

REPLACEMENT

DECLARATION OF CONDITIONS, COVENANTS AND RESTRICTIONS

FOR

BRIDGEWATER OFFICE PARK SECTION III

AN ADDITION TO THE CITY OF EDMOND, OKLAHOMA, COUNTY, OKLAHOMA

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TABLE OF CONTENTS

RECITALS:

Owner
Property Subject to these Declarations
Submission to Real Estate Development Act
Dedication

ARTICLE I - PROPERTY RIGHTS

- 1.1 Definitions
- 1.2 Ownership of Lots and Common Areas
- 1.3 Easements
 - (A) Easements Deemed Appurtenant
 - (B) Blanket Easements for Utilities
 - (C) Owner's Nonexclusive Easement of Enjoyment; Limitations
- 1.4 Use and Occupancy; Rights to Rent; Mortgagee Right to Rent; Leases Subject to Declaration
- 1.5 Mortgaging a Lot; Priority; Mortgage Subject to Declaration
- 1.6 Compliance with Provisions of Association Documents
- 1.7 Plat Notes Incorporated Herein
- 1.8 Revocation or Amendment to Declaration

ARTICLE II - OWNERS ASSOCIATION

- 2.1 Mandatory Membership; Voting
- 2.2 Association's Maintenance and Responsibility
- 2.3 Directors; Interim Control of Association
- 2.4 Assessments
 - (A) Obligation to Pay Dues
 - (B) Initial Dues and Due Date
 - (C) Special Assessments for Capital Improvements; Assent; Notice
 - (D) Unsold Lots; Dues paid by Declarant
 - (E) Assessment Lien; Priority; Notice of Lien; Recording; Enforcement; Receiver; Mortgagee may pay Assessment
 - (F) Regular Assessments and Assessments Collectible on Sale
 - (G) Mortgaging a Lot; Priority; Mortgage Subject to Declaration; Mortgagee in Title; Unpaid Assessments
 - (H) Non-Exemption from Payment; Board Responsibility to Collect; Interest, Costs, and Attorney Fees; Suit; Notice to Mortgagee; No offsets
- 2.5 Insurance
 - (A) Master Policy; Flood Insurance; Public Liability
 - (B) Fiduciary Liability Insurance
 - (C) Directors and Officers Liability
 - (D) Insurance Responsibility of Owners
- 2.6 Eminent Domain
- 2.7 Association Right to Use and Grant Easements
- 2.8 Prohibition of Employment or Other Pecuniary Gain
- 2.9 Committees
- 2.10 Registration of Mailing Address of Lot Owners; Notice to Association

- 2.11 Rules and Regulations; Fines; Enforcement
 - (A) Adoption of Rules
 - (B) Due Process
 - (C) Notice
- 2.12 Mandatory Arbitration

ARTICLE III - PROPERTY RESTRICTIONS

- 3.1 Uses
- 3.2 Improvements and Alternations; Plans and specifications; Approval
- 3.3 Construction; Limitations, Deviations from Plans and Specifications
- 3.4 Replacement of damaged or destroyed Buildings
- 3.5 Certificate of Compliance
- 3.6 Enforcement; Right to Correct Violations

ARTICLE IV - PROHIBITED USES

- 4.1 Offensive or Noxious use; Nuisance Activity
- 4.2 Mineral Drilling
- 4.3 Livestock; Animals; Pets
- 4.4 Refuse Storage, Growth, Grassy Areas; Landscaping
- 4.5 Vehicle Parking and Storage
- 4.6 Garages; Tanks
- 4.7 Radio or Television Devices
- 4.8 Fences
- 4.9 Temporary Structure
- 4.10 Safe Condition
- 4.11 No Further Subdivision; Combination of Lots

ARTICLE V - DECLARANT RESERVATIONS

- 5.1 Special Amendment
- 5.2 Declarant Business office; Models
- 5.3 Amendment as to Unsold Lots; Waiver
- 5.4 Signs by Declarant
- 5.5 Additional Property
- 5.6 Reserved Rights and Authority; Transfer
- 5.7 Contractor Approval
- 5.8 Special Lien Rights of Declarant

ARTICLE VI - MISCELLANEOUS

- 6.1 Severance
- 6.2 Failure to Enforce Not Waiver
- 6.3 Captions
- 6.4 Gender
- 6.5 Covenants to Run with Land
- 6.6 Enforcement at Law or in Equity; Notice to Mortgagee of Uncured Default
- 6.7 Attorneys Fees
- 6.8 City of Edmond a Beneficiary

KNOW ALL MEN BY THESE PRESENTS:

RECITALS

WHEREAS, the undersigned, hereinafter referred to as the "Declarant", is the owner of certain land and improvements ("Subject Property") in Oklahoma County, Oklahoma, which properties are more fully described hereinbelow, to-wit:

All of the Lots and Blocks of Bridgewater Office Park Section III, a Replat of Lot 1, Block 1, Bridgewater Office Park Section II, an Addition to the City of Edmond, Oklahoma County, Oklahoma, according to the recorded plat thereof filed on September 5, 2008 and recorded at Plat 66, Book 39, records of the County Clerks office of Oklahoma County, Oklahoma.

WHEREAS, the Subject Property has been platted into a commercial project for office and warehouse uses known as the BRIDGEWATER OFFICE PARK SECTION III which plat was filed as described hereinabove; and

WHEREAS, Declarant desires to submit the land and the improvements to be constructed thereon to Oklahoma's Real Estate Development Act (Title 60 O.S. 1971, §§851-85, as amended).

NOW, THEREFORE, Declarant does hereby publish and declare that the land and its improvements are hereby subjected to the conditions, covenants, and restrictions herein set forth ("Declarations") to be established upon the recording hereof; and that the covenants, conditions, restrictions, use limitations, obligations, and provisions hereof shall be deemed to run with the land and shall be for the use and benefit to the Declarant, its successors and assigns, and to any person or entity acquiring or owning an interest in the land and improvements, or any portion thereof, its grantees, successors, heirs, personal representatives, devisees and assigns.

ARTICLE I DEDICATION

1.1 Definitions. Unless the context shall expressly provide otherwise:

"Regular Assessments" are those dues imposed every year by the Board of Directors to (i) meet regular operating expenses for the next fiscal year, (ii) accumulate funds to meet reserve requirements as determined by the Board, and (iii) otherwise pay any outstanding liabilities. Any reference to Assessment may also include Regular Assessments.

"Assessments" are the other sums imposed upon an Owner needed to pay the non-reoccurring expenses imposed pursuant to Section **2.4(C)**, fines for violation of the Association Documents and all other sums imposed by the terms of the Association Documents.

"Association" means the BRIDGEWATER OFFICE PARK ASSOCIATION, INC., an Oklahoma non-profit corporation its successors and assigns, the Certificate of Incorporation, Articles of Association and Bylaws of which shall govern the administration of this real estate development ("Project"), the members of which shall be all of the owners of the Lots.

"Association Documents" include these Declarations, any amendments to these Declarations or Supplemental Declarations, the Articles of Association, Certificate of Incorporation, the Bylaws of the Association, and the Rules and Regulations adopted by the Association or Board of Directors.

"Building" means one or more of the building improvements lying within one of the Lots in the real estate described hereinabove and more specifically shown on the plat.

"Common Areas" means all portions of the real estate development other than the Lots and other than publicly dedicated right-of-ways which are shown on the recorded plat of BRIDGEWATER OFFICE PARK SECTION III as a Common Area, or subsequently designated by the Association as a Common Area, and

includes the entrances and any improvements constructed by Declarant, and subsequently by the Association, on the Common Areas.

"Common Expenses" means all expenditures estimated by the Board of Directors in its annual budget as necessary to operate the Association for the ensuing fiscal year, including any sums required to fund the reserve accounts required to be maintained by the Association. Common Expenses shall include, but not be strictly limited to, the following:

(i) cost of maintenance, management, operation, repair, and replacement of the Common Areas and all other areas and facilities within the Project which are maintained or operated by the Association;

(ii) all normal operating expenses of the Association such as utilities, taxes, any insurance obtained by the Association, costs of management and administration,

(iii) unpaid Assessments from previous periods;

(iv) an amount for reasonable reserves for contingencies, replacements, and other proper purposes as deemed appropriate by the Association, which reserve funds shall be adequate to meet the costs and expenses of maintenance, repairs, and replacement of the Common Areas;

(v) cost of bonding any person handling or with access to the Association funds;

(vi) amounts paid by the Association for discharge of any lien or encumbrances levied against the Common Areas;

(vii) costs incurred by committees established by the Board of Directors;

(viii) costs of security services including guards, vehicles, electronic surveillance systems and other security systems which are installed, operated or contracted for or by the Association;

(ix) costs of providing mowing and landscaping services, as determined by the Board of Directors, to areas outside of constructed improvements such as buildings and sidewalks, even said areas are within the established lot lines and owned by the individual owners thereof;

(x) attorney fees and other litigation costs incurred for the purpose of collecting amounts owed to the Association or incurred for the enforcement or defense of the Association Documents;

(xi) other expenses incurred by the Association for any reason whatsoever deemed necessary by the Board of Directors for the repair, maintenance, operation and replacement of the Common Areas and any improvements thereon, together with all other personal property, items or facilities maintained by the Association.

"Dues" are the same as Regular Assessments but may refer to other obligations of an Owner whether Regular Assessments, Assessments, Fines or other charges imposed on an Owner pursuant to the Association Documents.

"Declarant(s)" shall mean and refer to Bridgewater Office Park, LLC, an Oklahoma Limited Liability Company. Christopher M. LeBlanc, Jeanne K. LeBlanc and Taber Built Homes, LLC, join in the execution of this instrument as Owners and not as the Declarant.

"Interim Control Period" means that time prior to sale of Ten (10) or more Lots owned by Declarant or its successor in interest. Declarant's election to turn over control to an Owner elected Board of Directors does not terminate the Interim Control Period for other purposes. The Interim Control Period may be terminated by Declarant prior to the sale of all Lots at the sole option of Declarant, which option may be exercised by written notice to the Association.

"Lot" means a portion of the planned unit development designated for separate ownership, the boundaries of which lot being the lines as shown on the recorded plat of the real estate described hereinabove, said plat being filed as stated hereinabove.

"Obligation(s)" shall mean all dues and assessments attributable to the Owner of a Lot.

"Owner" means a person or persons, firm, corporation, partnership, trust, association or other legal entity, or any combination thereof, who owns one or more Lots. Each lot shall be an individual owner for assessment and voting purposes.

"Owner's Insurance Policy" shall mean the insurance policy obtained by the Lot Owner that provides general loss and liability coverage for any damage or loss occurring to the Lot including damage or loss to the building and improvements and the Owner's personal property.

"Person" means a natural person, corporation, partnership, association, trust, other entity, or any combination thereof.

"Plat" shall refer to the plat described hereinabove.

"Project" is a comprehensive term referring to development of the Subject Property or real estate development and any surrounding areas controlled by the Declarant that are or will be dedicated to the development.

"Special Assessments" are a non-reoccurring one-time charge imposed by the Board pursuant to the provisions in Section **2.4 (C)**.

1.2 Ownership of Lots and Common Areas. Each Owner shall own his, her or their Lot in fee simple title subject, however, to the restrictions contained herein. Said fee simple ownership to include all rights and appurtenances normally associated with ownership of real property. Each owner shall also be a mandatory member of the Association as hereinafter provided. Title to the Common Areas and the concomitant right to replat, convey and encumber shall remain in Declarant until Declarant has turned over control of the Association as per Section **2.3** hereinbelow. Upon conveyance from the Declarant the Association shall own all Common Areas shown on the plats.

1.3 Easements.

(A) Easements Deemed Appurtenant. The easements and rights herein created for an Owner shall be appurtenant to the Lot of that Owner, and all conveyances and instruments affecting title to a Lot 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.

(B) Blanket Easements for Utilities. There is hereby created a blanket easement in, through, upon, across, and under the Common Areas, and all of the publicly dedicated easements and rights-of-way, as shown on the recorded plats, for ingress and egress, installation, replacement, repair and maintenance of all utilities including, but not limited to, water, sewers, gas, telephones and electricity. By virtue of this easement, it shall be expressly permissible for the electrical company, telephone company and/or any other company providing services to the Subject Property to construct and maintain the necessary equipment on said easements.

(C) Owner's Nonexclusive Easement of Enjoyment; Limitations. Every Owner and his tenant(s) shall have a nonexclusive right and easement of enjoyment in and to the Common Areas, which shall be appurtenant to and shall pass with the title to the Lot of such Owner, subject to the rights of the Association stated herein. No Owner shall have the right to restrict access to other Owners to the common areas by placing any restriction or other impediment to entry thereon. Owners of Lots who are not current in their dues may be denied use of the Common Areas or be otherwise restricted in using Association services or facilities, all at the discretion and option of the Board of Directors.

1.4 Use and Occupancy; Rights to Rent; Mortgagee Right to Rent; Leases Subject to Declaration. All Lots shall be used and occupied only for commercial and/or warehouse purposes by the Owner or the Owner's tenants; however, Lots shall not be rented by the Owners for any period less than thirty (30) days; and further, any lease shall be in writing and shall be subject to the covenants and restrictions contained in this Declaration.

1.5 Mortgaging a Lot; Priority; Mortgage Subject to Declaration. An Owner shall have the right from time to time to mortgage or encumber his Lot and the interest appurtenant thereto, but the lien created thereby shall be

subject to the terms and provisions of this Declaration, and any mortgagee or other lienholder who acquires a Lot through judicial foreclosure, public sale or other means shall be subject to the terms and conditions of this Declaration.

1.6 Compliance with Provisions of Association Documents. Each Owner shall comply strictly with the provisions of Association Documents, decisions and resolutions of the Association adopted pursuant thereto as the same may be lawfully amended from time to time. Failure and refusal after written notice to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief or both, and for reimbursement of all attorney's fees incurred in connection therewith and interest on all of such amounts at the highest lawful rate, which action shall be maintainable by the Board of Directors in the name of the Association on behalf of the owners or, in a proper case, by an aggrieved Owner.

1.7 Plat Notes Incorporated Herein. Every Owner should be aware property restrictions are contained on the Plat of the Subject Property filed in the County Clerks office. These property restrictions are applicable to all Lots in the Addition and are incorporated herein by this reference. The Owner is responsible for obtaining a copy of the plat notes and determining if those restrictions interfere with Owner's intended use of the property.

1.8 Revocation or Amendment to Declarations. This Declaration shall not be revoked unless all of the Owners of the Lots unanimously consent and agree to such revocation by instrument(s) duly recorded. Except as provided herein, this Declaration shall not be amended unless the Owners representing an aggregate ownership interest of seventy-five percent (75%), or more, of the Lots agree to such amendment. Any amendment to this document shall be evidenced by instrument(s) signed by the Board of Directors, the President of the Association and attested by the Secretary of the Association who shall state whether the amendment was properly adopted.

ARTICLE II OWNERS ASSOCIATION

2.1 Mandatory Membership; Voting. An Owner of a Lot, or a person(s) or entity(s) upon becoming an Owner, shall mandatorily be a member of the Association and shall remain a member for the period of his ownership. The Association shall be governed by a Board of Directors as is provided in the Association Documents. The Association may employ agents, servants and employees and any person or firm to act as Managing Agent at any agreed upon compensation.

Each member shall be entitled to one vote for each Lot owned. When more than one person holds an ownership interest in a Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

2.2 Associations Maintenance Responsibility. The Association shall be responsible for the maintenance replacement and repair of:

- (i) all Common Areas shown on the plat of BRIDGEWATER OFFICE PARK SECTION III; and
- (ii) the areas appurtenant to statutory street right-of-ways adjacent to any Lot included herein and any other areas shown on the plats as common right-of-way such as entrances and center medians.
- (iii) any common signage, dumpsters-trash receptacles, improvements or personal property erected or installed by the Declarant or the Association for the benefit of all Owners of the Subject Property;
- (iv) the lawn and landscaped areas outside buildings walls which shall be mowed and otherwise maintained by the Association as decided each year by the Board of Directors. Lawn and landscaping services shall not include the maintenance, repair or replacement of sprinkler systems which shall be the sole responsibility of each Lot Owner. Replacement of trees and shrubs are included as an Association responsibility and shall be generally in accordance with the type and value originally installed.

2.3 Directors; Interim Control of Association. Except as provided in this Section 2.3 the affairs of the Association shall be conducted by its Board of Directors as provided herein and in accordance with the Association Documents. During the Interim Control Period the Association shall be managed by the Declarant or its appointed agent. Once Ten (10) or more Lots have been sold, or at any earlier date at the sole option of the

Declarant, the Owners shall assume management of the Association by electing a Board of Directors pursuant to the applicable provisions of the Association Documents. After termination of the Interim Control Period as provided herein all Directors must be members of the Association.

2.4 Assessments.

(A) **Obligation to Pay Dues.** Except as stated in this Section 2.4, all Owners shall be obligated to pay the Regular Assessments, Assessments and other charges imposed by the Association.

(B) **Initial Dues and Due Date.** Regular Assessments ("Dues") are initially set at the sum of \$225.00 per month per Lot ("Initial Dues"). Dues shall commence on all Lots as of January 1, 2009. However, any Lot that does not receive lawn and landscaping services shall receive a 65% reduction in the amount of Dues owed. Dues automatically increase to 100% of the amount stated herein as of the first day of the month in which lawn and landscaping services commence for that Lot whether owned by the Declarant, a Builder or Lot Owner. Thereafter adjustments to the Dues shall be set annually by the Board of Directors as provided herein and in the Bylaws of the corporation. Dues shall initially be collected yearly. The initial Due Date is March 1st for that calendar year.

(C) **Special Assessments for Capital Improvements; Assent; Notice.** In addition to the Regular Assessments hereof, the Board of Directors may levy a Special Assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement, including the necessary fixtures and personal property related thereto, provided that any such Special Assessment shall have the assent of two-thirds (2/3rds) of the Owners, voting in person or by proxy, at a meeting duly called for this purpose. Written notice of which shall be given to all members at east ten (10) days in advance, which shall set forth the purpose of the meeting.

(D) **Unsold Lots; Dues paid by Declarant.** Dues are not paid by Declarant or any assignee or successor in interest unless said Lots are maintained by the Association.

(E) **Assessment Lien; Priority; Notice of Lien; Recording; Enforcement; Receiver; Mortgagee may pay Assessment.** All unpaid Assessments chargeable to any Lot, including any fees, late charges, fines or interest, shall constitute a lien on such Lot prior to all other liens except the following: (1) assessments, liens and charges for taxes past due and unpaid on the Lot, (2) judgments entered in a Court of Record prior to the due date of the Assessments or assessment date, (3) mortgage instruments of encumbrance duly recorded prior to the due date or date of such assessment, and (4) mechanic's and materialmen's liens arising from labor performed or material furnished upon a Lot prior to the due date or date of such assessment. To evidence such lien, the Board of Directors shall prepare a written notice of assessment lien setting forth the amount of such unpaid indebtedness, the name of the Owner of the Lot and a description of the Lot. Such notice shall be signed by one of the Board of Directors or by one of the officers of the Association, or a management agent of the Board of Directors, and shall be recorded in the office of the County Clerk of Oklahoma County, Oklahoma. Such lien for the Assessment shall attach from the due date thereof and impart notice to third parties from the date of the recording thereof. Such lien may be enforced by the foreclosure of the defaulting Owner's Lot subsequent to the recording of a notice or claim thereof by the Association in like manner as a mechanics or materialmen's lien on real property. In any such proceedings the Owner shall be required to pay the costs, expenses and attorney's fees incurred for filing the lien and, in the event of foreclosure proceedings, the additional costs, expenses and attorney's fees incurred. The owner of the Lot being foreclosed shall be required to pay to the Association the yearly assessment for the Lot during the period of foreclosure, and the Association shall be entitled to the appointment of a receiver to collect the same. The Association shall have the power to purchase a Lot at foreclosure or other legal sale and to acquire and hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the same. Any mortgagee holding a lien on a Lot may pay, but shall not be required to pay, any unpaid Assessments payable with respect to such Lot, and such payment shall not be deemed a waiver by the Association of default by the Lot Owner.

(F) **Assessments Collectible on Sale.** Upon the sale or conveyance of a Lot, all unpaid Assessments, including interest and costs and reasonable attorney's fees incurred in collection, shall be first paid out of the sales price or by the purchaser in preference of any other assessments or charges of whatever nature, except the following:

Assessments, liens and charges for taxes past due and unpaid on the Lot;

Judgments entered in a Court of Record prior to the due date of an Assessment;

Mortgage instruments of encumbrance duly recorded prior to the date of such Assessments;

Mechanic's and materialmen's liens arising from labor performed or material furnished upon a Lot prior to the date of such Assessment; and

In a voluntary conveyance of a Lot **the grantee of the Lot shall be jointly and severally liable with the grantor for all unpaid Assessments** by the Association, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefore. However, any such grantee shall be entitled to a statement from the management agent or Board of Directors of the Association, as the case may be, setting forth the amount of the unpaid assessments against the grantor due the Association and such grantee shall not be liable for, nor shall the Lot conveyed be subject to a Lien for, any unpaid assessments made by the Association against the grantor in excess of the amount therein set forth.

(G) Mortgaging a Lot; Priority; Mortgage Subject to Declaration; Mortgagee in Title-Unpaid Assessments. An Owner shall have the right from time to time to mortgage or encumber his Lot and the interests appurtenant thereto, but the lien created thereby shall be subject to the terms and provisions of this Declaration, and any mortgagee or other lien holder who acquires a Lot through judicial foreclosure, public sale or other means shall be subject to the terms and conditions of this Declaration except as specifically excepted herefrom. Where the holder of a first mortgage of record or other purchaser obtains title to the Lot as a result of foreclosure of the first mortgage or deed in lieu of foreclosure, such acquirer of title shall not be liable for the Assessments chargeable to such Lot which became due prior to acquisition of title to such Lot by such acquirer.

(H) Non-Exemption from Payment, Board Responsibility to Collect; Interest, Costs, and Attorney Fees: Suit; Notice to Mortgagee; No offsets. The amount of Assessments assessed against each Lot shall be the personal and individual debt of the Owner thereof. No Owner shall be exempted from this liability by waiver of the use of enjoyment of any of the Common Areas or by abandonment of his Lot. The Board of Directors shall have the responsibility to take prompt action to collect any unpaid dues or assessments which remain unpaid more than thirty (30) days from the due date for payment thereof.

In the event of a default by an Owner in the payment of any Assessment, each such Assessment shall have added to it a late charge equal to 5% of the amount of the Assessment and thereafter bear interest at the rate of eighteen percent (18%) from the due date, or such higher or lower rate (provided the same shall not be usurious) as the Board of Directors may from time to time determine, together with all expenses, including attorney's fees, incurred to collect such dues or assessments. Suit to recover a money judgment for obligations may be instigated in Oklahoma County, Oklahoma, and may be maintainable without foreclosing or waiving the lien securing the same. Additionally, in the event that the mortgage on a Lot should so provide, a default in the payment of an obligation shall be a default in such mortgage and if required by the mortgagee by written notice to the Association, the Board of Directors shall give notice of any default in payment of an assessment to the mortgagee,

All Assessments shall be payable in the amount specified in the assessment or notice of assessment and no offsets against such amount shall be permitted for any reason, including, without limitation, a claim that (a) the Association, Board of Directors, Officer, Declarant or manager is not properly exercising its duties and powers as provide in the Association Documents; or (b) Assessments for any period exceed Common Expenses.

2.5 Insurance.

(A) Master Policy; Flood Insurance; Public Liability. The Association shall carry a blanket insurance policy ("Master Policy") in an amount not less than one hundred percent (100%) of the insurable value (based upon replacement cost) covering any insurable improvements to the Common Areas, together with coverage for fire, lightning, extended coverage, vandalism and malicious mischief, and, if required by law, workmen's compensation insurance. The name of the insured must be stated in form and substance similar to the following: "BLUFF CREEK CANYON Association for use and benefit of the individual owners."

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, by Special Endorsement or its equivalent, provide that the insurer issuing said policy agrees to abide by the decision of the Association whether to repair, reconstruct or restore all or any damaged or destroyed portion of improvements to the Common Areas

The Board of Directors shall also obtain and maintain, to the extent obtainable, comprehensive general liability insurance in such limits as may from time to time be determined necessary, covering all of the Common Areas. Coverage shall be for at least Two Million Dollars (\$2,000,000.00) per occurrence, for personal injury, including death of persons, 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. Such policies must provide that they may not be cancelled or substantially modified, by any party, without at least ten (10) days' prior written notice to the Association and to each holder of a first mortgage which is listed as a scheduled holder of a first mortgage in the insurance policy.

Any increase in premiums upon insurance purchased by the Association occasioned by the use, misuse, occupancy or abandonment of a Lot by an Owner shall be assessed against that particular Owner in a Special Assessment.

(B) **Fiduciary Liability Insurance.** The Board of Directors shall also obtain and maintain fiduciary liability insurance coverage against dishonest acts on the part of officers, 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 (i) one and one-half (1 1/2) times the estimated annual operating expenses and reserves or (ii) the estimated maximum of funds, including reserve fund, in the custody of the Association or the management agent, as the case may be, at any given time during the term of each bond, or (iii) a sum equal to three (3) months' aggregate assessments on all Lots plus reserve funds. 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. The fidelity insurance policy shall provide it may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days' prior written notice to the Association.

(C) **Directors and Officers Liability.** The Association shall obtain a policy of Directors and Officers liability insurance covering each director and officer. At its option the Association may also include other persons such as Committee chairpersons acting on behalf of the Board of Directors.

(D) **Insurance Responsibility of Owners.** It shall be the Owner's responsibility to purchase, at its own cost, such insurance as it deems appropriate for its own Lot, improvements thereon, furnishings and personal property therein, personal property stored elsewhere with the Project, liability and such other insurance which the Owner desires.

2.6 **Eminent Domain.** If part of a Common Area is acquired by eminent domain, the award must be paid to the Association. The Association shall represent the Lot Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the Common Areas, or part thereof. Each Lot Owner appoints the Association as attorney-in-fact for such purposes.

2.7 **Association Right to Use and To Grant Easements.** The Association, in its sole discretion, may from time to time grant easements and rights of way on, across, under and over the Common Areas to any municipal corporation or public utility company, or other entity providing water, sewer, gas, electricity, telephone, cable television, or other similar service to the real estate development.

2.8 **Prohibition of Employment or Other Pecuniary Gain.** No part of the assessments or net earnings of the Association shall inure to the benefit of any Lot Owner or individual, except to the extent that Lot Owners receive the benefits from the maintenance, repair, operations, additions, alterations and improvement responsibility of the Association. Except as approved by the Association, no Lot Owner may receive compensation, directly or indirectly, for services rendered as an officer, director or employee of the Association.

2.9 Committees. The Association shall establish a Maintenance Committee and such other Committees as provided in the Bylaws. The Maintenance Committee shall exercise all of the rights and powers reserved herein to the Declarant once those rights have been transferred pursuant to the provisions of paragraph 5.6. If, for any reason, the Maintenance Committee or any other Committee is not established or operating those rights and responsibilities shall be exercised by the Board of Directors.

2.10 Registration of Mailing Address of Lot Owners; Association Address; Notice to Association. 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. Should an Owner fail to register its address or any subsequent change of address the Association shall mail notice to the address listed by the County Assessor and/or County Treasurer for mailing of notices regarding assessment or payment of property taxes. All notices, demands or other notices intended to be served upon the Secretary of the Board of Directors of the Association or served upon the service agent of the Association.

2.11 Rules and Regulations; Fines; Enforcement. The Board of Directors is empowered to adopt Rules and Regulations together with the authority to impose fines, all of which shall be binding on all Owners as if fully set forth herein.

(A) Adoption of Rules. Written notice of any proposed adoption, modification or change of a Rule or a fine shall be given to the members. Said written notice shall provide at least five days notice of the meeting wherein the Board proposes to adopt the Rule or fine and afford any Owner the opportunity to be heard in that regard. At the conclusion of the meeting the Board may adopt the Rule or fine as published or make modifications prior to final decision.

(B) Due Process. In order to afford due process to each Owner before any punitive action may be finally imposed by the Board of Directors, each Owner shall have the right of a hearing before the Board of Directors, en banc for the purpose of avoiding or mitigating any penalty, fine or punitive action. The Owner shall be afforded not less than 10 days written notice of the hearing. At the hearing both the Association and the owner may produce evidence and present witnesses. The Board of Directors shall promptly resolve the dispute and announce its decision, which in such instances shall be final as to all matters.

(C) Notice. New Owners shall be afforded copies of the Rules upon notice to the Association of the change of title.

2.12 Dispute Resolution; Mandatory Arbitration. Any Owner, by acceptance of a deed to a Lot in the Subject Property, does hereby agree to the Dispute Resolution procedures set forth in the Bylaws which shall include mandatory Arbitration of any dispute between that Owner and the Association or any other Owner the subject of which is the violation or non-compliance with the terms of the Association Documents. The terms and procedures to be followed are set forth in the Bylaws of the Association. These dispute resolution and arbitration provisions do not apply to the collection of the Regular Assessments, Assessments, Fines and any interest or costs associated with the collection of these amounts.

ARTICLE III PROPERTY RESTRICTIONS

3.1 Uses. All Lots and the improvements thereon herein shall be occupied and used in compliance with the restrictions contained herein and the applicable laws and ordinances of any governmental entity having jurisdiction thereof.

3.2 Design Guidelines for Improvements and Alterations; Plans and Specifications; Approval. The Declarant has exclusive and total control of all plans and specifications for the construction of any and all structures in the development. No building, fence, wall or other improvements or structure, including mail boxes, shall be commenced, erected, placed, moved or maintained upon the Subject Property, nor shall any exterior addition to or change in any improvement located on the Subject Property, be made until the complete plans and specifications showing the precise and exact nature, kind, shape, height, set-back, materials, color and location of the same shall have been submitted in duplicate to and approved in writing by the Declarant as to harmony of external design, color and location in relation to surrounding structures and topography and conformity with the design concept for the improvements. Approval must be obtained in writing prior to any construction or

modification. In addition to the other rights granted or reserved herein construction in violation of this provision may be stopped by an action for an injunction.

The Declarant has developed Design Guidelines which are available to Owners and prospective purchasers which detail the construction and design requirements. These Design Guidelines may be changed at any time by Declarant. Copies of the Design Guidelines may be obtained from the Declarant.

All approval rights retained herein to Declarant shall pass to and be vested in the Association upon written notification from Declarant to the Board of Directors. The transfer of these rights from Declarant to the Association will occur automatically without any action required by either party once the initial construction has been completed on all Lots in the development.

3.3 Construction; Limitations, Deviation from Plans and Specifications. Construction or alterations in accordance with plans and specifications approved by the shall be commenced within six (6) months following the date upon which the same are approved by Declarant (whether by affirmative action or by forbearance from action), and shall be substantially completed within twelve (12) months following the date of commencement, or within such longer period as the Declarant shall specify. In the event construction is not commenced within the period aforesaid, then approval of the plans and specifications by Declarant shall be conclusively deemed to have lapsed, and compliance with the provisions of this paragraph shall again be required. There shall be no deviations from plans and specifications approved by Declarant without its prior consent in writing. Approval for use on any Lot of any particular plans and specifications or design shall not be construed as a waiver of the right of Declarant to disapprove such plans and specifications, or any Areas or features thereof, in the event such plans and specifications are subsequently submitted for use upon any other Lot or Lots. Upon expiration of the Interim Control Period all rights reserved herein to Declarant shall vest in the Association.

3.4 Replacement of Damaged or Destroyed Buildings. An Owner must get approval in writing from the Association prior to commencement of construction, exterior remodeling or rebuilding. The Association shall require essentially the same building standards as those required for new construction.

3.5 Certificate of Compliance. Upon the completion of the construction or alteration of any building, fence, wall or other improvements or structure in accordance with plans and specifications approved by the Board of Directors, the Board of Directors shall, at the request of the Owner thereof, issue a certificate of compliance which shall be prima facie evidence that the building, fence, wall, or other improvements or structure referenced in such certificate has been approved by the Board of Directors and constructed or installed in full compliance with the provisions of this Article.

3.6 Enforcement; Right to Correct Violations. In the event any building, fence, wall or other improvements or structure shall be commenced, erected, placed, moved or maintained upon any Lot, otherwise than in accordance with the provisions and requirements of this Article III, then the same shall be considered to have been undertaken in violation of these provisions and without the approval of the Declarant or Board of Directors required herein. Upon written notice from the Declarant or Board of Directors, such building, fence, wall or other structure or improvements shall be promptly removed. In the event the same is not removed, or the violation is not otherwise terminated, within fifteen (15) days after notice of such violation is delivered to the Owner of the Lot upon which such violation exists, then the Declarant or Board of Directors shall have the right to enter upon such Lot and to take such steps as may be necessary to remove or otherwise terminate such violation, and the costs thereof shall be assessed against Owner and the Lot upon which such violation occurred. A statement for the amount thereof shall be rendered to the Owner of said Lot, at which time the assessment shall become due and payable and a continuing lien upon said Lot and an obligation of the Owners, and may be enforced as a judgment lien. The Board of Directors shall have the further right to enter upon and inspect any Lot at any reasonable daylight hour for the purpose of ascertaining whether any violation of the provisions of this paragraph or any of the other provisions or requirements of this Declaration, exists on such Lot.

ARTICLE IV PROHIBITED USES

4.1 Offensive or Noxious Use; Nuisance Activity. The Owner of any Lot shall not use or allow the use of such Lot for any purpose which will be noxious, offensive or detrimental to the use of the other Lots or which will create or emit any objectionable, offensive or noxious odors, dust, gases, fumes or other such material or which will in any manner violate any applicable zoning ordinance or other regulations enacted by any duly constituted government authority. No noxious or offensive activity shall be carried on, nor shall anything be done therein which may be or may become an annoyance or nuisance. Whether a condition or use exists that violates the terms or spirit of this provision shall be made by the Declarant or Board of Directors in their sole discretion.

4.2 Mineral Drilling. No drilling or puncturing of the surface for oil, gas or other minerals or hydrocarbons within the subject lands shall be permitted.

4.3 Livestock; Animals; Pets. No animals, including dogs, cats, horses, pigs or other domestic farm animals, fowl or poisonous reptiles of any kind may be kept, bred, or maintained on any Lot, or in, or upon any Common Area. No animals shall be kept, bred or raised within the Subject Property for commercial purposes.

4.4 Refuse Storage, Growth, Grassy Areas; Landscaping. The storage of trash, ashes, or other refuse, except in the provided receptacles, is prohibited. Weeds, underbrush or other unsightly growths shall not be permitted to grow or remain in the Project. No trash, ashes or other refuse may be thrown in any other Owner's Lot. Any private grassy or landscaped areas shall be kept mowed and maintained.

4.5 Vehicle Parking and Storage; Delivery Vehicles. No vehicles other than ordinary passenger vehicles, which includes pickup trucks, shall be stored or parked within the subject lands. This prohibition does not apply to parking of vehicles used for everyday transportation during normal business hours. No overnight parking of any vehicle of any type is allowed. The Association may remove, or cause to be removed, any unauthorized vehicle or other item prohibited hereby at the expense of the owner thereof in any manner allowed by law.

Delivery trucks are prohibited except for the type of box trucks normally used for intra-city deliveries by commercial delivery services such as UPS or Fed-Ex.

4.6 Garages; Tanks. No garages or elevated tanks of any kind shall be erected, placed or permitted on any Lot.

4.7 Radio or Television Device. No radio or television transmitting or receiving device shall be allowed on any Lot or structure with an exposed antenna that exceeds five (5) feet in height and/or 24 inches in diameter.

4.8 Fences. Fences are not allowed.

4.9 Temporary Structure. No structure of any kind shall be erected, placed or permitted without the prior written consent of the Board of Directors.

4.10 Safe Condition. Without limiting any other provision in this Article IV, each owner shall maintain and keep its Lot at all times in a safe, sound and sanitary condition and repair, and shall correct any condition or refrain from any activity which might interfere with the reasonable enjoyment by other owners of their respective Lots or the Common Areas.

4.11 No Further Subdivision; Combination of Lots. No Lot shall be divided or subdivided except by Declarant. If an Owner owns contiguous Lots, they may be combined into a single building site but only upon obtaining the prior written approval of Oklahoma City and the Declarant.

ARTICLE V DECLARANT RESERVATIONS

In addition to the reservations stated throughout this Declaration and notwithstanding anything herein to the contrary Declarant hereby reserves the rights contained in this Article.

5.1 Special Amendment. Declarant hereby reserves and is granted the right and power to record a Special Amendment to this Declaration at any time and from time to time which amends this Declaration (i) to comply with requirements of any 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 a governmental agency (ii) to induce any of such agencies or entities to make, purchase, sell, insure or guarantee first mortgages covering Lots. 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 the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power of the Declarant to make, execute, and record special amendments. No special amendment made by Declarant shall affect or impair the lien of any first mortgage upon a Lot 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.

5.2 Declarant Business Office; Models. Declarant may maintain a business and sales office, models, and other sales facilities necessary or required until all of the Lots are sold.

5.3 Amendment as to Unsold Lots; Waiver. Declarant hereby reserves the right to revoke or amend these Declarations, by written instrument filed of record in the County Clerk's office, to remove or amend the restrictions set forth herein on any Lot owned by Declarant except, however, any amendment involving ownership or maintenance of any common area must receive the express written approval of the City of Oklahoma City. The Declarant shall have the power to grant to any Owner a waiver, variance, or exception of and from any of the provisions of this Declaration.

5.4 Signs by Declarant. Notwithstanding anything herein to the contrary Declarant reserves the right to erect such signs as it deems necessary for the sale and marketing of the Lots described herein.

5.5 Additional Property. Declarant may, but is not obligated to, annex adjacent property now owned or subsequently acquired by Declarant or its successors or assigns to the Project and bind the owners to this Declaration and the mandatory Association established herein. If Declarant chooses to dedicate future property to the Association said dedication may be controlled these Declarations, a modified version of these Declarations or completely separate and independent Declarations. Should Declarant dedicate additional property to this Project any Common Areas designated on the plats of said adjacent properties shall be deeded to the Association and accepted by them as if fully described herein.

5.6 Reserved Rights and Authority; Transfer. After Declarant has sold all Lots owned by him any and all rights reserved herein shall be transferred to and become vested in the Homeowners Association unless specifically stated otherwise.

5.7 Contractor Approval. Declarant shall be the sole and exclusive construction contractor for the Project until (i) the Declarant has sold all Lots in the Project, or (ii) Declarant, in its sole discretion, approves another construction contractor. No contractors shall be permitted to build on the Project unless and except approved by the Declarant so long as Declarant owns one or more Lots in the Project.

5.8 Special Lien Rights of Declarant. Any buyer of an undeveloped Lot recognizes that erosion is a special problem of significant concern to the responsible governmental entities and that Declarant may be held liable to those governing entities if the buyer does not provide adequate protections against erosion of the soil into the street, drainageways and sewer system. Therefore, Declarant retains the right to remedy any erosion problems emanating from a Lot. All costs incurred by Declarant in resolving an erosion problem are the liability and responsibility of the Lot Owner. In normal circumstances Declarant will give notice to the Lot Owner which notice will allow a reasonable time for Lot Owner to remediate the problem. However, in an emergency situation no notice is necessary and Declarant may take any steps necessary to remedy the erosion problem. In that case the Lot Owner is liable and responsible for all costs reasonably incurred by Declarant and Declarant has the right to file a lien on Lot Owners property to secure payment therefore.

**ARTICLE VI
MISCELLANEOUS**

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

6.2 Failure to Enforce Not 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.

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

6.4 Gender. Whenever the context so requires, the use of the masculine gender in this Declaration shall be deemed to refer to the feminine or neuter gender and the use of the singular shall be deemed to refer to the plural, and vice versa.

6.5 Covenants to Run With the Land. The covenants, conditions and restrictions of this Declaration shall run with and bind the Project and shall inure to the benefit of and be enforceable by the Declarant or any Owner, their respective legal representatives, heirs, successors and assigns.

6.6 Enforcement at Law or In Equity; Notice to Mortgagee of Uncured Default. 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 thereto, 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. Failure to enforce any covenant, condition, or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

6.7 Attorneys Fees. In the event action is instituted to enforce any of the provisions contained in this Declaration, the party prevailing in such action shall be entitled to recover from the other party thereto, as part of the judgment, reasonable attorneys', fees and costs of such suit.

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

IN WITNESS WHEREOF, the undersigned Declarant(s), being the Developer and Owner of the Subject Property has executed this Replacement Declaration of Conditions, Covenants and Restrictions this _____ day of _____, 2008.

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.