

NHOA Covenants

COVENANTS, CONDITIONS, RESTRICTIONS AND RECIPROCAL EASEMENTS OF

NORTHLAKE
A REAL ESTATE DEVELOPMENT

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, (hereinafter "Developer"), states

A. The undersigned are the owners of certain real estate located in the City of Oklahoma City, Oklahoma County, Oklahoma, more particularly described on Exhibit "A" attached hereto and made part hereof, now platted into blocks, lots, streets and easements as shown on the Plat thereof, recorded in the records of Oklahoma County, State of Oklahoma at the Books and Pages denoted on said Exhibit "A". The property on Exhibit "A" shall be referred to herein as the "Property".

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

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

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

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E. These covenants, conditions, or restrictions may be amended by an approval vote consisting of 67% of the Northlake Homeowners' Association. Amendments will be provided to the homeowners by Certified US Postal Service fifteen days prior to said amendments being placed on the Board of Directors' agenda for discussion, consideration and approval.

ARTICLE 1

DEFINITIONS

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

1.2 "Association" shall mean and refer to Northlake Homeowners Association, an unincorporated association, composed of all of the separate owners of the lots of the plat.

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

1.4 "Common Area" shall mean the area designated as such on the plat. *Belonging to all Homeowners.*

1.5 "Easement" shall mean and refer to the right of use of portions of owners lots for specific purposes, i.e., utility easement, drainage easement, and common use. Easements as identified in the Plat included at Exhibit "A" shall apply.

1.6 "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of all or any part of the Properties with the exception of the Common Areas.

1.7 "Lake Lot" shall mean any lot the rear line of which, or any portion of said rear line, abuts to the lake, or any portion of the lake.

1.8 "Member" shall mean and refer to every person and/or entity who holds membership in the Association.

1.9 "Owner" shall mean and refer to the recorded owner, whether one or more persons, of a fee simple title to any Lot which is or may become a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

1.10 "Properties" shall mean and refer to that certain real property shown in Exhibit A and identified as Northlake

Subdivision, and other real property brought within the jurisdiction of and subject to assessment by the Association.

1.11 "Common expenses" mean and include:

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

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

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

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

1.12 "Common interests" shall mean the proportion of undivided interest in the common areas which is appurtenant to each separately owned lot described on the Plat, Exhibit "B", being that which each lot bears to the total number of lots in the plat.

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

ARTICLE 2

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

2.1 Description of Project.

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

2.2 Division of Property.

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

2.2.1 Lots.

The lot designation and the statement of its location and immediate area to which it has access and any other

data necessary for its proper identification including its proportionate interest in the common elements are graphically shown on the Plat attached hereto and marked Exhibit "A".

2.2.2 Common Areas.

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

2.3 No Separate Conveyance of Undivided Interest.

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

2.4 Partition Prohibited.

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

ARTICLE 3

OWNERS' ASSOCIATION, ADMINISTRATION, MEMBERSHIP AND VOTING RIGHTS

3.1 Owners' Association to Manage Property.

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

3.2 Membership.

Members of the Northlake Homeowners' Association shall be all those Owners, including contract sellers, of a single-family residential Lot within the area platted as Northlake as shown on Exhibit A. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. NO owner shall have more than one membership for each Lot. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership.

3.3 Voting.

Association members shall be all those Owners of single-family residential Lots with the entitlement to one vote for each Lot owned.

3.4 Membership Meetings.

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

3.5 Board of Managers.

The affairs of the Owners' Association shall be managed by a Board of Managers, which is hereby established by the annexed By-Laws and which shall conduct regular and special meetings according to the provisions of the By-Laws. The initial Board of Managers shall consist of five members elected by a majority vote of the homeowners at the homeowners' association meeting to be held on the 3rd Tuesday of January each year. Notice, providing meeting date, agenda items and all other matters to be voted on, to be mailed to all members at least 15 days prior to scheduled meeting date.

ARTICLE 4

MAINTENANCE AND ASSESSMENTS

Amend

4.1 Creation of the Lien and Personal Obligation of Assessments.

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

Capital improvements must be voted on and passed by 67% of voting members before the Board of Managers can levy any special assessments.

4.2 Purpose of Assessments.

The assessments levied by the Owners' Association shall be used exclusively to promote the recreation, health, safety and welfare of all the residents in the entire project for the improvement and maintenance of the common areas and the areas covered by the reciprocal easements herein for the common good of the project. Annual assessments shall include an adequate reserve fund for maintenance, repairs and replacement, payment of any liability of hazard insurance premiums required by law, with respect to loss or damage to any portion of the common area, and payment of tax liability associated with ownership of the common areas.

4.3 Annual Assessments.

Maximum annual assessment for each owner shall be \$200 per year. After consideration for the current year's costs and projected future needs, the Board of Managers may fix the annual assessment at the amount presented to and passed by a 67% vote of the Owners.

4.4 Special Assessments.

In addition to the regular annual assessments authorized above, the Board may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement related to common areas, including fixtures and personal property related thereto, or to defray any unanticipated or underestimated expense, for taxes assessed against the common areas; provided, however, that the aggregate special assessments for any year shall not exceed five percent (5%) of the budgeted gross expenses of the Owners' Association. Once approved by the 67% vote, the special assessments will be divided and levied equally among all Owners.

4.5 Date of Commencement of Annual Assessment; Due Dates.

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

4.6 Transfer of Lot by Sale or Foreclosure.

Assessments already levied and not paid by an Owner prior to normal sale of property or transfer of property due to foreclosure proceedings shall not affect the assessment already levied on an Owner.

4.7 Enforcement of Assessment Obligation; Priorities, Discipline.

Any part of any assessment not paid within thirty (30) days after the due date shall bear interest at the rate of ten percent (10%) per annum from the due date until paid. When a notice of assessment has been recorded, such assessment shall constitute a lien on each respective lot prior and superior to all other liens except (1) all taxes, bonds, assessments and other levies which by law would be superior thereto and (2) the lien or charge of any first mortgage of record (meaning any recorded mortgage or deed of trust with first priority over other mortgages or deeds of trust) made in good faith and for value. Such lien, when delinquent, may be enforced by sale by the Owners' Association, its attorney or other person authorized by this document or by law to make the sale after failure of the owner to pay such assessment. The Owners' Association, acting on behalf of the lot owners, shall have the power to bid for the lot at the foreclosure sale and acquire and hold, lease, mortgage and convey the same. Suit to recover a money judgment for unpaid common expenses, rent and attorneys' fees shall be maintainable without foreclosing or waiving the lien securing the same. The Board may impose reasonable monetary penalties against a lot owner who is in

default in payment of any assessment after notice and hearing according to the By-Laws.

4.8 Unallocated Taxes.

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

ARTICLE 5

DUTIES AND POWERS OF THE OWNERS' ASSOCIATION AND BOARD.

5.1 Duties and Powers of the Owners' Association.

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

5.2 Duties and Powers of the Board.

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

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

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

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

5.2.4 grant and reserve easements where necessary for utilities and sewer facilities over the common areas to serve the

common areas and the lots;

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

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

5.3 Maintenance of Project by Board.

The Board shall provide maintenance of the project as provided in the By-Laws. The responsibility of the Board for maintenance and repair shall not extend to repair or replacements arising out of or caused by the willful or negligent act or neglect of an owner or his guests, tenants or invitees. The repair or replacement of any portion of the common areas resulting from such excluded items shall be the responsibility of each owner; provided, however, that, if an owner shall fail to make the repairs or replacements which are the responsibility of such owner, the Board shall have the right (but not the obligation) to make such repairs or replacements and the cost thereof shall be added to the assessments chargeable to such lot and shall be payable to the Owners' Association by the owner of such lot.

ARTICLE 6

UTILITIES

6.1 Owners' Rights and Duties.

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

6.1.1 the sanitary sewer, water (exclusive of water sprinkler system), electric, gas, television receiving or telephone lines or connections and other services generally referred to as "utilities" are not deemed common areas herein;

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

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

6.2 Easements for Utilities and Maintenance.

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

6.3 Owners' Association's Duties.

The Owners' Association shall maintain all utility installations located in the common areas except for those installations maintained by utility companies, public, private or municipal. The Owners' Association shall pay all charges for utilities supplied to the project except those metered or charged separately to the lots.

ARTICLE 7

USE RESTRICTIONS

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

7.1 Use of Individual Lots.

All lots shall be used for private residence purposes only. No store or business, no gas or automobile service station, and no flat, duplex or apartment house, though intended for residence purposes, and no building of any kind whatsoever shall be erected or maintained thereon, except private dwelling houses, and each such dwelling house being designated for occupancy by a single-family in its entirety.

7.2 Nuisances.

No noxious, illegal or offensive activities shall be carried on in any lot, or in part of the Property, nor shall anything be done thereon which may be or may become an annoyance or a nuisance to or which may in any way interfere with the quiet

enjoyment of each of the owners of his respective lot or which shall in any way increase the rate of insurance for the project or cause any insurance policy to be cancelled or to cause a refusal to renew the same or which will impair the structural integrity of any building.

7.3 Vehicle Restrictions.

No trailer, camper, mobile home, commercial vehicle, truck (other than a standard size pickup truck), inoperable automobile, boat or similar equipment shall be permitted to remain upon any area within the Property, other than temporarily (24 hours).

7.4 Off-Road Vehicles.

No off-road vehicles, two or four wheel, or go carts will be maintained or operated upon the Property.

7.5 Boats.

No boats of any kind will be permitted on waters located on common Lot A.

7.6 On Street Parking.

No camper, mobile home, boat, house trailer, or truck of any kind, including a panel or pickup truck, or any vehicle of any kind shall be parked on the Property streets or vacant lots between the hours of 1:00 a.m. and 6:00 a.m.

7.7 Signs.

No signs of any type shall be displayed to the public view on any lots or on any portions of the Property except such signs as are approved by the Board. Nothing in this subsection shall be construed to prohibit one "For Sale", "For Lease", or "For Sale or Lease" sign on each lot. With the homeowners approval, "political" signs will be permitted. Homeowners are asked to limit one sign per candidate or cause. All signs should conform in total size as determined by the Board of Managers.

7.8 Animals.

No cows, horses or other livestock, or poultry of any kind shall be raised, bred, or kept on any lot, except that dogs, cats and other household pets may be kept provided that they are not kept, bred, nor maintained for any commercial purpose. dogs and cats will be leashed when outside the pet owners immediate property area.

7.9 Garbage and Refuse.

All rubbish, trash and garbage shall be regularly removed from the Property and shall not be allowed to accumulate thereon. No trash or garbage cans or receptacles of any kind shall be left on the street or forward of the front portion of any house, except on city scheduled pick-up days. "Scheduled pickup days are to be construed to mean from sundown the night prior to pickup to sunup the day following pickup. No trash, ashes, grass clippings, or debris shall be dumped or placed on the banks of any creek, stream of water or vacant lot within the Property.

7.10 Vacant Lots.

Each owner of a vacant lot is required to keep said lot in presentable condition or the Board will, at its discretion, mow said lot, trim trees, remove trash or refuse. The cost of said actions by the Board will be levied against the lot owner, be payable upon demand and if not paid institute a lien against any such lot.

7.11 Antennas/Satellite Dishes.

No owner will be permitted to construct, use or operate his own external radio or television antenna/satellite dish without the consent of the Board. No antennas or satellite dishes will be placed in front of the front building line.

7.12 Clothes Lines.

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

7.13 Car Maintenance.

No vehicle maintenance will be permitted on any outside area of the Property. Washing of vehicles in homeowners driveway is permitted.

7.14 Skateboard Ramps.

No skateboard ramps may be constructed in any yard, common area or public street.

7.15 Prior Approval.

The Board of Managers, at its sole discretion, may cause to be published and distributed to the homeowners, prior approval

for those items in subsections 7.7 and 7.11 as to location or size.

7.16 Liability of Owners for Damage to Common Areas.

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

7.17 Minimum Residence Construction Requirement

No residence shall:

- (i) be less than 1800 square feet, excluding garage and out buildings;
- (ii) be constructed with less than 70% of its exterior composed of brick; and,
- (iii) be roofed with any shingle having a weight of less than 240 pounds per square of such shingling material.

7.18 No Warranty of Enforceability.

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

ARTICLE 8

ARCHITECTURAL CONTROL

8.1 Minimum Residence Construction Requirement.

8.1.1 No one story residence shall be less than 1800 square feet, excluding garage/patio/porches.

8.1.2 No multi story (1 1/2 or 2 story) residence shall be less than 1000 square feet for the 1st floor, excluding garage, basement, patio or porch. Note: When computing the required square footage of ground floor, space for masonry, the doors and windows are excluded and the vertical space is from the exterior finish grade to the top of the top plate of the first floor.

8.1.3 No residence shall be constructed with less

than 70% of its exterior composed of brick.

8.1.4 No residence shall be roofed with any shingle having less than 240 pounds per square of such shingling material.

8.1.5 All lake lot residences shall be restricted to one story construction.

8.1.6 No living unit shall be constructed on any lot on the Property unless it has an attached garage with a capacity sufficient for at least two cars.

8.1.7 No building shall be located on any lot nearer to the front property line than the Building Limit Line as shown on the recorded plat.

8.1.8 No part of any one story residence building structure shall be erected nearer than 5 feet to the side property line and no part of any 1 1/2 or 2 story residence building structure shall be erected nearer than 8 feet to the side property line on one side, and not nearer than 5 feet on the opposite side.

8.2 Prohibition of Alteration and Improvement.

No building, wall, obstruction, balcony, patio, carport, carport cover, improvement or structure of any kind shall be commenced, erected, or maintained on the Property, nor shall any alteration or improvement of any kind be made thereto until the same has been approved in writing by the Board.

8.3 Landscaping.

Landscaping shall be required on all lots with completion of construction. Planting beds in front yards shall represent approximately twenty percent (20%) of the ground footage of the home. All existing trees shall be preserved to the extent practical. At least one tree of 4" caliber (existing or to be planted) will be in the area of the building line and the street right of way. All landscaping will permit reasonable access to utility lines and easements. At the time of completion of construction, the complete lawn will be sodded.

8.4 Fencing.

Fencing of each individual lot is optional. All fencing will be pre-approved by the Board of Managers and in accordance with Oklahoma City codes. No chain link fencing will be permitted. Note: Lake lots fencing will consist of wrought iron or the equivalent, as determined by the Board of Managers, and will not restrict sight of abutting lots and lake view.

ARTICLE 9

GENERAL PROVISIONS

9.1 Enforcement.

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

9.2 Invalidity of Any Provision.

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

9.3 Amendments.

9.3.1 Except as provided in 9.3.2, below, to the extent consistent with 60 O.S. §851, et seq., as same is now or may hereafter be amended, an amendment of the covenants and restrictions herein may be enacted by the vote or written assent of a majority of the lot owners; provided, however, that the percentage of the voting power necessary to amend a specific clause or provision shall not be less than the prescribed percentage of affirmative votes required for an action to be taken under that clause.

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

9.3.2.1 Voting Rights;

9.3.2.2 Assessments, assessment liens or subordination of assessment liens;

9.3.2.3 Reserves for maintenance, repair and replacement of common areas;

9.3.2.4 Responsibility for maintenance and

repairs;

9.3.2.5 Reallocation of interests in the general or limited common areas or rights to their use;

9.3.2.6 Boundaries of any lot;

9.3.2.7 Convertibility of lots into common areas or vice versa;

9.3.2.8 Expansion or contraction of the project or the addition, annexation or withdrawal to or from the project;

9.3.2.9 Insurance or fidelity bonds;

9.3.2.10 Lease of lots;

9.3.2.11 Imposition of any restrictions on a lot owner's right to sell or transfer his or her lot;

9.3.2.12 A decision by the Owner's Association to establish self management when professional management had been required previously by an eligible mortgage holder;

9.3.2.13 Restoration or repair of the project (after a hazard damage or partial condemnation) in a manner other than that specified in the documents;

9.3.2.14 Any action to terminate the legal status of the project after substantial destruction or condemnation occurs; or

9.3.2.15 Any provisions that expressly benefit mortgage holders, insurers or guarantors.

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

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

9.3.5 With respect to any amendment other than one provided for in Section 9.3.2, above, any mortgage holder entitled to notice pursuant to Section 9.5.2, below, who fails to submit a response to any notice of any proposal for any such amendment within thirty (30) days after the notice of the proposal is received shall be deemed to have impliedly approved the proposed

action.

9.4 Encroachments.

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

9.5 Mortgage Protection Clause.

9.5.1 Rights of First Mortgagees.

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

9.5.2 Notice to Lenders.

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

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

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

9.5.2.3 Notice of any damage or destruction to any

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

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

9.5.3. Mortgage Priority; Right to Inspect Records.

Notwithstanding any language contained in this document to the contrary, no lot owner and no other party shall have priority over any rights of institutional lenders pursuant to their mortgages in the case of a distribution to lot owners of insurance proceeds or condemnation awards for losses to or taking any portion or element of the common areas. Institutional lenders shall have the right to examine the books and records of the Owners' Association.

9.6 Insurance; Damage or Destruction.

9.6.1 Reconstruction by Lot Owners.

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

9.6.2 Association Liability Insurance.

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

9.6.3 Additional Owners' Association Insurance.

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

9.6.4 Insurance Premiums.

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

9.6.5 Proceeds from Insurance.

If any of the project improvements are damaged by fire or other casualty, insurance proceeds payable to the lot owner shall be used to rebuild or repair such damage substantially in accordance with the original plans and specifications therefor. Custom-built items added by owners to their units shall be rebuilt or replaced at the expense of the owners or their insurers. In the event the proceeds of the owner's insurance policy is insufficient to rebuild or repair the improvements the owner shall be responsible to defray the cost of the difference.

9.6.6 Waiver of Subrogation; Notice of Cancellation.

All property and liability insurance carried by the Owners' Association or the owners shall contain provisions whereby the insurer waives rights of subrogation as to the Owners' Association, officers and directors and any owner, their guests, agents and employees. All insurance carried by the Owners' Association shall contain a provision requiring the insurer to notify institutional lenders requesting such notice at least ten (10) days in advance of the effective date of any reduction in or cancellation of the policy.

9.7 Condemnation.

In the event of any taking of a lot in the project by eminent domain, the owner of such lot shall be entitled to receive the award for such taking and, after acceptance thereof, he and his mortgagee shall be divested of all interest in the project. The

remaining portion of the project shall be resurveyed, if necessary, and these Covenants, Restrictions and Reciprocal Easements shall be amended to reflect such taking and to readjust proportionately the percentages of undivided interest of the remaining owners in the project. In the event of a taking by eminent domain of more than one lot at the same time, the Owners' Association shall participate in the negotiations and shall propose the method of division of the proceeds of condemnation where lots are not valued separately by the condemning authority or by the court. The Owners' Association should give careful consideration to the allocation of percentage interests in the common areas in determining how to divide lump sum proceeds of condemnation. In the event any owner disagrees with the proposed allocation, he may have the matter submitted to arbitration under the rules of the American Arbitration Association.

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

9.9 Owners' Compliance.

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

9.11 Conflicts of Project Documents.

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

9.12 Service of Process.

The name of the person to receive service of process together with the residence or place of business of such person in Oklahoma County is William J. Robinson, 801 Colcord Building, 15 North Robinson Oklahoma City, Oklahoma 73102-5408, or such other person as the Board may designate by an amendment hereto filed

solely for that purpose.

ARTICLE 10

DEFAULT ON AND FORECLOSURE OF AUTHORIZED OR OTHER LIENS ON LOTS

10.1 Notice to Board.

Upon the happening of a default under the terms of an authorized first mortgage which would permit the holder to declare the entire principal sum due, notice of the intention of the holder to do so shall be given to the Board but the failure to give such notice shall not prevent the holder from instituting a foreclosure action and joining the said Board or the Owners' Association as party defendant therein.

10.2 Board Rights.

The Board shall have the following rights, powers and privileges with respect to authorized first mortgages in default:

10.2.1 By and with the consent of the holder thereof, to remedy the defaults existing under the terms of the mortgage and to put the same in good standing. In the event the Board shall make the advances necessary to remedy the defaults, the Board and Owners' Association shall be deemed to hold a junior participation interest in the obligation and mortgage for the sum of principal together with interest, costs, disbursements, association fees, insurance, taxes or other charges so advanced with the right to foreclosure of such junior participating interest against the defaulting lot owner for the benefit of the remaining lot owners. The holder of the mortgage shall in no event be required or have the obligation to collect the junior interest so created.

10.2.2 To acquire by assignment either before or after institution of a foreclosure action from the holder thereof said mortgage in the name of the Board or in the name of their designated nominee with all the powers and rights of the holder against the defaulting lot owner including the right to foreclosure of the same for the benefit of the remaining lot owners.

10.2.3 To accept from the defaulting lot owner a deed transferring the lot and its common interest and by and with the consent of the holder of the mortgage to remedy the defaults existing under the terms thereof for the benefit of the Owners' Association.

10.2.4 To continue any pending action or to institute an action to foreclose any mortgage taken by assignment under subdivision 10.2.1 hereof or to take a deed in lieu of foreclosure of the mortgage. In no event shall a lot owner be relieved from

liability already incurred for past due common expenses and charges nor be relieved from personal liability on the bond, note or other obligation by reason of any conveyance made under subdivision 10.2.3 hereof under this subdivision.

10.3 Parties Defendant.

The Owners' Association or its duly authorized agent shall be entitled to bid at any sale, whether the action be in its name or whether they be a defendant therein, and to purchase any lot at such sale for such amount as shall be approved by a majority of the Board of Managers as such agent, taking into consideration the amount due the plaintiff, the costs and disbursements and all other charges affecting the lot. The Owners' Association or its agent shall not, however, be limited in its bidding to such amount or total buy and may bid any higher sum it finds necessary in order to protect the interests of the other lot owners.

10.4 Terms of Sale.

In all actions or proceedings, other than the foreclosure of an authorized first mortgage, resulting in a sale, mortgage, letting or leasing of a lot and its common interest, one of the provisions of the terms of sale, mortgage, letting or lease shall be the obtaining of the approval of the Board.

10.5 Freedom to Encumber.

Nothing herein shall be construed to restrict the unit owner's right to encumber his interest in the property or to require the use of a specific lending institution.

ARTICLE 11

INCONSISTENCIES WITH PLAT

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

ARTICLE 12

LAKE RECIPROCITY

Except as hereinafter otherwise provided the undersigned desire to establish and create for the benefit of the Property described on Exhibit "A" (a) certain rights of use, ingress and egress in, over and upon the walks around the lake a portion of

which is Common Lot "A" of the Plat herein, and the right to maintain and repair the same and (b) certain rights to use, maintain, repair and replace utility and drainage facilities, as provided hereinbelow. In connection with the foregoing, the parties hereto state as follows:

1. The undersigned do hereby acknowledge the following easements, licenses, rights and privileges in connection with the area abutting the lake and Common Lot "A":

1.1 Pedestrian Easements. Nonexclusive easements for the purpose of pedestrian traffic around the lake and Common Lot "A".

1.2 Access Easements. Nonexclusive easements to and from the lake and Common Lot "A".

1.3 Recreational Use Easements. Nonexclusive easements for the purpose of using and enjoying recreational areas or facilities, subject to such rules, regulations, restrictions and exclusions prescribed by the project documents herein created by Developer or The Homeowner's Association which operate and apply uniformly to all owners.

2. Unimpeded Access.

The owners agree to do nothing to prohibit or discourage the free and uninterrupted flow of pedestrian traffic throughout the total site in the areas designated for such purpose; provided that each owner will have the right to temporarily erect barriers to avoid the possibility of dedicating such areas for public use or creating prescriptive rights therein.

3. Maintenance.

With the exception of Lots 5, 6, 8, 9, 10, 12, 13, and 20, Block 2; Lots 1, 3, and 12, Block 3; Lots 2, 4, and 6, Block 4; Lots 3, 4, and 7, Block 5, the undersigned owners of lots and the subsequent grantees of Bell Corporation, Inc., Southwest Title & Trust Company, Trustee, and Renaissance Homes, L.L.C., and the heirs, successors, assigns and representatives of same shall bear the expense of the lake, including insurance and taxes and maintenance and repair of dams in the proportion that the lot so owned bears to the total of such lots less those excepted and the covenants herein with respect to maintenance, repair, taxes and insurance are modified to this extent only, said covenants being shared equally by all of the owners of lots in the plat with respect to expenses other than those relating to the lake.

Except as hereinabove limited, the repairs and maintenance to be undertaken and performed as part of the common expenses herein provided shall be those deemed by the Board of Managers, its

