

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
COBBLESTONE CONDOMINIUMS**

PREAMBLE

THIS DECLARATION, made on the date hereinafter set forth, by Cobblestone Condominiums, an Oklahoma General Partnership, hereinafter referred to as "Declarant",

WITNESSETH:

WHEREAS, Declarant is the owner of the real property situated in the County of Oklahoma, State of Oklahoma, more particularly described on Exhibit "A" hereto attached and made a part hereof; and,

WHEREAS, Declarant will construct a single family attached home development and green belt areas on the property above described, together with other improvements thereon; and,

WHEREAS, Declarant will convey the said property subject to the protective covenants, conditions, restrictions, reservations, liens and charges as hereinafter set forth, pursuant to Oklahoma's Real Estate Development Act. (Title 60 O.S. 1971, Sections 851—855, as Amended).

NOW, THEREFORE, Declarant hereby declares that all of the properties described on Exhibit "A" shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

**ARTICLE I
DEFINITIONS**

Section 1. "Assessment Schedule" shall mean the proportion of Common Area expenses which is set out on Exhibit "B" hereto attached and made a part hereof, set out opposite each Lot.

Section 2. "Association" shall mean and refer to The Homeowners' Association of Cobblestone Condominiums, Inc., a non-profit Oklahoma corporation.

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

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

Section 5. "Common Area" shall mean that property so described on the recorded plat of Cobblestone Condominiums and, in addition, all real property owned by the Association for the common use and enjoyment of the Owners. The Common Area to be owned by the Association at the time of the conveyance of the first Lot is that reflected in said Plat, together with all facilities and improvements placed thereon, and any and all interest which the Association may acquire in adjacent lands, any easements granted to the Association and the Owners and, in general, all apparatus and installations existing for common use, and all other parts of the properties necessary or convenient to its existence, maintenance and safety, but not including Lots or Dwelling Units herein described.

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

Section 7. "Declarant" shall mean Cobblestone Condominiums, an Oklahoma General Partnership, its successors and assigns.

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

Section 8. "Declaration" shall mean this document of Declaration of Covenants, Conditions and Restrictions of Cobblestone Condominiums, as same may be amended from time to time.

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

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

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

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

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

Section 14. "Owner" shall mean and refer to the record Owner of any Lot and/or Dwelling Unit, whether one or more persons or entities, excluding the Declarant and those having an interest under an encumbrance.

Section 15. "Party Wall" shall mean the entire wall or fence, including the foundations thereof, which is built as a part of the original improvements on a Lot and is intended to be placed on the boundary line between adjoining Lots.

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

Section 17. "Properties" shall mean and refer to all Common Areas, all Lots, all Dwelling Units and all improvements thereon and thereto which constitute or shall constitute the entire project herein created, known as Cobblestone Condominiums.

Section 18. "Rules" shall mean the Rules and Regulations adopted by the Association as amended from time to time.

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

ARTICLE II
SCOPE OF DECLARATION AND RIGHTS RESERVED BY DECLARANT

Section 1. PROPERTY SUBJECT TO DECLARATION.

Declarant, as the owner of fee simple title to the Properties, expressly intends to, and by recording this Declaration does hereby, subject the Properties to the provisions of this Declaration. Provided, that the total development area shall not exceed sixty— eight (68) Lots, as shown by the recorded plats of Cobblestone and Cobblestone II, together with certain variances granted by the City of Edmond. Declarant shall not be obligated to subject to this Declaration any real property other than that described herein, which is presently subject to this Declaration.

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

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

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

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

Section 4. EXPANDABLE NATURE OF DEVELOPMENT.

Additional real property may be annexed to and become subject to this Declaration as set forth hereinafter in this Section.

(a) Development of the Covered Property. Declarant intends to sequentially develop additional real property on a phased basis; however, Declarant may elect (a) not to develop all or any part of any such real property, (b) to annex such real property to this Declaration in increments of any size whatsoever, or (c) to develop more than one such increment at any given time and in any given order. Moreover, Declarant reserves the right to subject all or any portion of said real property to the plan of this Declaration. Although Declarant shall have the ability to annex additional real property as provided in this Section, Declarant shall not be obligated to annex all or any portion of such property, and such property shall not become subject to this Declaration unless and until a Supplementary Declaration shall have been so executed and recorded.

(b) Supplementary Declarations. A Supplementary Declaration shall be a writing in recordable form which annexes all or portions of the additional real property to the plan of this Declaration, incorporates by reference all of the covenants, conditions and restrictions of this Declaration and shall contain such other provisions as set forth in this Declaration relating to Supplementary Declarations. In no event, however, shall any such Supplementary Declaration, or any merger or consolidation revoke, modify or add to the covenants established by this Declaration within the existing property. In no event shall more than eighty (80) lots come under this Declaration and all Supplemental Declarations.

(c) Annexation Without Approval. Upon the execution and recordation of a Supplementary Declaration covering any portion of the additional real property, said real property and owners of units thereon will become subject to the functions, powers and jurisdiction of the Association without the approval, assent or vote of the Association or its then existing members. The plan of this Declaration shall be extended to said real property and each of the owners of units on said real property shall automatically be members of the Association entitled to representation in the Association in proportion to the number of all Units combined under this Declaration and all Supplemental Declarations.

d) Contents of Supplementary Declaration. Any Supplementary Declaration filed pursuant hereto shall contain the following items:

(i) Description of land to be annexed (the "Annexed Land") and an amended Exhibit "A" created by the annexation.

(ii) Description of all lots on the Annexed Land.

(iii) A description of the general common elements and limited common elements, if any, located in or on the Annexed Land.

e) Effect of Supplemental Declaration on Liens and Assessments. The recording of a Supplemental Declaration shall not alter or affect the amounts of any liens for common expenses due from any existing Unit owners prior to such recording, nor the respective amounts theretofore assessed to or due from existing Unit owners for common expenses or other assessments.

ARTICLE III PROPERTY RIGHTS

Section 1. OWNERS' NONEXCLUSIVE EASEMENT OF ENJOYMENT; LIMITATIONS

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

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

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

(1) Number of Guests. To limit the number of guests of Owners permitted to use any recreational facilities.

2) Admission. To fix reasonable admission or other fees for the use of any recreational facility by the guests of the Owners.

(3) Voting and Use Rights Suspension. To suspend the voting rights and the rights of an Owner to use the recreational facilities for any period during which any assessment against his Lot and Dwelling Unit remains unpaid for thirty (30) days, and for any infraction of the Rules.

c) Borrow Money. The right of the Association, with the prior consent of two-thirds (2/3) of the lot owners and in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Areas and in aid thereof to mortgage said Common Areas; provided, however, any such mortgage shall provide that in the event of a default, the mortgagee's rights thereunder as to any of such Common Areas shall be limited to a right, after taking possession thereof, and without changing the character thereof, to charge admission and other fees as a condition to continued enjoyment by the members and, if necessary, to open the enjoyment of such properties to a wider public until the mortgage debt is satisfied, whereupon the possession of such properties shall be returned to the Association and all rights of the members hereunder shall be fully restored.

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

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

Section 2. DELEGATION OF USE; NONRESIDENT OWNER.

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

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

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

**ARTICLE IV
EASEMENTS**

Section 1. BLANKET EASEMENTS FOR UTILITIES; FOR POLICE, FIRE, ETC.; FOR MAINTENANCE AND REPAIR TO COMMON AREA.

There is hereby created a blanket easement in, on, through, upon, across, over and under all of the Common Areas for ingress and egress, installation, replacement, repair and maintenance of all utilities, including, but not limited to, water, sewer, gas, telephone and electricity. By virtue of this easement, it shall be expressly permissible for the electrical and/or telephone company providing service to erect and maintain the necessary poles and other necessary equipment on said Common Area and to affix and maintain electrical and/or telephone wires, circuits, and conduits on, above, across and under the roof and exterior walls of the buildings upon the Common Area. An easement is further granted to all police, fire protection and ambulance personnel, and all similar persons to enter upon the Common Area in the performance of their duties. Further, an easement is hereby granted to the Association to enter in, onto, above, across or under the Common Area and any Lot and Dwelling Unit to perform the duties of maintenance and repair to the Common Area. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on said Common Area except as approved by Declarant or the Association. Should any utility furnishing a service covered by the general easement herein provided request a specific easement, Declarant or the Association may grant such an easement to the Common Area by a separate recorded instrument without conflicting with the terms hereof and without consent of the Owners being required. The easements provided for in this Article shall in no way affect any other recorded easement to said Common Area.

Section 2. EASEMENTS FOR ENCROACHMENTS.

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

Section 3. EASEMENTS FOR DRAINAGE.

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

Section 4. ZERO LOT LINE.

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

Section 5. CONSTRUCTION OVERHANG EASEMENT.

Any property owner shall have an easement for maintenance, construction rights and access to the property which adjoins his on the zero lot line side for five (5) feet on the adjoining property, to be exercised only during reasonable hours, unless an emergency exists.

Section 6. ENCROACHMENTS.

With respect to the encroachments which are inherent in planned developments, there are reserved for the benefit of each lot, and Owner thereof, the following easements:

a) A reciprocal easement appurtenant to and over each contiguous lot, for the purpose of accommodating any encroachment of any Party Wall, Party Fence or overhanging structures.

b) A reciprocal easement appurtenant to and over each contiguous lot, for the purpose of accommodating any natural settlement of any structures located on any of said lots.

Section 7. EASEMENT DEEMED APPURTENANT.

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

**ARTICLE V
USE AND OTHER RESTRICTIONS**

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

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

Section 2. TEMPORARY USE BY DECLARANT ON COMMON AREA.

Notwithstanding any provisions herein contained to the contrary, during the period of construction or sale, it shall be expressly permissible for Declarant to maintain upon the Common Area, without charge, such facilities as in the sole opinion of Declarant may be reasonably required, convenient or incidental for construction or sales purposes, including, but not limited to, a business office, storage area, construction yards and structures, signs, model Dwelling Units and sales offices. For sales purposes, Declarant, its agent and prospective purchasers, also shall have the right to ingress, egress and parking in and through, and the right to use and enjoy the Common Area at any and all reasonable times, without charge, and without permission from any Owner or the Association being required.

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

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

Section 4. NO IMPERILING OF INSURANCE.

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

Section 5. NO VIOLATION OF LAW.

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

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

No noxious or offensive activity shall be carried on upon the Common Area, nor shall anything be done thereon which may be, or may become, an annoyance or nuisance to the neighborhood. No activity shall be conducted on any part of the Properties which is or might be unsafe or hazardous to any person. No part of the Common Area may be used as a dumping ground for garbage, trash or other waste, and the same shall be disposed of in a sanitary manner. All equipment for the storage or disposal of garbage, trash, and waste shall be kept in a clean and sanitary condition. Garbage, trash or waste disposal shall be made in such a manner as may be established by the Association, and the burning of garbage, trash or waste in outside incinerators, barbeque pits or the like is strictly prohibited.

Section 7. SIGNS; EXCEPTION AS TO DECLARANT.

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

Section 8. PETS.

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

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

Refuse piles or other unsightly objects and materials shall not be placed or remain upon the Common Area or any Dwelling Unit exterior. The Association shall have the right to enter upon any Lot and Dwelling Unit exterior and to remove such refuse piles or other unsightly objects and materials at the expense of the Owner, and upon due notice to Owner and failure of Owner to comply with this Section, such entry shall not be deemed a

trespass. The Association shall make Rules concerning trash, storage and collection. All clotheslines or drying equipment, garbage cans, equipment, coolers or storage piles shall be located as not to be visible from the streets and/or Common Area or any other Dwelling Unit within the project.

Section 10. MINERAL EXPLORATION.

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

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

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

Section 12. PARKING.

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

Section 13. MECHANIC'S LIENS.

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

Section 14. RULES.

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

Section 15. UTILITIES.

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

Section 16. FENCES, MASONRY WALLS AND YARD MAINTENANCE.

There shall be no fencing over the rear or side yards of any lot, except Declarant may place a fence of any type anywhere in the addition for purposes of marketing and developing the properties and fencing may be allowed so long as the Architectural Control Committee issues its written consent. All masonry walls and fences initially erected by the Declarant and/or Developer must be maintained and/or replaced in the same condition and of the same quality as originally built. Each Owner shall be responsible for mowing, trimming and otherwise caring for any landscaping, including but not limited to, care for lawns, shrubbery and trees, within the courtyard walls.

Section 17. FORBIDDEN USES.

No gainful occupation, profession, trade or other non-residential use shall be conducted on any lots in this addition.

Section 18. MINIMUM SIZE OF DWELLINGS.

Each residential unit in each building constructed, altered or erected in this addition, shall contain not less than twelve hundred (1,200) square feet, exclusive of' basements, one story open porches, breezeways and attached garages.

Section 19. SET BACK RESTRICTIONS.

No building, or any part thereof', shall ever be located nearer to the said street lot line or side lot line than the building set back lines shown on the recorded Plat of Cobblestone Condominiums.

Section 20. MATERIALS.

The exterior of any residential structure shall be at least sixty percent (60%) brick or stone veneer. No asbestos siding of any type shall be used as siding on exterior walls. Roofs are to be of' wood shingles, shakes, clay, composition, tile or of stone; any other roofing materials to be used shall be subject to the approval, in writing, in advance, of their use by the Architectural Control Committee.

Section 21. ANTENNAS, RECEPTION DISHES AND TOWERS.

No antenna or reception dish for transmission or reception of television signals or any other form of electromagnetic radiation, shall be erected, used or maintained outdoors, whether attached to a building or structure or otherwise, without permission of the Architectural Control Committee. No radio towers, windmills or energy-generating devices shall be erected, used or maintained without permission of the Architectural Control Committee.

Section 22. DISEASES AND INSECTS.

No Owner shall permit any thing or condition to exist upon his Lot which shall induce, breed or harbor infectious plant diseases or noxious insects.

Section 23. RESTRICTION ON FURTHER SUBDIVISION.

No lot in Cobblestone Condominiums shall be further subdivided, rearranged or replotted nor shall less than all of any such lot be conveyed or any easement or other interest given therein without the prior written approval of the Declarant.

**ARTICLE VI
ARCHITECTURAL CONTROL**

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

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

Section 2. FAILURE TO APPROVE OR DISAPPROVE.

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

Section 3. LANDSCAPING.

The Architectural Control Committee may require the removal, transplanting or restriction of any landscaping of any Owner determined to be or becoming a nuisance to other Owners or a threat to the structural integrity of any improvement on the Properties.

Section 4. COMMITTEE ADDRESS.

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

Architectural Control Committee
Cobblestone Condominiums
Suite 3
1400 North Broadway
Edmond, Oklahoma 730314
Attn: Everett Dale

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

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

The Architectural Control Committee shall consist of three (3) persons appointed by the Board of Directors. Declarant shall have the right to appoint the initial Committee members whose terms shall expire two (2) years from the date of the filing of this Declaration and said members need not be Owners. Thereafter, Committee members shall be appointed by the Board of Directors and must be Owners. One Committee member shall serve for one year; one Committee member shall serve for two years; and one Committee member shall serve for three years; and the Board of Directors shall appoint Committee members to replace those whose terms expire. All replacement committee members shall have terms of three years. Members of such Architectural Control Committee shall not be entitled to any compensation for services performed. In the event any committee member shall die or resign, the Board shall appoint a replacement to serve out the term of such committee member.

**ARTICLE VII
THE ASSOCIATION**

Section 1. DUTIES AND RESPONSIBILITIES OF THE HOMEOWNERS' ASSOCIATION OF COBBLESTONE CONDOMINIUMS, INC., OWNER AND MANAGER OF COMMON AREAS.

Declarant has caused to be incorporated as a non-profit corporation The Homeowners' Association of Cobblestone Condominiums, Inc., the By-Laws of which are attached as Exhibit "C". Any owner of a Lot and

Dwelling Unit shall be deemed to have assented to, ratified and approved the designation of such corporation as manager. Said Association shall have the following duties, rights and Powers:

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

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

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

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

e) Violation Enforcement. To enjoin or seek damages from the Owners for violation of the Declaration, the Articles of Incorporation of the Association, the By-Laws or the Rules.

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

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

h) Employ Professionals; Audit; Inspection Rights. To employ counsel, attorneys and auditors in connection with legal matters of the Association and in connection with the audit of its books and records.

i) Deposit Funds. To deposit funds in the hands of the Board which are not necessary for immediate disbursements in savings accounts of National or State Banks or Savings and Loan institutions earning a reasonable rate of interest.

j) File Zoning Or Variance Protests. To file legal protests, formal or informal, with authorities against the granting by authorities of zoning ordinances or variances as to any property within reasonable proximity of the Properties which might affect the value of any Owner's interest in the Properties.

k) Maintenance of a Portion of the Exterior of Dwelling Units. To maintain the exterior and roof of the Dwelling Units, but only as required in Article IX below. To mow and trim all grass (except within courtyard walls), and to maintain the sprinkler system (except within courtyard walls).

l) Maintenance of Unpaved Dedicated Street. To mow, water and trim all grass on the unpaved portion of Boulevard dedicated to the City of Edmond by the filing of the Plats of Cobblestone and Cobblestone II.

Section 2. THE BOARD OF DIRECTORS; NUMBER; ELECTION AT ANNUAL MEETING.

Except for the initial Board of Directors, the Board shall consist of not less than three (3) individuals, each of whom shall be a voting member, and said Board shall be elected at each annual meeting of the members of the Association as provided in the By-Laws. Any such Board shall provide the lot owners reasonable representation.

Section 3. MEMBERSHIP; AUTOMATIC AND MANDATORY; EFFECTIVE DATE OF MEMBERSHIP

Any person acquiring a fee simple record ownership interest in a Lot and Dwelling Unit shall automatically become a member of the Association. Such ownership interest shall be the sole qualification for membership. Upon the sale or transfer of a Lot and Dwelling Unit by an Owner, that person's membership shall terminate and shall be automatically transferred to the purchaser or transferee. Membership shall be appurtenant to and may not be separated from ownership. Except for the Declarant, the membership of an Owner shall become effective for all purposes upon the Owner's occupancy of his Dwelling Unit; provided, however, that any Owner may, prior to occupancy, voluntarily commence payment of assessments hereunder and thereupon become a member as fully, as of such first payment, as if occupancy had occurred.

Section 4. VOTING; ONE VOTE PER DWELLING UNIT; DESIGNATION BOARD MEMBERSHIP.

The Association shall have one class of voting membership. All Owners and the Declarant shall be members of such voting membership. Each Owner shall be entitled to one (1) vote for each Dwelling Unit owned. The Declarant shall be entitled to two (2) votes for each lot owned. When more than one (1) person holds an interest in any Dwelling Unit, all such persons shall be members. The vote for such Dwelling Unit shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Dwelling Unit, except with respect to the Declarant.

However, the exclusive right to vote for the election of members of the Board of Directors shall be vested in the Declarant or its successors or assigns until the first occurring of the following two (2) events:

- a) Thirty (30) days after completion of transfer to Forty (40) Lots.
- b) Five (5) years from the date of filing of this Declaration.

Section 5. INDEMNIFICATION OF MANAGER, EMPLOYEES, DIRECTORS AND OFFICERS; MISFEASANCE OR MALFEASANCE.

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

Section 6. LIMITATION UPON LIABILITY OF ASSOCIATION.

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

**ARTICLE VIII
ASSESSMENTS**

Section 1. ASSESSMENTS; REGULAR AND SPECIAL; PERSONAL OBLIGATION; DUE DATES; PRO-RATA SHARE.

The Declarant and each Owner agree to pay the Association regular assessments or charges and special assessments, both to be fixed, established and collected from time to time as herein provided. Such assessments, together with interest and the cost of collection in the event of delinquency in payment as allowed in Section 5 of this Article, shall be the personal obligation of the person who was the Owner, or of the persons, jointly and severally, who were the Owners, at the time when the assessment was made. Payment of the assessments made shall be paid by the owners to the Association as of the date of closing the original purchase

of an Owner's Dwelling Unit and prorated if upon a date other than the due date of an assessment, and thereafter in quarterly or other periodic installments commencing on the first day of each quarter or period following the closing. The Declarant shall commence payment of the assessments upon the conveyance of the first Lot and Dwelling Unit to an Owner.

Section 2. PURPOSE OF ASSESSMENTS; MANAGEMENT AND MAINTENANCE RESERVES; REPAIRS RESULTING FROM NEGLIGENT ACTS.

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

Section 3. BASIS OF ASSESSMENTS.

a) Utility Charges. Water, sewer, electricity and all other public utility charges incurred in operating and maintaining the Common Area and, based upon actual charges levied by the respective public utility or municipality.

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

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

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

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

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

Section 4. SPECIAL ASSESSMENTS; ASSENT OF OWNERS AND MORTGAGEES.

In addition to the assessments authorized above, the Board may levy special assessments for the purpose of defraying the cost of any construction or reconstruction, unexpected structural repairs or replacement or capital improvements, including the necessary fixtures and personal property related thereto. Such assessment must have assent of a majority of the Owners and mortgagees voting in person or by proxy at a meeting duly called for such purpose or at the annual meeting. Declarant must approve in writing any capital expenditure or cost of any construction or reconstruction which exceeds the total sum of Two Thousand Dollars (\$2,000.00). Written notice shall be sent to all Owners of record and first mortgagees not less than fifteen (15) days nor more than thirty (30) days in advance of the meeting, setting forth the purpose of the meeting.

Section 5. NON—PAYMENT OF ASSESSMENTS.

a) Late Charge; Interest; Acceleration; Costs; Attorney Fees; Voluntary Payment By Mortgagee. Assessments and fees shall be due and payable on the first day of each quarter or the first day of the period fixed for payment of the assessment or fees, and shall become delinquent unless paid ten (10) days thereafter. All unpaid assessments and fees shall be subject to a late charge for non-payment as may be determined from time to time by the Board. If such fees or assessments are not paid within thirty (30) days after the due date, they shall bear interest from the date of delinquency at the rate of fifteen per cent (15%) per annum or other reasonable rate fixed by the Board and uniformly applied. Failure to make payment within thirty (30) days of the due date thereof shall also cause the full amount of such Owner's estimated annual assessment for the remainder of that year to become due and owing at once, at the option of the Board. In the event it shall become necessary for the Board to collect any delinquent assessments or fees, whether by foreclosure of a lien hereinafter created or otherwise, the delinquent Owner shall pay, in addition to the assessment and late charge and interest hereinabove provided, all costs of collection, lien filing fees, including a reasonable attorney's fee and costs, incurred by the Board in enforcing payment. Any mortgagee holding a lien on a Dwelling Unit may pay, but shall not be required to pay, any unpaid common expenses payable with respect to such Dwelling Unit, and such payment shall not be deemed a waiver by the Association of default by the Unit Owner.

b) Lien; Recording; Foreclosure; Subordinate To Recorded First Mortgage; Rental; Possession By Association. The Association is hereby granted a lien against the Owner's Lot and Dwelling Unit for any payment or payments which the Owner fails to make within thirty (30) days after the due date; provided, however, that (1) such lien shall be effective only upon recordation of a notice thereof in the office of the Clerk and Registrar of Deeds of Oklahoma County, State of Oklahoma, and each Owner, by accepting a Deed to his Lot and Dwelling Unit, designates any one of the officers of the Association or its duly appointed Manager as agent with full irrevocable power and right to record a notice of said lien in favor of the Association; (2) a lien accruing hereunder shall be foreclosed in the same manner as provided by the laws of the State of Oklahoma for foreclosure of mortgages on real property; and (3) such lien shall be subject and subordinate to and shall not affect the right of a holder of any recorded first mortgage now or hereafter placed on the Lot and Dwelling Unit in good faith and for value. The lien hereby given shall also be a lien upon all of the rents and profits of the encumbered Lot and Dwelling Unit. In the event of foreclosure, the Owner shall be required to pay reasonable rental to the Association for occupying the same during the period of the foreclosure and, if after the filing of a foreclosure action, the Owner's Dwelling Unit is left vacant, the Board may take possession and rent said Dwelling Unit or apply for the appointment of a receiver for the Dwelling Unit. In addition to the lien herein granted, the Board shall have the right to bring an action at law against any Owner who fails to pay any amounts assessed against his Lot and Dwelling Unit and obtain a judgment for the amount of the assessments due plus costs as herein provided. The Board shall have the power to bid at the foreclosure sale, and if title is obtained, hold, lease mortgage and encumber or convey the same.

c) Payment By Board Of Encumbrance Obligations; Lien. In the event an Owner is in default on any obligation secured by an encumbrance on his Lot and Dwelling Unit, the Board, at its option, may pay the amount due on said obligation and file a lien against the Lot and Dwelling Unit in the manner as provided for herein for unpaid assessments or fees.

d) Sale Does Not Release Lien. Sale or transfer of any interest by an Owner shall not affect or release any lien granted the Association herein.

e) Foreclosure Conveyance Extinguishes Lien; Unpaid Amounts Common Expense; Mortgagee Obtaining Title. In the case of the conveyance of a Lot and Dwelling Unit pursuant to foreclosure proceedings or by deed in lieu of foreclosure, such transfer of title shall extinguish the lien for all unpaid assessments made by the Association becoming due before the date or transfer of title or date of first possession, whichever comes first. The amount remaining unpaid with respect to which the lien is extinguished shall be deemed to be a Common Area Expense collectible from all the Owners as such, without prejudice to the right of the Association to recover such amount from the delinquent Owner. Where the holder of a first mortgage of record or the purchaser obtains title to the Lot and Dwelling Unit as a result of foreclosure of the first mortgage, such acquirer of title shall not be liable for the share of the common expenses or assessments chargeable to such Lot and Dwelling Unit which became due prior to acquisition of title to such Lot and Dwelling Unit by such acquirer.

Section 6. REGISTRATION OF MAILING ADDRESS OF DWELLING UNIT OWNERS; ASSOCIATION ADDRESS; SERVICE AGENT.

Each Owner shall register his mailing address with the Association, and notices or demands intended to be served upon an Owner shall be sent by mail, postage prepaid, addressed in the name of the Owner at such registered mailing address. All notices, demands or other notices intended to be served upon the Board of Directors of the Association or to the Association shall be sent certified mail, postage prepaid, to the Homeowners' Association of Cobblestone Condominiums, Inc. at Suite 3, 1400 North Broadway, Edmond, Oklahoma 730314, Attn: Everett Dale, or at such other address of which the Board may be furnished from time to time, or served in person upon the Service Agent of the Association.

**ARTICLE IX
MAINTENANCE**

Section 1. MAINTENANCE OF THE COMMON AREA.

The Association shall provide for the care, operation, management and repair of the Common Area. Without limiting the generality of the foregoing and by way of illustration, the Association shall keep the Common Area in good, clean, attractive and sanitary order and repair; may arrange to have furnished to the Common Area water, sewer, electricity, gas and all other necessary utility services; may maintain and replace all or any portion of the landscaping; may provide for rubbish collection; may remove snow, ice and other materials from the streets and walkways; shall keep the Properties safe, attractive and desirable; and may make necessary or desirable alterations or improvements to the Common Area. Nothing herein shall be construed as a waiver of any right by the Association to recover for any damage or expense incurred as the result of the willful or negligent action or omission of any person.

Section 2. MAINTENANCE OF DWELLING UNITS; FAILURE OF OWNER TO MAINTAIN.

The Association shall provide for the care, maintenance, repair and replacement of, (but not the insurance for), the roofs of each Dwelling Unit. The Association shall provide for the painting and repainting of the Dwelling Unit Exteriors in keeping with the specifications of the Architectural Control Committee. The Association shall mow and trim all grass (except within courtyard walls as they are originally constructed) and shall maintain the sprinkler system (except within courtyard walls as they are originally constructed). Except as otherwise provided above, each Owner shall be responsible for the maintenance, repair and replacement of his Dwelling Unit and Dwelling Unit Exterior. Should, however, an Owner fail to properly maintain such items, after ten (10) days written notice from the Association, the Association may, at its sole option, provide for the maintenance, repair and replacement of the Dwelling Unit Exterior, including, but not limited to, the following:

a) Maintenance, repair and replacement of structural portions and water, sewer, electrical, and other systems which serve more than one Dwelling Unit, but not including those portions of such systems which serve only one Dwelling Unit, such as air conditioning unit, electrical or plumbing fixtures;

b) Maintenance, repair and replacement of drainways, steps, patios, fences, balconies and outer surfaces of exterior walls.

Section 3. OWNER'S DUTY TO INSPECT PREMISES AND TO NOTIFY ASSOCIATION OF DEFECTS.

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

Section 4. DUTY TO REPAIR DEFECTS; FAILURE TO REPAIR.

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

Section 5. WILLFUL OR NEGLIGENT ACTS

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

ARTICLE X INSURANCE

Section 1. MASTER POLICY; PUBLIC LIABILITY.

The Association shall carry a blanket insurance policy from an insurance company qualified to do and conduct business in the State of Oklahoma and holding a rating of Best's Insurance Reports of Class VI or better, the limits of coverage of which insurance shall be reviewed annually by The Board of Directors, of fire and extended coverage, vandalism and malicious mischief insurance covering the common area and, if required by law, workmen's compensation insurance (all of which hereinafter referred to as the "Master Policy"), with respect to the project and the Association's administration thereof in accordance with the following. If the project is located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards, a "blanket" policy of flood insurance on the project must be maintained in the amount of the aggregate of the outstanding principal balances of the mortgage loans on the Lots and Dwelling Units comprising the project or the maximum limit of coverage available under the National Flood Insurance Act of 1968, as amended, whichever is less. The Board of Directors shall also obtain and maintain, to the extent obtainable, public liability insurance in such limits as may from time to time be determined necessary, covering all of the common areas in the project. Such insurance policy shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Association or other Owners. The scope of coverage must include all other coverages in the kinds and amounts required by private institutional mortgage investors for projects similar in construction, location and use. Coverage shall be for at least \$1,000,000.00 per occurrence, for personal injury and/or property damage. The Association shall use its best efforts to see that the liability insurance carried by the Association shall contain cross—liability insurance endorsement, or appropriate provisions to cover liability of the Owners, individually and as a group, to another Owner.

Said master policy and the endorsements made a part thereof may provide for such deductibles from any amounts otherwise payable thereunder as the Association may determine, and shall also (i) provide that the insurer issuing said policy agree to abide by the decision of the Association whether to repair, reconstruct or restore all or any damaged or destroyed portion of the Common Areas covered thereby, (ii) contain no "escape" or "other insurance" clause that would cause said policy to become void in whole or in part or cause any proceeds payable thereunder to be reduced, set off, apportioned, prorated or otherwise brought into contribution with or by reason of separate insurance contained by or for any owner or his Mortgagee, (iii) provide that only

improvements made or installed by the Association shall affect the valuation of' any Building or Improvement on the project for co—insurance purposes, (iv) provide for at least an annual insurance review which shall include an appraisal of all Buildings, Improvements and Personal Property of' the Association located on or within the project required to be insured hereby by a representative of' the insurer issuing said master policy, (v) contain a waiver by said insurer of any and all rights of' subrogation against any Owner, Declarant (and each member of its staff and its employees), the Association, its Board (and each member thereof), its officers (and each of them), the Manager and his staff, and the agents, representatives and employees of the Association, (vi) provide that said master policy cannot be cancelled, invalidated, suspended, substantially modified, terminated, avoided or expire in whole or in part by reason of any act, omission or breach of any Covenant contained in this Declaration by any Owner, Declarant, the Association, its Board, its officers, the Manager and his staff, or the agents, representatives or employees of the Association without a prior written demand that the Association cure such breach, and that in no event shall said policy be cancelled, invalidated, suspended, substantially modified, terminated, voided or expire for any reason without ten (10) days prior written notice from the insurer to the Association, Declarant and to any Owner and Mortgagee (vii) provide that the Board or its authorized agent or representative shall have the exclusive authority to adjust any and all losses covered by said policy, (viii) provide that the insurance obtained pursuant to this paragraph shall not be prejudiced by any act or neglect of any of the insureds when such act or neglect is not within the knowledge and control of the insureds collectively, (ix) provide that the insurance obtained pursuant to this paragraph shall not be prejudiced by failure of the insureds collectively to comply with any warranty or condition with regard to any portion of the premises over which the insureds collectively have no control, (x) provide that the insurance obtained pursuant to this paragraph shall not be prejudiced by reason of the vacancy or non—occupancy of any one or more Dwelling Units within the Project, provided that the Declaration (as the same may be amended from time to time) is in force, and (xi) provided that all insurance proceeds under said master policy shall be payable to the Association as trustee to be held and expended as provided in this Declaration for the benefit of the Owners and their respective Mortgagees as their interests may appear.

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

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

Section 3. FIDUCIARY LIABILITY INSURANCE.

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

Section 4. OTHER PERILS.

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

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

In the event of substantial damage to, or destruction of, any part of the Common Area, any distribution of Insurance proceeds hereunder shall be made to the Owners and their respective Mortgagees, as their interests may appear, and no Owner or other party shall be entitled to priority over the first mortgagee of a Dwelling Unit with respect to any such distribution; provided, however, that nothing in this Section 5 shall be construed to deny the Association the right to apply any such proceeds to repair or replace damaged portions of the Common Area. The Association shall notify the appropriate Mortgagee forthwith whenever damage to the Common Area exceeds \$2,000.00.

Section 6. INSURANCE FOR UNIT OWNERS.

Individual Owners shall be required to obtain and maintain in force and effect a policy of fire and other casualty insurance in an amount acceptable to the Association and with coverage adequate to cover the full replacement cost of any repair or reconstruction work on the owner's property. Upon written request, each Owner must provide the Association with a copy of the deck sheet of any such insurance policy along with written confirmation from the insurance company that such policy is in full force and effect.

**ARTICLE XI
MORTGAGEE'S RIGHTS**

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

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

- a) Copies of budgets, notices of assessments, insurance certificates, or any other notices or statements provided under this Declaration by the Association to the Owner of the Lot and Dwelling Unit covered by the mortgage;
- b) Any audited or unaudited financial statements of the Association within ninety (90) days following the end of any fiscal year, which are prepared for the Association and distributed to the Owners;
- c) Copies of notices of meetings of the Owners and the right to be represented at any such meetings by a designated representative;
- d) Notice of the decision of the Owners or the Association to make any material amendment to this Declaration, the By-Laws, or the Articles of Incorporation of the Association;
- e) Notice of substantial damage to or destruction of any Dwelling Unit or any part of the Common Area;
- f) Notice of commencement of any condemnation or eminent domain proceedings with respect to any part of the Common Area;
- g) Notice of any default of the holder's Owner which is not cured by the Owner within sixty (60) days after the giving of notice by the Association to the Owner of the existence of the default;
- h) The right to examine the books and records of the Association at any reasonable time.

Section 2. FORM OF REQUEST.

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

Section 3. PROTECTION OF LIEN OF MORTGAGE.

No violation or breach of or failure to comply with any provision of this Declaration and no action to enforce any such provision shall affect, defeat, render invalid or impair the lien of any mortgage taken in good faith and for value and perfected by recording in the appropriate office, prior to the time of recording in said office of an instrument describing the Lot and listing the name or names of the Owner or Owners thereof and giving notice of such violation, breach, or failure to comply. However, the purchaser on foreclosure or person accepting a deed in lieu thereof shall take subject to this Declaration.

Section 4. MORTGAGEE VOLUNTARY PAYMENT.

First mortgagees of Lots and Dwelling Units may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any common property and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such common property and first mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

**ARTICLE XII
CONDEMNATION PROCEDURE**

Section 1. CONDEMNATION OF COMMON AREA.

In the event of a proceeding in condemnation or partial condemnation of any Common Area by any governmental authority authorized so to do, the proceeds from such condemnation attributable to the Common Area shall be distributed unto the Owners based upon the Assessment Schedule.

Section 2. LIEN HOLDERS.

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

**ARTICLE XIII
PARTY WALLS**

Section 1. PARTY WALL.

The Owner shall possess, in fee simple, that portion of the Party Wall lying within his Lot. Each Owner having a Party Wall is hereby granted a mutual reciprocal easement for repair or replacement of said Party Wall. No Owner shall commit or omit any act, the result of which is an infringement of the adjoining Dwelling Unit Owner's rights in the Party Wall absent written agreement between such Owners. In the event that any portion of any structure, originally constructed by Declarant, including any Party Wall, shall protrude over an adjoining Dwelling Unit, such structure shall not be deemed to be an encroachment upon the adjoining Lot and Dwelling Unit nor shall any action be maintained for the removal or for damage because of such protrusion. It shall be deemed that said Owner has granted perpetual easements to the adjoining Owner for continuing maintenance and use of any such protrusion. The foregoing shall apply to any replacements of any Party Wall if the same are constructed substantially in conformity with the original Party Wall constructed by the Declarant.

Section 2. DESTRUCTION.

If a Party Wall is destroyed or damaged by any casualty, the Owners of Dwelling Units abutting such Party Wall shall jointly restore it substantially to its original form, and they shall contribute equally to the cost of restoration thereof without prejudice, however, to the right of any such Owner to call for a larger contribution from the other Owner under any rules of law regarding liability for negligent or willful acts or omissions. Destruction or damage to any Party Wall shall not cause the termination of any rights of any of the adjoining Owners thereto, any reconstruction or replacement of a Party Wall. Owners of Dwelling Units abutting such a Party Wall are obligated hereby to restore it in its substantially original condition. Notwithstanding any other provisions of this Article, an Owner who, by his negligent or willful act, causes the Party Wall to be damaged shall bear the whole cost of repairing such damage and shall diligently prosecute all such repairs and reconstruction. If such Owner shall fail to do so, then any other Owner of a Dwelling Unit abutting such Party Wall may do so at the sole cost and expense of the Owner causing such damage. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

**ARTICLE XIV
DURATION AND AMENDMENTS**

Section 1. AMENDMENTS AND REVOCATION; PARTITION, SALE, ENCUMBRANCE, OR SUBDIVISION OF COMMON AREA; CONSENT OF FIRST MORTGAGEES, RECORDING AMENDMENTS; DECLARANT'S RIGHTS.

This Declaration shall remain in full force and effect for as long as the Properties remain as single family attached and/or detached home development. Except as hereinafter provided, the Declaration may not be amended or revoked, nor may any Common Area used or held for the benefit of all the Owners be abandoned, partitioned subdivided, sold, encumbered or transferred except by a vote of Owners representing not less than seventy—five percent (75%) of all Owners' interests in the Lots. Whenever an Owner's interest is subject to an encumbrance in the nature of a first mortgage, his vote shall be included in said required percentage only upon concurrence of the holder of the encumbrance. Such amendments shall be effective only upon the recordation of the certificate setting forth the amendment signed by the Owners and the first mortgagees representing not less than seventy-five percent (75%) of all the interests in the Lots. No amendment to this Declaration shall be in conflict with the Laws of the State of Oklahoma. No amendments shall affect the rights of Declarant herein unless approved and consented to by Declarant in writing. The Declarant may amend this Declaration at any time until the first occurring of the two events set forth in Article VII, Section 4 above.

Section 2. MORTGAGEE'S RIGHTS.

The above notwithstanding, the prior written approval of all holders of first mortgages on the Lots and Dwelling Units will be required for any of the following:

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

Section 3. SPECIAL AMENDMENTS.

Declarant hereby reserves and is granted the right and power to record a Special Amendment to this Declaration at any time and from time to time which amends this Declaration (i) to comply with requirements of any federally insured savings and loan association, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Association, the Veteran's Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities and/or (ii) to induce any of such agencies or entities to make, purchase, sell, insure, or guarantee first mortgages covering Lots and Dwelling Units. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant to make or consent to a Special Amendment on behalf of each Owner. Each deed, mortgage, trust deed, other evidence of obligation or other Instrument affecting a Lot and Dwelling Unit, and the acceptance thereof, shall be deemed to be a grant

and acknowledgment of, and a consent to the reservation of, the power to the Declarant to make, execute and record Special Amendments. No Special Amendment made by Declarant shall affect or impair the lien of any first mortgage upon a Lot and Dwelling Unit or any warranties made by an Owner or first mortgagee in order to induce any of the above agencies or entities to make, purchase, insure or guarantee the first mortgage on such Owner's Lot and Dwelling Unit.

ARTICLE XV GENERAL PROVISIONS

Section 1. ENFORCEMENT AT LAW OR IN EQUITY: NOTICE TO MORTGAGEE OF UNCURED DEFAULT.

The Association, or any Owner or Declarant, so long as Declarant has a record interest in the covered property, shall have the right to enforce by proceedings at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration or any amendment hereto, including the right to prevent the violation of any such restrictions, conditions, covenants, or reservations and the right to recover damages or other dues for such violation; provided, however, that with respect to assessment liens and Association Rules, the Association shall have the exclusive right to enforcement thereof. Failure by the Association or by any member to enforce any covenant, condition or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Association or any Owner shall also have the right to enforce by proceedings at law or in equity the provisions of the Articles or By-Laws and any amendments thereto.

Section 2. RIGHT TO ASSIGN.

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

Section 3. INVALIDITY.

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

Section 4. CLAIMS.

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

Section 5. WAIVER.

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 6. CAPTIONS.

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration nor the intent of any provision hereof.

Section 7. GENDER.

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

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed by its duly authorized General Partner on this ____ day of _____, 1985.

Signed by Everett Dale, President of Mark Dale Development Co., Inc, General Partner of Cobblestone Condominiums, Declarant.

**FIRST AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR COBBLESTONE CONDIMINIUNS**

KNOW ALL MEN BY THESE PRESENTS:

That on the 3rd day of September, 1992, AMA Builder's, Inc., ("Declarant") purchased the land and improvements formerly known as Cobblestone Condominiums, which property is more fully described on the attached Exhibit "A", incorporated herein and made a part hereof for all purposes.

Declarant does hereby publish and declare the following amendments to the Declaration of Covenants, Conditions and Restrictions for Cobblestone Condominiums now referred to as Timberdale Estates.

1. Declarant hereby amends the Declaration of Covenants, Conditions and Restrictions of Cobblestone Condominiums filed in the office of Mr. Jerry DeWoody, Oklahoma County Clerk of Oklahoma County in Book 5287, Page 0327, as follows:

"Name of Project" - - On September 23rd, 1992, a meeting of a quorum of the members of The Homeowners' Association of Cobblestone Condominiums, Inc., a non-profit Oklahoma Corporation, was held at the office of the association located at 2100 Cobblestone Ct., Edmond, Oklahoma, 73034. By a unanimous vote the name of the project was changed to Timberdale Estates and the association name was changed to Timberdale Estates Homeowner's Association, Inc.

"Preamble" -- The Preamble is amended to read as follows: THIS DECLARATION made on September 23rd, 1992, by AMA Builder's, Inc., an Oklahoma Corporation hereinafter referred to as "Declarant".

2. Declarant hereby amends Article I to read as follows;

Section 1. "Assessment Schedule" shall mean the proportion of Common Area expenses which is set out on Exhibit "B" hereto attached and made a part hereof, set out opposite each Lot.

Section 2. "Association" shall mean and refer to Timberdale Estates Homeowner's Association, Inc., a non-profit Oklahoma Corporation.

Section 5. "Common Area: shall mean that property so described on the recorded plat of Timberdale Estates.

Section 7. "Declarant" shall mean AMA Builder's, Inc., an Oklahoma Corporation, its successors and assigns.

Section 8. "Declaration" shall mean this document of Declaration of Covenants, Conditions and Restrictions of Timberdale Estates, as may be amended from time to time.

Section 12. "Dwelling Unit Exterior" shall apply to the Patio Homes only and shall mean and refer to foundation, steps, footings, patios, fences, retaining walls, drains, drainways, and outer surface of exterior walls of the Dwelling Unit, including, without limitation, those portions which serve more than one Dwelling Unit.

Section 17. "Properties" shall mean and refer to all Common Areas, all Lots, all Dwelling Units and all improvements thereon and thereto which constitute or shall constitute the entire project herein created, known as Timberdale Estates.

3. Declarant hereby amends Article II to read as follows:

Section 1. PROPERTY SUBJECT TO DECLARATION. Declarant, as the owner of fee simple title to the Properties, expressly [sic] intends to, and by recording this Declaration does hereby, subject the Properties to the provisions of this Declaration. Provided, that the total development area shall not exceed forty-nine (49) Lots, as shown by the recorded plats of Timberdale Estates together with certain variances granted by the City of Edmond. Declarant shall not be obligated to subject to this Declaration any real property other than that described herein, which is presently subject to this Declaration.

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

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

4. Declarant hereby amends Article V to read as follows:

Section 23. RESTRICTION ON FURTHER SUBDIVISIONS. No Lot in Timberdale Estates shall be further subdivided, rearranged or replatted nor shall less than all of any such Lot be conveyed or any easement or other interest given therein without the prior written approval of the Declarant.

5. Declarant hereby amends Article VI to read as follows:

Section 4. COMMITTEE ADDRESS.

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

AMA Builder's, Inc., Architectural Control Committee
Timberdale Estates
2100 Cobblestone Ct. 4th Floor
Edmond, Oklahoma 73034
Attn: Robert E. Montgomery

6. Declarant hereby amends Article VII to read as follows:

Section 1. DUTIES AND RESPONSIBILITIES OF THE. TIMBERDALE ESTATES HOMEOWNER'S ASSOCIATION, INC., OWNER AND MANAGER OF COMMON AREAS.

Declarant has caused to be incorporated as an Oklahoma Corporation, AMA Builder's, Inc., the By-Laws of which are attached as Exhibit "D". Any owner of a Lot and Dwelling Unit shall be deemed to have assented to, ratified and approved the designation of such corporation as manager. Said Corporation shall have the duties, rights and powers as established and stated in the original Covenants, Conditions and Restrictions for Cobblestone Condominiums filed in Book 5278, Page 0327, on January 20, 1985.

7. Declarant hereby amends Article IX to read as follows:

Section 2. MAINTENANCE OF DWELLING UNITS; FAILURE OF OWNER TO MAINTAIN.

The Association shall provide for the care, maintenance, and repair of the exterior (except the Roofs) of the Patio Homes. The Association shall maintain a Liability, Fire, and Extended Coverage Insurance Policy for the Patio Homes (Attached [sic] Units) that would provide coverage for the Roofs. The Association will also provide a Liability Policy for the Common Areas for the entire development of Timberdale Estates. The remaining areas of responsibility for maintenance of the Patio Homes are as stated in the original Covenants, Conditions, and Restrictions for Cobblestone Condominiums [sic] filed in Book 5278, Page 0327, on January 20, 1985. Except as otherwise provided in these Covenants, each Owner of a Patio Home (attached) or Detached Single Family Homes are responsible for the maintenance, repair, and replacement of his Dwelling Unit and Dwelling Unit Exterior. Should, however, an Owner fail to properly maintain such items (including yard maintenance), after ten (10) days written notice from the Association, the Association may, at its sole option, provide for the maintenance and repair and bill the Owner for such.

8. Declarant hereby amends Article X to read as follows:

Section 6. INSURANCE FOR UNIT OWNERS. Individual Owners of Detached Units shall be required to obtain and maintain in force and effect a policy of fire and other casualty insurance in an amount acceptable to the Association and the Owner's lender to cover the full replacement cost of any repair or reconstruction work on the Owner's Property. Upon written request, each Owner must provide the Association with a copy of the deck sheet

of any such insurance policy along with written confirmation from the insurance company that such policy is in full force and effect.

Individual Owners of Attached Units shall be required to pay increased "Association Dues" to cover a "Blanket Fire and Extended Coverage Policy" for the twelve (12) Patio Homes. The increased Dues required will be one-twelfth (1/12) of the annual premium of said policy. Each Owner of a Patio Home will pay, at closing, his one-twelfth (1/12) of the annual [sic] premium in advance, as insurance is due in advance of the coverage year. The Patio Home Owner will then begin making his increased dues payment for the Insurance portion on a monthly basis, along with the other required Association Dues payment, in order to build up the necessary premium [sic] for the next policy year. The Patio Home Owner is required to provide his own "Contents" insurance coverage. The Association will purchase the "Blanket Policy" and be responsible for its premium payment.

IN WITNESS WHEREOF, we have hereunto set our hands this 30TH day of November, 1992.

Signed by Earl Austin, President, Robert E. Montgomery, Vice-President and David Austin, Secretary.

EXHIBIT "B" - ASSESSMENT SCHEDULE

The Assessments or Homeowners Association Dues shall become effective on the Date of Conveyance by Declarant by Warranty Deed to a Lot Owner.

NOTE TO READER – THIS DOCUMENT HAS BEEN RETYPED FROM THE RECORDED COPY BY EMPLOYEES OF NEIGHBORHOOD SERVICES CORPORATION. ALTHOUGH DUE CARE WAS TAKEN TO INSURE ACCURACY MISTAKES AND OMISSIONS MAY HAVE OCCURRED IN THE RETYPING. YOU SHOULD NOT RELY ON THIS DOCUMENT AS THE BASIS FOR IMPORTANT DECISIONS WITH REGARD TO THE PURCHASE OR USE OF ANY PROPERTY, AND NO LIABILITY OR RESPONSIBILITY IS ACCEPTED BY NEIGHBORHOOD SERVICES CORPORATION FOR ERRORS CONTAINED HEREIN. YOU MAY OBTAIN COPIES OF ANY RECORDED DOCUMENTS FROM THE COUNTY CLERKS OFFICE, OR YOU MAY OBTAIN COPIES OF UNRECORDED DOCUMENTS FROM THE HOMEOWNERS ASSOCIATION.