statement for the preceding fiscal year.

10.2 Fiscal year.

The fiscal year of the Homeowners Association shall be designated by resolution of the Board. In the absence of such resolution, the fiscal year shall be the calendar year.

10.3 Inspection of Homeowners Association's Books and Records.

The membership register, books of account and minutes of meetings of the members of the Board and of committees of the Board or Homeowners Association shall be made available for inspection and copying by any member of the Owner's Association or by his duly appointed representative at any reasonable time and for a purpose reasonably related to his interest as a member at the office of the

Homeowners Association or at such other place within the project as the Board shall prescribe. Such inspection may take place on weekdays during normal hours following at least forty-eight (48) hours written notice to the Board by the member desiring to make the inspection. Any member desiring copies of any document shall pay the reasonable cost of reproduction. Every manager shall have the absolute right at any reasonable time to inspect all books, records and documents of the Homeowners Association and the physical properties owned or controlled by the Homeowners Association. The right of inspection by a manager includes the right to make extracts and copies of documents.

ARTICLE 11

AMENDMENT OF BY-LAWS

These By-Laws may be amended by a vote or written assent of owners of at least seventy-five percent (75%) of the aggregate interest in the common elements as established by the Covenants, Conditions and Restrictions; provided, however, that each of the particular requirements set forth in 60 Okla.Stat. §§851 through 855, inclusive, as it now reads or may be hereafter amended shall always be embodied in the By-Laws. Such modification or amendment shall not become operative unless set forth in amended Covenants, Conditions and Restrictions and duly recorded in the office of the County Clerk of Oklahoma County, Oklahoma.

ARTICLE 12

MISCELLANEOUS PROVISIONS

12.1 Regulations.

All owners, tenants or their employees or any other person that might use the facilities of the project in any manner are subject to the regulations set forth in these By-Laws and in the project documents and to all reasonable rules enacted pursuant to the Covenants, Conditions and Restrictions. Acquisition, rental or occupancy of any lot shall constitute acceptance and ratification of the provisions of all such rules and regulations.

12.2 Indemnity of Officers and Managers.

Each manager and officer shall be indemnified by the Homeowners Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him by judgment or settlement in connection with any proceeding to which he may be a party or in which he may become involved by reason of his being or having been a manager or an officer of the Homeowners Association, except in cases of fraud, gross negligence or bad faith of the manager or officer in the performance of his duties.

12.3 Committees.

The Board shall appoint a nominating committee, as provided in these By-Laws. In addition, the Board of Managers shall appoint other committees as deemed appropriate in carrying out its purposes.

12.4 Notices.

Any notice permitted or required to be given by the project documents may be delivered either personally or by mail or as otherwise specifically provided in the project documents. If delivery is by mail, it shall be deemed to have been given seventy-two (72) hours after a copy of the same has been deposited in the United States mail, postage prepaid, return receipt requested, addressed to each person at the current address or addressed to the lot of such person if no address has been given to the secretary;

provided, however, that notice of regular or special meetings of members may be mailed without a return receipt.

ARTICLE 13

OBLIGATIONS OF THE HOMEOWNERS

13.1 Assessments.

13.1.1 Monthly Assessments. Assessments shall be due monthly in advance on the first day of each month. After monthly assessments have been set by the Board of Managers, the Board of Managers shall prepare and deliver or mail to each owner an individual statement of the owner's monthly assessment; thereafter, monthly statements shall be prepared and delivered or mailed only in the event of a change in the monthly assessment, the levying of a special assessment or in the event an owner becomes delinquent in the payment of the monthly assessments.

The assessments made for common expenses shall be based upon the cash requirements deemed to be such aggregate sum as the Board of Managers determines is to be paid by all of the owners, including the Developer, to provide for the payment of all estimated expenses growing out of or connected with the maintenance, repair, operation, additions, alterations and improvements of and to the common elements, which sum may include, but shall not be limited to, expenses of management; taxes and insurance with extended coverage and vandalism and malicious mischief with endorsements attached issued in the amount of the maximum replacement value of all the common elements; casualty and public liability and other insurance premiums; landscaping and care of grounds; common lighting; repairs and renovations; removals of pollutants and trash collections; wages, utility charges for common elements; beautification and decoration; professional fees, including legal and accounting fees, management fees, expenses and liabilities incurred by the managing agent or Board of Managers on behalf of the owners under or by reason of the Covenants, Conditions and Restrictions and the By-Laws of the Homeowners Association; for any deficit arising or any deficit remaining from a previous period; the creation of a reasonable contingency fund, reserves, working capital and sinking funds as well as other costs and expenses relating to the common elements. In the event that cash requirements for common elements exceed the aggregate assessments made pursuant to this Article, the Board of Managers for the Homeowners Association may from time to time and at any time make pro rata increases or decreases in the monthly assessments. The omission or failure to fix the assessment for any period shall not be deemed a waiver, modification or a release of the owners from their obligation to pay the same.

13.1.2 Special Assessments. In addition to those monthly assessments described in paragraph 13.1.1, above, special assessments may be made from time to time by the Board of Managers to meet other needs or to construct or establish facilities deemed of benefit to the Homeowners Association and the owners by the Board of Managers or to overcome deficits in the monthly operating budgets; however, there shall be no special assessments for additions, alterations or improvements of or to the common elements requiring an expenditure by the Homeowners Association in excess of \$20,000.00 in any one calendar year without the prior approval of the majority of the owners. Such limitations shall not be applicable, however, to special assessments for the replacement, repair, maintenance or restoration of any common elements which are to be paid for by the Homeowners Association according to the Covenants, Conditions and Restrictions and these By-Laws and shall not be applicable to the purchase, if any, by the Homeowners Association of a lot for use as an office by the Homeowners Association.

13.1.3 Owner's Personal Obligation for Payment of Assessments. The amount of total assessments against such lot shall be the personal and individual debt of the owner thereof. The Board of Managers shall have the responsibility to take prompt action to collect any unpaid assessment in accordance with the terms of the Covenants, Conditions and Restrictions.

ESTABLISHMENT OF BY-LAWS

We, the undersigned Developer and all of the managers appointed by the Developer, pursuant to the Covenants, Conditions and Restrictions and By-Laws, do hereby certify the foregoing to be the By-Laws of Cedar Pointe Homeowners' Association and, by our signatures hereto, do hereby adopt the foregoing By-Laws as of the 9th day of September, 1997.

MCKEAN BELL DEVELOPMENT, L.L.C., an Oklahoma limited liability company

By: [Signature]
Manager

BELL CORPORATION, INC. d/b/a BELL AMERICAN HOMES

By: [Signature]
President

[Signature]
Danna D. Metzger

[Signature]
Tommy J. Metzger

[Signature]
Barnett

[Signature]
Barnett

HEARTLAND HOMES LIMITED PARTNERSHIP, an Oklahoma limited partnership

By: Heartland Homes, Inc., a corporation, general partner

By: [Signature]
President

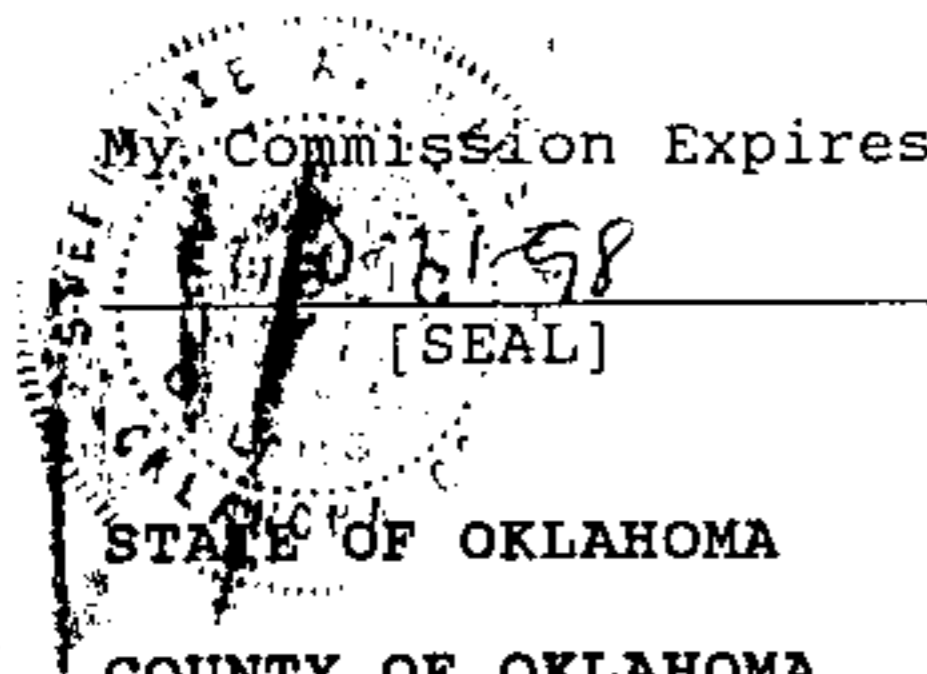
ACKNOWLEDGMENTS

STATE OF OKLAHOMA)
) S
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on September 9, 1997, by Garland Bell
as Managers of McKean Bell Development, L.L.C.

Stephanie A Marshall
Notary Public

My Commission Expires:

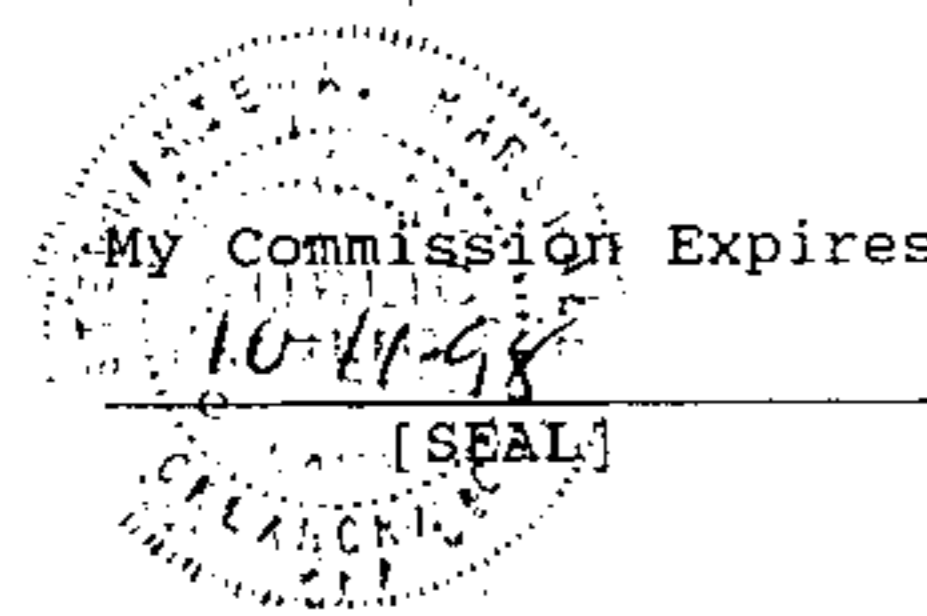


STATE OF OKLAHOMA)
) S
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on September 9, 1997, by Garland Bell
as President of Bell Corporation, Inc. d/b/a Bell American Homes.

Stephanie A Marshall
Notary Public

My Commission Expires:

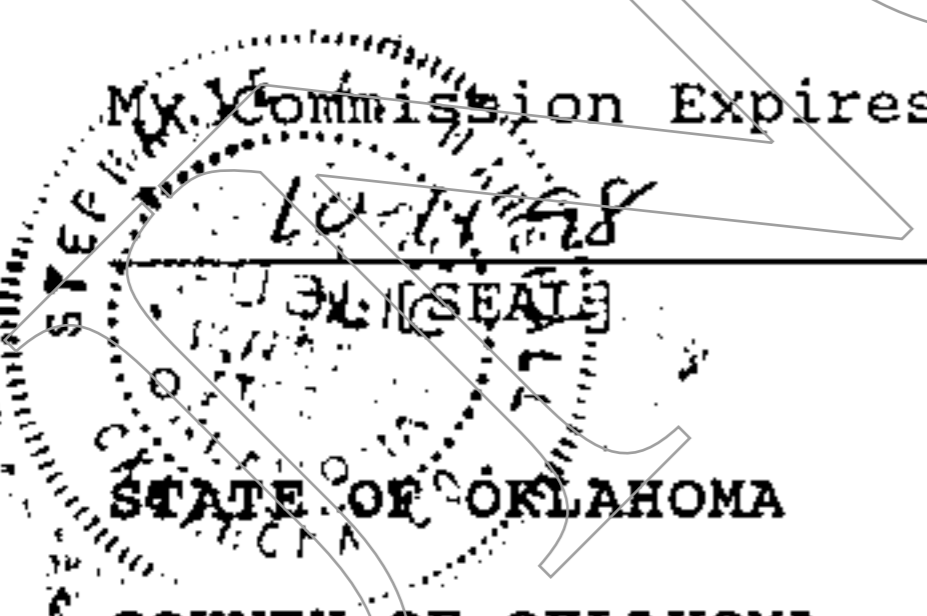


STATE OF OKLAHOMA)
) S
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on September 9, 1997, by Danna D. Metzger and Tommy J. Metzger,
individually.

Stephanie A Marshall
Notary Public

My Commission Expires:

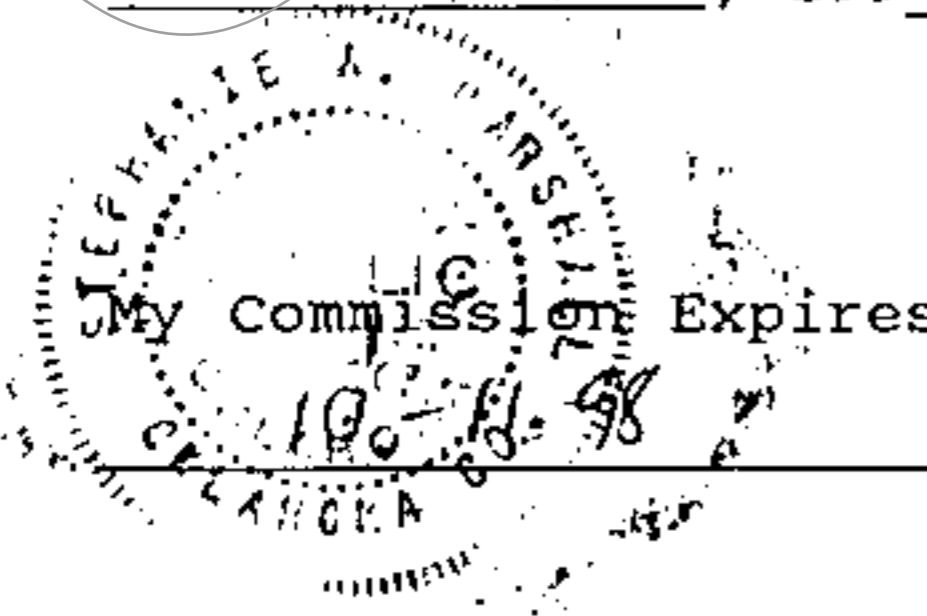


STATE OF OKLAHOMA)
) S
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on September 9, 1997, by Willard Barnett & Marena Barnett

Stephanie A Marshall
Notary Public

My Commission Expires:



[SEAL]

STATE OF OKLAHOMA)
) S
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on _____ and _____, 199____, by _____.

Notary Public

My Commission Expires:

[SEAL]

STATE OF OKLAHOMA)
) S
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on September
9, 1997, by JIM MEYERS, as
President of Heartland Homes, Inc., as general partner of Heartland
Homes Limited Partnership.

Stephanie A Marshall
Notary Public

My Commission Expires:



UNOFFICIAL